

# PASE Committee Update

December 16, 2024



# Author's Note

- This document is a status report on Easton's current operating condition and immediate outlook heading into FY26.
- It follows months of public meetings, data review, and deliberation.
- It is the first major part of PASE's two-part mission – consistent with the vote of Town Meeting that created it:
  - 1) To assess the existing condition and outlook and only after that;
  - 2) develop recommendations for the May 2025 Town Meeting.
- This document identifies budget and policy choices ahead - but does NOT make those choices for the community.
- The Committee hopes this document can inform discussion and invites you into the deliberation starting with January 8<sup>th</sup> open house at Queset House - because we need your input as residents to put our best foot forward making good choices for the community we all care for.
- All documents referenced in this presentation are publicly available at [www.Easton.ma.us/pase](http://www.Easton.ma.us/pase) under “Meeting Materials” and in Q&A format at [www.Easton.ma.us/pasefaq](http://www.Easton.ma.us/pasefaq)
- The Chair and Vice Chair of PASE invite your thoughts, questions and feedback and can be reached at [eastonpase2024@gmail.com](mailto:eastonpase2024@gmail.com)

# PASE Committee Update

**P**romoting **A** Sustainable **E**aston was formed as a result of the FY25 Operating budget process when residents overwhelmingly voted to create our committee to review Town expenditures and revenues in comparison to other communities.

**PASE** is specifically tasked with answering HOW  
....do we fix our revenue shortfall?

....are we spending our money?

....does our budget impact our services?

The PASE charge specifically tasks our committee with recommending appropriate actions to promote sustainable and quality services for our Town.



# PASE Committee

**PASE** is comprised of **19** community leaders representing a broad collection of viewpoints.



- **Chris Mills** Fire Department
- **Chris Aker** Police Department



- **James Hamilton** Resident
- **Denise Higgins** Resident
- **Jocelyn Byers** Resident
- **Chris Kone** Resident
- **Nancy Donahue** Resident
- **Tom Brussard** Resident



- **Cathy Millett** Teacher, Union Member
- **Marisa Sousa** Teacher, Union Member
- **Amy Meehan** Teacher, Union Member
- **Sheila Dever-David** Teacher, Union Member
- **Jennifer Starr** School Committee Chair
- **Lisha Cabral** School Superintendent
- **Ondrea Starzhevskiy** School Finance Director



- **Dottie Fulginiti** Select Board Chair
- **Patrick Hellen** Finance Committee Chair
- **Connor Read** Town Administrator
- **Wendy Nightingale** Town Finance Director

# Current Condition Summary

The PASE committee is in alignment that we have a budget challenge in the amount of \$4.7M (average consensus)

There are three pathways to a solution:

1. Expense Reduction
2. Revenue Growth
3. Hybrid (Expense Reduction & Revenue Growth)

The immediacy of the problem for FY26 (starts July 1, 2025) informs the potential solutions:

- Expense – Reduction of headcount (~85% of total expense) and related programs and services.
  - 2021 deficit of \$2.5M resulted in 26 FTE reduction
- Revenue – Operational override
- Hybrid – Blend of above

\*\*Any of these three approaches for FY26 do not alone permanently fix structural challenges – Easton will also need to assess its land use, preservation, and growth-related regulations on a go-forward basis to understand the impact of these policies on ability to fund education and public services.

# Current Condition Summary

We as a Town did not inherently create this problem. Our budget reflects our values and priorities as a community.

2.5% state increase cap to our largest revenue source (Taxation) combined with cost inflation higher than 2.5% is a simple math problem.

