



**Expenditures and Revenues Study Committee
Town Subcommittee Report**

DRAFT

February 5, 2026

Jesse Heftner, Chair
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Executive Summary

The Expenditures & Revenues Study Committee was created in March 2025 by the Brookline Select Board to assess Brookline's financial health and to make recommendations to the Board regarding a possible override ballot question for the May 2026 election.

The members of the E&RSC include the following:

Bernard Greene, Chair and Select Board Appointee
Dick Benka
Ruth Ellen Fitch
Sergio Modigliani
Janet Gelbart
Sadaf Kazmi
Mariah Nobrega, School Committee Appointee
John Doggett, Advisory Committee Appointee
John Van Scoyoc, Select Board Alternate
Jesse Heftner, School Committee Alternate
Cliff Brown, Advisory Committee Alternate

In early 2025, the Expenditures and Revenues Study Committee, chaired by Bernard Greene, the Chair of the Brookline Select Board, was formed. The Committee comprises community members and representatives from the Select Board, Advisory Committee, and School Committee. The full committee is supported by the Town Administrator and the Finance Office.

The Town Administrator's Office (Charles Carey, Town Administrator; Melissa Goff, Deputy Town Administrator; Charlie Young, Assistant Town Administrator for Finance), Lincoln Heineman, the Town Finance Director, and Ann Braga, Human Resources Director, were all valuable resources to the Subcommittee.

In October of 2025, a decision was made to divide the Committee's volunteers into three subcommittees: Town, School, and Futures. The strategy was to allow subcommittee members to focus on one of the key segments of the Study Committee's final report.

The Town subcommittee, composed of 5 members (Jesse Heftner (Chair), John Doggett, Ruth Ellen Fitch, Janet Gelbart, and John Van Scoyoc), was tasked to:

- Collect information about Brookline's financial health
- Explain the set of challenges that the Town faces as we look at the FY27 budget, and
- Make a set of recommendations to the whole Study Committee for the next steps.

The School subcommittee, composed of X members (Sadaf Kazmi-Chair, Mariah Nobrega, and others) was tasked to look at the School Budget, the District's current and future revenues, and to understand key elements of District Operations and Finance.

The Futures subcommittee, composed of 5 members (Sergio Modigliani-Chair, Cliff Brown, Advisory Committee alternate, Sadaf Kazmi, Val Frias, and Select Board Chair Bernard Greene), was tasked with addressing long-range opportunities for Town revenues and efficiencies.

The following points summarize the recommendations of the Town Subcommittee:

NOTE: TOWN SUBCOMMITTEE TO DIG IN HERE AND DEVELOP SOLID RECOMMENDATIONS BASED ON FINAL DATA; data needs to be updated

- The Town projects a deficit for FY 2027 of approximately \$2.9 million, driven primarily by rising fixed costs (health insurance, pensions, and contractual salary obligations) and the exhaustion of one-time funds (ARPA funding is projected to end in December 2026). The transition of the Fire Department's overtime expenses into the operating budget is another factor driving the deficit over the next three years.
- Absent corrective action, the Town faces a combination of service reductions and staffing cuts in FY 2027, representing a significant curtailment of core services. Additional cuts would likely be necessary in successive years.
- The Town is requesting a one-time tax increase of \$5.31 million. Of this total, \$1.25M in FY27 funds are to be placed in an Override Reserve Fund for FY28 and FY29, the purpose of which would be to support FY28 and FY29 unexpected growth in expenditures as needed, to avoid cuts midway through an operating override cycle. Alternative revenue options (fee increases, local receipts, non-recurring funds) could offset only a minor portion of the shortfall (roughly \$354,000), insufficient to close the gap.
 - [Ensure that the arithmetic works in this paragraph regarding the 5.31, the FY27 deficit, and the next two years so it's crystal clear to the reader]
 - [Major cost drivers driven by staffing (pension, benefits, contracts – avoid language that makes it seem that these issues are beyond our control]
 - [Add sub bullets about impacts even with override.]
- We recommend that the Select Board place an override question on the May 2026 ballot that provides the Town with \$5.31 million in additional revenue.

Recurring Budget Gap

Structural Deficit

The recurring excess of expenses over revenue is considered structural because the statutory limit on property taxes restricts the Town's ability to manage inflationary and contractual pressures. Property taxes account for roughly 83% of Brookline's operating budget, but can only be increased by 2.5% of the prior year's levy plus any new growth. On average, the base Brookline levy increases by about 3% per year, with occasional spikes

when significant developments, such as the Hancock Village expansion, are completed. Other revenue sources, primarily local receipts and state aid, have remained relatively flat year after year. Over the last 25 years, the dollar value of the Town budget available for appropriation has grown at just over 4% in nominal terms, and at just over 1.5% adjusted for inflation. (See Appendix Table “Inflation and Brookline Budget”.)

Staying within a 3% spending cap while maintaining existing service levels has proven unrealistic, especially given the revenue loss from the 2021 pandemic. Although the Town restored \$1.9 million of the \$3.6 million cut from its initial 2021 budget proposal, subsequent reductions totaling \$1.3 million were necessary in 2025 and 2026 to offset inflation and restore budget balance.

Many expenses are beyond the Town's direct control. Employee benefits, consisting mainly of mandatory pension contributions and health insurance costs, amounted to % of the operating budget in 2026 and are projected to grow to % in 2027. Salaries, utilities, and software maintenance have also been subject to inflationary pressures. The rising costs of pensions and health insurance are absorbing most of the 2 ½% increase in property taxes in 2027. Retiree benefits, salaries, utilities, road maintenance, and software maintenance have also been subject to strong inflationary pressures.

The Town maintains several reserve funds to satisfy various State requirements, preserve its ability to respond to unanticipated costs, and maintain its Aaa bond rating, which is critical to securing the most favorable interest rates on its long-term debt. Finally, the Town is subject to assessments primarily from the MBTA and Norfolk County, which are reflected as non-appropriated expenses in the budget.

After these items are deducted from projected revenue, the remaining funds are insufficient to cover departmental costs at existing service levels, let alone accommodate requests for new or expanded services proposed by the community. Past overrides have maintained or modestly expanded services, but inflationary growth of expenditures continues to outpace revenue growth.

Town Department	Brief Summary	Town Budget Reductions and Restorations from FY2021 to FY2026					
		COVID Reductions FY2021	Reductions FY2025-2026	Cumulative Reductions FY2021-26	Total Amounts Restored	Net Reductions (Funds Cut and Not Restored)	Moved onto Soft Money ¹ (ex. grants)
Select Board ²	Admin staff, recruitment, hybrid meetings	(37,514)	(70,000)	(107,514)	30,000	(77,514)	70,000
Human Resources	Salary surveys, medical professional services	(44,300)	(10,000)	(54,300)	-	(54,300)	-
Information Technology	Cybersecurity, software, intern program	(43,975)	(46,800)	(90,775)	-	(90,775)	-
DEICR	Special events, programs, translation services	(23,750)	(10,000)	(33,750)	-	(33,750)	-
Finance Department	Software fees, staff vehicle replacement	(188,160)	(30,000)	(218,160)	17,500	(200,660)	-
Legal Services	Outside counsel, interns, settlements	(106,140)	(20,000)	(126,140)	-	(126,140)	-
Town Clerk	Elections costs, overtime, supplies	(9,750)	(150,000)	(159,750)	150,000	(9,750)	-
Planning ³	Planning studies, personnel	(125,423)	(131,000)	(256,423)	125,423	(131,000)	27,000
Police	Six police officers, equipment, cruisers	(772,413)	(508,000)	(1,280,413)	91,586	(1,188,827)	-
Fire	One position, staff vehicle, supplies/equipment	(424,894)	(64,500)	(489,394)	78,641	(410,753)	-
Building	Building repair and maintenance, staff vehicle	(261,980)	(98,500)	(360,480)	242,394	(118,086)	-
Public Works	Personnel, technical services, capital, supplies	(676,647)	(50,000)	(726,647)	463,650	(262,997)	-
Library	Personnel and supplies	(388,535)	-	(388,535)	388,535	-	-
Health	Programs, events, staff vehicle	(30,000)	(25,053)	(55,053)	-	(55,053)	-
Veterans' Services	Benefits, intern program	(34,600)	(30,000)	(64,600)	-	(64,600)	-
Council on Aging	Personnel	(94,037)	-	(94,037)	94,037	-	-
Recreation ⁴	Personnel	(110,934)	(7,500)	(118,434)	-	(118,434)	118,434
Town-wide/Unclassified	Computers, utilities savings, group health	(235,590)	(23,755)	(259,345)	235,590	(23,755)	-
TOTAL REDUCTIONS/RESTORATIONS		-\$3,609 M	-\$1,275 M	-\$4,883 M	\$1,917 M	-\$2,966 M	\$0.215 M

(1) Soft money refers to items funded on grants, capital, or enterprise and revolving funds, or those that are one-time or vulnerable in nature.
(2) \$70k for part-time staff and hybrid meeting support continued on shortly expiring Host Community Agreement (HCA) and American Rescue Plan Act (ARPA) funds
(3) \$27k for salaries moved onto Community Development Block Grants (CDBG) in place of other CDBG expenditures
(4) \$118k for salaries moved onto Recreation Revolving Fund

Reserves

In accordance with State law and policies enacted by the Select Board, the Town maintains several types of reserves with specific guidelines for how the funds are to be maintained and expended as outlined in the Appendix to the Town's Financial Plan each year. Funds for maintaining reserves are appropriated before determining the funding available for departmental budgets.

- Unreserved Fund Balance/Stabilization Fund with a balance equal to 20% of the prior year's revenue per its Audited Financial Statements. The Town maintains the fund to ensure the balance remains within the median of Aaa-rated communities in Massachusetts. Use of the funds is restricted to times of extreme financial stress and must be replenished the following year. Disbursements may not exceed \$2.5 million over any three-year period.
- Annual Budget Reserve (known as the Reserve Fund) to respond to extraordinary and unforeseen obligations, funded from the tax levy at 0.75% of the prior year's net revenue and Free Cash at 0.25% of the prior year's net revenue. The Advisory Committee is responsible for approving requests to disburse these funds during the year. Any unexpended funds are carried over to the calculation of Free Cash in the subsequent budget year.
- Liability/Catastrophe Fund established by State law to protect municipalities against the negative impact of a major facility disaster and/or substantial litigation. Uses of the fund are defined by the authorizing legislation. The target fund balance

is 1% of the prior year's net revenue and is funded from available Free Cash and other one-time revenues.

- Overlay Reserve established under State law to fund property tax exemptions and abatements under the direction of the Board of Assessors.
- [JVS – Do we have the results on whether these funds are getting us 3% or not?] – JG to ask MG

Free Cash

Free Cash represents the amount of the Town's prior year fund balance certified by the State as available for appropriation and is generated when actual expenditures are less than actual revenues for the year. The State Department of Revenue recommends that municipalities set a target balance for free cash certification at 5-7% of prior-year revenue. Brookline maintains a very rigorous financial policy for Free Cash, treating it as one-time funds limited to non-recurring, non-operational Town expenses.

After allocations to maintain the reserve fund balances as outlined above, Free Cash is used to maintain the Town's Affordable Housing Trust at a minimum of \$5 million and for special one-time uses, such as the Capital Improvement Program and trust funds for employee benefits and unfunded liabilities. The 2026 budget included Free Cash of \$21.3 million, which is projected to decline to \$20.2 million in 2027 due to reductions in building permits, cannabis revenue, and interest revenue as ARPA funds have been spent down.

Budget Pressures

Staff Salaries

The growth in staff salaries charged to the operating budget since 2019 is largely the result of contractual increases negotiated with the Town's unions and adjustments to middle management pay scales approved in the 2024 Override. Salary scales for most Town positions are in the mid-range of comparable communities.

The total number of Town full-time equivalent (FTE) positions in the operating budget has not changed despite new initiatives mandated by resolutions of Town Meeting. Some positions have been moved to soft-money sources (grants, capital projects, or revolving funds), and efficiencies have been achieved through reorganizing departmental workflows. Long-standing vacancies in DPW led to the elimination of nine (9) FTEs in the Highway and Sanitation Divisions and the transfer of services to an outside contractor. The staff decrease was offset by transfer of the Director of Sustainability to DPW from the Planning Department and the addition of positions in Parks & Open Space for _____.

Town Personnel Budgets and Full-Time Equivalents from FY2019 to FY2026													
Town Department	Salary Budget			General Fund Budget FTEs			Soft Money FTEs (Capital,)			Total FTEs			
	FY2019	FY2026	+/-	FY2019	FY2026	+/-	FY2019	FY2026	+/-	FY2019	FY2026	+/-	
Select Board ¹	\$ 687,929	\$ 966,951	\$ 279,022	6.48	7.50	1.02	0.00	2.50	2.50	6.48	10.00	3.52	
Human Resources ²	\$ 309,024	\$ 463,096	\$ 154,072	3.53	4.48	0.95	2.25	3.30	1.05	5.78	7.78	2.00	
Information Technology	\$ 1,156,208	\$ 1,530,186	\$ 373,978	12.40	13.00	0.60	0.00	0.00	0.00	12.40	13.00	0.60	
DEICR ³	\$ 218,753	\$ 352,466	\$ 133,713	2.72	3.72	1.00	0.00	0.00	0.00	2.72	3.72	1.00	
Finance Department ⁴	\$ 2,318,263	\$ 2,610,351	\$ 292,088	31.22	29.42	-1.80	0.00	0.00	0.00	31.22	29.42	-1.80	
Legal Services ⁵	\$ 694,633	\$ 909,253	\$ 214,620	7.03	8.21	1.18	0.00	0.00	0.00	7.03	8.21	1.18	
Advisory Committee	\$ 23,201	\$ 27,312	\$ 4,111	0.40	0.40	0.00	0.00	0.00	0.00	0.40	0.40	0.00	
Town Clerk	\$ 651,815	\$ 568,372	\$ (83,443)	5.50	5.50	0.00	0.00	0.00	0.00	5.50	5.50	0.00	
Planning	\$ 1,078,652	\$ 1,351,660	\$ 273,008	13.39	13.56	0.17	5.10	5.44	0.34	18.49	19.00	0.51	
Police ⁶	\$ 15,078,231	\$ 19,502,670	\$ 4,424,439	179.80	171.30	-8.50	1.00	2.00	1.00	180.80	173.30	-7.50	
Fire	\$ 14,504,987	\$ 18,414,756	\$ 3,909,769	160.00	161.00	1.00	0.00	0.00	0.00	160.00	161.00	1.00	
Building ⁷	\$ 2,550,206	\$ 3,159,486	\$ 609,280	34.61	35.76	1.15	2.00	2.85	0.85	36.61	38.61	2.00	
Public Works ⁸	\$ 8,152,083	\$ 9,505,745	\$ 1,353,662	126.72	125.16	-1.56	3.66	8.75	5.09	130.38	133.91	3.53	
Library	\$ 3,056,639	\$ 3,510,670	\$ 454,031	52.84	56.22	3.38	0.00	0.00	0.00	52.84	56.22	3.38	
Health	\$ 941,807	\$ 1,197,408	\$ 255,601	12.26	13.01	0.75	5.78	13.27	7.49	18.04	26.28	8.24	
Veterans' Services	\$ 171,571	\$ 168,201	\$ (3,370)	2.00	2.00	0.00	0.00	0.00	0.00	2.00	2.00	0.00	
Council on Aging ⁹	\$ 822,520	\$ 1,134,534	\$ 312,014	13.74	15.39	1.65	3.17	3.70	0.53	16.91	19.09	2.18	
Recreation	\$ 801,595	\$ 944,109	\$ 142,514	12.00	11.00	-1.00	0.00	0.00	0.00	12.00	11.00	-1.00	
TOTAL	\$ 53,218,117	\$ 66,317,226	\$ 13,099,109	676.64	676.63	-0.01	22.96	41.81	18.85	699.60	718.44	18.84	

