

TOWN OF GROTON FINANCE COMMITTEE

Monday, November 7, 2016: 7:00 p.m.

Dunstable Town Hall

511 Main St. Dunstable, MA

Present for Finance Committee: G. Green (Chair), R. Hargraves (Vice Chair), D. Manugian, B. Robertson, L. Leonard, J. Sjoberg

Absent: Art Prest

Present for School Committee: A. Manugian, J. Kubick, M. Gilbert, A. Donahue, J. McKenzie

Present for Dunstable Advisory Board: C. Muir, D. Metzler, R. Mikol, H. Simmons

Documents available at the meeting: School Committee Financial Presentation
Groton Finance Committee Presentation
Dunstable Advisory Board Presentation

Mr. Green called the meeting of the Finance Committee to order at 7:40 pm.

Ms. Muir explained that the towns and district are approaching the budget process more collaboratively this year than has been done in the past. She hopes that working together and sharing information regarding goals and challenges will lead to a smoother process overall.

Mr. Kubick and Ms. Manugian presented information regarding GDRSD's programmatic goals for the district as well as some of the specific financial challenges it is facing. (Please reference GDRSD Presentation attached). Mr. Kubick noted that they plan to phase-in the needs assessment over a multi-year period, but would like to move forward on \$500,000 for FY18 as well as \$55,000 of the technology plan. They reminded the group of the problems inherent in dealing with the district's variable costs (Special Education, Transportation & Utilities) as well as the ongoing issue of flat state funding. Mr. Kubick said that their main concern for FY18 is to maintain the progress they have made and to possibly restore some top priority items that were previously lost due to budget cuts. The guidance given to the Superintendent was to increase spending no more than \$1,715,000 for FY18.

Mr. Green presented the current financial condition and expected trends for the Town of Groton (see presentation document attached). The Town's Sustainable Budget Committee has determined that if both the Town and GDRSD can restrict operating growth to 2.4%, the budget will be balanced and no override of Proposition 2 ½ will be necessary. Mr. Green stressed that budget cuts are not the answer to this problem, as they merely defer the deficit without dealing with the true problem which is the rate of

growth. Therefore, the FY18 budget recommendation to the Town Manager was for growth of no more than 2.4%. Additionally, he will prepare balanced budgets detailing 1.2% and zero % growth as an exercise in understanding service impacts at various spending levels. Mr. Green noted that the Town's labor contracts are locked in through the end of Fiscal 2018, which presents an extra challenge. He also cautioned the group not to think of tax overrides as an ongoing solution to overspending. Once a community has reached its levy ceiling, a general tax override cannot be proposed. Groton's levy ceiling is currently lower than it was ten years ago, due to the decline in property values. Groton's Sustainable Budget Committee is hoping that a professional operational review will help identify areas in which the Town can make changes to gain efficiencies and thereby save money. They have also identified approximately \$130,000 in cuts or new revenue that will help this effort in the short-term. Long-term measures include increasing the employees' health insurance premium cost share, decreasing growth in employee wages/salaries, and removing merit payments from employee base rates. He stressed that both the Town and the District must work together to reduce their annual budget growth and to educate all employees regarding the need for these changes.

Ms. Muir explained that 59% of Dunstable's \$9 million budget is devoted to GDRSD (see presentation document attached). While this percentage of education spending is not unusual for a municipality, it is important to remember that Dunstable's budget is small in comparison to other towns. Additionally, Dunstable's operating budget (exclusive of education) has remained flat for a number of years, which is difficult to sustain over the long-term. Due to education spending, expenses are growing faster than revenue, and the tax override voted for FY17 did not help significantly. Ms. Muir said that Dunstable has a new Capital Planning Committee which has been very well-received and is generating a great deal of community participation. However, the benefits of this process are not expected to accrue immediately. She feels that there is merit in encouraging the FinCom and BOS in both Towns to develop policies that will provide stability and create predictable opportunities for growth. Ms. Muir went on to say that their goals for FY18 include restoring cuts made to the library and other budgets as well as consideration of a debt exclusion to address some capital issues (Engine 2, a Backhoe, Water Infrastructure and a new Public Safety Building). She briefly outlined the FY18 estimated levy calculation, noting the \$162,000 of unspent levy from FY17. The resulting levy will not be sufficient to meet Dunstable's goals.