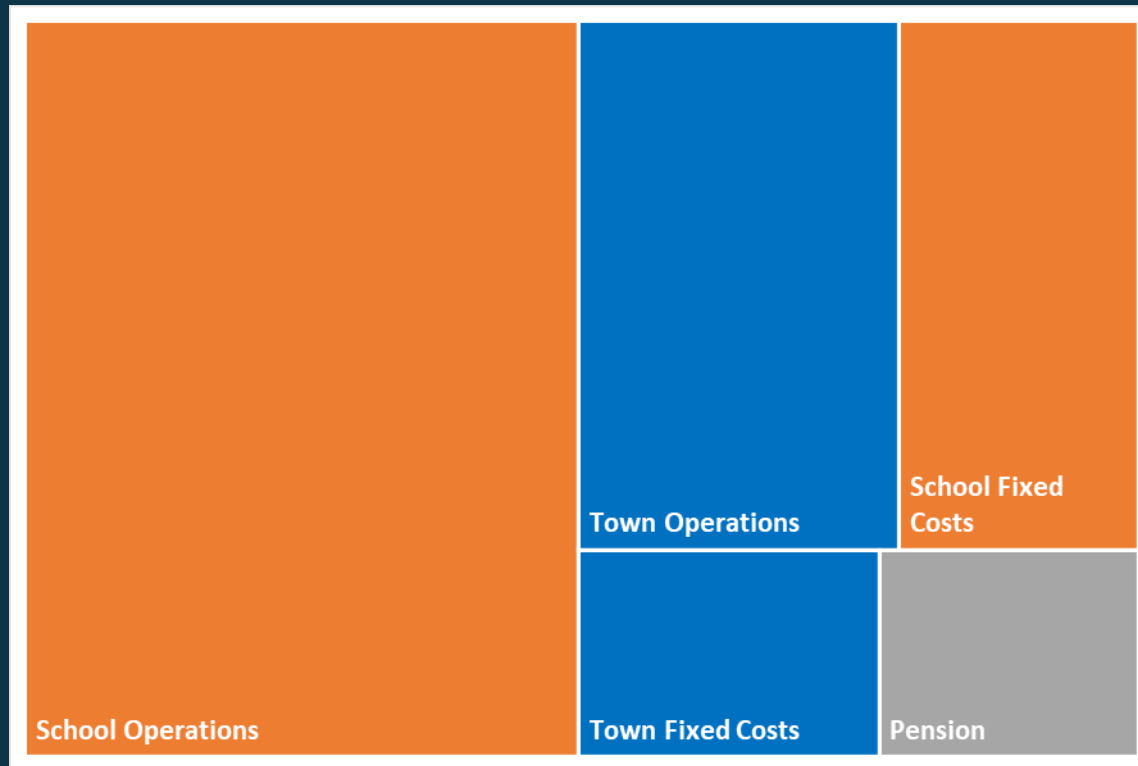
- 32% of Easton's land pays little to no taxes due to local & state preserved land and Stonehill College

Cost inflation is more than 2.5% and ***not*** caused by over-spending

- Town spend is \$4,166 per resident (2023)
  - -\$405 or -9% less than the state average - \$10M
  - The lowest spend amongst our 8 comparable communities, 2<sup>nd</sup> lowest spend amongst our surrounding communities
- School spend is \$16,635 per pupil (2022)
  - -\$3,498 or -17% less than the state average - \$12M
  - 2<sup>nd</sup> lowest spend amongst our surrounding communities

# How we choose to spend

2025 Budget			
School Operations	\$ 49,748,315	50%	65%
School Fixed Costs	\$ 15,493,972	15%	
Town Operations	\$ 20,678,807	21%	28%
Town Fixed Costs	\$ 7,564,925	8%	
Pension	\$ 6,534,360	7%	7%
	\$ 100,020,379	100%	100%



Fixed costs include Health Benefits for current and retired employees, property insurances, state and county assessments, and debt service for capital projects.

# 2025 School Operating Spend

*Includes EE Benefits & Insurance*

\$0.85 of every \$1.00 is spent on people

- Personnel + EE Benefits + Insurances

The next \$0.12 of every \$1.00 is spent on costs that are extremely difficult if not impossible to reduce

- SPED 6%
- Transport 3%
- Utilities 1%
- R&M 1%
- Textbooks 1%

Reducing school costs results in reducing personnel and therefore services and programming that are provided to the students.

# 2025 School Operating Spend

*Including EE Benefits & Insurance*

	<u>\$ Expense</u>	<u>% of Total</u>
Personnel + EE Benefits + Insurance	\$ 49,355,202	85%
SPED Expenses	\$ 3,397,483	6%
Contract Services (Transportation)	\$ 1,939,149	3%
Utilities	\$ 871,750	1%
R&M	\$ 737,818	1%
Textbooks	\$ 388,113	1%
Software License & Subscriptions	\$ 289,804	0%
Instructional Supplies	\$ 201,600	0%
Other Operating Expense	\$ 977,265	2%
	<b>\$ 58,158,184</b>	<b>100%</b>



Personnel + EE Benefits + Insurance

# How do we compare?

## School Operating Spend

No matter how you cut it, or what school districts you group, *Easton spends less per pupil than our average comparison groups.*