(1) Added communications officer (moved from DEICR); one of grant-funded positions eliminated in FY26 so actual total is 9 FTEs
(2) Generalist/investigator position FY24 override
(3) Language access coordinator FY24 override
(4) Assessing reorg to meet budget deficit in FY25
(5) Labor counsel added FY20
(6) Held open 6 officers and eliminated park security officers; budget book incorrectly displays reduction of one FTE in FY2026 (corrected here)
(7) Building Inspector short term rentals added FY20
(8) Sanitation reduction, added and moved FTEs to soft funds
(9) Social worker and transportation coordinator FY24 override

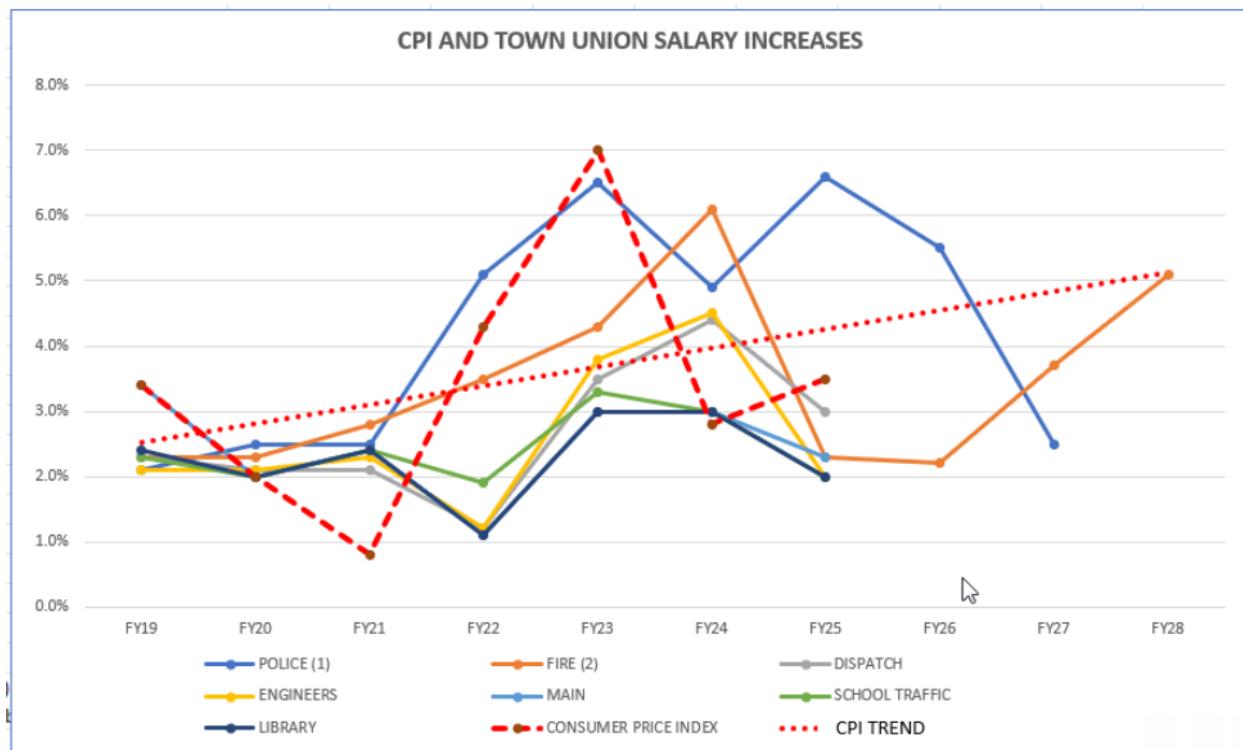
Annual salary increases for staff are governed by contracts negotiated with seven employee unions, five of which expired in 2025. The Town has sought to keep wage adjustments within 3% per year and has largely succeeded, despite significant increases in the consumer price index in 2022 and 2023. The police and fire unions can seek mandatory arbitration through the Joint Labor Management Commission (JLMC) and have used the process to secure wage gains beyond cost-of-living adjustments (COLA).

In 2023, the JLMC awarded the police union a retroactive settlement that included COLAs of 2.5% to 3% per year, plus a 4% “Certification Differential” (stipend) added to base pay. The stipend was in response to obligations imposed on police officers by State law under the Police Reform Act of 2020. Renewal of the contract through 2027 maintained the COLAs at 1.5% to 3% but increased the stipend to 7.5% by 2027. Steps of 3% and 3.5% were added after 6 and 8 years, respectively, to incentivize retention. The Town has funded these increases by keeping 6 positions in the department unfilled, resulting in \$600,000 in savings.

The Town and the Brookline Firefighters Union entered a JLMC process in early 2025 but reached an agreement on a new contract before that process ended. The Town believes this was a more favorable result than an ultimate decision by the JLMC would have been. Annual COLAs over the course of the contract are 1.5% to 2%. However, on June 30, 2027, new step increases of 3% each will be added after five and ten years of service to incentivize retention. The cost of this provision is estimated at \$909,471 and would not impact the budget until 2028. A reduction in service, through the temporary or permanent closing of a company, may be required to fund this portion of the contract.

[JH/JD Attempt to create a better visualization of the underlying data]

[JH/JD Craft a picture of the benefits growth over the same time period – covered below]



(1) In 2023, police were awarded a stipend equal to 4% of base pay plus the addition of a 10-year step under arbitration through the Joint Labor Management Commission. The stipend was increased, and two additional steps were added when the contract was renegotiated in 2025.

(2) Firefighters negotiated two additional step increases to incentivize retention, which will take effect in 2027.

Fire Department Overtime

Overtime costs in the Fire Department have increased since 2023, requiring Reserve Fund transfers exceeding \$800,000 per year to balance the budget at year's end. Town residents have not been receptive to lowering the department's minimum staffing requirements to match those of similar surrounding communities, which would substantially reduce overtime costs. However, these communities still allocate a much higher percentage of their personnel budgets to overtime, averaging 14.8% versus Brookline's 5.9%. In-depth analysis by Town staff has shown that adding positions provides no demonstrable cost-benefit because of increases to contractual leave negotiated in the 2013 agreement (See Charlie Young memos re: Fire Department Overtime and Leave in Appendix).

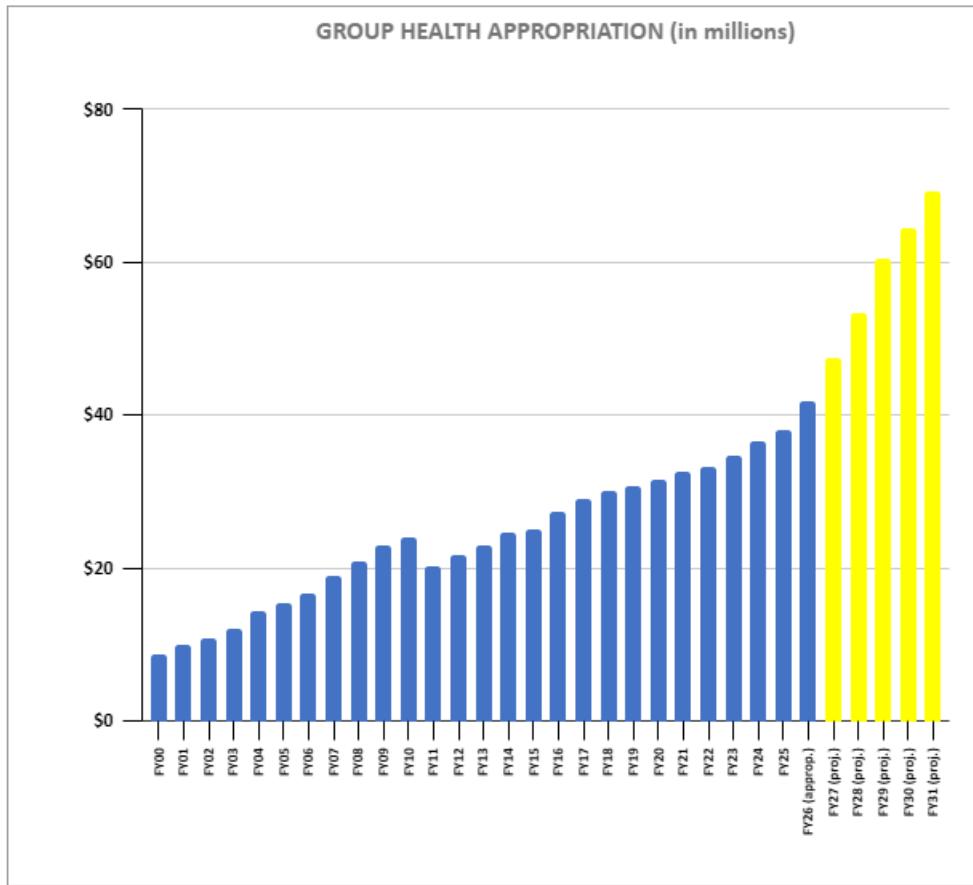
Not all overtime can be controlled, with the primary drivers being staff vacancies, injuries on duty, and long-term illnesses due to cancer. Regulatory changes have increased the types of conditions that can be considered injured on duty [JG to look up FD report to committee]. The Fire Chief has coordinated with Human Resources to implement modified duty and increase oversight for injured-on-duty cases.

Detailed analysis of overtime usage shows a pattern of increased sick time call-ins, particularly for weekend shifts. To reduce potential abuse of sick leave policies, the current contract includes a differential to encourage weekend shifts and increases the number of hours that can be bought back at the end of employment. These strategies are unlikely to resolve the issue in the short term, leaving a \$800,000 budget gap.

Group Health Insurance

Since 2011, the Town has participated in the State-administered Group Insurance Commission to minimize increases in group health insurance premiums. This required the agreement of all public employee bargaining units and retirees of both the Town and Schools. Premiums have been far lower than the Town would have been able to obtain on its own and rose by an average of 3.4% a year between 2019 and 2025. This changed dramatically in 2026, when premiums increased by 10.6% and are expected to rise by 10%-12% annually going forward.

The Town contributes 83% of the cost of employee and retiree health insurance, higher than in comparable communities. However, under the terms of the GIC, any change to this contribution is not at ~~all~~ the Town's discretion but must be negotiated with and approved by a majority of the Public Employee Committee, a coalition of all Town and School public employee bargaining units and retirees. Bargaining units have weighted votes based on the proportion of covered employees represented by the particular union, and retirees are weighted at 10%.



Retiree Benefits

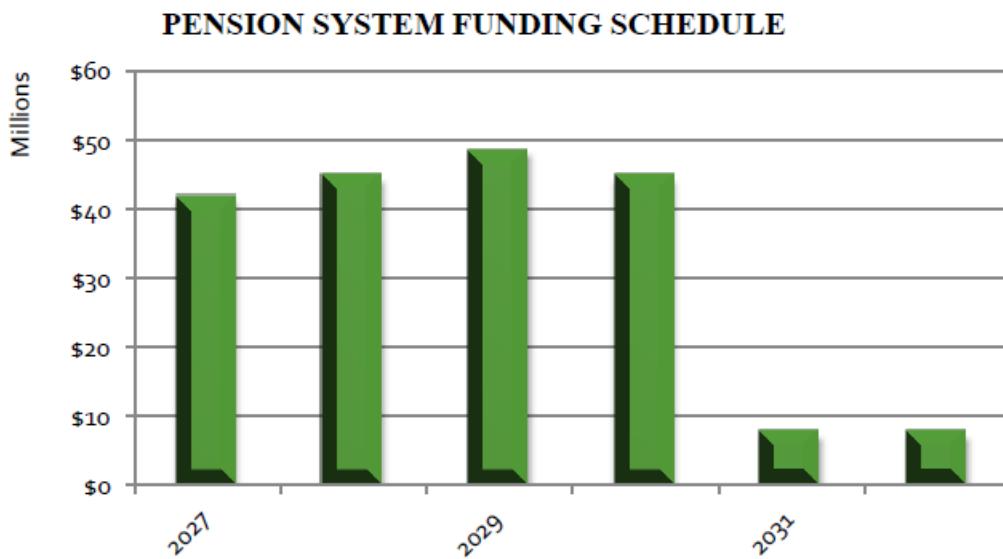
Pensions

The Town's pension fund is governed by State law and is invested under the control and custody of the Retirement Board, not subject to changes by the Select Board or Town Meeting. Municipalities are required to show as a liability on their financial statements an amount equal to the difference between the total amount of retirement benefits the Town has promised to its employees and the actual assets it has set aside to pay those benefits. This liability accumulated when it was common practice in both the public and private sectors to budget only for the current year's expenses on a pay-as-you-go basis.

In 1989, the Town accepted the optional provision of the State Pension Reform law, committing the Town to fully fund its outstanding pension liability over 40 years (by 2028). Although the State extended this deadline until 2040, the Town maintained its more aggressive schedule, advancing it by only 2 years to 2030. Additional extensions at this time would provide minimal budgetary relief, given how close the Town is to reaching its goal.

As of the last actuarial evaluation on January 1, 2024, the pension fund was valued at \$_____ with an unfunded liability of \$177.8 million. The pension contribution for 2027 is budgeted at \$41.1 million and projected to grow to \$47.8 million by 2029 before

beginning to decline. If the liability is fully funded by 2030, the pension contribution is projected to decrease to \$7.3 million in 2031, with the savings being diverted to fund the OPEB liability (see the following section).



Retiree Health Benefits (OPEBs)

The aging workforce and rising healthcare costs raise serious concerns about how to finance retiree healthcare benefits. In 2004, the Government Accounting Standards Board (GASB) issued guidelines requiring municipalities to include as a liability in their financial statements the projected expense for these benefits over the working career of plan members as determined by a qualified actuary instead of as pay-as-you-go contributions.

In response, the Town established a Post-Retirement Benefits Trust Fund to offset future retiree healthcare costs. As of the last actuarial evaluation on June 30, 2024, the Trust Fund was valued at \$ _____ with an unfunded liability of \$201.5 million. While the Town is not legally required to reduce its unfunded liability, Brookline is one of the few communities in the state that includes OPEBs in its annual budget, currently funded at \$5.2 million. Under a policy adopted by the Select Board in September 2025, the \$40M 2030 OPEB funding will be applied to OPEBs starting in 2031 and will continue for 5-6 years, estimated to be necessary to eliminate the approximately \$200M unfunded liability. A detailed analysis of OPEB funding is included in the Future Subcommittee Report.

Other

Town Meeting Initiatives

As the community's needs have grown, Town Meeting has passed resolutions requesting additional services, which have been funded through Overrides or soft money (grants/gifts). These include:

- Approximately \$45,000 per year for the town-wide cross-departmental cost of purchasing renewable energy credits to offset fossil fuel energy use, added in 2019; the cost increases as the percentage of energy being offset by RECs increases
- 2 FTEs for short-term rental inspections added in 2020; fees have not covered the full \$183,000 cost
- \$250,000 for 2.48 FTE Sustainability positions currently on soft money that will have to be absorbed by the operating budget or eliminated when funding runs out in 2028
- \$226,000 for 2 FTE plus contractual costs for rodent control added via the 2024 override
- \$100,000 for 1 FTE Language Access position and contractual services funded through the 2024 override

Other initiatives may add only incrementally to costs but increase the administrative burden on existing staff. These include the amendment to the tree canopy by-law, which has not generated sufficient fee revenue to cover the costs of new hires and the enforcement of the fossil-free building code, tobacco restrictions, plastic ban by-laws, leaf blower restrictions, and sidewalk snow removal. The additional cost of the 2018 requirement to purchase only fossil-free vehicles has led to fewer police cruisers being purchased.