Mr. Robertson stressed that while Groton's Sustainable Budget Committee has found the proper balance of growth in Groton and GDRSD to be 2.4% (in order to avoid tax overrides), the whole model becomes unworkable if either party does not adhere to that. If the District grows at 3.5%, Groton's municipal growth is reduced to zero. Ms. Muir confirmed that this is Dunstable's dilemma. Ms. Manugian said that the District's estimated annual carryforward growth is 3.48%. Personnel costs are, of course, the main driver, and while wages can be tweaked, benefits are bargained separately and are locked in for several years. Dr. Rodriguez mentioned that the costs associated with the District's benefit plans are lower than those of the Towns, and they will not be offering the higher cost plans going forward. Mr. Robertson replied that while it is important to discuss the cost of benefits, the truly impactful issue is wages. Mr. Metzler wondered how much of the \$500,000 for the needs assessment is personnel costs. Dr. Rodriguez replied that \$150,000 would go toward supplies and professional development, and the balance would be personnel costs. The group briefly discussed COLA's in relation to observed wage trends.

An audience member noted that this group was attempting to solve a problem that was beyond its control. If the problem is unfunded state mandates, then the towns must insist that the state resolve it. Ms. Muir noted that conversations with the state are ongoing, however discussions at the local level are useful for ensuring that all parties understand the problem at hand. Ms. Manugian added that the Chapter 70 Review Commission made some recommendations, however the state itself does not have the revenue it would need to address this. It is also possible that any alteration in the current formula may result in even less revenue for Groton Dunstable as this is considered a wealthy district. Dr. Rodriguez mentioned that Representative Harrington will help push for a report on the impact of unfunded mandates on districts. She can also help drive regulations and caps on insurance and 9C cuts. As regards the capital plan, Mr. Kubick said it would be revisited after the New Year, but for FY18 they are looking for ways to fund needs outside of the school budget. Mr. Mikol expressed grave concern at the continued deferral of school building maintenance issues. Dr. Rodriguez reiterated her intention to seek a Capital Stabilization Fund for the district; this would be a step in the right direction and could help offset future assessments.

Ms. Muir said that there was no intention to find answers at this meeting; the goal was to understand each other's situation and priorities. Now the group must decide how to move forward. She thanked the attendees for their thoughtful dialogue and considerate participation.

At this point in the meeting (9:05 p.m.), the Groton Finance Committee conducted its own discussion of other business.

Appointment of Operational Audit Committee Designee: Mr. Sjoberg nominated Mr. Robertson as the FinCom designee to the Operational Audit Committee. Ms. Leonard seconded the nomination. The Vote was 4-0-1 in favor of Mr. Robertson. (Mr. Robertson abstained, Mr. Hargraves did not vote).

Approval of Minutes:

On a motion by Ms. Leonard, seconded by Mr. Robertson, the Finance Committee voted in the majority to approve the meeting minutes of 10/17/16 as drafted. The Vote: 5-0-1 (Mr. Sjoberg abstained)

On a motion by Mr. Sjoberg, seconded by Mr. Hargraves, the Finance Committee voted in the majority to approve the meeting minutes of 9/19/16 as drafted. The Vote: 5-0-1 (Mr. Sjoberg abstained).

Mr. Green noted that he may have a new CRC proposal to discuss at the next FinCom meeting (scheduled for December 6th at 7:00 p.m.). Ms. Leonard also has an idea to propose regarding Finance Committee appointments based on her experience in the Town of Harvard.

Mr. Green officially adjourned the meeting at 9:15 p.m.

Respectfully submitted,

Patricia Dufresne, Recording Secretary

GDRSD FINANCIAL OVERVIEW SUMMARY

Presented by
Jeff Kubick & Alison Manugian
Groton-Dunstable Regional School Committee

FY17 Goals & Tasks

- Search successfully for a new Superintendent
- Search successfully for a new Business Manager
- Complete employee contract negotiations (5)
- Adopt District Vision & Core Values
- Sustainability Committee work
- External operations review(s)

Multi-year Financial Factors

- Established Needs Assessment
- Adopted Technology Plan
- Draft Capital Plan
- Other Post Employment Benefits (OPEB)
- Ongoing variability in:
 - Special Education Costs
 - Transportation & Utilities
 - State funding

