

REPORT OF THE FINANCE COMMITTEE  
TOWN OF HOLBROOK, MASSACHUSETTS  
FISCAL YEAR 2024 ANNUAL REPORT  
FISCAL YEAR 2025 PROPOSED BUDGET

General Operating & Enterprise Fund  
Proposed Budgets For Fiscal Year 2025  
July 1, 2024 to June 30, 2025

The Holbrook Finance Committee

Barry Horne, Chair

Michael Sigda, Vice-Chair

Brian McFarland, Clerk

Patrick Duggan

Susan Godwin

Anne LaSalvia

Scott McLellan

Vacant Position 1 (July 15, 2023 → Print)

Vacant Position 2 (July 15, 2023 → Print)

# Table of Contents

<b>Cover Page / Finance Committee Members.....</b>	<b>1</b>
<b>Table of Contents.....</b>	<b>2</b>
<b>Annual Report of the Finance Committee.....</b>	<b>3</b>
<b>Proposed General Fund Expenditures Budget Increase.....</b>	<b>4</b>
<b>Eliminated and New Positions.....</b>	<b>4</b>
<b>Atypically Large Increases in Individual Salaries.....</b>	<b>6</b>
<b>Estimated Excess Levy Capacity.....</b>	<b>7</b>
<b>Sewer Enterprise Fund Concerns.....</b>	<b>9</b>
<b>Solid Waste Enterprise Fund Close Out.....</b>	<b>9</b>
<b>Other Financial Concerns.....</b>	<b>10</b>
<b>Additional Positive News.....</b>	<b>11</b>
<b>Closing Remarks.....</b>	<b>12</b>
<b>Additional Charts / Figures.....</b>	<b>13</b>
<b>FY25 Budget Review Meetings Calendar.....</b>	<b>18</b>

# Annual Report of the Finance Committee

May 23, 2024

Dear Town Meeting Members:

We are pleased to present the Finance Committee's proposed Town of Holbrook General Operating Budget and related Enterprise Fund Budgets for Fiscal Year 2025 (FY25). As always, while preparing and reviewing the upcoming year's budget recommendations, the Finance Committee (FinCom) did their best to balance and help ensure: the distribution of the town's available resources to areas of greatest need; the maintenance of existing services and service levels in all departments; the funding allocations necessary to enact additional services, service enhancements, or new priorities as directed by Holbrook Town Meeting Members at prior annual and special town meetings; the setting aside of funds needed to meet the town's future "Other Postemployment Benefits" (OPEB) liabilities; and the minimization of any potential increased tax burden on Holbrook taxpayers through judicious and reasonable reductions to proposed expenditures.

Fiscal Year 2024 was an unusually difficult and challenging one for both the town and FinCom, due to prolonged experience and leadership vacancies in several crucial town positions. The role of Town Administrator (TA) has either been filled by an interim or vacant since July 2023. The role of Assistant to the Town Administrator, which was transformed into the role of Assistant Town Administrator by the Select Board during the fiscal year, was vacant during the months of February and March of 2024. The role of Town Accountant has been filled by interims or vacant since January 19<sup>th</sup> of January 2024, and the role of Public Works Superintendent has also been officially vacant since January 2024. The reasons for these vacancies ranged from a contract termination, to a mutual parting of ways, to voluntary resignations to pursue other job opportunities. The end result, however, was a virtually concurrent turnover in four positions that are absolutely crucial to the proper functioning of the town's government, its financial health, and its ability to provide proper services.

Despite the superb and sometimes herculean efforts of Interim Town Administrator Peter Morin during his months with the town, the on-going contributions of the town's interim accounting firm, the Public Works managerial coverage that continues to be provided by its supervisory staff, the strong work that is already being done by the town's new Assistant Town Administrator Anne Mahoney, and the willingness to pitch-in and help of Treasurer Tiffany Sheehan and many others in Town Hall, these prolonged vacancies greatly impacted both the long-term and day-to-day functioning of the town, as well as the ability of FinCom to get timely and accurate financial information when needed. While FinCom recognizes both the importance and difficulty of finding the right candidates to fill key open positions, and we are aware that the town has recently agreed to a contract with a new Town Administrator whose term will begin in July 2024, we must never-the-less urge the Select Board to finish filling the remaining open positions as quickly as prudently possible, and to do whatever they can to try to ensure that this many high-level vacancies are not concurrently open for prolonged periods of time again in the future.

Fortunately, due to the far above and beyond normal efforts that were put in by some of the aforementioned people, members of FinCom, and various other department heads and staff members of the town, as well as the town's recent history of fiscally prudent decisions, FinCom and the Office of the Town Accountant are once again able to present the Annual Town Meeting with a balanced and recommended budget.

# Annual Report of the Finance Committee

## Proposed FY25 General Fund Expenditures (GF) Budget Increase

In addition to judicious budgeting by the town's department heads, as well as the expense control and reduction efforts of the interim Town Administrator and the Select Board, the FinCom Annual Budget Review process further reduced the town's requested FY25 GF Budget by almost \$375,000 – which translates into over a third of a million dollars in savings for Holbrook and its taxpayers.

The final (fully amended) GF Budget total for FY24 was \$49,451,156.17 (Additional Charts, Figure 6). FinCom's recommended GF Budget total for FY25 is \$52,796,339.00 (Additional Charts, Figure 7). This represents a proposed increase of \$3,345,182.83, which works out to 6.76% overall (Additional Charts, Figures 8 & 9). However, approximately \$761,623 (around 23 percent) of that proposed increase is being requested by the mostly self-funded Holbrook Regional Emergency Communications Center (HRECC), all of which is projected to be more than off-set by additional HRECC FY25 revenues (Additional Charts, Figures 5, 10, & 11). In addition, there were also three other major drivers of the proposed increase: Health Insurance Benefits, Holbrook Public Schools Transportation, and a FinCom proposed increase in transfers from the town's General Fund to the town's Capital Operating Expense and OPEB accounts (which represents the beginning of a multi-year attempt to proactively fund those growing needs). Together, the proposed increases from those three drivers alone total approximately \$1,800,891.00. When that number, plus the off-setting increase from the HRECC, is removed from the total, the remaining proposed increase in the GF Budget for FY25 is reduced to \$782,668.83, which works out to 1.58% overall – well within normal limits and the spirit behind MA's Proposition 2.5 (Additional Charts, Figures 10 & 11). Given that US inflation over the prior 12 months ending in April of 2024 was 3.4%<sup>1</sup>, this once again represents a remarkably low proposed increase to the remainder of the town's GF Budget.

[<sup>1</sup> Per the website "US Inflation Calculator" on May 20, 2024. [www.usinflationcalculator.com/inflation/current-inflation-rates/](http://www.usinflationcalculator.com/inflation/current-inflation-rates/)]

[Please also note that the recommended proposed percentage increase in the GF Budget does not equate to an equivalent proposed percentage increase in the town's property tax levy or residential tax rate. Several other things factor into the calculations for those numbers (Additional Charts, Figures 2, 3, 4, & 5), including: additional revenue raised from new growth; changes in property assessments; state or federal aid; other revenues received; excluded debt costs; annual decisions by the Select Board regarding the division of the total levy amount between the residential, commercial, and industrial tax rates; and many more. In addition, FinCom does not set, vote on, or recommend revenues, the property tax levy, or the categorical tax rates. FinCom only reviews and recommends the GF Expense Budget based upon the GF projected revenues that are provided to it by the Office of the Town Accountant, and that budget is just one contributing factor to the tax calculations and decisions made by the Select Board and others.]

## Eliminated and New Positions

The Holbrook Select Board, acting in their dual role as the Personnel Board, has eliminated three existing positions in the proposed FY25 budget: Human Resources Director, Human Resources Payroll, and Facilities Director (a pilot program position that was included in the FY24 budget). The role of the HR Director is being incorporated into the roles of the Town Administrator and Assistant Town Administrator, the Human Resources Payroll position is being handled by other staff, and the Select Board decided not to continue with the Facilities Director pilot program.

# Annual Report of the Finance Committee

The Holbrook Select Board, acting in their dual role as the Personnel Board, has approved and requested funding for three new positions in the proposed FY25 budget: Deputy Fire Chief, Council on Aging (COA) Director, and Health Coordinator. The Deputy Fire Chief position was requested by Fire Chief McFadden, the COA Director position was requested by the Select Board, and the Health Coordinator position was requested by Board of Health Chair Pinkhover.