Inflation

Town revenues have not kept pace with inflationary pressures. Despite an injection of funds in the 2024 Override, road and sidewalk maintenance have not kept up with rising construction costs, and the problem worsens as repairs are delayed. The IT Department is another area hard hit by rising costs. ~~[JG getting more data from CY] Additional data in budget narrative per MG~~

~~Soft Money Revenue SEE NEW SECTION UNDER OTHER SOURCES OF REVENUE~~

~~The Town relies on grants to pilot new initiatives and reduce the burden on property taxes. As these grants expire, there is pressure to continue the funded services. It is worth noting that the Town and PSB need to adopt a policy that treats Grants as one-time funds, e.g., primarily capital. [JG asked CY for more info on this Sustainability and CDBG – Community Development Block Grant]~~

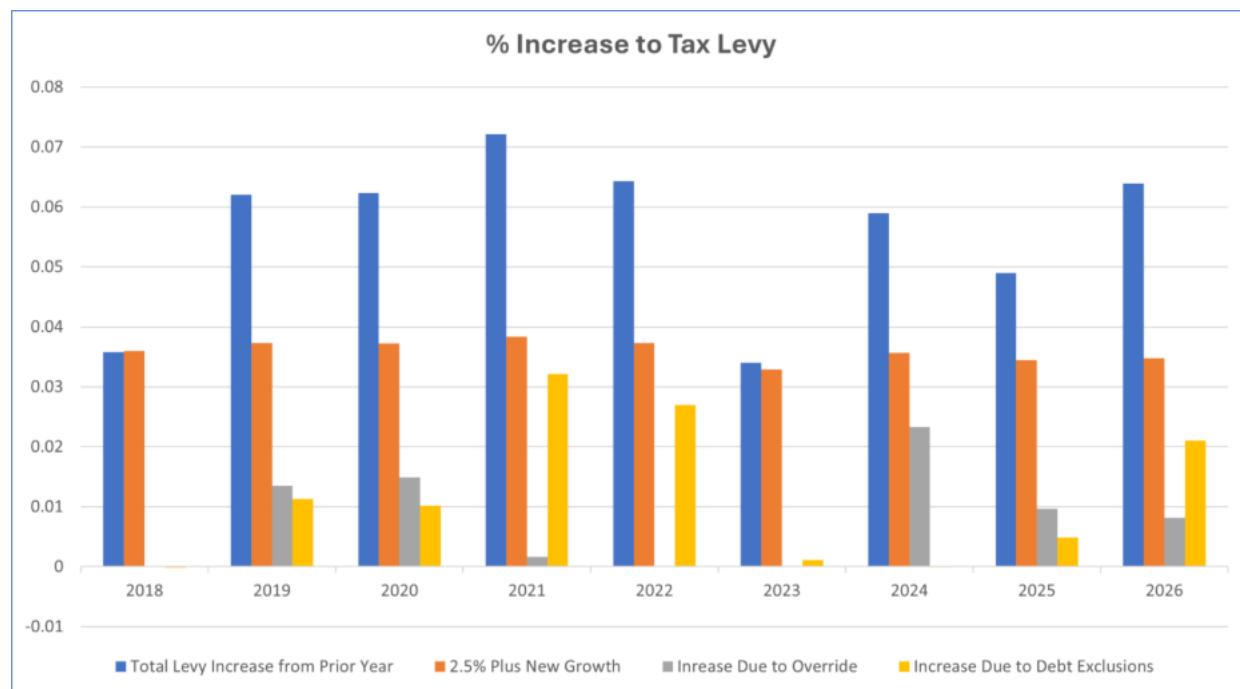
Property Tax Trends

The tax levy ~~makes up over 80% of the Town's operating revenue and consists of~~ has three components: increases to the base capped at 2.5% of the prior year's levy plus new growth; increases to the base from voter-approved overrides to the cap; and increases to fund the debt incurred for major capital projects, which are not folded into the base. Since 2019, the tax levy has increased significantly due to overrides and debt exclusions, as shown in the chart below. New growth has contributed about 1% per year to the tax base, reducing the burden on existing homes. This pattern is not expected to continue in the current economic environment, with major projects such as Waldo-Durgin delayed by several years.

~~JG to send data to JD and JH to make alternate chart — JG to put in the language]~~

~~[Chart data send to HD and JH but chart not changed]~~

~~[JVS – extend the graph to projected FY27, assuming the override, and FY27, assuming the override is rejected - MG] EXTENDING THE CHART REQUIRES KNOWING THE SCHOOL ASK. I SUGGEST THAT BE SHOWN SEPARATELY IN THE FULL REPORT RATHER THAN IN EACH SECTION.~~



Overrides

State law permits municipalities to exceed the 2.5% tax cap if a majority of voters approve an override. The agreed amount is a permanent addition to the tax base, subject to the

same 2.5% annual increase going forward. Brookline has approved three operating overrides since 2015, totaling just over \$26.2 million, phasing each in over three years to minimize the financial impact on taxpayers. The most recent 2023 override added almost \$12 million to the levy, roughly twice the size of previous proposals, and was meant to restore some of the cuts made in response to COVID. The impact of a 2026 override on individual taxpayers is presented later in this report. [this is being done by Cliff and/or Dick so presumably in the school section? Check with other chairs]

Debt Exclusions

A majority of voters can approve a debt exclusion ~~following a two-thirds vote of Town Meeting. The exclusion covers to cover~~ the principal and interest costs of large capital projects. These ballot questions authorize the municipality to borrow funds for a specific purpose and temporarily increase the levy to service the debt, typically over 25 years.

Debt exclusions do not affect the structural deficit but are a major driver of the increase in annual tax bills, accounting for approximately 10% of the levy by 2027. In the past ten years, Brookline has approved debt exclusions for the renovation/construction of four schools (Ridley, Driscoll, Pierce, and Brookline High), renovation of several fire stations, and the purchase of land at the former Newbury College site. ~~The annual cost of debt service (principal and interest) for these projects is estimated at about \$37 million.~~ The annual cost of debt service (principal and interest) for these projects is projected at about \$35.4 million in 2027 and will increase to \$36.7 million by 2029, as borrowings for the remainder of the fire station renovations are added.

Efficiencies moved under revenue section

~~The Town has made multiple adjustments to produce a balanced budget each year. These include level funding the Town's contribution to its unfunded liability for retiree health, adjusting the amount of free cash used for capital improvements, and deferring vehicle replacement, building maintenance, and IT purchases. While these actions have produced short-term savings, they cannot be sustained over the long term without leading to service reductions and ultimately higher costs.~~

~~The following table outlines potential savings, even with an override ask. Note: right-hand column is savings—Town to provide updated graph~~

Potential Town Revenue Sources

~~In addition to property tax revenue, the items below are the Town's primary other revenue sources.~~

- ~~Local receipts and fees—limited revenue potential; cannot alone bridge the structural gap.~~

- One-time funds (Free Cash, Stabilization, ARPA/ESSER, grant reserves) are already fully or mostly committed; reliance masks only near-term shortfalls but cannot sustain long-term operational costs.
- State aid or increased state support—uncertain and insufficient as a baseline for planning.

Other Revenue Sources

Local Receipts

Local receipts comprise the second largest source of revenue in the Operating Budget and include: local option taxes on meals, hotels, and recreational marijuana; interest income; parking fines; and permitting fees. Interest income, a major source of past growth, is declining as ARPA funds are spent. Permitting fees are also decreasing with major projects like Waldo-Durgin on hold in the current economy.

After recreational marijuana was legalized, cannabis sales sparked an increase in local option taxes because Brookline had the only dispensary in the area. As dispensaries opened in other communities these sales have declined and are expected to generate only \$ [redacted] in 2027. Creating the necessary regulatory structure in Brookline to license hookah lounges as Boston has done would be a lengthy process. Given the pushback from the community on dispensaries, it isn't clear whether Brookline would choose to do so.

The Town has reviewed various usage fees and identified potential increases totaling \$460,000 as shown in the table below. The most promising source of new revenue is from parking fee compliance which would be shared under the Town/School Partnership formula. Potential fee increases outlined in the table below would generate \$460,000 but will have minimal impact on the Town's budget deficit.

SAMPLE REVENUES - NOT VERIFIED/FINAL		Amount	Description
Dept	Item	Amount	Description
BLD	Building Permit fee increase	\$70,000.00	Assumes 1% increase
FIN	Tax Demand fee increase	\$14,000.00	
POLICE	Parking Violation fee increase	\$366,000.00	\$1.2M * 0.85 (increased compliance) -\$125k (modernization) * 0.41 (split)
DPCD	ZBA/Preservation fee increases	\$5,000.00	Assumes 10% increase
BLD	Increase Short-Term Rental Fees	\$5,000.00	
TOTAL		\$460,000.00	

Soft Money

The Town relies on grants to pilot new initiatives and reduce the burden on property taxes. Despite a policy of using these funds for one-time purposes, there is pressure to continue popular pilots after the grants expire. Some soft money sources with near term expiration dates that may be replaced by an override are:

- ARPA Funding (2026): \$300,000 for senior medical transportation ([Additional info on ARPA in TA budget message](#))
- Anonymous Donation (2028): \$1,0 million for sustainability program over 3 years;
- Homeland Security UASE training funds cancelled by federal government

Continuation of federal Community Development block Grant (CDBG) funding is in jeopardy due to changes in federal priorities. In 2026, the program provided \$45,229 for COA transportation which the town will try to preserve if the funding is eliminated.

Efficiencies

The Town has made multiple adjustments to produce a balanced budget each year. These include level funding the Town's contribution to its unfunded liability for retiree health, adjusting the amount of free cash used for capital improvements, and deferring vehicle replacement, building maintenance, and IT purchases. While these actions have produced short-term savings, they cannot be sustained over the long term without leading to service reductions and ultimately higher costs. As shown in the table below, additional cuts are projected for 2027 even if an override passes.

CHART NEEDS TO BE UPDATED

<u>Department</u>	<u>Item</u>	<u>FY27</u>
Fire	Personnel	90,500
Health	Personnel	88,000
HR	Personnel	15,000
HR	Services	36,000
Planning	Personnel	78,500
Police	Overtime	50,000
Rec	Personnel	73,500
SB	Services	30,000
OPEBs	Level Funding	100,000
CIP	6% instead of 6.6%	876,000
		Benefits 45,000
		Total 1,482,500

Override Proposal **NEEDS TO BE REWRITTEN AND FIGURES UPDATED WHEN FINAL**

To preserve current service levels, the Town Administrator has proposed an override of \$5.31 million be placed on the ballot in 2026. The tax base would increase by \$2.9 million in FY27; \$1.25 million in 2028, and \$1.25 million in 2029 as detailed in the table below. [Jesse, these are the amounts we were looking at on Thursday. Should the \$2.9 be reduced to \$2.6 to because of the expected fee increase, or the total changed to \$5.4?]

He proposes using the \$2.5 million in years two and three to set up an Override Reserve Fund, as a safety valve against future fiscal challenges. [This needs to be explained further does it cover town and school, what happens if it is not used, etc.?]

At present, there are no plans for significant expansion or new programs; the focus is on absorbing fixed-cost growth and preventing cuts.

The following Table summarizes the plan for the Override funds in each of the upcoming three years:

Department	FY27	FY28	FY29
Public Safety	Maintain staffing, equipment, and safety services	Maintain staffing, equipment, and safety services	Maintain staffing, equipment, and safety services

DPW	Maintain road maintenance, snow, and facilities upkeep	Maintain road maintenance, snow, and facilities upkeep	Maintain road maintenance, snow, and facilities upkeep
General Government	Support administrative costs, mandates	Support administrative costs, mandates	Support administrative costs, mandates
Contingency / Stabilization Fund	Buffer for future cost increases or emergencies	Buffer for future cost increases or emergencies	Buffer for future cost increases or emergencies

~~Proposed Cuts Without an Override~~

~~It is predicted that, in the absence of an override, the Town would suffer a reduction of 18 FTE to balance the budget. The table below (sample) describes the overall look of such reductions.~~

~~[Chas to provide the table for the FTE reductions]~~

~~JG this is the table of what an override would fund, not the cuts without one. Nothing below the \$5.3 should be include because it's confusing. WE HAVE NOT ANALYZED THIS PROPOSAL AND YOU SHOULD NOT ASSUME WE HAVE TO ACCEPT IT AS IT IS. THIS SHOULD BE THE MAJOR PART OF OUR DISCUSSION ON THURSDAY.]~~

PROJECTED CONTINUITY OF SERVICE GAP		\$2,949,230.00
Dept	Item	Recommendation
(multiple)	Continuity of Service	\$1,320,000
FIRE	New Contract	\$910,000
FIRE	Overtime Deficit	\$800,000
DPW	Sustainability, Tree Protection, Unfunded Programs	\$625,000
POLICE	Restoring 6 Officer Positions (ending hiring freeze)	\$600,000
(multiple)	Collective Bargaining Reserve	\$350,000
POLICE	Case Management Software, Command Staff Salary	\$300,000
COA	Senior Center Transportation & Admin Support	\$175,000
BUILDING	Building Maintenance/Tradesperson Staffing	\$150,000
IT	Federally Funded Licenses Continuation	\$50,000
CLERK	Senior Clerk-Typist - to Full-Time	\$30,000
NOT FINAL - SUBJECT TO REVIEW & APPROVAL		\$5,310,000.00

~~Note: Roadway Repair and Maintenance to be flattened in funding even with an override. JG to get more data from Chas for this item. JG will cover this part under inflation. New table to be provided to us from the Town.~~

Proposed Cuts Without an Override

~~It is predicted that, in the absence of an override, the Town would suffer a reduction of 18 FTE to balance the budget. The table below (sample) describes the overall look of such reductions.~~

~~[Chas to provide the table for the FTE reductions]~~

Community Impact Analysis

Cliff Brown and Dick Benka are working on this section.

MG to provide the property tax increase table. Does this belong in the Town Report or in another section of the full committee report? [JG]

Analysis of Different Scenarios

Scenario	Description	Impact on Services / Staffing / Town Finances
1. Override Passes	Operating override of \$5.31M is approved, funds allocated as above	Some reduction in services; projected deficits may recur if costs continue to outrun revenue
2. Override Fails	Default 2.5% levy growth + minimal growth only	Immediate cuts to municipal services; potential layoffs (18 FTEs) and program reductions totaling \$____XXM; projected deficit increase

In the event of a No Override outcome, the Town will face significant reductions in operational capacity, Town Meeting may need to propose Warrant Articles to repeal the need for existing services that will now be unfunded (based on conversation with Chas), and future capacity for new growth, especially commercial, will be limited. [Chas to explain this to the subcommittee]

If there is no Override, the predicted FTE impact is shown below:

Year	Impact

FY27	12 FTEs + 6 “reserved” FTEs in the Police Department (Total of 19 FTE)
FY28	20 FTEs
FY29	5 FTEs
Total Impact	44 FTEs

In the event of an override not being passed, the following service cuts would be anticipated in FY27:

Department or Program	Impact
Libraries	Shorter hours of operation
Senior Center Transportation	Significantly curtailed with the lapse of ARPA funding
Farmer's Market – Coolidge Corner	This program will close
Building and Sanitation	Inspectors will be lost, reducing the Town's ability to enforce public-facing codes (rodent control, short-term rentals, etc.).
Police Department	Six (6) open positions will be lost. This reduces the Department's ability to staff overnight shifts with as many officers as before.
Economic Development	Projects, including those aimed at encouraging commercial development, would significantly decrease with a loss of planning staff capacity.
Tree Protection By Law Enforcement	Enforcement would be impossible to maintain. No staff to be available to police By Law violations.
Finance Department	Loss of significant capacity, including the ability to strategically deploy the Assessor's Office to ensure property tax collection is optimized.