We spend \$16,635 per pupil (2022, latest DESE reporting)

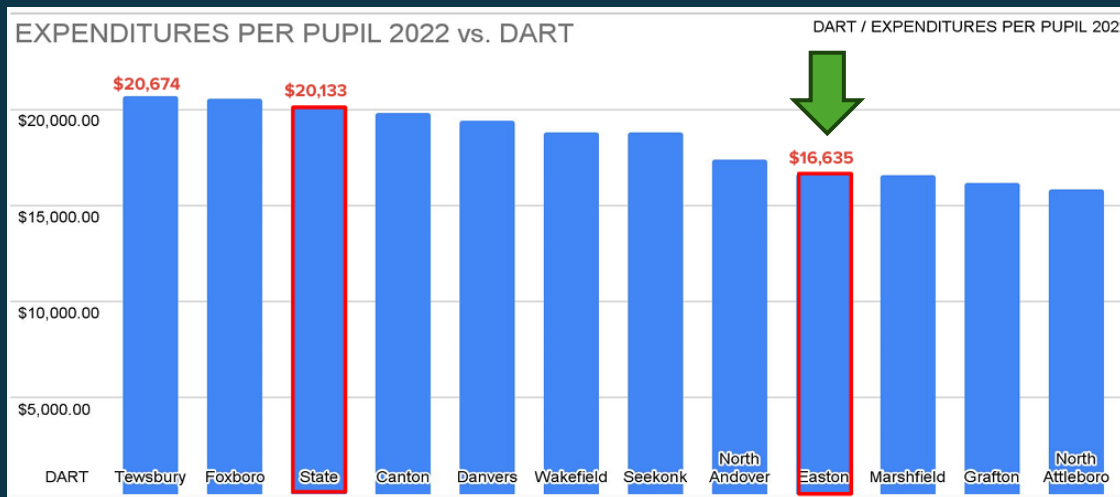
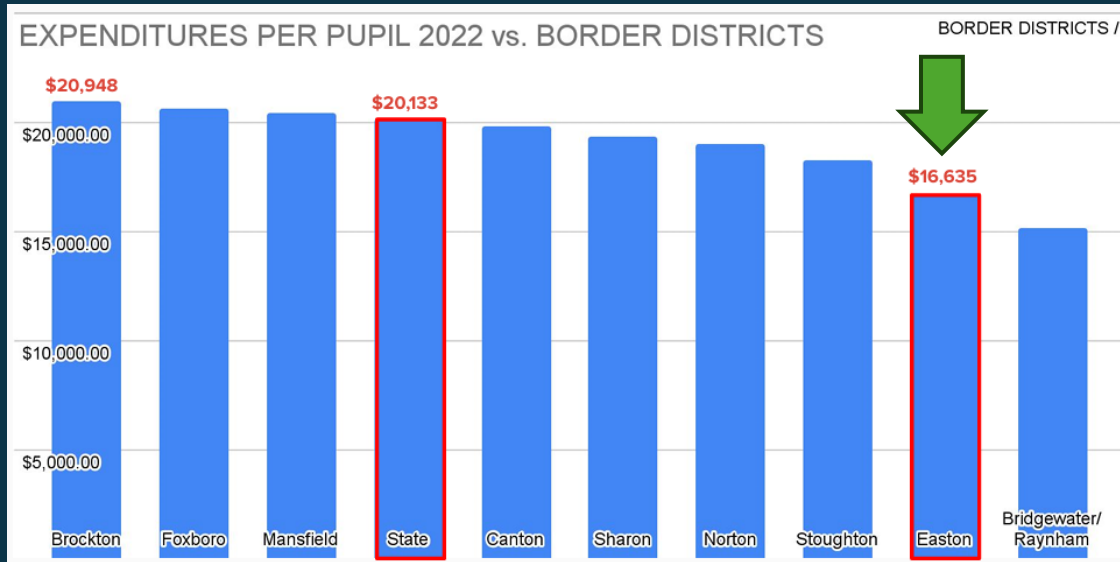
This is:

- \$3,498 less than the state average (17%)
- The 2<sup>nd</sup> lowest spend per pupil amongst our 8 bordering communities.
- The 4<sup>th</sup> lowest spend per pupil amongst our 10 comparable DART communities.

Were EPS to spend at the nearest neighbor (Stoughton) per pupil rate we'd need to increase EPS budget by \$5.6M, more than 10%. It would be +\$10M to the state average.