The net change to the proposed FY25 budget, strictly from adding and eliminating those six positions in this budget year, is a resulting increase of \$32,447.00 in salary expenses. However, it needs to be noted that the actual year-to-year increase for a full year would be higher because: the proposed salaries for the Deputy Fire Chief and COA Director were reduced / pro-rated by FinCom this year based upon what FinCom believes will be their projected hiring dates, and the roles of Town Administrator and Assistant Town Administrator are both receiving atypical raises this year that may be at least partially related to their taking on the additional responsibilities of the eliminated Human Resources Director.

So that Holbrook's Town Meeting Members can better understand some of the details of the new positions and their requested funding amounts before voting to approve or amend this year's FinCom recommended budget, as well as FinCom's positions on the additions, we are presenting the additional information below.

## New Position: Deputy Fire Chief

- The position has a proposed annual salary of \$150,000, which is reduced to \$75,000 in the FY25 FinCom recommended budget because it would not be filled until six months into the fiscal year.
- Some members of FinCom questioned the necessity of the position at this time and whether adding it could be postponed.
- Some members of FinCom argued that the position appears essential for the fire department's continued operations, safety, and future. They also felt that it would: guard against having a single point of failure at the top of the fire department's leadership structure, provide for a smoother transition between Fire Chiefs in the future, and decrease the perceived excessive workload on the current Fire Chief.
- Other members suggested exploring alternatives, such as reassigning some of the Fire Chief's administrative duties and responsibilities to the positions of Captain that were recently created in the fire department.
- Current Fire Chief McFadden argued that: it would likely require a contract re-negotiation or amendment to ask the Captains to permanently take on administrative duties; administrative duties and line firefighter duties are very different; the Captains do not have the time to take on additional administrative duties anyway; and the new position is necessary for the future of the department.
- The Select Board supports the addition of this position.

## Key Points: Deputy Fire Chief

- Salary: \$150,000 annually, reduced to \$75,000 in the FY25 budget due to delayed start.
- Needed now or can it wait? (The town's FY25 budget contains a large overall expense increase.)
- Are there alternatives or other options? Could existing responsibilities be reassigned?
- Would potentially provide a succession plan for the role of Fire Chief.

# Annual Report of the Finance Committee

## New Position: COA Director

- The position would have a proposed annual salary of \$75,000, which has been reduced to \$62,500 in the FY25 FinCom recommended budget because FinCom did not believe that it could be filled until at least two months into the fiscal year.
- The Select Board proposed adding the position to oversee the Council on Aging (COA) and help ensure the continued effective delivery of services to seniors. The role would be designed to bring additional needed professional credentials to the COA, open additional grant opportunities for the COA, incorporate grant writing as a job requirement, and bring-in additional skills needed for leasing/purchasing additional COA space.
- Members of the Council on Aging (COA) expressed concern about the process of proposing this position, feeling that they were not adequately consulted or involved in the decision.
- Members of FinCom expressed concerns that creating this position without buy-in from the COA department and the COA board may be premature, and that waiting for the permanent Town Administrator to be on board could possibly help to bridge the gap between the Select Board and the COA.
- The Select Board supports the addition of this position.

## Key Points: COA Director

- Salary: \$75,000 annually, reduced to \$62,500 for FY25 due to projected delayed start.
- Proposed directly by the Select Board itself.
- Potential beneficial impact on COA services and grants.
- Concerns about the proposal process from COA members, FinCom members, and other members of the public included questions about transparency, inclusivity, and stakeholder input.

## New Position: Health Coordinator

- Salary: \$48,000 annually.
- Current Board of Health Chair Pinkhover requested the creation of this position to take on some of the administrative and day-to-day duties currently being performed by the Health Inspector. This would then free up the Health Inspector (retitled as a Health Director) to perform higher level functions, write and apply for grants, and spend more time developing strategies to improve health-related services and initiatives.
- The Select Board supports the addition of this position.

## Key Points: Health Coordinator

- Salary: \$48,000 annually.
- FinCom asked about alternative options (partnering with neighboring towns, hiring part-time help).
- Potential beneficial impact on public health services and grants.
- Requested by the Board of Health.

## **Atypically Large Increases in Individual Salaries**

The Holbrook Select Board, acting in their dual role as the Personnel Board, requested FY25 funding for atypically large increases in the salaries of the Town Administrator, Assistant Town Administrator, and Conservation Agent.

The Chair of the Board of Health, with the support of the Select Board, requested FY25 funding for an atypically large increase in the salary of the Health Inspector, whose position would be transitioning to that of a Health Director if the aforementioned new position of Health Coordinator is funded.

# Annual Report of the Finance Committee

The Council on Aging has requested FY25 funding for atypically large increases in the salaries of the COA Coordinator and the COA Principal Clerk.

The Library Board of Trustees, with the support of FinCom, requested FY25 funding for an atypically large increase in the salary of the Library Director.

The arguments made for the atypically large increases in the salaries of these seven positions were either: that they were necessary to bring the salaries in line with those of neighboring communities and communities of the same size; that they were necessary compensation for increased job functions or hours; that they were needed to attract or retain high quality candidates and employees; or some combination of all these. Hard data on comparable position salaries was only provided to FinCom in the case of the Library Director. The total of the atypically large increases requested for these seven positions is responsible for adding a *combined* \$122,386.73 to the proposed FY25 budget. Both the Select Board and FinCom ultimately supported the inclusion of these atypical increases in the proposed budget.

The Treasurer and Town Clerk have also requested atypically large salary increases in FY25, for essentially the same reasons. The Treasurer provided FinCom with hard data on comparable position salaries. The total of the increases requested for these two positions *combined* would add \$10,950.47 in additional expenses to the FY25 budget (\$9,219.47 Treasurer, \$1,731.00 Town Clerk). However, the salaries for these two positions are set directly by Town Meeting vote, and not by the Select Board or any other board. Consequently, these two increases are *not* currently in the proposed FY25 budget. Their requested increases will instead appear, as usual, as separate warrant articles at the annual town meeting. Additionally, both the Fire Department and the Police Department have recently negotiated new contracts with the town that contain salary increases, which will also be appearing as separate warrant articles. Since these contracts must be approved by Town Meeting as well, their new salary amounts are also *not* in the currently proposed FY25 budget. If town meeting members vote to approve any of these four warrant articles, the resulting net increase will need to be added to the town's FY25 budget and/or tax levy. The Finance Committee has not yet rendered a final decision on whether or not to recommend these increases at the time of the publication of this annual report. FinCom will be voting on whether or not to recommend these increases as part of their dual role as the Warrant Review Committee in the coming weeks. The results of those votes will be provided to the town at the annual town meeting.

## **FY25 Budget Estimated Excess Levy Capacity**

Originally enacted in 1980 (modified multiple times since), Massachusetts Proposition 2½ places constraints upon the amount of property taxes that a community can levy by both: establishing a maximum tax *levy ceiling* equal to 2.5% of the total value of all of taxable properties in the community; and constraining the increase in a community's total allowable tax levy for a given year (the year's *levy limit*) over the prior year's levy limit to a maximum of 2.5%(not including any levy increases that are attributable to new growth, as well as certain specific exclusions) without a special override vote by the community. The difference between a community's Levy Limit and its actual Levy in any given year (the amount by which a community's tax levy is below its levy limit for a given year) is known as that community's "Excess Levy Capacity" ("Excess Capacity") for that year. This number represents the amount of additional tax revenue that *could* have been levied/raised that year (without requiring an override vote by the town), but which was *not* levied/raised that year. <sup>2</sup>

# Annual Report of the Finance Committee

[<sup>2</sup>The entire preceding paragraph is only a partial, unofficial, lay-person summary/understanding of *some* of the components of Massachusetts (MA) Proposition 2½, as outlined in the MA Department of Revenue’s (DOR) Division of Local Services’ (DLS) guide entitled “Levy Limits: A Primer on Proposition 2½” (Rev. 6/07). To read the full primer, or to obtain expert information and/or advice on this topic, please contact the MA/DOR/DLS, and/or visit their website at [www.mass.gov/dls](http://www.mass.gov/dls).]

Each year, the annual proposed budget for Holbrook includes an *estimated and projected* figure for the town’s Excess Levy Capacity for the upcoming fiscal year. This number can then go up or down during the year based upon several factors and is only finalized on the town’s annual tax rate recap (Figure 1 below). Last year, Holbrook’s proposed FY24 Budget Estimated Excess Capacity was \$3,422,169.61. Due to changes that were voted on and approved at the Special Town Meeting held in the Fall of 2023, as well as other factors, that number was ultimately reduced to an actual Excess Capacity of \$3,323,376.23 on the town’s annual tax rate recap.