Language Access	The program would provide only minimal services to non-English speakers.
Housing Stability Office	Integration with Health & Human Services would slow; the resources required to meet the obligations of the By-Law would not be available.

Continuing in FY28, additional pressures on the budget would lead to the following:

Department or Program	Impact
Fire Department	The Town will be unable to fund the current complement of firefighters when the new union contract begins. Most likely, the Department will close a Company, resulting in a loss of 20 firefighters, and take a fire engine out of service.
Sustainability and Natural Resources Division of DPW	This Division will likely close, losing our ability to pursue important projects like solar energy adaptation.

It is critical to point out that there will be service cuts **even if the override is passed**:

- Fire Prevention Operations will be reduced
- A full-time training lead in HR will be eliminated
- A vacant planning position will be eliminated

Conclusions & Recommendations

- The Town faces a significant and recurring budget deficit that cannot be resolved through cost-savings, efficiencies, or one-time funding.
- While the override alone will not solve the underlying structural issues resulting from the 2.5% tax levy cap, it is important that we invest in a stable budget until FY29. By that time, the following developments may occur; **this mostly pertains to issues discussed by other subcommittees and doesn't flow from the Town report. Our conclusions and recommendations need to be based on what we've said so far. A lawyer would object that you have not established a foundation. We need to talk about this section on Thursday. [JG]**

- New commercial and residential developments that will add significant tax revenue to the Town's budget will come online (Chestnut Hill West, Waldo-Durgin, etc.). Note: etc.). According to EDAB and the Planning Department, Chestnut Hill West will not produce any meaningful revenue for at least 5-6 years at best, and Waldo-Durgin shows no sign of advancing into the steps required to convert the already approved Zoning into actual Permits.
- The Town will fully satisfy its outstanding pension obligations in 2030, allowing it to turn to closing its OPEB liability and evaluating the future of that previously spoken-for revenue source.
- The Town and its unions will come to an agreement to reduce our current 83/17% health cost split to a more equitable balance in line with peer communities. Even if this split agreement is reached, the unions will seek alternative compensation of similar value. Thus, the long-term savings may not materialize at the expected levels.
- Continued investment in renewable energy infrastructure will have a positive impact on the Town's utilities budget. Yes, although it requires a capital investment of around \$25M to offset about 85% of the current KwH usage, with an approximate FY27 cost of about \$4M; that could allow \$3.4M for other Operating Budget items (e.g., books, police) but requires taking on new debt service which is highly unlikely in such an amount in the next 3 years.
- The override proposal brings the permanent property tax increase in the first year of the three-year cycle. Increases in FY28 and FY29 would be held to the typical 2.5% level plus any new growth allowance.

Appendix

Needed here or in final report?

Table 1 – Inflation and the Brookline Budget (prepared by S. Modigliani)

Budget Data 2001-2000-2026							
2007 Page I-2 states: Brookline budgets grew by 1.0% annually between 1985 and 2005 on a per capita basis when adjusted for inflation; School spending has grown at a rate higher (1.4%) than basic Municipal services (0.6%) since 1987							
Amount Available for Appropriation							
FY Year	Budget Book Nominal Amount	Budget Book Nominal Dollar Change, Y/Y	Budget Book Nominal Percent Change, Y/Y	Boston CPI Inflation Factor	Real Amount for Appropriation	Annual Dollar Reduction Due to Inflation	Real Percentage Change, Y/Y
FY2000	\$143,298,057			4.290%			
2001	\$155,932,977	\$12,634,920	8.817%	4.430%	\$149,025,146	\$6,907,831	4.387%
2002	\$147,333,324	-\$8,599,653	-5.515%	2.550%	\$143,576,324	\$3,757,000	-8.065%
2003	\$149,351,237	\$2,017,913	1.370%	3.700%	\$143,825,241	\$5,525,996	-2.330%
2004	\$156,086,404	\$6,735,167	4.510%	2.870%	\$151,606,724	\$4,479,680	1.640%
2005	\$167,971,050	\$11,884,646	7.614%	3.170%	\$162,646,368	\$5,324,682	4.444%
2006	\$167,193,206	-\$777,844	-0.463%	3.190%	\$161,859,743	\$5,333,463	-3.653%
2007	\$177,567,728	\$10,374,522	6.205%	1.880%	\$174,229,455	\$3,338,273	4.325%
2008	\$182,349,404	\$4,781,676	2.693%	3.670%	\$175,657,181	\$6,692,223	-0.977%
2009	\$192,206,310	\$9,856,906	5.406%	-0.810%	\$193,763,181	-\$1,556,871	6.216%
2010	\$196,750,968	\$4,544,658	2.364%	1.640%	\$193,524,252	\$3,226,716	0.724%
2011	\$193,564,101	-\$3,186,867	-1.620%	2.650%	\$188,434,652	\$5,129,449	-4.270%
2012	\$201,165,234	\$7,601,133	3.927%	1.620%	\$197,906,357	\$3,258,877	2.307%
2013	\$215,403,322	\$14,238,088	7.078%	1.390%	\$212,409,216	\$2,994,106	5.688%
2014	\$221,001,580	\$5,598,258	2.599%	1.640%	\$217,377,154	\$3,624,426	0.959%
2015	\$227,198,355	\$6,196,775	2.804%	0.630%	\$225,767,005	\$1,431,350	2.174%
2016	\$241,996,168	\$14,797,813	6.513%	1.380%	\$238,656,621	\$3,339,547	5.133%
2017	\$252,361,017	\$10,364,849	4.283%	2.550%	\$245,925,811	\$6,435,206	1.733%
2018	\$264,692,475	\$12,331,458	4.886%	3.230%	\$256,142,908	\$8,549,567	1.656%
2019	\$280,873,746	\$16,181,271	6.113%	2.010%	\$275,228,184	\$5,645,562	4.103%
2020	\$295,275,581	\$14,401,835	5.128%	1.080%	\$292,086,605	\$3,188,976	4.048%
2021	\$309,178,217	\$13,902,636	4.708%	3.090%	\$299,624,610	\$9,553,607	1.618%
2022	\$334,635,419	\$25,457,202	8.234%	7.210%	\$310,508,205	\$24,127,214	1.024%
2023	\$351,054,411	\$16,418,992	4.907%	3.740%	\$337,924,976	\$13,129,435	1.167%
2024	\$380,539,783	\$29,485,372	8.399%	3.200%	\$368,362,510	\$12,177,273	5.199%
2025	\$389,519,080	\$8,979,297	2.360%	2.740%	\$378,846,257	\$10,672,823	-0.380%
2026	\$407,360,815	\$17,841,735	4.580%	3.100%	\$394,732,630	\$12,628,185	1.480%
	\$6,258,561,912	\$264,062,758	4.150%	2.578%	\$6,089,647,317	\$168,914,595	1.552%
	Nominal Increase				Real Increase		
	Annual Average				Annual Average		

MEMOS NEED REFORMATTING TO FIT THE DOCUMENT.

Memo 1: FY26 Public Safety Overtime

SELECT BOARD

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Paul Warren 617-730-2200

Michael Rubenstein



BROOKLINE
MASSACHUSETTS

Washington

VanScoyoc

To: Advisory Committee
From: Charlie Young, Assistant Town Administrator for Finance
Date: October 3, 2025
Re: **FY26 Public Safety Overtime**
CC: Charles Carey, Town Administrator; Melissa Goff, Deputy Town Administrator for Policy and Fiscal Affairs

Public safety overtime continues to be a focus area for the budget team in Fiscal Year 2026 (“FY26”).

This memo provides an update on overtime, leave trends, and factors influencing these budgets. **Please be aware that the projections included herein are early estimates and these figures could evolve considerably throughout the course of the fiscal year.**

FY26 Fire Overtime

Introduction: Fire Department overtime is driven by coverage for firefighter absences and vacancies in accordance with contractual staffing requirements. The Fire Department’s summer vacation schedule frontloads overtime costs in the first few months of the year, after which the costs typically decrease on average through the remainder of the year. Using year-to-date (“YTD”) costs and applying the average weekly increase over the prior year, as well as assumptions for known changes in staffing, the department is projected to end in a deficit of **-\$861k**, which is 61k or 6.6% higher than FY25.

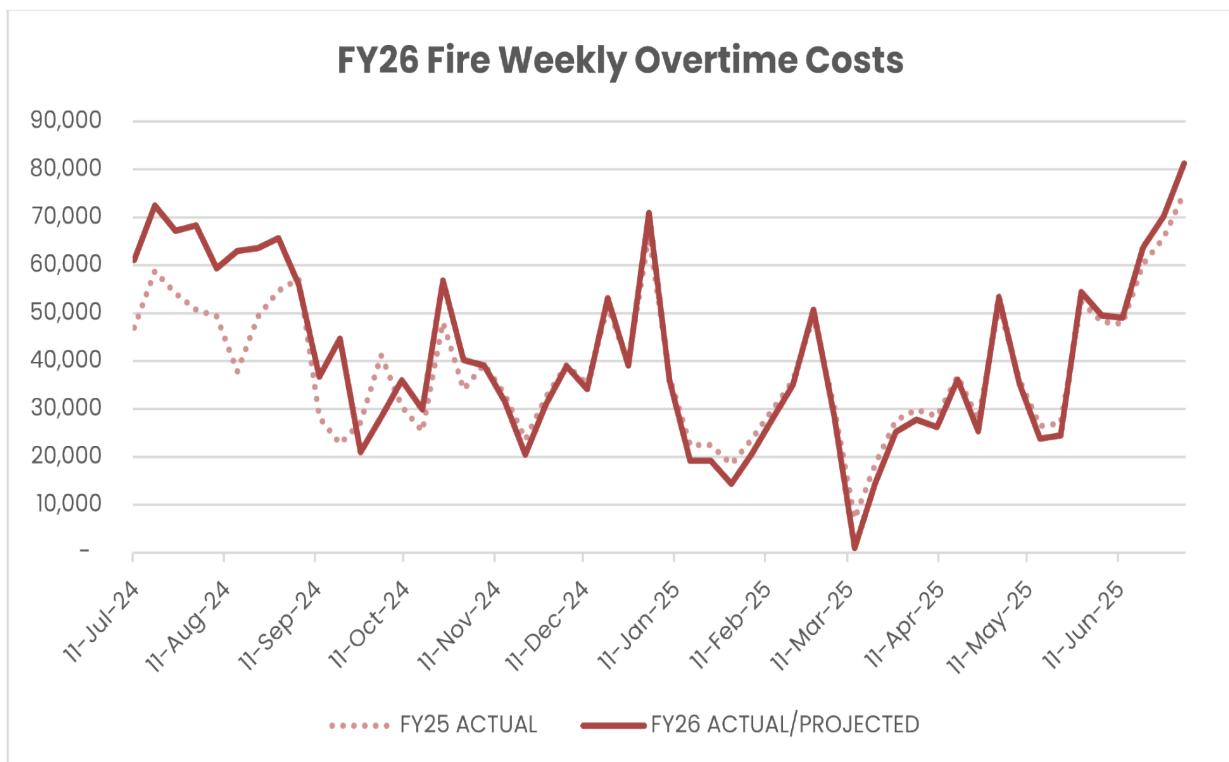
Fire Department Historical Overtime

	FY22	FY23	FY24	FY25	FY26 Proj	+/-

Budget	\$725,477	\$725,477	\$792,747	\$1,092,747	\$1,092,747	\$0
Actual	\$2,780,993	\$1,896,059	\$2,073,965	\$2,002,493	\$2,141,102	\$138,609
Overtime Surplus/Deficit	(\$2,055,516)	(\$1,170,582)	(\$1,281,218)	(\$909,746)	(\$1,048,355)	(\$138,609)
Actual/Projected Deficit	\$1,490,357	\$816,000	\$934,159	\$800,000	\$861,341	\$61,341

Vacancies: The department is carrying six vacancies in FY26, however, three of these are in training to begin work in October. While in training, the department covers their absence with overtime and does not benefit from savings had the positions otherwise been vacant. This should lead to reduced overtime after October and is factored into these projections.

Weekly Costs: FY26 weekly costs of overtime were up 30% over the summer vacation period. The below projection assumes costs will follow a similar trend as the prior year, applying the year over year increase in weekly costs and an assumption for new hires coming onboard.



Year-to-date Leave: Leave use has a significant impact on overtime costs. Firefighter absences and leave are up by 3% or ~31 tours through the first three months of FY26. Below are year-to-date and total projected leaves/absences through FY26 year end.

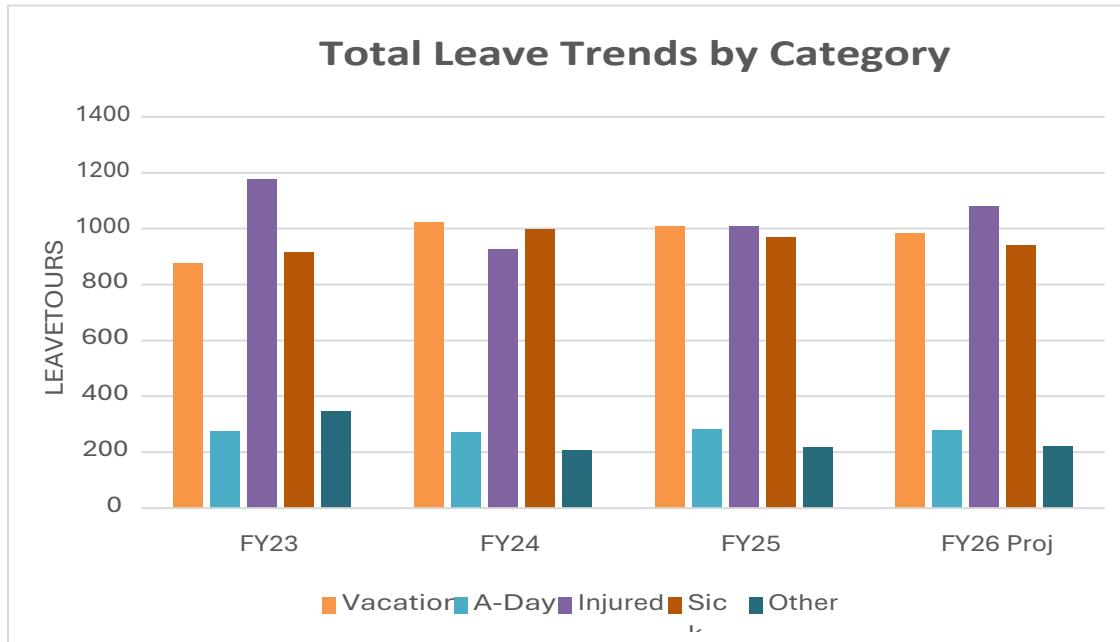
YTD Absences (tours)

Total Absences (tours)