# How do we compare ?

## School Operating Spend



# 2025 Town Operating Spend

*Including EE Benefits & Insurance*

\$0.82 of every \$1.00 is spent on people

- Personnel + EE Benefits + Insurances

The next \$0.14 of every \$1.00 is spent on costs that are extremely difficult if not impossible to reduce

- Repairs & Maintenance (R&M) 3%
- Library 3%
- Utilities 2%
- SEMRECC 2%
- Snow & Ice 2%
- Veterans 1%
- Town Counsel 1%

Reducing Town costs results in reducing personnel and therefore services and programming that is provided to our residents.

# 2025 Town Operating Spend

*Including EE Benefits & Insurance*

	<u>\$ Expense</u>	<u>% of Total</u>
Personnel + EE Benefits + Insurance	\$ 20,388,546	82%
R&M Related	\$ 738,441	3%
Library	\$ 598,055	2%
Utilities	\$ 590,704	2%
SEMRECC	\$ 450,000	2%
Snow & Ice	\$ 326,200	1%
Veterans	\$ 200,000	1%
Town Counsel	\$ 125,000	1%
Other Operating Expense	\$ 1,341,417	5%
	<u>\$ 24,758,363</u>	<u>100%</u>



Personnel + EE Benefits + Insurance

# How do we compare ?

## Town Operating Spend

No matter how you cut it, or what communities you group, *Easton spends less per resident than our average comparison groups.*

We spend \$4,166 per resident (2023). This is:

- -\$405 less per resident (-9%) than the state average.
- The lowest spend per resident amongst our 8 comparable communities.
- The 2nd lowest spend per resident amongst our neighbor towns.

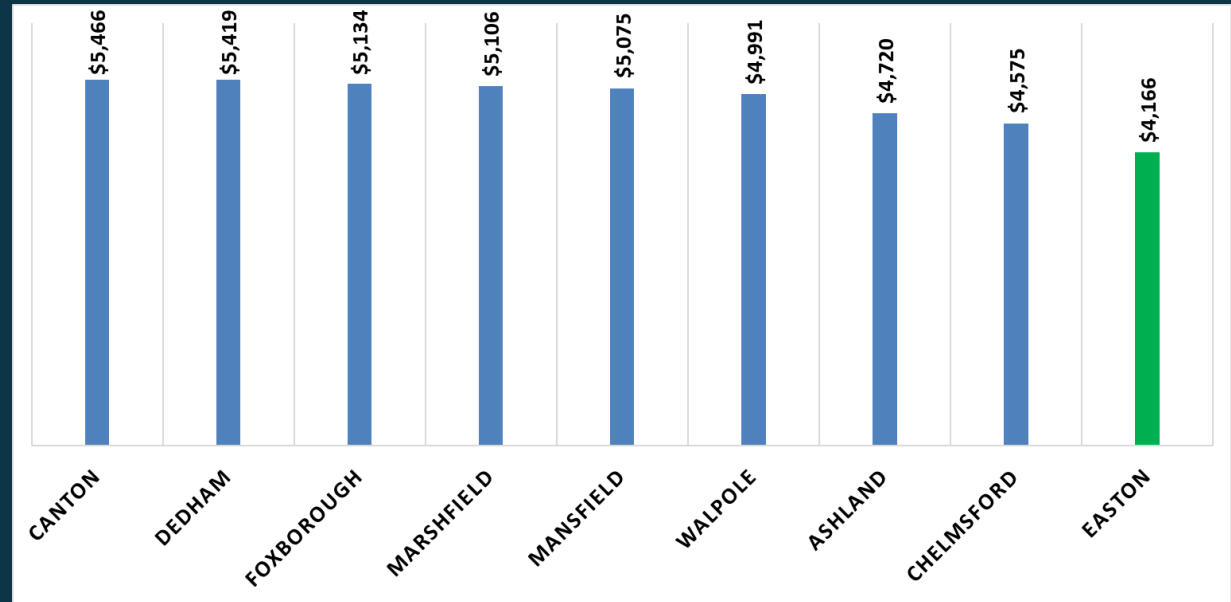
Were Easton to spend at the nearest peer (Chelmsford) per resident rate we'd need to increase total budget by \$9M, nearly 10%

Were Easton to spend at the average per-resident rate of our neighbor towns we'd need to increase the budget by \$12M (12%).