Chapter 70 Funding History

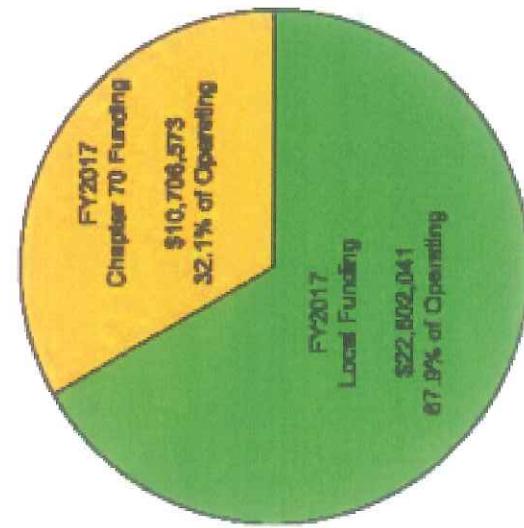
	Chapter 70 Aid	Percent Change	Chapter 70 Percent of Net School Spending
FY08	10,757,109	1.6	38.9
FY09	9,914,811	-7.8	40.5
FY10	10,858,434	9.5	39.8
FY11	10,224,085	-5.8	36.6
FY12	10,278,973	0.5	38.8
FY13	10,384,573	1.0	36.5
FY14	10,449,473	0.6	37.0
FY15	10,513,273	0.6	35.9
FY16	10,575,673	0.6	34.9
FY17	10,706,573	1.2	TBD

GDRSD Operating Budget

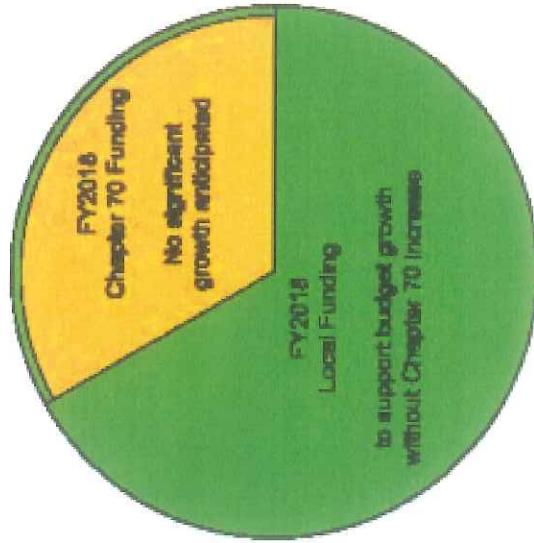
(FY17 = \$33,308,614)

	% of Operating	Annual Growth of Category	Operating Increase Needed	FY17 \$ amount	Increase for FY18 (Est.)
Salaries & Wages	60%	3.5%	2.10%	\$ 19,985,168	\$ 700,000
Benefits	14%	8%	1.12%	\$ 4,663,206	\$ 375,000
Expenses	26%	1%	0.26%	\$ 8,660,240	\$ 85,000
Annual Operating Increase:				\$ 1,160,000	

Town Assessment Impact



FY2017 - Base Model



FY2018 - 3.5% growth

FY18 Guidance to Administration

Maintain current
programs (3.5%)

\$1,160,000

Planned costs from
Technology Plan

\$55,000

Needs Assessment
priorities

\$500,000

Total: \$1,715,000

**Town of Groton Finance Committee
Presentation to Joint meeting of Dunstable/Groton/GDRSD
Budget & Finance Committees**

11/8/16



November 7th, 2016

Presentation Topics

- Groton Sustainable Budget Study Committee
- Budget Trends
- FY2018 Budget Guidance
- Actions Under Consideration

Sustainable Budget Committee (SBC)

Charter:

The Sustainable Budget Study Committee shall be established for the purpose of identifying and understanding the underlying causes of growth in Groton's Municipal Operating Budget, as well as, making recommendations on specific actions that can be taken to ensure the Town is on a sustainable financial path. The Committee's work should include, but not be limited to the following:

- Identify specific growth areas that are increasing in non-sustainable manner
- Analyze non-sustainable budget growth areas to determine underlying causes
- Benchmark municipal budget growth against comparable Towns
- Develop list of potential actions prioritized on size and duration of financial impact, ability of Town to adopt and potential risks to successful implementation
- Deliver a final report to the Board of Selectmen and Finance Committee outlining findings and recommendations