This year, Holbrook’s proposed FY25 Budget’s Estimated Excess Capacity is \$3,099,408.40 – a slight decrease over both the estimated number that was included in last year’s budget proposal, as well as the actual number that was reported on the town’s most recent annual tax rate recap. FinCom felt that this estimated and projected decrease, if it were to be realized, is justifiable this year due to: the fact that the town’s Excess Levy Capacity grew far more than anticipated between the FY23 and FY24 tax rate recaps; as well as the fact that FinCom’s proposed increases in transfers from the town’s General Fund to the town’s Capital Operating and OPEB accounts this year are greater than the currently projected decrease in excess capacity (making them one of the main drivers of the projected decrease). FinCom believes that those transfers are necessary for the town’s long-term financial health, but also felt that the corresponding projected decrease in excess capacity was not large enough to justify any additional cuts to the town’s operating budget in order to make them happen.

In addition, the remaining estimated and projected Excess Levy Capacity for FY25 is still quite large, and should continue to provide the town with a good deal of financial flexibility if an unforeseen need were to arise. Holbrook’s estimated and projected Excess Levy Capacity of over 3 million dollars for FY25 remains a testament to the commitment of everyone involved in the town’s annual budget process to keeping the town’s tax levy, and subsequent taxpayer burden, as low as possible without compromising the town’s financial future, town services, or service delivery.

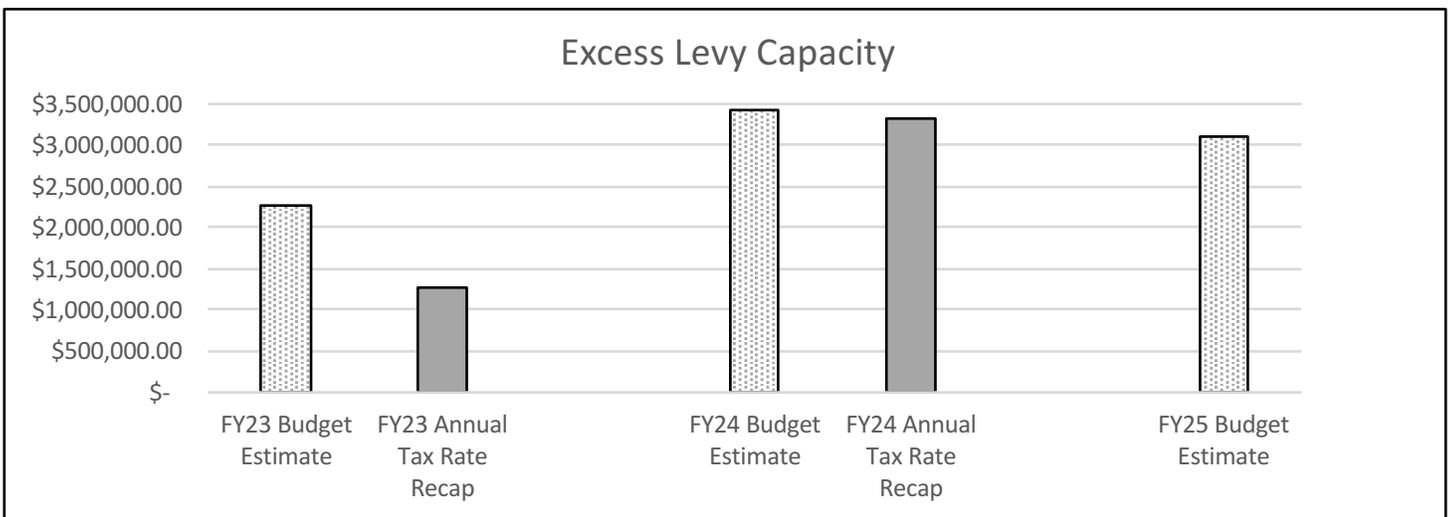


Figure 1

# Annual Report of the Finance Committee

## Sewer Enterprise Fund Concerns

The Holbrook Select Board, acting in accordance and compliance with MA law, determines the user fee schedule for Holbrook's Enterprise Funds.

It is the general opinion and recommendation of FinCom that the town's Enterprise Funds should, whenever possible, be completely self-sufficient and *not* require any subsidization from the town's General Fund and/or General Operating Budget.

Furthermore, when a town intends to subsidize an Enterprise Fund from its General Fund and/or General Operating Budget, it is supposed to indicate this intent *at the time of the budget's adoption at town meeting*.<sup>3</sup>

[<sup>3</sup> Appendix A, Frequently Asked Questions # 3, Page32, "MA DOR, Enterprise Funds Guide, Informational Guideline Release 2022-16". The full guide is available for download at:

<https://dls.gateway.dor.state.ma.us/gateway/DLSPublic/IgrMaintenance/Index/789>]

The town's interim accounting firm has determined that the town's current fee schedule for the Sewer Enterprise Fund is insufficient to cover the fund's operating expenses. They have projected that at its current operational expense versus fee income rate, it will use up its remaining retained earnings and require a subsidy from the General Fund of approximately \$72,363 before the annual tax rate recap can take place this year.

FinCom strongly urges the Select Board to address this issue as soon as possible, and find a way to either reduce the Sewer Enterprise fund's operational expenses, and/or vote to increase the Sewer Enterprise fund's user fees, by an amount that will be sufficient to keep the fund from exhausting its retained earnings and/or requiring a subsidy from the General Fund this year.

## Solid Waste Enterprise Fund Close Out

After multiple years of the town's fee schedule for its Solid Waste Enterprise Fund being insufficient to cover the fund's operating expenses, causing the fund to require unplanned General Fund and General Taxation subsidies in order to remain solvent, in FY24 the Select Board opted to discontinue offering trash services to the town.

As part of that process, the Select Board: successfully negotiated a town-wide pricing structure for all of its residents to be able to independently contract for trash services with Troupe Waste and Recycling (Troupe); ended the town's contract with Capitol Waste Services; signed many of the town's municipal buildings up for trash services from Troupe; informed residents about the process of switching from town provided services to Troupe; allowed for a switch-over period; and ceased collecting Solid Waste user fees from residents for periods beyond the last day of town provided trash services.

# Annual Report of the Finance Committee

The costs associated with the town's new municipal building trash services with Troupe (approximately \$70,000 in FY25) have been moved out of the Solid Waste Enterprise fund and into the town's proposed Operating Budget. The Solid Waste Enterprise fund is no longer accruing user fees or revenue, and all bills related to the fund are believed to have either been paid by now or to have been scheduled for payment in the near future. Consequently, the Solid Waste Enterprise fund does not have any estimated revenue or appropriations listed for it in the FY25 Enterprise Fund budgets that were provided by the town's interim accounting firm. Therefore, it is the opinion of FinCom that the Solid Waste Enterprise fund is no longer needed, and FinCom recommends closing it out and proposing a town meeting vote to dissolve it as soon as possible.

The town's interim accounting firm has determined that the Solid Waste Enterprise fund's remaining revenue collected and any retained earnings left in it will be insufficient to cover the last few bills and obligations that are related to the fund. They projected that a final subsidy to the fund of approximately \$23,337 will be required to zero it out prior to dissolving it and before the annual tax rate recap can take place this year.

FinCom strongly urges the Select Board to address these issues during a special town meeting held in the fall of 2024.

## Other Financial Concerns

Health Insurance Costs: the town's Employee Health Insurance benefit cost *increase* alone (NOT including Medicare Part B) for FY25 was \$1,014,891.00 (a 17.2% increase over FY24). That amount by itself would represent an increase of 2.05% in the *total* operating budget expenses of the town versus FY24. That is not sustainable, and FinCom is greatly concerned about such a large increase in a relatively huge (approximately 13% of the total expense budget) non-discretionary expense item that the town meeting members have little control over. FinCom strongly urges the Select Board to determine the reason for this large increase in the FY25 budget, and to take whatever steps are appropriate and necessary to respond to the threat that this may represent to the town's financial future.