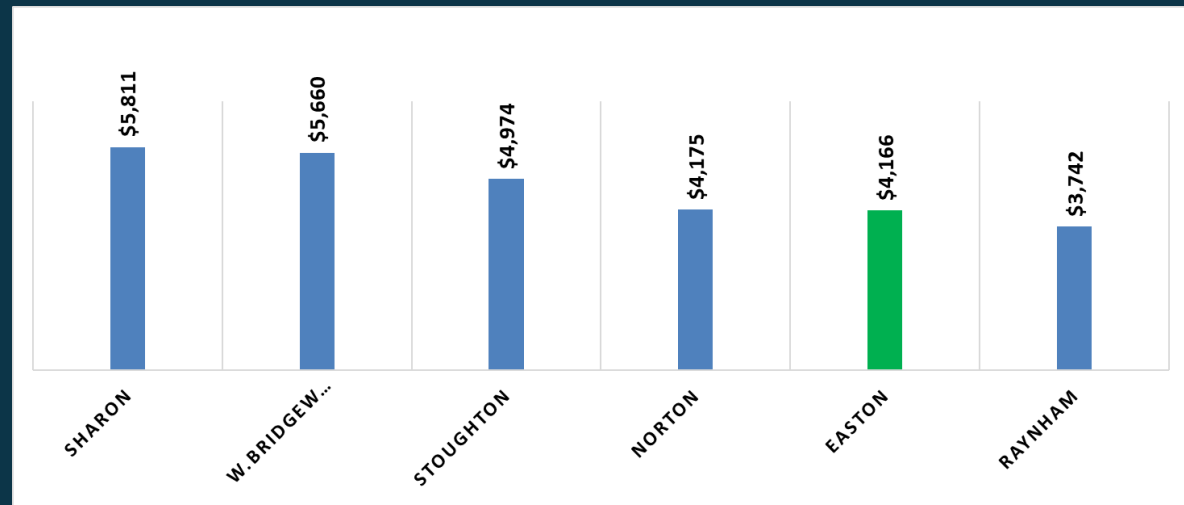
# How do we compare ?

## Town Operating Spend

Easton Per Capita Spending vs Comparable Towns



Easton Per Capita Spending vs Neighboring Towns



# How do we compare ?

## Town Operating Spend

Every one of Easton's town departments spends less per resident than our average neighbor town OR average peer.

Easton's Fire, Police and Public Works spend from -5 to -20 % less per resident than comparable towns.

Easton's Town Hall and Health & Community Services spend -46 to -52% less per resident.

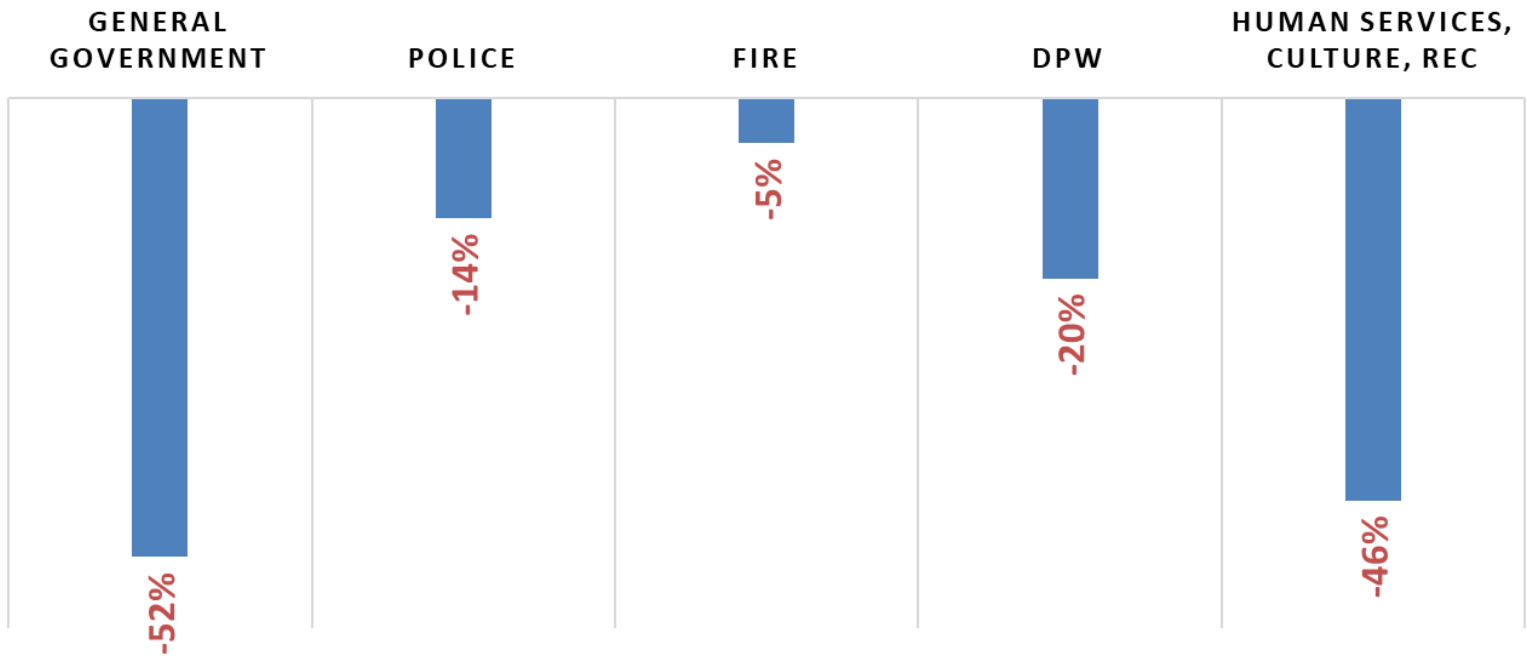
Easton's Town Hall spending is less than half the peer average and the lowest per-resident spend of any town in Massachusetts (2023)