	FY25	FY26	Δ	FY25	FY26 Proj	Δ
Vacation	374	351	-6.1%	1009	986	-2.3%
A-Day	40	38	-5.0%	283	281	-0.7%
Injured	241	315	30.7%	1010	1084	7.3%
Sick	235	210	-10.4%	970	946	-2.5%
Other	62	69	11.3%	216	223	3.2%
Total	952	983	3.3%	3487	3519	0.9%

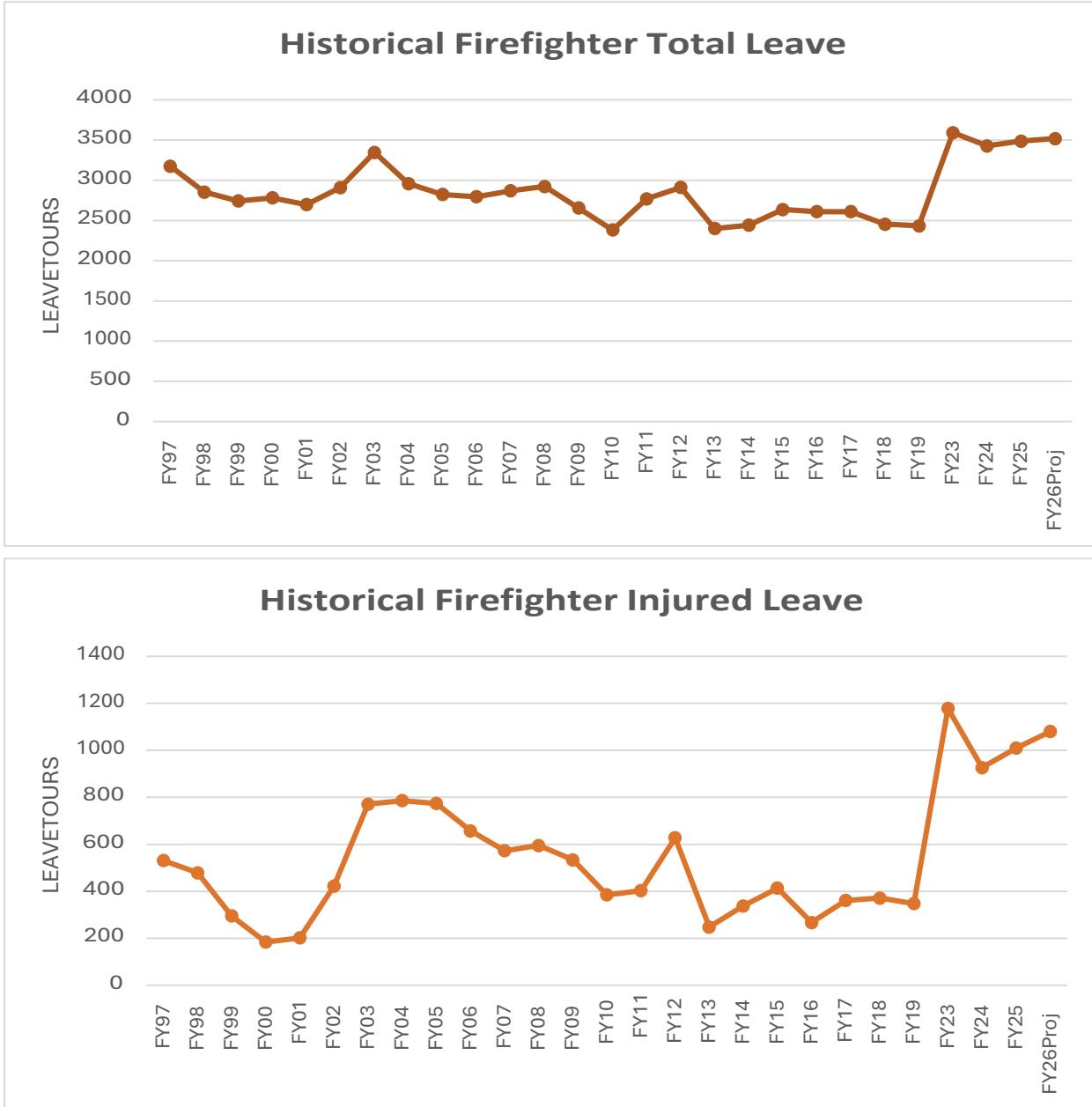
A few categories of leave are down (Vacation, Personal, and Sick), while the most significant increases are in Injury leave (**+30%**) and Other leave (+11.3%), the latter of which includes long-term sick cases not yet classified as injured-on-duty. Overall leave is projected to be up just 1% in total, following the trend of recent years, with injury leave driving the increase. Other categories may be lower due to vacancies, which if filled would have the most impact on the FY27 summer vacation period.

Leave Trends: Overall projected firefighter leave and absences continue along a similar trend as in recent years, with the most significant variance under injured leave.



Injured-on-duty Cases: The Fire Department currently has 17 firefighters absent on injured-on-duty (“IOD”) leave, which is up from 8 at the beginning of last fiscal year. Other categories of leave have decreased marginally, but with injury leave at

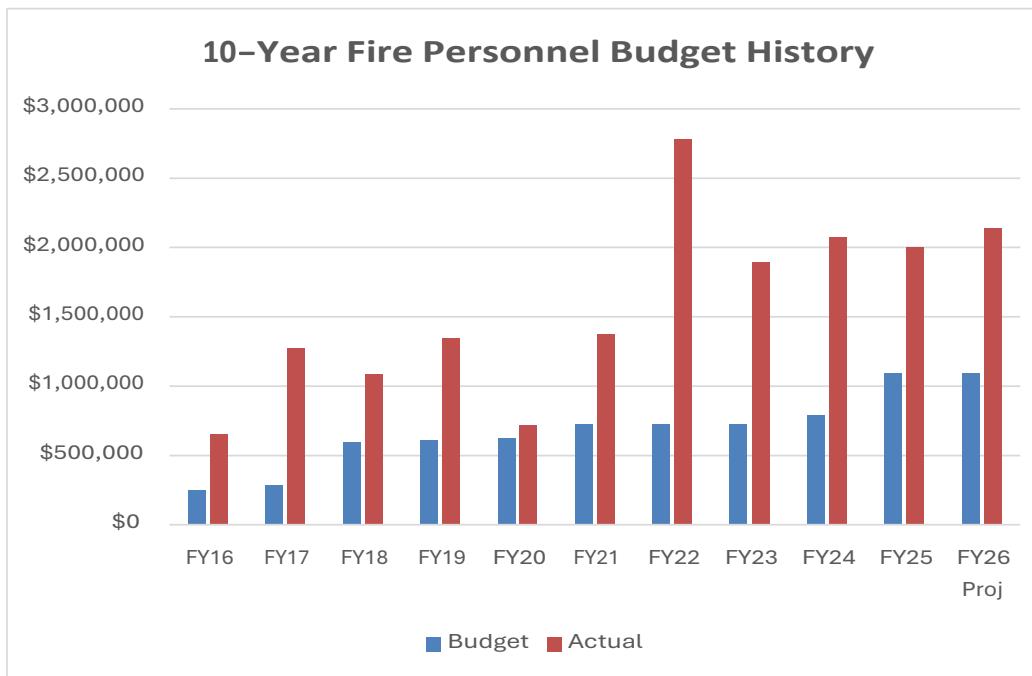
historically high levels, the department is starting each work day with fewer staff prior to other firefighters taking leave. The below charts compare total historical leave and IOD absences on the same timeline. Data was not collected for FY21 and FY22.



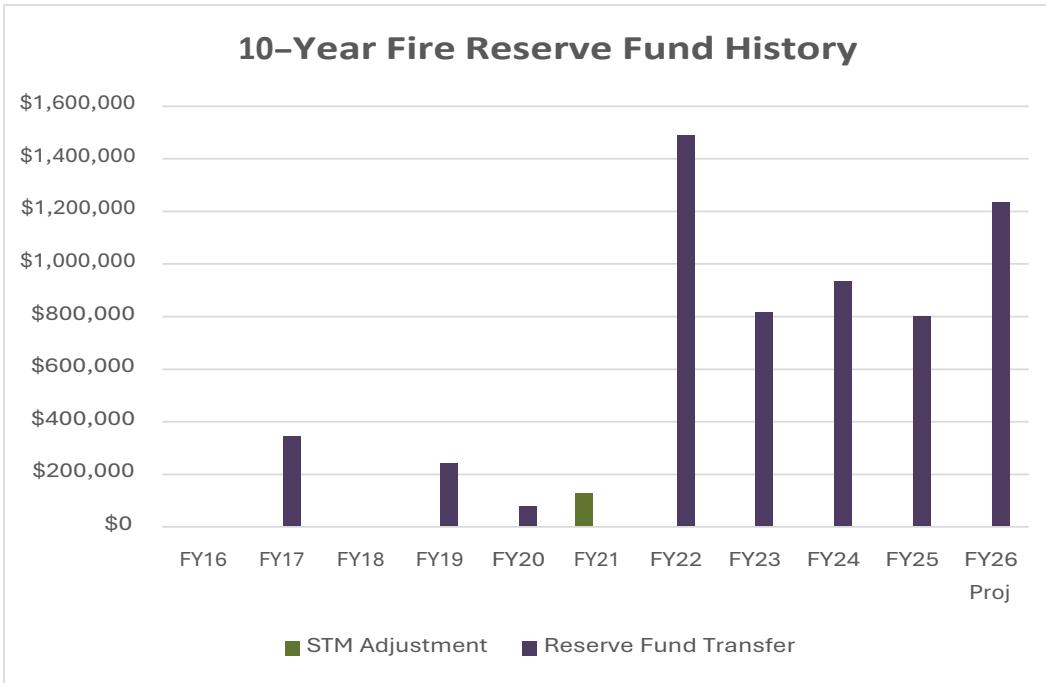
Note the budget team has considered the cost of hiring to backfill IOD absences and it was determined this would cost more than it would save in overtime. The Fire Chief continues to utilize available measures to reduce the likelihood of injury, manage injury cases, and return recovered firefighters to modified duty wherever possible, but

changes to eligibility for IOD and longer wait times to see medical professionals¹ are leading to longer time spent on IOD.

Contractual Time: A prior deal with the Fire union for FY13-F17 included a guarantee to grant a minimum of five vacation/personal days each day. At the time, IOD cases ran at a relative historical low- meaning the roster could support these without impacting the overtime budget, which was not increased to account for this provision. A few years later in FY21, IOD reached a record high of 21 cases. This number dropped to 9 by FY24, but has since regressed.



¹ Doctor Wait Times Average One Month In U.S: [Forbes](#)



If the roster were healthier overall, the five guaranteed days would be covered by other firefighters' regular shifts. With so many injuries and other leave remaining high, the guaranteed days triggered 1,104 overtime shifts in FY25 causing at least \$1.35M² in overtime costs. Of these, 721 tours were triggered by firefighters on IOD leave for at least \$886,687 in overtime costs.

Overtime Costs as a Percentage of Budget: Overtime is 5.9% of the Fire personnel budget in FY26.

Other Communities (surveyed and responded)

	Budgeted	Actual
Brookline (FY26 Proj)	5.9%	11.6%
Burlington	21%	25%
Randolph	7.5%	10.5%
Reading*	8.4%	8.4%
Somerville*	13%	13%
Watertown*	18.8%	
	18.8%	

² Based on step 4 overtime rate, using daily staffing counts to determine number of overtime tours required each day, and calculating how many of those were within the five guaranteed days.

Wellesley* 20% 20%

Weston* 11.4%

11.4%

*Actuals at or below budgeted percentage.

•

The budget team conducted a survey of Greater Boston communities to compare budgeted levels of overtime with other departments. Each of these communities operates on a lower minimum staffing standard than Brookline, but still budget twice as much or more for overtime in all cases except

Randolph and Reading. Note that this analysis doesn't account for other differences in operations or environment.

FY26 Police Overtime

Introduction: The Police Department accrued a significant overtime deficit during FY25, which required a reserve fund transfer of \$900k to resolve. The department started FY26 with fewer vacancies than it did the year before, which has provided relief to the budget in addition to operational changes undertaken to reduce the burden of overtime. Police overtime is not seasonal like the Fire Department, so using inflation-adjusted prior year costs and factoring in known expenses through year end, the Police Department is projected to face a substantially lower deficit of just -\$57k.

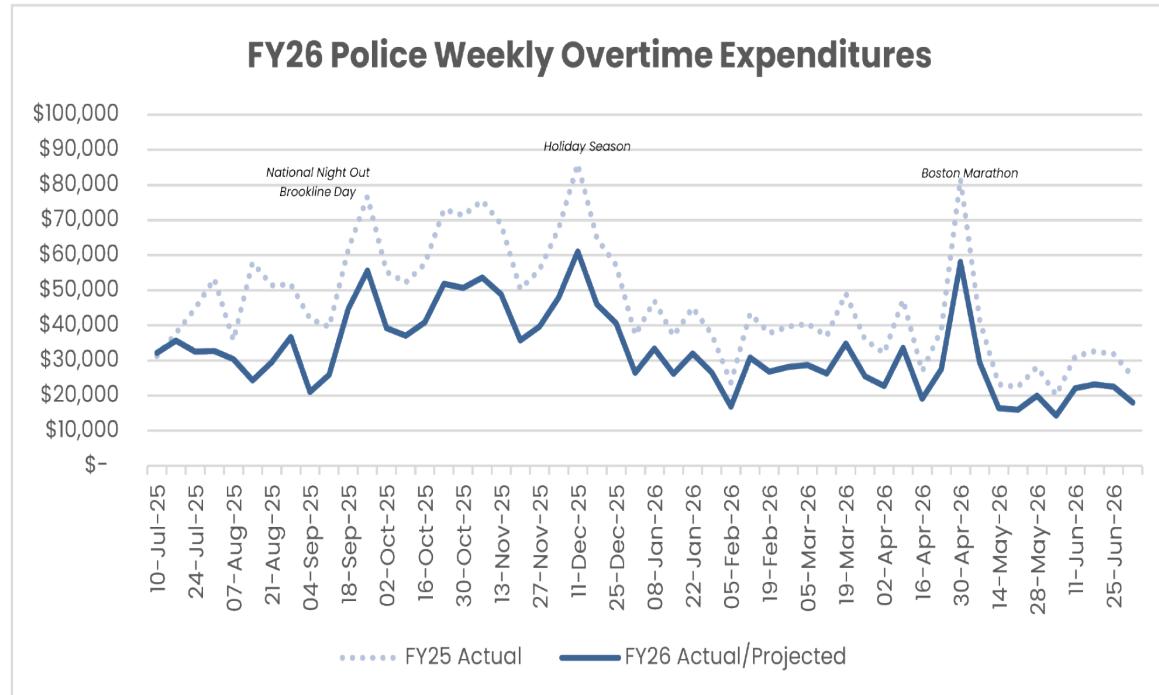
Police Department Historical Overtime

	FY22	FY23	FY24	FY25	FY26 Proj.	+/-	%
Budget	\$587,863	\$668,779	\$665,156	\$841,955	\$1,060,629	\$218,674	
Actual	\$1,604,065	\$1,712,629	\$2,228,902	\$2,417,473	\$1,700,621	(\$716,853)	
Overtime Surplus/Defic	(\$1,016,202)	(\$1,043,850)	(\$1,563,746)	(\$1,575,518)	(\$639,992)	\$935,527	-5%

Vacancies: The FY26 financial plan continued to hold open 6 police officer positions, funding the department at 128 sworn positions instead of 134, which contributes to overtime when the department is short in covering for a shift. In addition, the department has 8 vacancies in FY26 further contributing to shift shortages. We anticipate hiring 2-3 lateral officers in November, which should lead to a slight decrease in overtime and is factored into the above projections. Two retirements are anticipated within the next year that will offset these and increase overtime costs until those positions can be backfilled.

