



## MEMORANDUM

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**TO:** Select Board

**FROM:** Clancy Main, Town Manager

**CC:** Robert Maynard, Director of Administrative Services

**SUBJECT:** Town Manager's Report, December 9, 2024

**DATE:** December 6, 2024

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### Budget Process

All Department Heads at this time have received their budget shells. The Town Managers office will begin budget meetings in earnest starting in January. Department Heads have been notified that if they would like to have their meeting earlier the Town Managers Office will be ready.

Currently the Police Patrolman Union, Police Superior Union, Paramedics, Police Dispatch, and DPW / Facilities Union contracts will expire prior to the start of FY26. All other union contracts expire prior to the start of FY27. Most of the current contracts have cost of living adjustments between 3% - 3.5%.

Currently the major budget drivers are an increase of \$986,337 in our county retirement assessment. As well as an estimated increase of \$500,000 across healthcare and liability insurance. I also expect a continued increase in our Waste Management contract. At this time, I have not calculated the current debt burden for FY26. This will determine if the Town needs to appropriate additional budget funds for the debt stabilization fund.

The Town has a target debt limit of \$11,000,000 this year. This target may need an adjustment if the capital plan continues to deviate from what was originally presented in the summer of 2023. The Town will be limiting discretionary spending during the budget process. Prior to the major increase we had last year of \$12,376,810 the prior two fiscal year differences were \$6,380,438 and \$5,347,372. I expect it to be somewhere in the neighborhood of those two numbers potentially above depending on the debt burden.

FY25 the levy limit was \$181,157,477. Proposition 2.5 allows communities to increase their levy limit by 2.5%. Our current levy limit is \$185,686,413. This is an increase to the levy limit by \$4,528,936. Communities are also allowed to increase their levy limit by adding new growth to the community. The Town conservatively budgets \$750,000 additional new growth every year. (*Actual new growth is between \$2.9 – \$4.7 the past five years.*) This increases our expected levy limit to \$5,278,936. This is where excess levy capacity is then created. If the Town keeps the budget increase to exactly \$5,278,936 any additional new growth over \$750,000 becomes excess levy capacity. Obviously, if the budget grows over that number what the Town could gain in excess levy capacity is subtracted from new growth. If the budget grows over the new growth and proposition 2.5 then it begins to eat into the current excess levy capacity.

On the State level the MMA has reported *“With an ongoing trend of state tax collections falling behind benchmarks — with the exception of Fair Share surtax revenue — fiscal experts concur that the Commonwealth’s fiscal outlook is uncertain for the remainder of this year and for fiscal 2026.”*

I will have more information on the debt schedules at the next meeting and will keep the Board updated.

## **Goals**

I will be updating the list of goals that the Board discussed back in late June with some new goals. I will have that for the Board at the next meeting. Then in January the Board can discuss and vote on the priorities for the new calendar year.

## **Water**

I have spent a significant amount of time working through the Town's brown water issue. The Town has three major reasons for brown water:

1. Tuberculation on pipes from pre 1950's.
2. 2-inch water mains
3. Dead ends throughout the system.

In 2016 a twenty-year plan was produced to re-place all 90 miles of pre-1950's pipes. Unfortunately, the plan was never acted upon.

On the advice of the DPW Director and Water Superintendent, the Town has asked the consultant to re-vamp the plan to a 10-year plan, including cleaning and re-lining where possible, looping of the system, and eliminating 2-inch water mains throughout the system. I expect to bring a full proposal to the Board in January / February.

## **Sewer**

The Town has gone through the exercise of looking at all current need's areas and sewer contracts. We have re-assessed based on environmental factors and cost. I will bring this to the Board sometime in February to determine the path forward. The Board also needs to be aware our current infrastructure in the ground has not been maintained properly. This is going to be a major future expense.

## **Billerica Works**

The Town will be rolling out an app for constituent services through the DPW in the next few weeks.

## **Assistant Town Manager**

The job has been posted and will be closing on January 3<sup>rd</sup>.

## **One Stop Grants**

One Stop Grants applications will be opening in mid-January with expressions of interest due from February to April. With the application period closing shortly after. The Town did not apply for any grants in FY25. I plan to aggressively target a MassWorks grant in the area of the new North Billerica Fire Station and various other site preparation/planning grants.

## **Town Wide Audit**

The auditing team has spent significant time meeting with Paul, Elaine and I. The biggest concern that they currently have is the concentration of knowledge and authority. For example, our budgeting process is done entirely through Excel spreadsheets that all communicate with each other. They have links, formulas, and methodologies that would take a new person a considerable time to reverse engineer. Simplification and additional levels of approval will be a major theme.