Were Easton to spend the per-resident average of our peers, we'd need to add more than \$5M to Town operations (not incl. Schools) – nearly 25% of their \$20.7M annual spend.

# How do we compare ?

## Town Operating Spend

### EASTON'S PER CAPITA SPENDING V. COMPARABLE TOWN AVERAGES



# We run lean on purpose

- Our town and school teams have worked hard to seize opportunities through the recent years, and that is ok!
  - Reorganizing/regionalizing services to reduce costs
  - Healthcare reform to reduce expense growth
  - Energy generation (solar) and efficiency to reduce costs
  - Negotiating sustainable collective bargaining agreements with labor union partners
  - Direct financial assistance to the community

# Costs of Running Lean

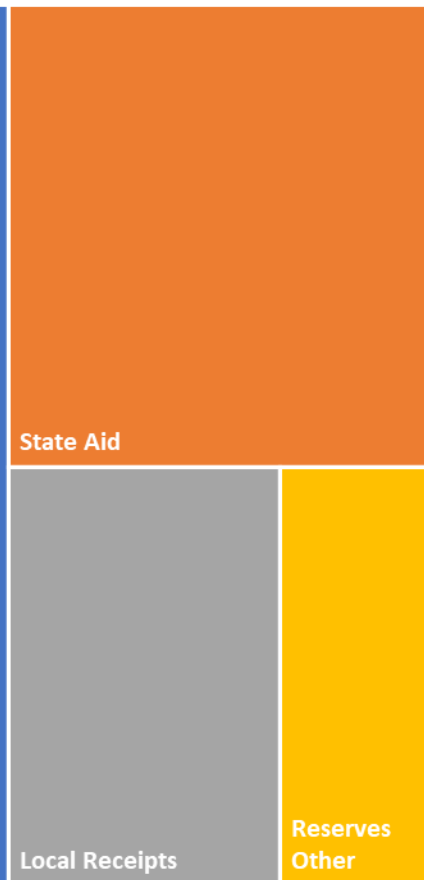
- Easton spends fewer dollars per resident on essential services from education, public safety and works and community services.
- In many respects this is desirable – limited revenues demand efficiency.
- Rely on high quality staff to deliver more with fewer financial and human resources – and they do.
- However, this level of funding presents real risks:
  - Road, building and park repairs cannot be funded at needed levels.
  - Public Safety is understaffed – meaning fewer police and firefighter/paramedics on patrol than comparable towns with more forced overtime and staff burnout; less funding for training; and slower 911 response times.
  - Public Works is understaffed – meaning fewer positions to maintain the Town’s vehicle fleet, roads, and grounds – fewer DPW responders to clear roads during storms, power outages and disasters.
  - Community & health services are funded at barely ½ the per-resident rate of peers – limiting the amount of supportive services residents young and older may receive.
  - Reliance on reserves to close budget gaps reduces capital investment capacity for ALL departments and hinders bond rating improvements (which save money for residents via reduced interest costs)
  - School course offerings and programming

# Easton Revenue Sources

Taxation, primarily residential property taxes, is nearly three-quarters of Easton's total revenues.