*Excerpted - refer to Town website for full Sustainable Budget Committee Charter

Recent Expenditure Trends

5-Year CAGR (FY2013 to FY2017)
used to characterize growth

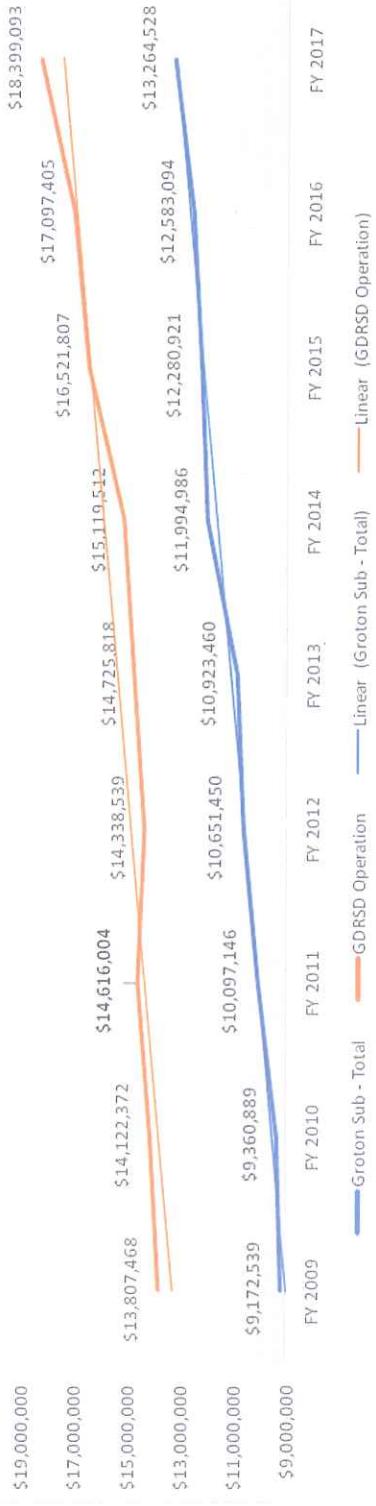
<u>Line Item</u>	<u>Growth</u>	<u>Drivers</u>
Municipal Salaries and Wages	5.15%	Contract terms, hours, positions
Municipal Benefits	6.34%	8-9% growth expected in FY18
Municipal Expenses	2.91%	
Total Municipal Operating Budget	5.17%	
GDRSD Operational Assessment	5.73%	