Per/Poly -fluoroalkyl Substances (PFAS): further reductions in the parts per trillion (ppt) amount of PFAS chemicals that the federal government deems safe for public water supplies have continued to exacerbate many Holbrook residents' concerns regarding the safety of the town's water, as well as their desire to see these chemicals eliminated from our water supply as soon as possible. The Select Board continues to make great strides and progress in this area without compromising the town's long-term financial health or placing an inordinate financial burden on the town's taxpayers. Despite the end of a grant that was previously paying for the costs, the Select Board has decided to continue to pay for the cost of providing "Blue Drop" PFAS free water services to the town by incorporating those charges into the town's Water Enterprise Fund's annual operating expenses. In addition, while the town awaits the multi-year construction of a new water pumping station that will eventually eliminate all detectable levels of PFAS from the town's water supply, the Select Board reported to FinCom that they successfully negotiated a deal with CycloPure (approved by the state) to make Holbrook part of a pilot program (covering much of the period until construction of the new plant is complete) for a method of greatly lowering the PFAS levels in the water that is coming out of the town's existing water plant – at a fraction of the cost that a similar (but less effective) solution was expected to cost.

# Annual Report of the Finance Committee

**New Water Plant:** The construction of the new Tri-Town water plant for the benefit of the residents of Holbrook, Randolph, and Braintree is in progress. Holbrook should continue to ensure that it will either have, or be able to obtain, the funds necessary to pay the town's anticipated share of this project, as well as a reasonable amount of unforeseen/unanticipated costs that may occur.

**HRECC Continued Growth:** the wildly successful and almost entirely self-funded HRECC continues to expand, while still providing many valuable services and benefits directly to the town and its residents. As the center has now begun to outgrow its current location, Holbrook will need to research and determine the town's fiscal options, preferences, and best course of action with regards to the center's future.

**Long Term Capital Planning:** it is the opinion of FinCom that the Capital Planning Committee has not met frequently enough in FY24. While we hesitate to tell another town committee how they should operate, to date we have not yet received a proposed Capital Plan for the upcoming FY24 town meetings and the FY25 budget year. Due to Town Meeting Warrant print deadlines, we therefore had to review and recommend the town's proposed FY25 budget without being able to accurately incorporate the town's upcoming capital needs. Consequently, in the interests of the long-term financial health of the town, in FY25 we urge the Capital Planning Committee to meet far more frequently than they did in FY24, and to work towards proposing a long-term multi-year plan to address the town's capital needs.

**Long Term Certified Free Cash Guidelines:** FinCom continues to review and update its own internal certified free cash usage guidelines and recommendations. We hope to complete this process and share our updated guidelines and recommendations soon.

**Long Term and Orderly Growth Plan:** as the town's public school system continues to approach full capacity (barring an expansion of the relatively new buildings), it is now more important than ever to develop a long term and orderly growth plan for its future. Decisions on town zoning laws, new construction approvals, town forest preservation plans, and open space or town recreation plans, all come with potentially large financial impacts (both positive and negative) that should not continue to be considered individually, but rather in the light of a town meeting and/or resident approved overall plan and vision for the town's future.

## **Additional Positive News**

The town continues to make annual contributions to its underfunded "Other Postemployment Benefits" (OPEB) liabilities, and it has maintained a bond rating that factors into the town's ongoing ability to obtain favorable borrowing rates.

Despite this year's administrative difficulties and the current financial climate (as the economy continues to recover from the pandemic and recent periods of high inflation), this year's proposed budget contains no involuntary staffing cuts, and continues to fund each department at levels that will either maintain, or in some cases improve, their services and service delivery.

# Annual Report of the Finance Committee

## Closing Remarks

State law, regulators, town by-laws, and fiscal prudence require FinCom and the Office of the Town Accountant to provide Town Meeting with a recommended and balanced budget proposal to vote on. FinCom continues to interpret this to mean that in addition to being balanced in the short-term, each year's proposed annual budget submission should also be based upon sound and supportable financial practices that will ensure the long-term fiscal health of our community. We believe that this year's proposed budget once again fits within such a framework.

FinCom is realistic about the continued administrative and financial challenges facing Holbrook, and appreciative of the amount of work and dedication that will be required by everyone in order to meet these challenges in the years ahead. However, we also remain steadfastly optimistic that Holbrook's best days (both financial and otherwise) still lie ahead of us.