	<u>\$ Revenue</u>	<u>% of Total</u>
Taxation	\$ 72,896,340	73%
State Aid	\$ 14,238,466	14%
Local Receipts	\$ 8,310,536	8%
Reserves Other	\$ 4,575,037	5%
	<hr/>	
	\$ 100,020,379	100%

Taxation



State Aid

Local Receipts

Reserves  
Other

# What Has Easton Done to Improve Sustainable Revenue

- Prop 2 ½ limits Easton's largest revenue source (property tax) to grow by 2.5% / year plus New Growth.
- New Growth (new or improved property) is – therefore – essential to offsetting limited State Revenue growth.
- In past ten years Easton has heavily invested in sewer and other infrastructure and zoning reform to unlock development potential of existing properties on Main Street, Foundry St and Washington St corridors.
- Easton has won more than \$60M in competitive state/federal grants to execute on many of these projects and attract increased private investment to drive New Growth.

# What Are The Results?

- New Growth steadily improved following infrastructure and zoning enhancements (2014-20) until pandemic.
- After a 3-year lull (2021-23) New Growth has rebounded stronger than ever in FY2025 at over \$1.5M.
- This reflects increasing building and construction permits which have grown by 53% from FY18 – 24.
- Economists support the premise that public infrastructure and service enhancements grow home values – and Zillow data from 2019-22 shows Easton's home values have appreciated faster (31%) than all surrounding towns (23%).

# Key Revenue Trends and Truths

- **Local receipts** averaged \$955K last 4 years and 50% of the time it decreases/increases vs prior year.
- **Enterprise funds** are tied to specific service offerings, i.e., water department
- **State aid** is controlled by state government
  - Ch 70 Education Funding
    - We are a state aid minimum community.
    - This means Easton gets only an additional \$30 per student of new state aid for education *per year* – about \$100,000 against a \$64M operation.
    - Ch. 70 covered 31% of school spend in FY2010, but only 22% of FY2025
  - Unrestricted General Gov't Aid remains 4.5% below 2008 \$ (*unadjusted* for 40% inflation)

## Time to Impact & Improve

Local Receipts  
**Long Term**

Enterprise  
Funds **Use  
Constrained**

State Aid  
**Long Term and  
State  
Dependent**

# Key Revenue Trends and Truths

## • Taxation

### • New Growth

- Rolling 5 year average of ~\$800K, recent trends toward ~\$700K
- FY25 was a bright spot, with best ever new growth of \$1.5M
- Easton's long legacy of preserving open space (~25% of Easton) = less developable, and therefore taxable land

### • Prop 2 ½

- Automatic 2.5% increase
- Explore operational override resulting in an increase of the tax base

## Time to Impact & Improve

New Growth  
Medium - Long  
Term

2.5% Increase  
Immediate &  
Max Allowed

Override  
Immediate &  
Town Vote

# Process of Elimination to Solution(s) For Short Term (FY26)

- **Expense Side Solution**

- Requires material reduction to personnel staffing and accompanying services and programs.
- Given Easton currently already staffs lean, FTE reductions will translate to education, public safety, public works, community services and programmatic cuts.
- For context, our FY21 deficit of \$2.5M resulted in 26 FTE reduction.

- **Revenue Side Solution**

- The only solution to increasing the necessary revenue in the immediate future is via Taxation, specifically Operational Override
- Easton has long prided self on preservation and open space (32% of land) - even if an override occurred, Town should thoughtfully assess impact of zoning, wetlands, preservation regulations on depressing new growth opportunities

- **Hybrid**

- Blend of the above

\*\*Any of these three approaches for FY26 do not alone permanently fix structural challenges.  
– Easton will also need to assess its land use, preservation, and growth-related regulations to understand the impact of these policies on ability to fund education and public services.

# More Information

- JOIN US FOR THE PASE OPEN HOUSE:
  - WEDS. JANUARY 8, 2025 – 6 TO 8 PM
  - QUESET HOUSE, 51 MAIN STREET
- All documents and reports are available at [www.Easton.ma.us/pase](http://www.Easton.ma.us/pase) and [www.Easton.ma.us/pasefaq](http://www.Easton.ma.us/pasefaq)
- Contact the Chair and Vice Chair at [eastonpase2024@gmail.com](mailto:eastonpase2024@gmail.com)