Personnel costs drive growth of municipal spending

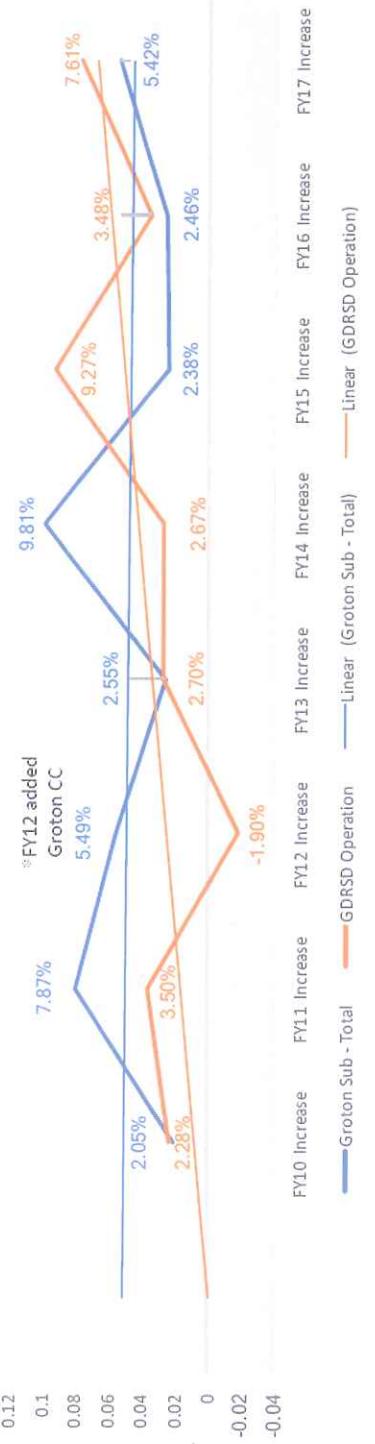
Long Term Spending Trends

11/8/10

Groton Municipal Operating Budget and GDRSD Operational Assessment



Groton Municipal Operating Budget and GDRSD Operational Assessment



Model Demonstrating Current Fiscal Challenge

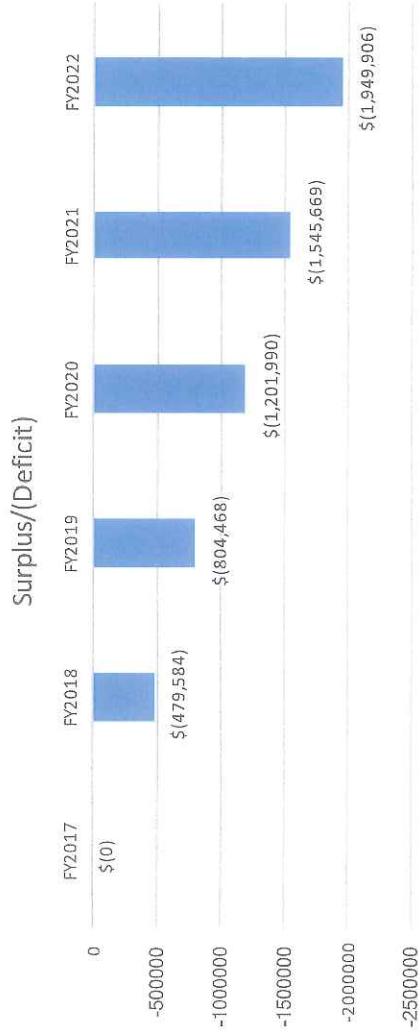
Numbers are Fictitious for Modeling Purposes Only

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Expense Growth Rate		3.4%	3.4%	3.4%	3.4%	3.4%
Municipal Operating Budget	\$10,000,000	\$10,340,000	\$10,691,560	\$11,055,073	\$11,430,946	\$11,819,598
GDRSD operating budget	\$30,000,000	\$31,020,000	\$32,074,680	\$33,165,219	\$34,292,837	\$35,458,793
State Contribution (40%)	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Operational assessment (due to spending growth)	\$18,000,000	\$18,612,000	\$19,244,808	\$19,899,131	\$20,575,702	\$21,275,276
Operational assessment (due to flat state contribution)	\$-	\$408,000	\$829,872	\$1,266,088	\$1,717,135	\$2,183,517
Total Operational Assessment	\$18,000,000	\$19,020,000	\$20,074,680	\$21,165,219	\$22,292,837	\$23,458,793
Total Municipal Operating Budget	\$28,000,000	\$29,360,000	\$30,766,240	\$32,220,292	\$33,723,782	\$35,278,391
Revenue Growth Rate		3.4%	3.4%	3.4%	3.4%	3.4%
Revenue	\$28,000,000	\$28,952,000	\$29,936,368	\$30,954,205	\$32,006,647	\$33,094,873
Surplus/(Deficit)		\$-(408,000)	\$-(829,872)	\$-(1,266,088)	\$-(1,717,135)	\$-(2,183,517)

3.4% Municipal and GDRSD operating budget growth results in annual deficits

5-year Budget Forecast (Town Meeting)

	5-year CAGR	Forecast Assumptions
Municipal Wage & Salary	5.15%	2.1%
Municipal Benefits	6.34%	6.5%
Municipal Expense	2.91%	1.0%
Town Operating Budget	4.97%	2.4%
GDRSD Assessment	5.73%	4.7% (3.5% Operating Budget)
Revenue Growth	3.30%	3.4%