Respectfully,  
On Behalf of the Holbrook Finance Committee,

Barry K. Horne Jr, PhD  
Chair

Michael Sigda  
Vice-Chair

Brian McFarland  
Clerk

**FY24 Actual Overall Revenue of \$49,451,156.17 By Source**

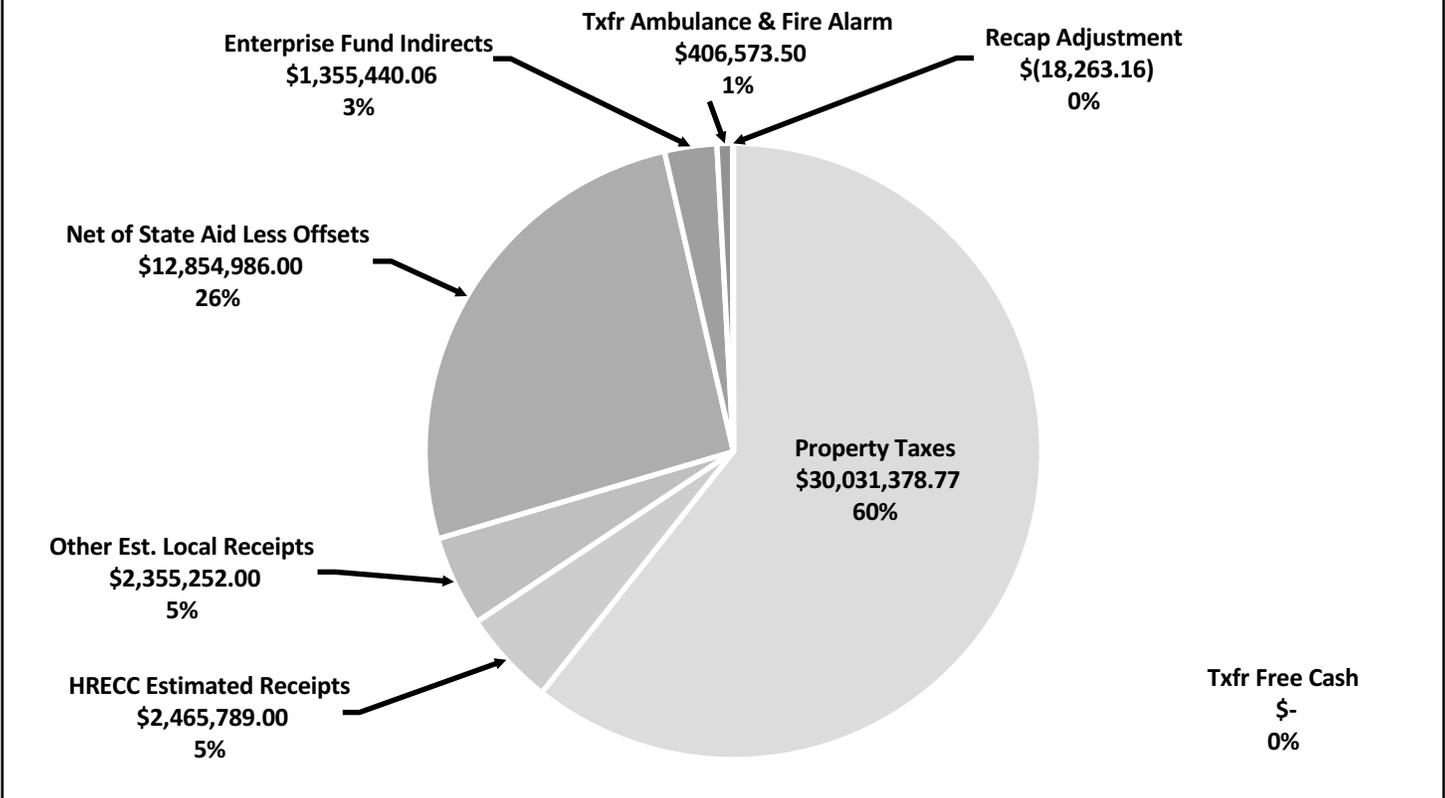


Figure 2

**FY25 Projected Overall Revenue of \$52,796,339.00 By Source**

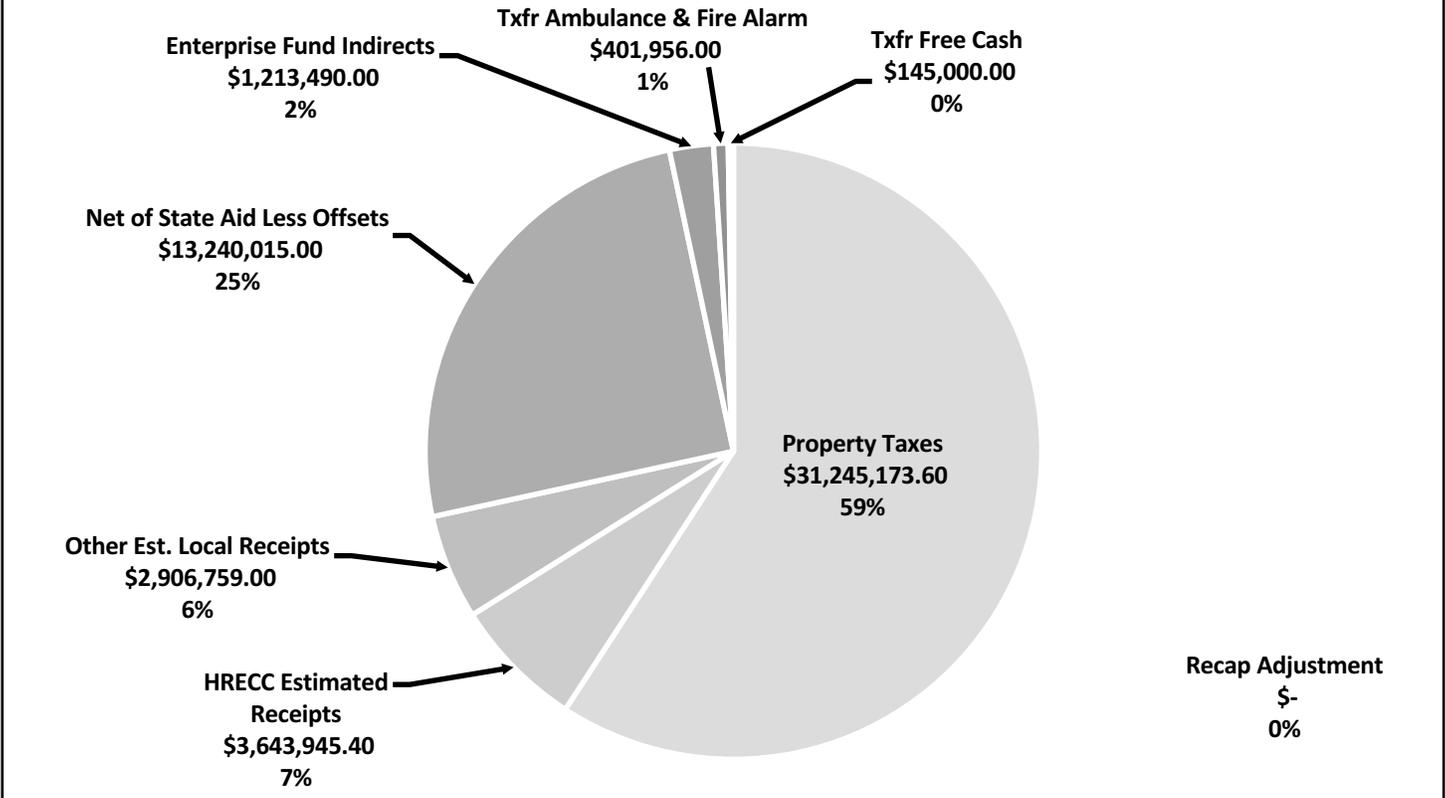


Figure 3

**FY25 Projected Total Revenue of \$52,796,339.00 By Type**

Projected Increase in Revenue of 6.76%  
 \$3,345,182.83  
 6%

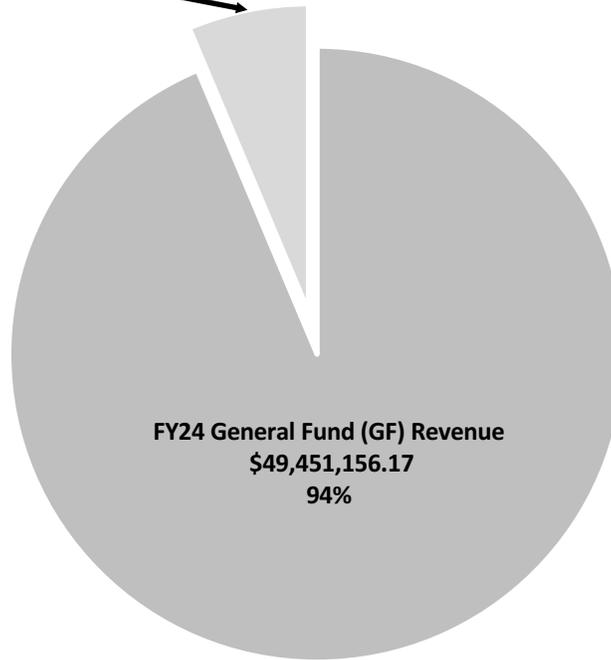


Figure 4

**FY25 Projected Revenue Increase of \$3,345,182.83 (6.76%) By Source**

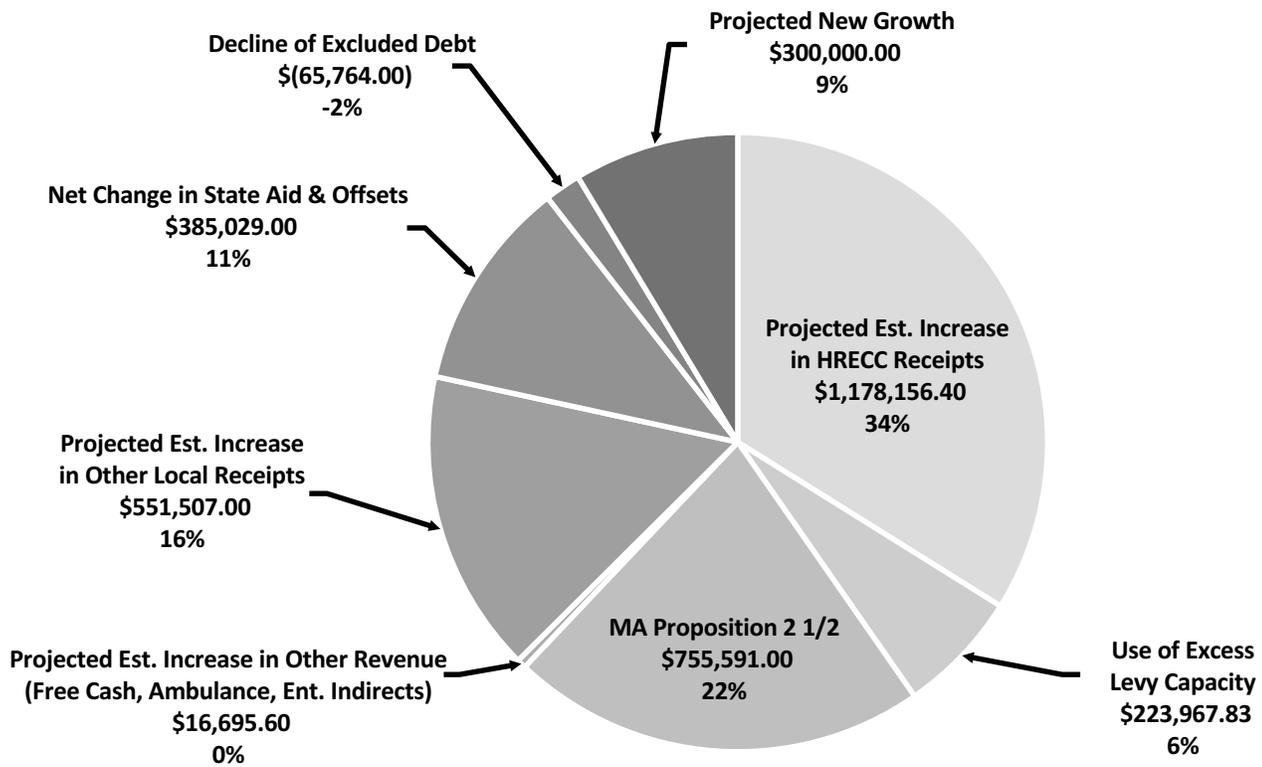


Figure 5

**FY24 Actual Overall Expenses of \$49,451,156.17 By Source**

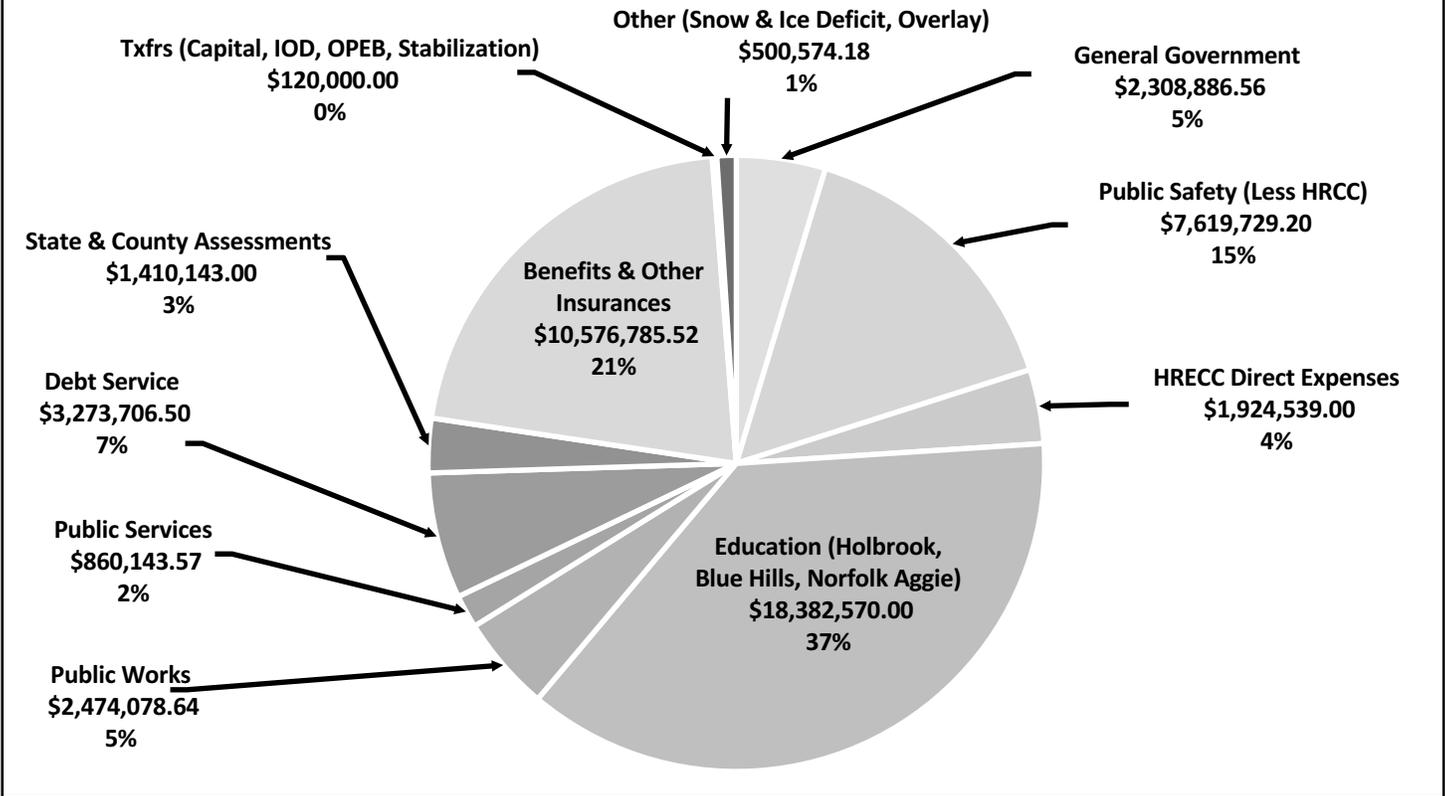


Figure 6

**FY25 Projected Overall Expenses of \$52,796,339.00 By Source**

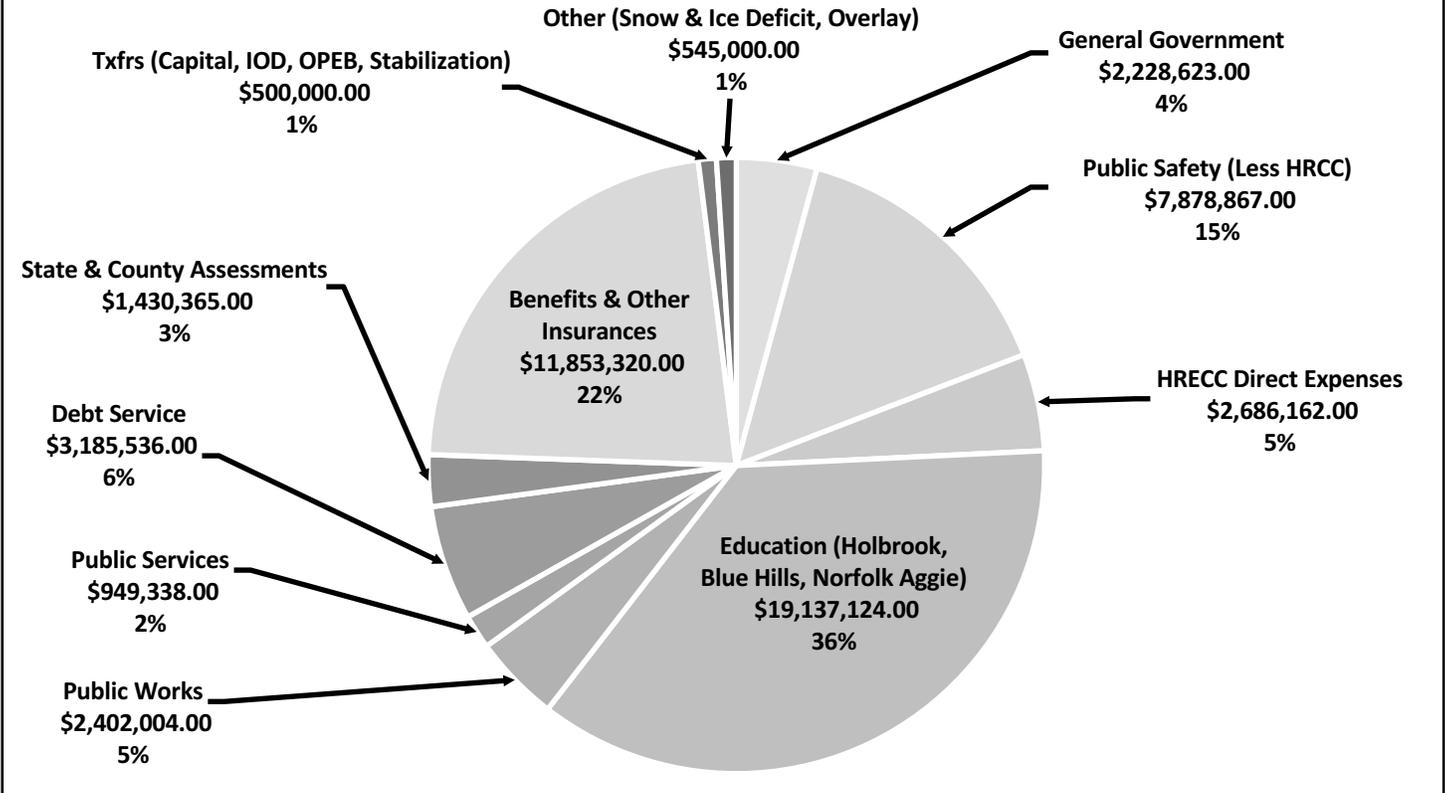


Figure 7

**FY25 Projected Total Expenses of \$52,796,339.00 By Type**

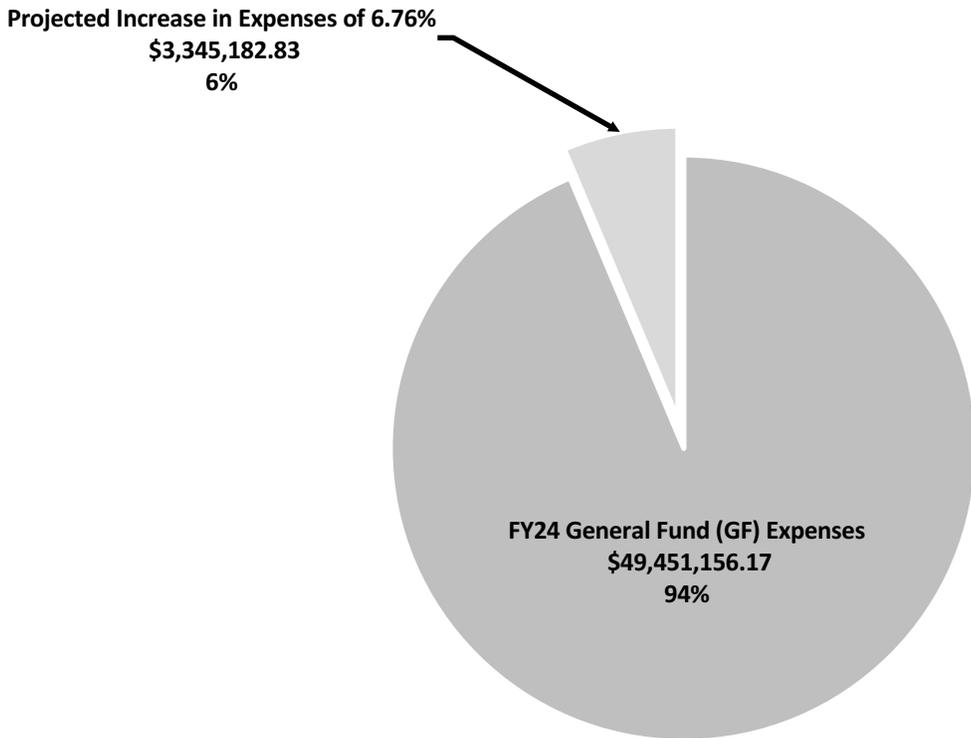


Figure 8

**FY25 Projected Expense Increase of \$3,345,182.83 (6.76%) By Source**

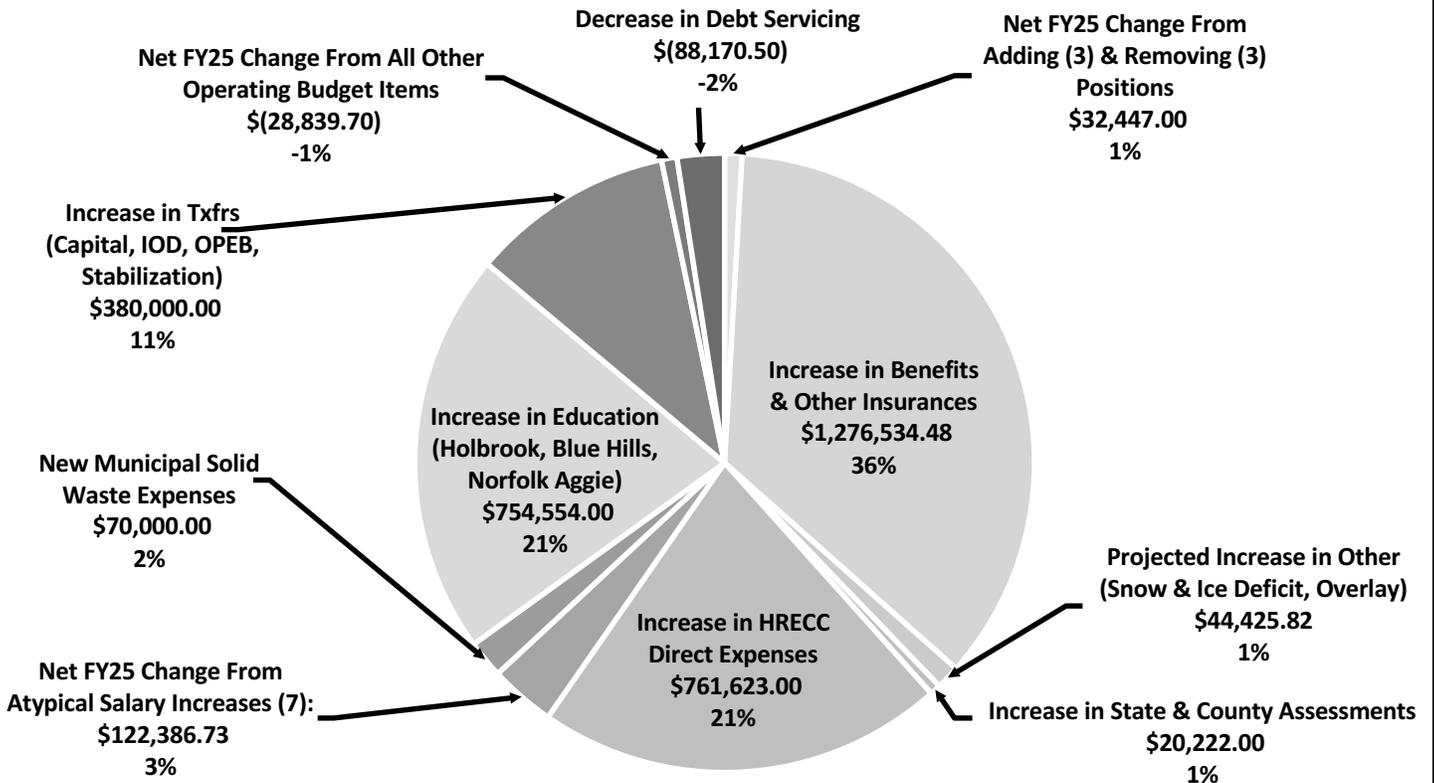


Figure 9

**FY25 Projected Expense Increase of \$3,345,182.83 By Major Drivers**

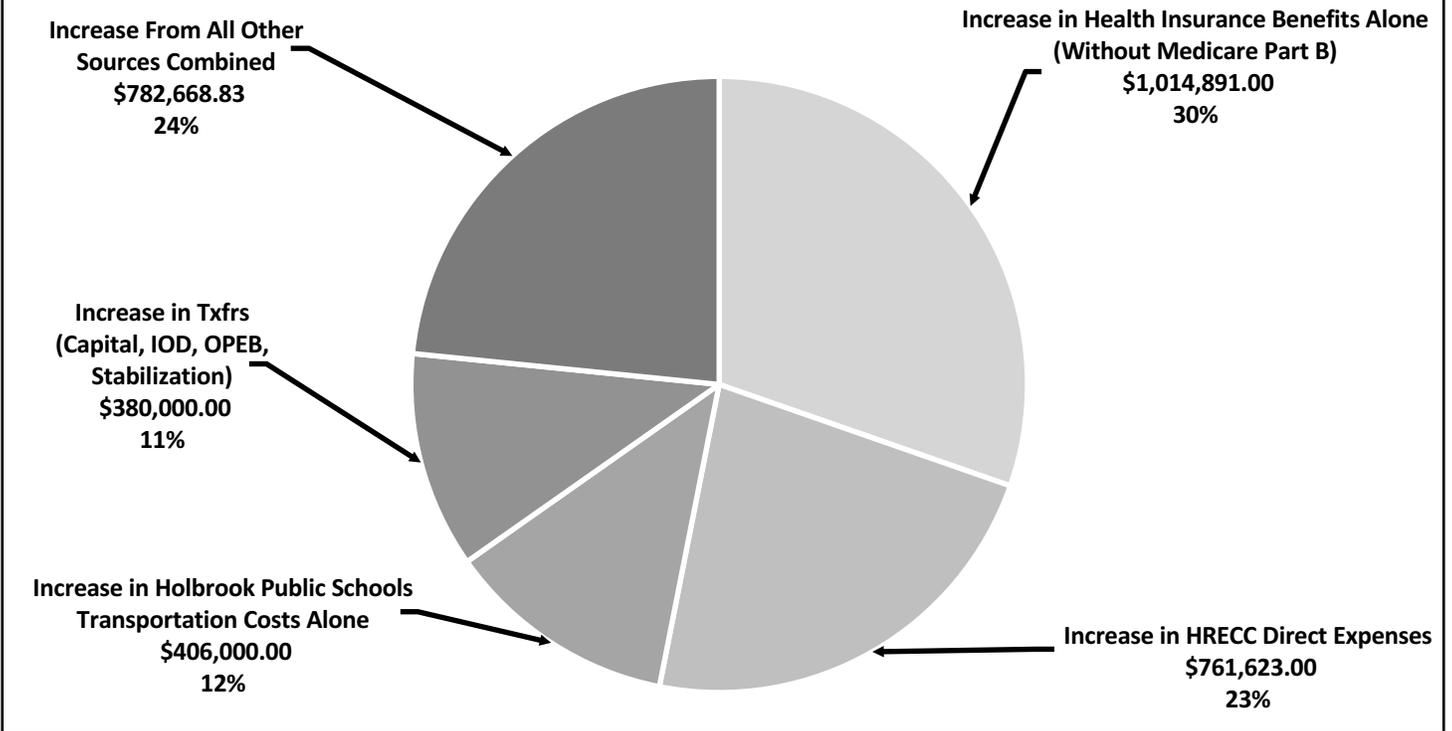


Figure 10

**FY25 Projected Expense Increase of 6.76% By Major Drivers**

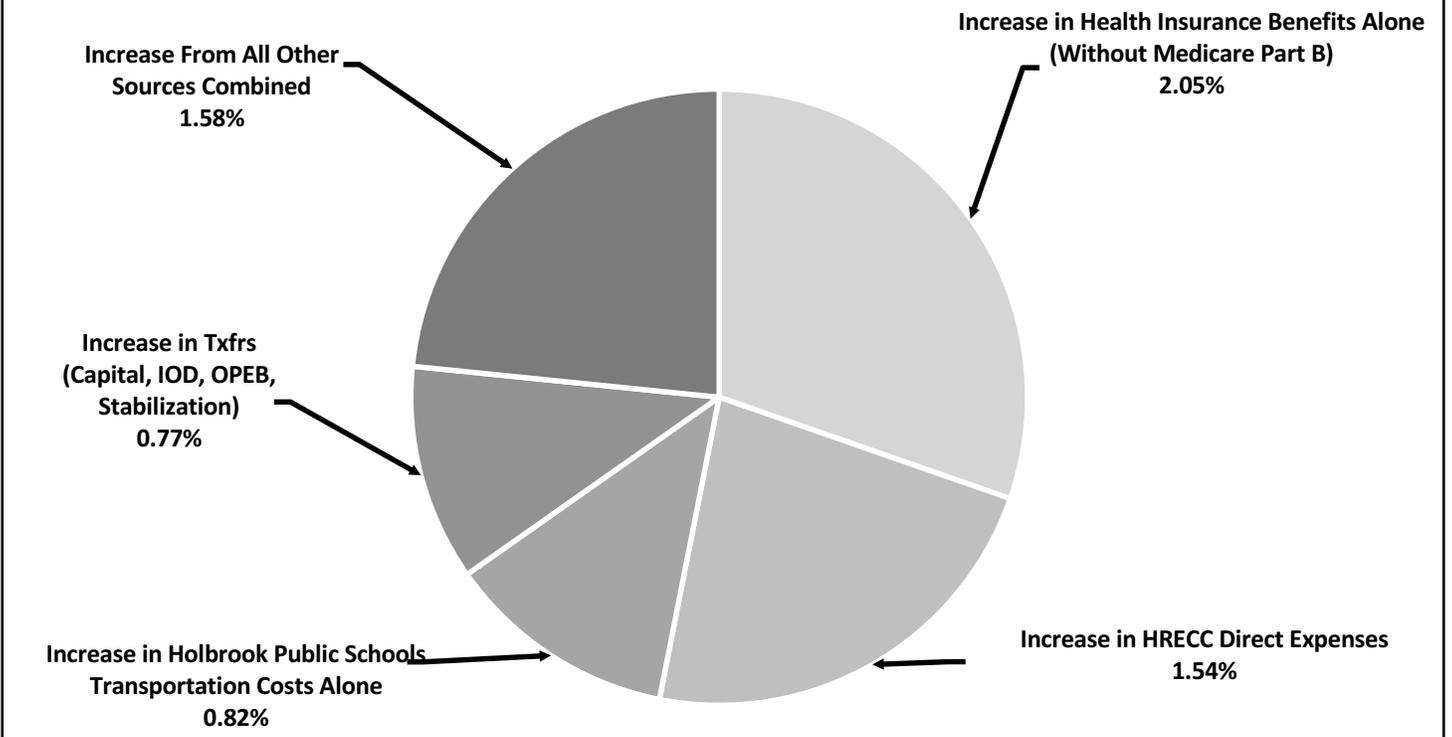


Figure 11