Weekly Costs: Overtime costs are down **-29%** per week on average, which when coupled with carrying fewer vacancies is leading to a lower overtime projection. While

fewer vacancies and timing of trainings may change the actual weekly costs, below is a projection of weekly costs through year end using prior year costs and assumptions for known changes in personnel.



Overtime Causes: Unlike the Fire Department, Police overtime has a variety of causes, which the Public Safety Business Office has begun using new codes to track starting in June. In that time, overtime tours decreased from 422 shifts in June to 341 in July and rebounded to 471 in September. The most significant causes were for shift shortage, training, and coverage for Brookline Day (shown below under Other Town Departments). Operational adjustments included a significant reduction in community service overtime and restricting detective overtime to work related to serious crimes.

Overtime Shifts by Category

	FY25		FY26			
	June	July	August	Sept	Total	
Shift Shortage	117	128	131	145	404	
Shift Shortage Due to Comp Time	63	74	49	65	188	
Comp Time in Lieu of OT	82	49	63	76	188	
Court	7	12	6	12	30	
Investigations, Follow-ups, Other	41	33	26	49	108	
Extended Tours	28	11	26	19	56	

Other Training	9	2	6	32	39
Grants	3	2	3	0	5
Traffic Admin	29	19	13	9	41
School Traffic	4	0	0	4	4
Other Town Departments	10	4	9	50	62
Community Service Division/Events	0	0	8	5	13
Fenway Tagging	4	3	3	1	6
Peer Support/CISM	8	5	10	5	20
PCO Tagging	17	0	0	0	0
Total	422	341	353	471	1164

Shift shortage does not directly cause the same overtime issues in Police as it does in Fire, however, it is still the largest category of overtime. In addition, there are substantial banks of compensatory time that are adding to shift shortages as shown in the third row above. The Grants category of overtime does not directly impact the overtime budget, however, it is included here for reference.

Leave Trends: Shift shortage is being driven primarily by the combined 14 open positions in Police, however, the Public Safety Business Office has started also tracking absence/leave figures since FY24.

	YTD Absences (shifts)			Total Absences (shifts)				Δ
	FY24	FY25	FY26	Δ	FY24	FY25	FY26 Proj	
Vacation	833	833	1027	23.3%	2292	2601	2795	7.5%
A-Day	133	203	157	-22.9%	749	928	882	-5.0%
Injured	159	158	135	-14.6%	748	730	707	-3.2%
Sick	350	353	371	5.3%	1401	1484	1503	1.3%
Comp	478	478	559	17.1%	2244	1939	2020	4.2%
Other	68	67	44	-34.3%	184	270	247	-8.5%
Total	2020	2091	2293	9.7%	7618	7952	8154	2.5%

Overall YTD leave is up by **+9.7%** in FY26 and projected to be up by 2.5% by year end. Overtime tracking recorded 404 overtime shifts due to shortage in FY26, as shown in the overtime by category table above, which are influenced by these leave figures to a certain extent. As the PSBO continues to gather data on leave use and overtime

causes, there may be insights to be gained on the connections between leave trends and shirt shortages.

END OF DOCUMENT

Memo 2: FY25 Fire Leave and OT Memo 2-11-25

OFFICE OF SELECT BOARD

MEMORANDUM

TO: Chas Carey, Town Administrator
FROM: Charlie Young, Assistant Town Administrator for Finance
RE: **Updated FY24-25 Fire Department Overtime and Leave Memo**
DATE: Revised March 11, 2025

Leave use continues to be a significant burden on the Fire Department overtime budget in Fiscal Year 2025 (“FY25”). The Town made significant efforts to compensate for high leave levels by increasing the budget for overtime by \$300,000 or 38% over FY24, but the projected deficit for Fire personnel is -\$746,197 or just \$187,962 lower than the prior year (See Figure 1). This memo compares leave utilization to historical levels and reviews the leave patterns that impact the deficit in the Fire Department overtime budget.

Figure 1: Projected Overtime Deficit

	FY21	FY22	FY23	FY24	FY25**	+/-	% +/-
Budget	\$723,476	\$725,477	\$725,477	\$792,747	\$1,092,747	\$300,000	37.8%
Actual	\$1,375,259	\$2,780,993	\$1,896,059	\$2,073,965	\$2,061,819	(\$12,146)	-0.6%
Overtime Surplus/Deficit	(\$651,783)	(\$2,055,516)	(\$1,170,582)	(\$1,281,218)	(\$969,072)	\$312,146	-24.4%
Estimated Salary Savings*	-	\$565,159	\$354,582	\$347,059	\$222,875	(\$124,184)	-35.8%
Reserve Fund Transfer		\$1,490,357	\$816,000	\$934,159	\$746,197	(\$187,962)	-20.1%

*Amount saved from open positions, except in FY21 where STM increased OT budget.

**End of Year Projection

Contractual Leave and Minimum Staffing

The primary driver of overtime in the Fire Department is leave, which causes the Fire Chief to call in staff to meet minimum required daily levels. Minimum staffing is based on national standards for firefighter safety, though Brookline has a higher level of minimum staff than any of the nearby communities except for the City of Boston. To illustrate the significance of minimum staffing within the budget, below are the results of an analysis of all leave in FY24 that shows the overtime deficit could be eliminated if the Town operated on a lower minimum staffing level in line with other similar surrounding communities.

Figure 2: FY24 Minimum Staffing Costs/Savings	
Total Overtime Shifts Current Minimum Staffing	1,358
Overtime Shifts at Lower Staffing	35
Firefighter Step 4 Overtime Rate	\$ 51.22
Costs/Savings Associated with Minimum Staffing	\$ 1,627,078

The Fire Department staffs at a minimum of 29 firefighters per day³. If the Town were to lower the department's minimum staffing requirements to those of similar surrounding communities at

22 firefighters per day, then overtime costs would be reduced by approximately \$1.6M per year. This would be equal to a 78% reduction in total overtime expenditures, would eliminate the perennial overtime deficit, and would create a surplus of around \$652,269 in the operating budget that could go towards funding other critical town services in FY25 and FY26.

Leave Trends

Total leave utilization in the Fire Department is up **4.7%** over FY24, which reverses the downward trend observed between FY23 and FY24. Multiple categories are showing an increase, with vacation and FMLA leave being the only categories to decrease. The following table compares projected FY25 total leave with FY24 actuals:

	Figure 3: Total Leave Year-To-Date			
	FY23	FY24	FY25 Proj*	Δ
Vacation	877	1022	996	-2.5%
A-Day	273	272	291	6.8%
Injured	1178	927	977	5.4%
Sick	674	811	871	7.4%
FMLA	243	188	150	-20.3%
Other	347	209	307	47.2%
Total	3592	3428	3590	4.7%

*Based on FY25 Year-To-Date figures, projecting the final six months based on changes in leave categories over FY24.

³ This number is based on the Town's number of firefighter groups. Each group is staffed four firefighters per apparatus, while other surrounding towns operate on three firefighters per apparatus.

These leave figures are still significantly higher than pre-pandemic figures, up **40%** across all categories in that time period. Injury leave has been reduced since it peaked in FY20, however, it is still particularly high at 149% above FY18 levels. The following table compares FY25 projected leave to FY18:

	Figure 4: Total Leave Five-Year Comparison					
	FY18	FY19	FY23	FY24	FY25 Proj	Δ
Vacation	979	933	877	1022	996	4.4%
A-Day	265	319	273	272	291	2.6%
Injured	371	348	1178	927	977	149.8%
Sick	502	568	674	811	871	61.5%
Other	337	266	590	396	456	17.6%
Total	2454	2434	3592	3428	3590	39.7%

Importantly, vacation usage is roughly on par with pre-pandemic numbers, while categories such as injured and sick are the farthest out of alignment. In order to fully illustrate this trend, the following table represents each category on a per-firefighter basis. Leave utilization since FY18 has increased by **six tours** per firefighter.

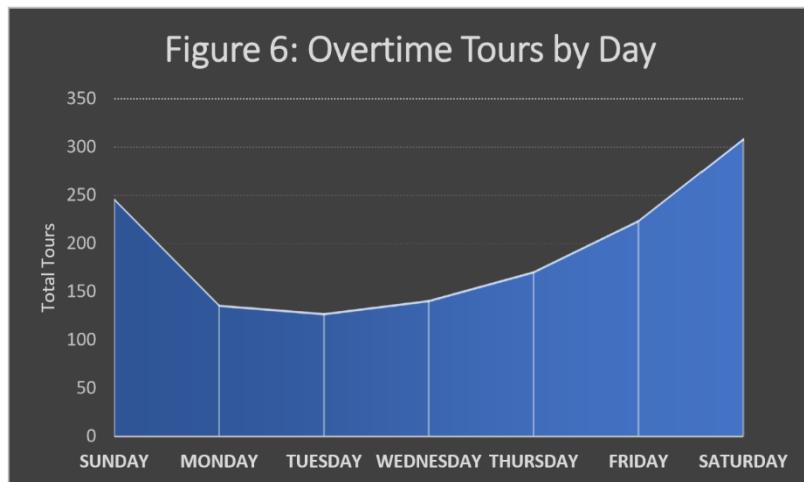
	Figure 5: Leave Tours Per Firefighter				
	FY18	FY19	FY23	FY24	FY25 Proj
Staff	151	151	152	152	152
Vacation	979	933	877	1022	996
Per FF	6.48	6.18	5.77	6.72	6.55
A-Day	265	319	273	272	291
Per FF	1.75	2.11	1.80	1.79	1.91
Injured	371	348	1178	926.75	977
Per FF	2.46	2.30	7.75	6.10	6.42
Sick	502	568	674	810.5	871
Per FF	3.32	3.76	4.43	5.33	5.73
Other	337	266	590	396.25	456
Per FF	2.23	1.76	3.88	2.61	3.00

Per FF Total	16.25	16.12	23.63	22.55	23.62
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Impacts to Minimum Staffing

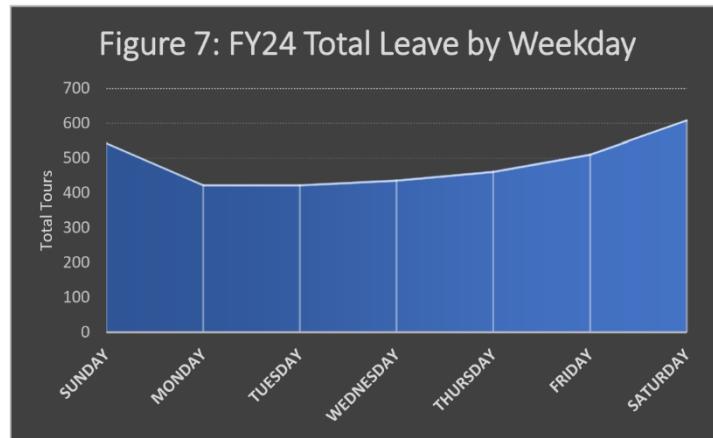
There are a number of factors that impact how much leave costs the Town in terms of overtime:

1. **Contractual Leave:** The collective bargaining agreement requires the Chief to grant a minimum of five vacation and admin leave tours each day. When the department is fully staffed and has no cases of long-term leave, these contractual days would not trigger minimum staffing and overtime coverage. After granting the five contractual days, however, firefighters on other kinds of leave such as injured-on-duty (IOD), sick, or FMLA further reduce the count further. 82% of leave or 2133 tours in FY24 came from this other category of obligated leave. The following table breaks down total overtime tours required by day of the week:

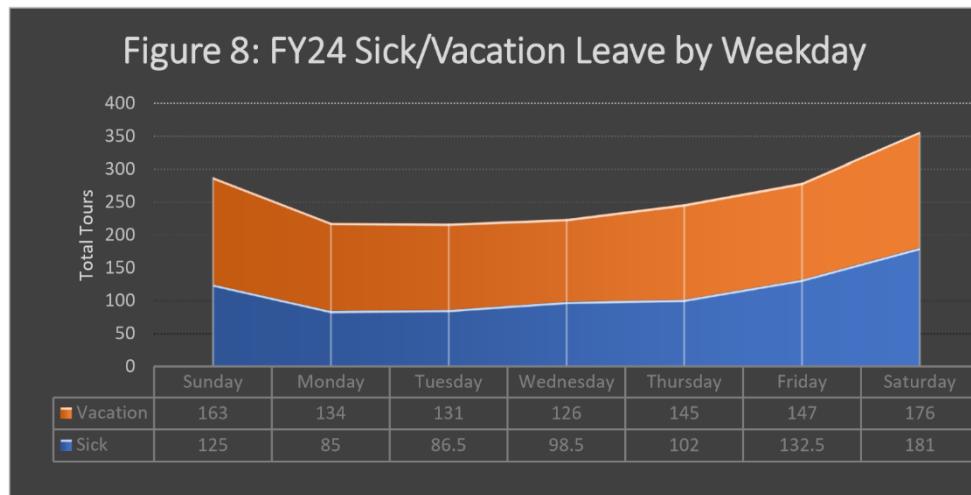


2. **Vacancies and Long-term Leave:** The Fire Department has four open positions and thirteen firefighters out on long-term leave. At this level, the department starts each day on average with three fewer per group in the count towards minimum staffing before granting contractual leave days. A new class is anticipated to join the force this Fall, which will not have significant benefit to the FY25 budget, but will position the department for a better overall leave and overtime experience in FY26.
3. **Weekend Leave:** Firefighter leave follows consistent annual patterns including notably higher leave use on the weekend. Though it is difficult to estimate, this comes at a significant cost to the Town. If the same amount of leave were taken

evenly across all days of the week, the Town could save as much as 30% on overtime costs. The following tables illustrate the pattern of FY24 leave use across days of the week:



This trend toward greater leave utilization on weekend days is more prevalent for sick and vacation days. In FY24, firefighters used sick and vacation leave on Saturday 40% more than on Wednesday. Sick leave use is nearly 50% higher on Saturday than it is in the middle of the week.



Overtime costs accrue quickly when several firefighters call in sick over the weekend, particularly given vacation days (which then use up the five contractual minimum leave days) are already higher on weekends. For example, the weekend before Labor Day was particularly costly to the Town. On Saturday and Sunday, the Fire Department started with 33 firefighters on staff, then the five contractual leave days were granted leaving them one firefighter short of 29 minimum staff on both

days. However, on Saturday one member of the group was out on injury leave, then four people called in sick and one used FMLA sick time. This resulted in a total of seven overtime shifts for an estimated cost of \$8,605. Sunday then required five and a half overtime shifts for \$6,761. Notably, the day after Labor Day (which marks the end of the Fire Department's summer vacation schedule) no one used vacation time and only two and a half sick days were taken. The department was fully staffed and no overtime shifts were required. The most expensive day for leave in FY24 was the Friday before Labor Day where five people called in sick and ten and a half overtime tours were required for an estimated cost of \$12,908. Sick leave on the Friday, Saturday, and Sunday of Labor Day weekend was associated with overtime totaling \$28,274, which was followed by a weekday where no overtime shifts were required and the department was fully staffed.