State Matching Funds Grow at Inflation

Numbers are Fictitious for Demonstration Purposes Only

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Expense Growth Rate		3.4%	3.4%	3.4%	3.4%	3.4%
Municipal Operating Budget	\$10,000,000	\$10,340,000	\$10,691,560	\$11,055,073	\$11,430,946	\$11,819,598
GDRSD operating budget	\$30,000,000	\$31,020,000	\$32,074,680	\$33,165,219	\$34,292,817	\$35,458,793
State Contribution (40%)	\$12,000,000	\$12,300,000	\$12,607,500	\$12,922,688	\$13,245,755	\$13,576,899
Operational assessment (due to spending growth)	\$18,000,000	\$18,612,000	\$19,244,808	\$19,899,131	\$20,575,702	\$21,275,276
Operational assessment (due to flat state contribution)	\$-	\$108,000	\$222,372	\$343,400	\$471,380	\$606,619
Total Operational Assessment	\$18,000,000	\$18,720,000	\$19,467,180	\$20,242,532	\$21,047,082	\$21,881,894
Total Municipal Operating Budget	\$28,000,000	\$29,060,000	\$30,158,740	\$31,297,605	\$32,478,027	\$33,701,492
Revenue Growth Rate		3.4%	3.4%	3.4%	3.4%	3.4%
Revenue	\$28,000,000	\$28,952,000	\$29,936,368	\$30,954,205	\$32,006,647	\$33,094,873
Surplus/(Deficit)	\$-	\$108,000	\$122,372	\$133,400	\$147,1380	\$160,619

Although not realistic to expect, if state funds grew
at rate of inflation, our finances would be manageable

One Year Cuts Do Not Solve the Problem

Numbers are Fictitious for Demonstration Purposes Only

	Year 1	Year 2 .	Year 3	Year 4	Year 5	Year 6	
Expense Growth Rate		3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Municipal Operating Budget	\$10,000,000	\$9,932,000	\$10,269,688	\$10,618,857	\$10,979,899	\$11,353,215	
GDRSD operating budget	\$30,000,000	\$31,020,000	\$32,074,680	\$33,165,219	\$34,292,837	\$35,458,793	
State Contribution (40%)	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	
Operational assessment (due to spending growth)	\$18,000,000	\$18,612,000	\$19,244,808	\$19,899,131	\$20,575,702	\$21,275,276	
Operational assessment (due to flat state contribution)	\$-	\$408,000	\$829,872	\$1,266,088	\$1,717,135	\$2,183,517	
Total Operational Assessment	\$18,000,000	\$19,020,000	\$20,074,680	\$21,165,219	\$22,292,837	\$23,458,793	
Total Municipal Operating Budget	\$28,000,000	\$28,952,000	\$30,344,368	\$31,784,077	\$33,272,735	\$34,812,008	
Revenue Growth Rate		3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Revenue	\$28,000,000	\$28,952,000	\$29,936,368	\$30,954,205	\$32,006,647	\$33,094,873	
Surplus/(Deficit)	\$-	\$-	\$-(408,000)	\$-(829,872)	\$-(1,266,088)	\$-(1,717,135)	

It's not spending, it's a growth rate problem

To Avoid Overrides, Reduce Growth to 2.4%

Numbers are Fictitious for Demonstration Purposes Only

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Expense Growth Rate		2.4%	2.4%	2.4%	2.4%	2.4%
Municipal Operating Budget	\$10,000,000	\$10,240,000	\$10,485,760	\$10,737,418	\$10,995,116	\$11,258,999
GDRSD operating budget	\$30,000,000	\$30,720,000	\$31,457,280	\$32,212,255	\$32,985,349	\$33,776,997
State Contribution (40%)	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Operational assessment (due to spending growth)	\$18,000,000	\$18,432,000	\$18,874,368	\$19,327,353	\$19,791,209	\$20,266,198
Operational assessment (due to flat state contribution)	\$-	\$288,000	\$582,912	\$884,902	\$1,194,140	\$1,510,799
Total Operational Assessment	\$18,000,000	\$18,720,000	\$19,457,280	\$20,212,255	\$20,985,349	\$21,776,997
Total Municipal Operating Budget	\$28,000,000	\$28,960,000	\$29,943,040	\$30,949,673	\$31,980,465	\$33,035,996
Revenue Growth Rate		3.4%	3.4%	3.4%	3.4%	3.4%
Revenue	\$28,000,000	\$28,952,000	\$29,936,368	\$30,954,205	\$32,006,647	\$33,094,873
Surplus/(Deficit)	\$-	\$(8,000)	\$(6,672)	\$4,532	\$26,182	\$58,877

2.4% Municipal and GDRSD operating budget growth is sustainable

FY2018 Budget Guidance

The Town Manager shall prepare the FY18 budget with a target of no more than 2.4% municipal growth.

The Town Manager should further provide budget scenarios showing 1.2% and 0% growth for FY18.

The Budget should include a realistic five year balanced budget plan.