## Holbrook Finance Committee Calendar for FY25 Budget Review Meetings

Holbrook Finance Committee – FY25 Budget Review Meetings	
Thurs, January 04, 2024	<b>No Meeting Scheduled</b> (Return From Holidays)
Thurs, January 11, 2024	<b>Financial:</b> Finance Committee (No Town Officials or Employees Attended This Meeting)
Thurs, January 18, 2024	<b>Meeting Cancelled</b> (Town Accountant Resigned as of 1-19-24; Town Not Ready to Continue Presentations)
Thurs, January 25, 2024	<b>Financial:</b> Treasurer/Collector <b>Services:</b> Council on Aging, Forrest, Veteran's, Historical Commission
Thurs, February 01, 2024	<b>Education:</b> Holbrook Public Schools
Thurs, February 08, 2024	<b>Meeting Cancelled</b> (Town Not Ready to Continue Presentations)
Thurs, February 15, 2024	<b>Public Safety:</b> Police (Animal Control), Emergency Management
Thurs, February 22, 2024	<b>No Meeting Scheduled</b> (Holbrook Schools Winter Break)
Thurs, February 29, 2024	<b>Meeting Cancelled</b> (Conflict with Town Birthday Event; Town Not Ready to Continue Presentations)
Thurs, March 07, 2024	<b>Financial:</b> Assessors, Town Accountant, Debt, Benefits, All Insurance <b>Services:</b> Library, Inspectional Services, Board of Health, Town Clerk <b>Select Board Oversight:</b> Select Board (Town Counsel & Town Reports), Town Administrator (Professional & Technical Services, HCAM), Human Resources