4. **Holiday Sick Time:** Firefighters are paid special compensation in addition to regular pay for working holidays, regardless of whether they are scheduled to work on those days, except if they decide to call in sick when they are scheduled to work a holiday. In that case, the firefighter forfeits their special holiday pay (but retains regular pay). The following tables illustrate a pattern of sick leave use that is consistent every year across almost every holiday in which multiple sick days are taken in the days leading up to, and often after, a holiday although no sick days are taken on the holiday itself.

Figure 9: Sick Leave Utilization Before, During, and After Holidays

	Independence Day	Labor Day	Indigenous People's Day	Veteran's Day
T-2	4	4	2.5	2
T-1	3.5	2.5	2	0
Holiday	0	0	3	0.5
T+1	3	1.5	2.5	1
T+2	1.5	1.5	0	0

	Thanksgiving Day	Christmas Day	New Year's Day	Martin Luther King Jr. Day
T-2	2	7	5.0	3
T-1	1.5	1.5	4.5	3
Holiday	0	1	0	1
T+1	2.5	3.5	4.5	4
T+2	5	4.5	4	1

	Patriots		Bunker Hill		
	President's Day	Day	Memorial Day	Day	Juneteenth*
T-2	2.5	4	6.5	3	0
T-1	5.5	2	2	5	5
Holiday	1	3	0	0	0
T+1	1.5	0	0	5	6
T+2	3	2.5	4	0	2

*Bunker Hill Day is two days prior to Juneteenth. This is the only time there were no sick days taken two days prior to a holiday.

Sick leave on the two days before and the two days after holidays generated 200 overtime shifts in FY24 costing up to \$246,489. In the most severe case, seven people called in sick two days before Christmas Day, but only one person was sick on Christmas Day. Two days before Memorial Day six people called in sick, then everyone scheduled to work on Memorial Day was fully healthy and able to report to work. The only holidays where more than one sick day was taken were Indigenous People's Day and Patriots Day.

Overtime Deficit Resolution

While it has been suggested that the Town add firefighters to resolve overtime issues, there is no demonstrable cost-benefit to this proposed solution. If the Town were to add one firefighter, they would work two shifts per week with three days off in between. This means if a new firefighter position is scheduled to work Saturday and covers what would have otherwise been an overtime shift, their next workday would be Wednesday where 30% fewer overtime shifts are required. Thus, adding a firefighter roughly costs \$123,639 (as shown on Figure 10 below), but is not guaranteed to save two overtime shifts per week. If they covered one OT shift per week, they would save the Town \$58,079 per year. If they were somehow able to cover two shifts per week, this would still only save \$116,159.

Figure 10: Each New Additional FF Cost	
Base Salary	\$ 67,659
New Uniform and Turnout Gear	\$ 10,000
Uniform Maintenance	\$ 815
ASHER	\$ 2,032
Associates Degree	\$ 5,000
Holiday \$ 4,218 EMT	\$ 3,743
Night Differential \$ 6,457 Group Health Benefits	\$ 23,715
Total	\$ 123,639

This doesn't factor in the average of ~16 leave tours they will take throughout the year, which would cost an estimated \$17,802 if they required overtime coverage, and does not factor in the cost of other long-term benefits such as pensions. This is true when considering whether to add a greater number of firefighters as well. If instead the Town wished to add enough firefighters to cover one overtime shift per day (four firefighters, or one per group), this would cost \$494,956 and only potentially save \$406,555. For all these reasons, each additional staff member added to the department will cost the Town more than it will save on overtime.

The most effective way to eliminate the overtime deficit would be to change minimum staffing from four firefighters per apparatus to three firefighters per apparatus, which is the standard for the majority of municipalities in the Greater Boston Area. This would not have the effect of reducing the number of firefighters budgeted and hired by the department, but would allow the Chief to lower the number of people staffed on any apparatus from four to three during times of excessive leave use. Further, this would not necessarily result in all apparatus running at fewer than four, and instead the Chief would have the discretion to determine which apparatus could run with fewer than four and maintain current levels of fire safety.

Another option for resolving the deficit would be to continue to implement and utilize all available tools to manage high levels of leave utilization, like the "Modified Duty" measure that has provided relief for injured-on-duty cases. These are unlikely to resolve the deficit though, which will remain at its current level until leave use decreases, minimum staffing is reduced, or the Town concedes that this level of leave utilization is acceptable to the community and funds the remainder of this overtime deficit. Note that funding the remainder of the overtime deficit will require continual influxes of funds if firefighter leave use continues its upward trajectory in the coming years in order to continue to maintain current levels of minimum staffing.

Future Considerations – South Brookline Ladder Truck

In the event the community wishes to add a ladder truck in South Brookline, the Town will need to fund the significant overtime from leave use that will arise from adding more firefighters to the roster. It would cost \$2,472,780 to hire twenty firefighters to staff a ladder truck based on the above per-firefighter rate. It was previously mentioned that additional firefighters could be expected to take 16 leave tours per year at a cost of \$17,802, however, this was based prepandemic normal levels of leave. If leave continues to be used at a rate of 23 tours per firefighter, the Town would need to add \$565,512 to the overtime budget to cover the cost of minimum staffing, bringing the total cost for a ladder truck in South Brookline to \$3,038,292. There is still the matter of funding the existing overtime deficit, which would bring this total cost to nearly \$4 million. To reiterate, \$2.2 million of these costs are associated with the policy of staffing fire apparatus at a higher rate than any of our peer communities. Thus, it would take a significant influx of \$4 million in revenue to add staffing for a ladder truck in South Brookline, but if the Town were to reduce minimum staffing then it would cost less than half this amount. Note that in addition to these staffing costs, a new ladder truck will cost between \$1.5 million to \$2 million fully equipped.

FY25 Budget Projection

Year-to-date overtime costs total \$1,314,782, which is roughly 4% lower than the prior fiscal year. In last year's leave memo, it was projected the Town would save this 4% from including deputy chiefs in the count for the five mandatory contractual leave days described above. While the Town anticipated further lowering the deficit by adding a significant \$300,000 into the overtime budget, leave utilization has increased by 4.7% over the prior year and total leave utilization remains 40% higher than pre-pandemic levels. **This 4.7% increase is 163 tours, which cost the Town an additional \$199,961 in overtime, erasing the savings from including deputy chiefs in the count and eroding the \$300,000 added to the budget in FY25.**

At this time, the overtime budget for the Fire Department is anticipated to be \$969,072 in deficit as shown in Figure 1 above, but the Town has accumulated salary savings from vacancies that will offset the total deficit. It is estimated that the overall personnel budget will realize \$222,875 in savings from vacancies for a total projected Fire personnel deficit of \$746,197.

Conclusion

In closing, I would like to recognize Chief Sullivan's efforts to effectively manage leave utilization in the Fire Department. Over the past several years, leave use has caused a significant burden on the Town's budget and our progress in managing leave been made possible by the Chief's detailed and timely tracking of the leave figures included herein.

Notably, the total number of firefighters out on IOD has decreased from 21 to 11 since 2021, thanks in part to the Chief's cooperation with Human Resources to closely manage and monitor those cases effectively and in part to the modified duty provisions added in the recently settled contract. The decrease in IOD cases and addition to the overtime budget have been followed by a decrease in the deficit. The FY25 deficit is projected below recent levels, but this can only be attributed to adding funds to the overtime budget. Fire Department leave use remains high and continues to put pressure on the Town's budget.

Memo 3: FY25 Fire Reserve Fund Transfer Memo v3



OFFICE OF THE SELECT BOARD MEMORANDUM

TO: Advisory Committee

FROM: Charlie Young, Assistant Town Administrator for Finance

RE: Fire Department Request for Reserve Fund and Appropriation Transfers

DATE: July 2, 2025

The following memo details the attached Fiscal Year 2025 (“FY25”) reserve fund transfer request related to Fire Department overtime.

Introduction

The Fire Department’s personnel budget is projected to be \$800k in deficit at the close of FY25. This deficit was anticipated in the [March leave and overtime memo](#), which included analysis of leave trends and their continued impact on the Fire budget. Total FY25 overtime expenditures of \$2M represent a -\$71k or -3.4% decrease over FY24, though costs are still \$600k higher than any year on record prior to FY22.

Historical Overtime Budget

	FY21	FY22	FY23	FY24	FY25	+/-	% +/-
Budget	\$723,476	\$725,477	\$725,477	\$792,747	\$1,092,747	\$300,000	37.8%
	\$1,375,259	\$2,780,993	\$1,896,059	\$2,073,965	\$2,002,493	(\$71,472)	-3.4%

Actual	(\$651,783)	(\$2,055,516)	(\$1,170,582)	(\$1,281,218)	(\$909,746)	\$371,472	-29.0%
Overtime Surplus/Deficit							
<u>Resolution:</u>							
Salary Savings*	\$651,783	\$565,159	\$354,582	\$347,059	\$109,746	(\$237,313)	-68.4%
Reserve Fund Transfer		\$1,490,357	\$816,000	\$934,159	\$800,000	(\$134,159)	-14.4%

*Amount saved from open positions, except in FY21 where STM increased OT budget.

The \$900k deficit in the overtime account is being offset by savings accrued while positions were vacant throughout the year, often referred to as salary savings, which is lower than the previous year due to experiencing fewer vacancies in FY25. The reduction in salary savings occurred as a result of filling those vacancies, which did not lead to a corresponding decrease in overtime costs. This is consistent with prior analyses that concluded adding firefighters is not an effective tool for reducing overtime costs, since they are not likely to cover more than one overtime shift per week and will also take leave that will require shift coverage.

Leave Trends

The leave analysis completed in March predicted total leave would increase by 4.7%, however, the actual increase over FY24 was just 1.7% due to a lower than anticipated sick leave experience during the final months of FY25. Sick tours are down -2.8% over FY24.

	Total Leave (tours)						
	FY18	FY19	FY23	FY24	FY25	1yr Δ	5yr Δ
Vacation	979	933	877	1022	1009	-1.3%	3.1%
A-Day	265	319	273	272	283	4.0%	6.8%
Injured	371	348	1178	927	1010	8.9%	172.1%
Sick	502	568	917	998	970	-2.8%	93.2%
Other	337	266	347	209	216	3.5%	-36.0%
Total	2454	2434	3592	3428	3487	1.7%	42.1%

Total leave is still 42% higher than in FY18, which is the primary driver behind this recurring deficit. While not all leave tours result in overtime, the total number of overtime tours has increased from 978 in FY18 to 1289 in FY25, or a 32% increase. Total expenses are up by 46% in this time, which corresponds with additional overtime tours and added compensation. Whether an absence requires overtime coverage depends on several factors, which are further discussed in the March memo, but it's clear from these figures

that higher absenteeism is contributing significantly to the present deficit. One such factor includes the requirement to grant a minimum of five vacation tours⁴ each day under the collective bargaining agreement which, when combined with high levels of injured-on-duty leave, often result in the department starting the day at or below the required minimum staffing levels before all other types of leave.

Injured-on-duty leave continues to be almost **three times higher** than FY18 and while changes in oversight have led to a reduction in these figures, the number of cases appears unlikely to decrease meaningfully in the coming years. Between the five vacation days, and the current 15 injury cases², the daily compliment frequently begins with five on vacation and three out on injury leave. The department has also been operating with five vacancies this year, further reducing the staff available to meet daily staffing requirements by up to one per day.

Next Steps

Town Administration are exploring all available avenues for reducing the burden of overtime on the Fire budget. As described in prior leave memos, the Fire Chief has coordinated with Human Resources to implement modified duty and increase oversight for injured-on-duty cases. The Town has negotiated changes to sick leave and recently reached an agreement with the Local 950 Firefighters Union that includes a new weekend differential stipend designed to reward firefighters for coming into work on the weekends and reduce the cost of higher sick leave figures on those days, especially around holidays. While our analysis suggests this could save on overtime costs if it results in reduced absences, the present gap of \$750k is too great to absorb into the budget without a more significant reduction in leave or an override vote by the community. If the overtime issues in Police and Fire persist, and if the bill for snow and ice were to come in higher than it did in FY25, then the balance in the reserve fund may not be sufficient to bring these accounts in balance in FY26.

In addition to reducing leave, the Town has considered changes to Fire operations. While members of the community have not been receptive to a change in the minimum staffing levels required each day, another option may be to close a company on days with high absentee rates. If the reserve fund is anticipated to be under stress in FY26, whether due to these issues or others that emerge in the Town or Schools, then administration will need to consider every available option to ensure the budget is balanced. While the FY25 budget

⁴ Six including earned personal days during the summer vacation schedule. ² Down from 21 cases in FY21.

included a \$300k increase to the overtime budget in recognition of the ongoing deficit, which was not increased again in FY26 due to other emerging budget pressures, the question of whether and how to fund these costs going forward will be presented to the Expenditures and Revenues Study Committee for their consideration. The analysis suggests the Fire overtime budget will need to be increased if the recent injured-on-duty leave is to be recognized as the new status quo, however, administration will continue to explore options for bringing overtime costs under control regardless.

Conclusion

We respectfully request approval for a reserve fund transfer in the amount of **\$800,000** to address the shortfall in the FY25 Fire personnel budget. A reserve fund transfer request form is attached. We will continue actively meeting with the Fire Chief in FY26 to closely monitor overtime costs and absentee trends.

cc: Charles Carey, Town Administrator

Melissa Goff, Deputy Town Administrator for Policy and Fiscal Affairs

Tiffany Oliva, Assistant Town Administrator for Operations

Memo 4: Y24 Fire Leave OT Memo Q2

OFFICE OF SELECT BOARD

MEMORANDUM

TO: Chas Carey, Town Administrator
FROM: Charlie Young, Assistant Town Administrator for Finance
RE: FY23-24 Fire Department Overtime and Leave
DATE: February 28, 2024

The Fire Department experienced high levels of leave utilization in Fiscal Year 2023 (“FY23”), which when combined with other pressures over the past several months, has led to sustained burden on the overtime budget in FY24. The following is a summary of the Fire Department’s overtime and leave experience and a projection of the Fire personnel budget for FY24 year end:

Prior Year Summary

Total overtime at the end of FY23 was \$1,896,059, which is a \$884,933 (32%) decrease from the FY22 total of \$2,780,992. This represents progress towards mitigating high overtime costs in the department, but FY23 overtime was still \$1,170,582 over budget. The department carried a few vacancies during the year, which did help to offset this overage. Despite realizing salary savings though, a reserve fund transfer of \$816,000 was needed to cover the year end deficit in Fire personnel. While data was not readily available for FY20-22, the following paragraphs examine the FY24 leave experience to date compared with FY23 and with pre-pandemic levels.

FY24 Leave Utilization

Leave utilization through January 2024 is down by **-9.1%** compared to the prior year. Multiple categories are level or showing a decrease, except for a 2.8% increase in administrative leave (“admin leave” or “A-Day”) tours and a 6.7% increase in sick leave tours. The following table summarizes these changes:

LEAVE TOURS YEAR TO DATE*		
FY23	FY24	Δ

Vacation	659	663	0.6%
A-Day	141	145	2.8%
Injured	640	526	-17.8%
Sick	431	460	6.7%
FMLA	122	102	-16.8%
Other	199	96.5	-51.5%
Total	2192	1992	-9.1%

**Includes tours from July to January of each fiscal year shown*

In order to understand how this will impact the overtime budget, the table below compares this data with pre-pandemic levels. Injury leave is still up by 186% compared to FY18. This category is anticipated to decrease in FY25, as the number of injured cases has decreased from 9 to 7 during the course of this fiscal year. Admin leave is down by 7.6%, but all other categories are showing increases since that time. Overall, leave utilization is still **36%** higher than pre-pandemic levels.