FY18 Budget Forecast

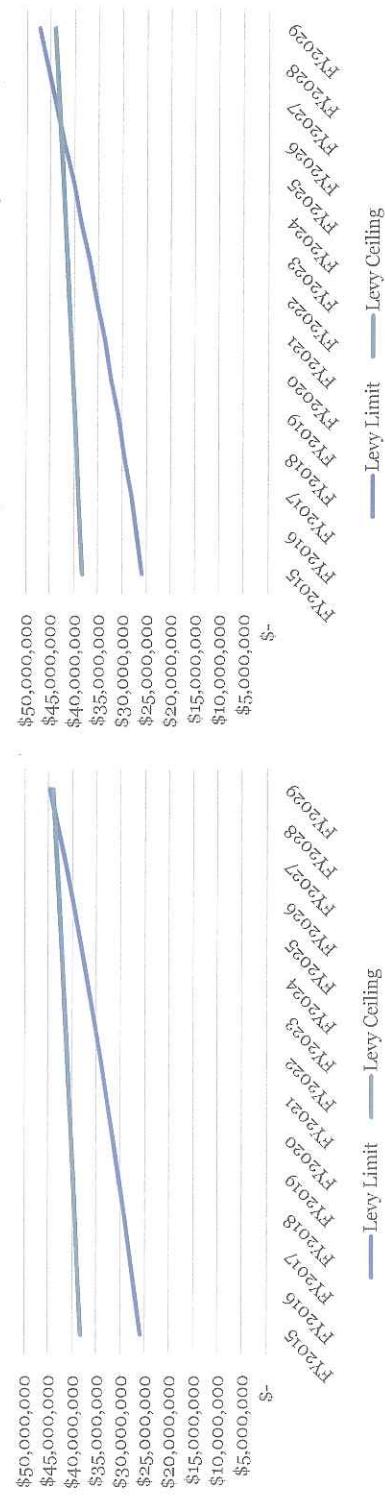
<u>Expenditures</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Percent Increase</u>
Municipal Wages	\$ 6,993,035	\$ 7,153,875	2.30%
Employee Benefits	\$ 3,617,512	\$ 3,919,338	8.34%
Sub-Total	\$ 10,610,547	\$ 11,073,212	4.36%
Municipal Expenses	\$ 2,730,427	\$ 2,757,731	1.00%
Sub - Total	\$ 13,340,974	\$ 13,830,944	3.67%

	<u>FY 2017</u>	<u>FY 2018</u>	<u>Percent Increase</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>Percent Increase</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Percent Increase</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>Percent Increase</u>
Grand Total Appropriations	\$34,068,304	\$36,126,805	6.04%	\$37,093,612	2.68%	\$38,261,830	3.15%	\$39,361,641	2.87%	\$40,530,111	2.97%	
Grand Total Revenues	\$34,068,304	\$35,658,175	4.67%	\$36,648,145	2.78%	\$37,786,889	3.11%	\$38,932,207	3.03%	\$40,107,964	3.02%	
Surplus/(Deficit)	\$0	\$468,630		\$(445,467)		\$(474,941)		\$(429,434)		\$(422,147)		

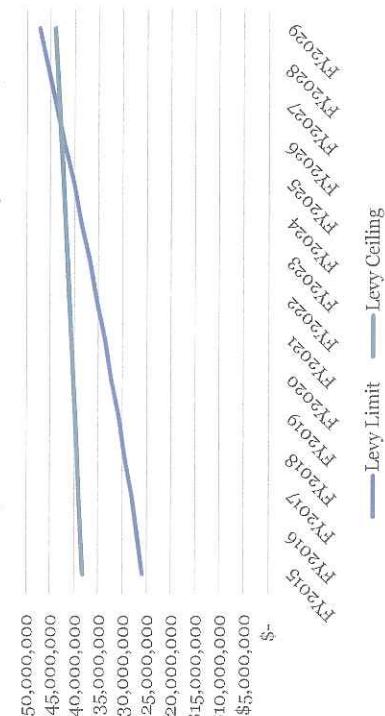
Major challenges for FY2018 (and beyond)
 Groton Town Finance Team has work to do to get down to growth rate of 2.4%
 If GDRSD can match town's growth rate, Groton can avoid overrides

Modeling Groton's Levy Ceiling

Levy Ceiling (No Overrides)