Thurs, March 14, 2024	<b>Public Safety:</b> Holbrook Regional Communications Center, Fire, EMS, Public Safety Building <b>Public Works:</b> DPW
Thurs, March 21, 2024	<b>No Meeting Scheduled</b>
Thurs, March 28, 2024	<b>Meeting Cancelled</b> (Insufficient New Information From Town)
Thurs, April 04, 2024	<b>Education:</b> Blue Hills Regional and Norfolk Agricultural High Schools
Thurs, April 11, 2024	<b>Public Safety:</b> Discuss Creation of Deputy Fire Chief Position <b>Free Cash:</b> Review Free Cash, Discuss FinCom Free Cash Guidelines <b>Warrant Articles:</b> Discuss Treasurer Salary Increase Article and Status of All Warrant Articles
Thurs, April 18, 2024	<b>No Meeting Scheduled</b> (Holbrook Schools Spring Break)
Thurs, April 25, 2024	<b>Meeting Cancelled</b> (Insufficient New Information From Town)
Thurs, May 02, 2024	<b>Free Cash:</b> Further Discussion of FinCom Free Cash Guidelines <b>Capitol:</b> Discuss of Status of Capitol Committee Recommendations <b>Warrant Articles:</b> Discuss of Status of Warrant Articles
Thurs, May 9, 2024	<b>Full Budget Review:</b> FinCom Line Item Budget Review, Recommended Changes, and Questions; Process for Ending Solid Waste Enterprise Account; Projected Deficit of Sewer Enterprise Account; Incorporation of Blue Drop Costs Into Water Enterprise Account; Status of Water Enterprise Account