	LEAVE TOURS YEAR TO DATE*				
	FY18	FY19	FY23	FY24	Δ
Vacation	640	616	659	663	3.6%
A-Day	157	188	141	145	-7.6%
Injured	184	188	640	526	185.9%
Sick	309	335	431	460	48.9%
Other	174	151	321	198	13.8%
Total	1464	1478	2192	1992	36.1%

**Includes tours from July to January of each fiscal year shown*

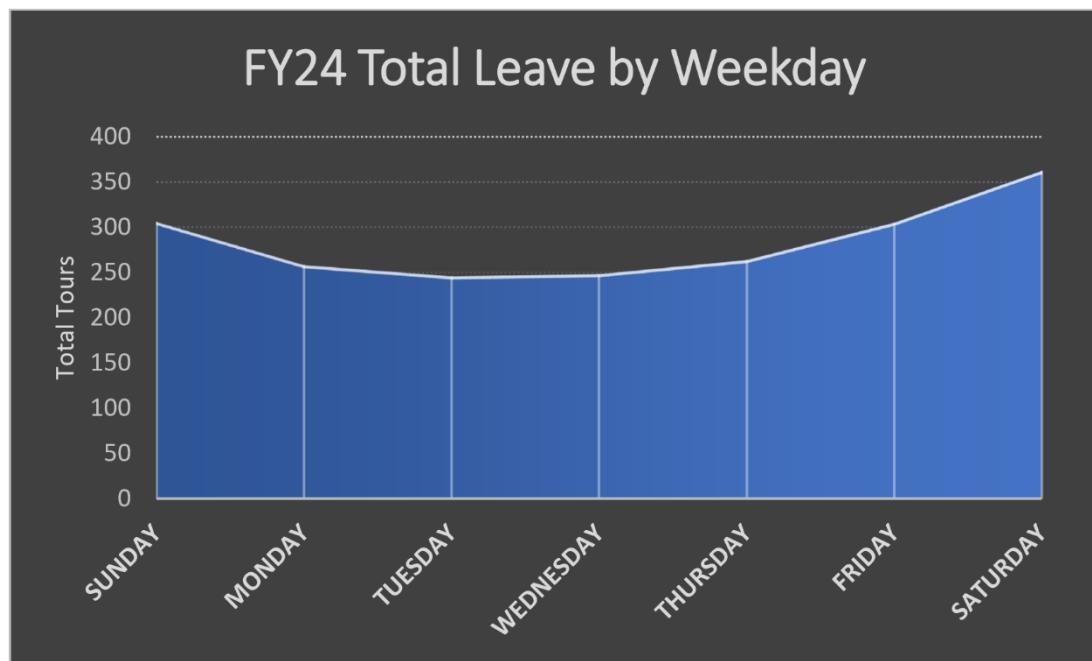
To further illustrate this trend, the following table represents each category on a per firefighter basis. Leave utilization through January has increased by **three tours** per firefighter since FY18. While this metric is down from FY23, it is still out of alignment with historical patterns and will be key to understanding whether or not this should be considered a new normal level for the department. Importantly, vacation usage is roughly on par with pre-pandemic numbers, while categories such as injured and sick are the farthest out of alignment.

	LEAVE TOURS PER FIREFIGHTER YEAR TO DATE*			
	FY18	FY19	FY23	FY24
Staff (FTEs)	151	151	152	152
Vacation	640	616	659	663
Per FF	4.24	4.08	4.34	4.36
A-Day	157	188	141	145
Per FF	1.04	1.25	0.93	0.95
Injured	184	188	640	526
Per FF	1.22	1.25	4.21	3.46
Sick	309	335	431	460
Per FF	2.05	2.22	2.84	3.03
Other	174	151	321	198
Per FF	1.15	1.00	2.11	1.30
Per FF Total	9.70	9.79	14.42	13.11

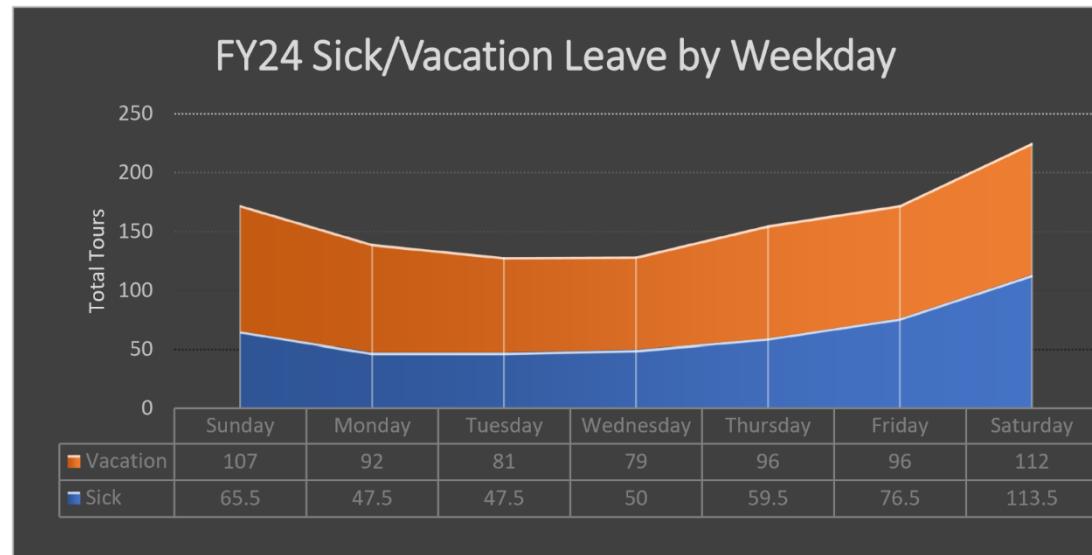
**Includes tours from July to January of each fiscal year shown*

FY24 Leave Patterns

There is a clear bias towards taking leave on weekend days. The following charts demonstrate how leave usage varies by day of the week in FY24. The first chart includes all leave types, while the subsequent chart narrows to sick and vacation.



The trend toward greater leave utilization on weekend days is more prevalent for sick and vacation days. These leave categories are 75% higher on Saturdays than they are on Wednesdays, for example. Shift counts are included below the chart to further illustrate the bias towards weekends.

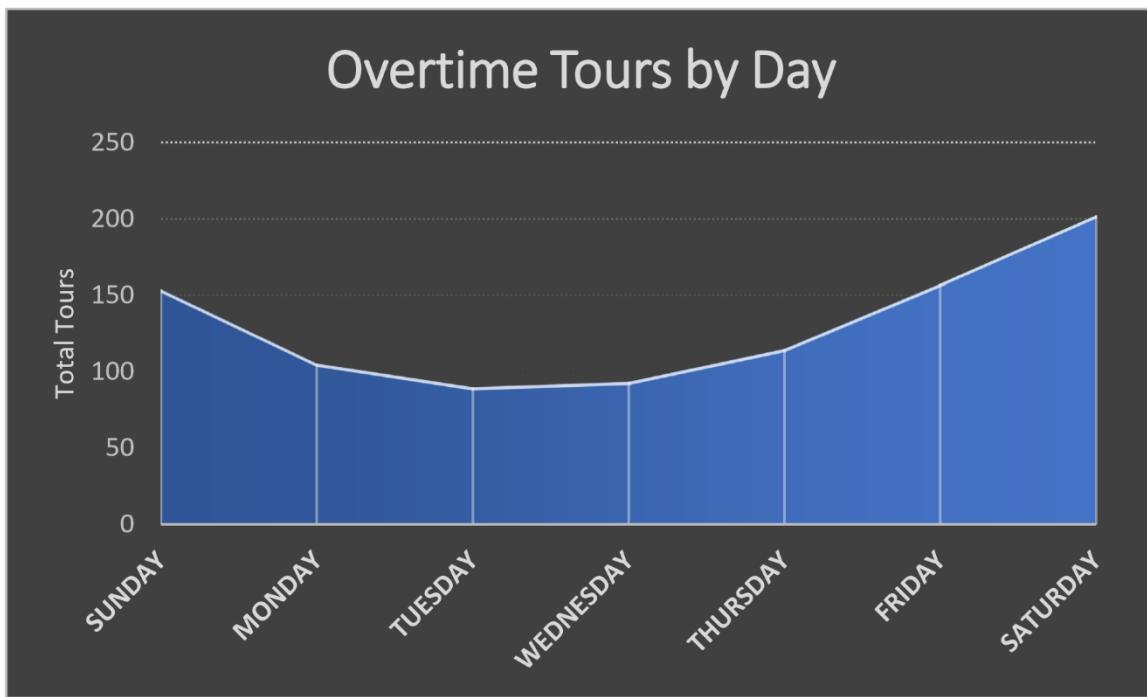


Although sick time is highest on weekends, it is noticeably lower on holidays, with zero sick leave days taken on Independence Day, Labor Day, Thanksgiving, and New Year's Day in FY24. Three were taken on Indigenous People's Day and just one sick tour was taken on

Veteran's Day, Christmas Day, and Martin Luther King Jr. Day, which was a long-term sick leave case.

Contractual Leave and Minimum Staffing

Although overall leave utilization is down from the prior year, the overtime budget has been pressured by other sources in FY24. In order to understand these pressures, it is helpful to distinguish between overtime caused by leave that the Fire Department is obligated to grant as a result of the contract and other obligated leave. Per the union contract, the department must grant a minimum number of five vacation and admin leave days. Other kinds of leave such as injured-on-duty (IOD), sick, or FMLA are granted over and above the contractual minimum. 59% of all leave taken in FY24 has been in this category of other leave, or a total of 1,184 tours. Approximately 918 of those tours resulted in overtime coverage. The following chart highlights overtime coverage by day of the week.



As shown above, the amount of overtime coverage required is not consistent and varies day to day with a continued pattern of clear bias towards the weekend. This variability contributes significantly to overtime costs, particularly when several or more firefighters take leave on a specific day and trigger minimum staffing.

To further explain, a fully staffed group of firefighters could fulfill the five contractual days and still have room for three firefighters to use other leave before overtime coverage would be required to meet minimum staffing, but this becomes more difficult when the department has vacancies or members out on injured-on-duty leave. On these days, the department could begin the day without sufficient staff to meet minimums after only granting the five contractual days. This occurred on 48 days in FY24 causing 318 tours to require overtime coverage – at just an average firefighter’s salary this would amount to \$390,157 in overtime costs⁵. On one of these days, September 1st, six contractual vacation days were granted, which caused the department to begin the day with one fewer firefighter than was needed to meet the minimum count. Then, 11.5 other leave days were taken including 5.5 sick days. This resulted in a total of 12.5 overtime tours in one day – at just an average firefighter’s salary this cost the town \$15,312. As a reminder, this was three days before there were zero sick days taken on Labor Day.

Date	Day of Week	Staffing	Contractual Days	Above/Below Minimum Staff	Other Leave	Overtime Tours
Sep. 1	Friday	34	-6	-1	11.5	12.5

Contractual Leave and Minimum Staffing - Additional Pressures

There have been two factors adding to the pressures caused by contractual leave and minimum staffing:

1. Deputy Chiefs: Prior to the latest collective bargaining agreement with the Fire union, Deputy Chiefs were not included in the minimum number of leave days that the department must grant on a daily basis. The latest agreement includes their vacation and admin days in the five contractual days, which should have the effect of reducing the impact of overtime for deputy chiefs. Now, their vacation and admin days will not count above the minimum. Before this change, nearly all deputy chief leave caused either overtime for another deputy chief or working out of class costs for a captain. At an average deputy chief’s salary, adding deputies into the count is estimated to save the Town up to \$76,173⁶ annually.

⁵ This figure does not factor in OT rates for captains, lieutenants, and deputy chiefs, which would increase the total cost of leave exceeding the five contractual days.

⁶ Based on five weeks of vacation at the overtime rate for four deputy chiefs.³
Includes September 1st shown above.

This had an unintended impact on FY24 summer overtime costs. Since the contract including this provision was settled after summer vacations were determined, and by contract vacations must be finalized in advance of summer, deputy chief leave increased the count over the contractual minimum number of days on several occasions³. Each occurrence required overtime to cover for the deputy chief now included in the count. The following table looks at each of these instances and estimates a minimum cost to the Town of \$34,822 as a result of the timing of the fire union contract in FY24:

Summer Leave Month	Tours	Cost
July	5	Average Deputy Chief OT Rate
August	10	\$ 90.68
September*	1	Total Estimated Cost
Total Tours Over the Count	16	\$ 34,822
<i>*Through Labor Day</i>		

2. **Vacancies:** There are currently a total of seven vacancies within the department due to retirements in FY24, which have placed additional burden on the overtime budget. In essence, the number of days where the department begins with fewer than one non-contractual day has increased since these vacancies opened up, resulting in fewer days where no overtime coverage is necessary to meet minimum staffing. A new class is anticipated to join the force in May 2024, which will not have significant benefit to the FY24 budget, but will nevertheless position the department for a better overall leave and overtime experience in FY25 with full staffing. The lack of any benefit in the current year is due to the new class being on payroll during the time they are in academy – necessitating their shifts be covered without salary savings to offset the resulting overtime costs.

FY24 Budget Projection

Overtime costs through January 2024 total \$1,300,648, which is \$102,499 or 8.55% higher than the prior fiscal year after adjusting prior year costs for the wage increase in the latest fire union contract. While the above analysis suggests leave utilization has decreased from FY23, total leave utilization is still high compared to pre-pandemic levels, particularly in the areas of sick and IOD. While the change to deputy chiefs being in the count will save money in future years, it had twofold negative impacts on FY24. Deputy chief leave both

increased OT during summer leave and negated savings from deputies being included in the count, since much of vacation is taken in the summertime. In addition, vacancies in the department due to retirements have added further pressure to the Fire personnel budget in FY24.

	FY20	FY21	FY22	FY23	FY24**
Budget	\$654,060	\$723,476	\$725,477	\$725,477	\$792,748
Actual	\$719,011	\$1,375,259	\$2,780,993	\$1,896,059	\$2,097,417
Surplus/Deficit	(\$64,951)	(\$651,783)	(\$2,055,516)	(\$1,170,582)	(\$1,304,669)
Reserve Fund Transfer*			\$1,490,357	\$816,000	\$893,354

*Remainders covered by salary savings, except in FY21 where STM increased OT budget.

**End of Year Projection

At this time, the overtime budget for the Fire Department is anticipated to be \$1,304,669 in deficit as shown on the table above, however, the Town has accumulated salary savings from vacancies to offset the total deficit. It is estimated that the overall personnel budget will realize \$411,315 in savings from vacancies, and other surplus personnel accounts, for a total projected Fire personnel deficit of \$893,354.

Conclusion

In closing, I would like to recognize Chief Sullivan's efforts to manage the impact of leave utilization on the Fire Department's budget and operations. This analysis has been made possible and enhanced by the Chief's detailed and timely reporting of the leave figures included herein.

Notably, the total number of firefighters out on IOD has decreased from 21 to 9 since 2021, thanks in part to the Chief's cooperation with Human Resources to closely manage and monitor those cases effectively and in part to the modified duty provisions added in the recently settled contract. The decrease in IOD cases has been followed by a decrease in deficits. The FY24 deficit is also projected well below FY22 levels, but a significant gap remains. With the department's seven vacancies filled, and with deputy chiefs being on the summer vacation schedule as intended, some budget pressure will be relieved going into FY25. An influx of funds in the FY25 overtime budget to reflect the possible new normal of higher leave utilization would help to further reduce this ongoing deficit.