Thurs, May 16, 2024	<b>Final Budget Review:</b> Final Budget Changes and Comments, FinCom Budget Recommendation Vote <b>Capitol:</b> Discuss of Status of Capitol Committee Recommendations <b>Warrant Articles:</b> Discuss Status of Warrant Articles

\* Calendar Continues on Next Page \*

## Holbrook Finance Committee Calendar for FY25 Budget Review Meetings

<b>Holbrook Finance Committee – FY25 Budget Review Meetings (Continued)</b>	
<b>Thurs, May 23, 2024</b>	<b>Annual Report:</b> Discuss Annual Report Draft Prior to Publication, FinCom Suggested Revisions, Vote to Accept Draft and Publish <b>Capitol:</b> Review Capitol Committee Plan, Make Recommendations <b>Warrant Articles:</b> Provide Values for FinCom Warrant Articles; Discuss Status of Warrant Articles
<b>Thurs, May 30, 2024</b>	<b>Warrant Articles:</b> Special and Annual Town Meeting Warrant Article Review and Recommendation Votes – Meeting 1
<b>Thurs, June 6, 2024</b>	<b>Warrant Articles:</b> Special and Annual Town Meeting Warrant Article Review and Recommendation Votes – Meeting 2 (If Necessary)
<b>Thurs, June 13, 2024</b>	<b>No Meeting Scheduled</b>
<b>Tues, June 18, 2024</b>	<b>Prior to Special &amp; Annual Town Meeting Day 1</b>
<b>Thurs, June 20, 2024</b>	<b>Prior to Special &amp; Annual Town Meeting Day 2 (If Necessary)</b>
<b>Thurs, June 27, 2024</b>	<b>No Meeting Scheduled</b>
<b>Thurs, July 4, 2024</b>	<b>No Meeting Scheduled (Federal Holiday)</b>
<b>Thurs, July 11, 2024</b>	<b>FY24 Close Out Meeting:</b> Fiscal Year End Transfers