Levy Ceiling (\$400k Override Every 2 Years)



There is a legal limit to available growth

Levy Ceiling Trends

	Override Capacity		
	Levy Ceilings (in \$ billions)	Levy Limits (in \$ billions)	Override Capacity (in \$ billions)
FY2007	24.6	10.3	14.3
FY2008	24.8	10.9	13.9
FY2009	24.4	11.4	13.0
FY2010	23.4	11.9	11.5
FY2011	22.7	12.4	10.3
FY2012	22.6	12.9	9.7
FY2013	22.6	13.4	9.2
FY2014	23.0	13.9	9.1
FY2015	24.2	14.6	9.6
FY2016	25.7	15.2	10.5

Source: OIS Database - Property Tax Related Reports. Data is current as of the publication date.

	Fiscal Year	"Hit the Ceiling"	Ceiling is Approaching
FY2007		0	1
FY2008		0	1
FY2009		0	1
FY2010		0	2
FY2011		2	2
FY2012		1	5
FY2013		4	5
FY2014		7	4
FY2015		5	8
FY2016		6	12

Source: OIS Database - Property Tax Related Reports. Data is current as of the publication date.

Potential Short Term Actions

- Operational Audit in FY2018
- Potential for increased Revenues
 - \$150k - Implement Room Occupancy Tax of 6%
- Potential to decrease Expenses (\$131k)
 - \$64k - Eliminate Health Reimbursement Account benefit given to town employees
 - \$25k – New or Increased User Fees
 - \$17k – Increase the Retiree Medical cost share
 - \$15k – Expansion of Regional Collaboration
 - \$10k – Enterprise Intergovernmental Standardization

Potential Longer Term Actions

- Look at reducing Groton's embedded growth rates
 - 1.20% annual municipal wage and salary growth equals 2.4% total growth
 - 1.00% annual municipal expense growth
- Contractual COLA increases
- Merit increases
 - Lump-sum (as opposed to compounding) paid on a year-by-year basis
 - Paid from free cash
 - Tied to appropriate index
- Employee health care premium share
- Petition Middlesex County Retirement System to extend amortization period (currently ending in 2035) of unfunded pension liability
 - Review P&L plan for Country Club
- Revenue
 - Grow commercial tax base
 - PILOTS

Ability to limit personnel cost growth is primary determinant of sustainability

Summary

- Current growth trends are unsustainable
- To make this work, towns and GDRSD need to work together to slow annual growth rates
- Groton is taking immediate actions in FY18
- Groton working to develop plan to reduce annual growth to sustainable level

DUNSTABLE FINANCIALS

November 7, 2016

Dunstable FY2017 Budget

\$9,159,647

Human Services

Essex Ag./Other

1%

GLVHS

2%

Library & Recreation

2%

Debt Service

3%

Insurance & Assmnts

5%

Assmnts

6%

General Government

5%

Public Safety

13%

GDRSD

59%

Public Works

8%

GLVHS

1%

Human Services

1%

GDRSD

5%

Public Safety

13%

GLVHS

1%

Human Services

1%

GDRSD

59%

Public Works

8%

Insurance & Assmnts

6%

Assmnts

3%

Debt Service

2%

Library & Recreation

2%

Human Services

1%

Essex Ag./Other

1%

GLVHS

2%

General Government

5%

Public Safety

13%

GDRSD

59%

Public Works

8%

Insurance & Assmnts

6%

Assmnts

3%

Debt Service

2%

Library & Recreation

2%

Human Services

1%

Essex Ag./Other

1%

GLVHS

2%

General Government

5%

Public Safety

13%

GDRSD

59%

Public Works

8%

Insurance & Assmnts

6%

Assmnts

3%

Debt Service

2%

Library & Recreation

2%

Human Services

1%

Essex Ag./Other

1%

GLVHS

2%

General Government

5%

Public Safety

13%

GDRSD

59%

Public Works

8%

Insurance & Assmnts

6%

Assmnts

3%

Debt Service

2%

Library & Recreation

2%

Human Services

1%

Essex Ag./Other

1%

GLVHS

2%

General Government

5%

Public Safety

13%

GDRSD

59%

Public Works

8%

Insurance & Assmnts

6%

Assmnts

3%

Debt Service

2%

Library & Recreation

2%

Human Services

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GLVHS

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General Government

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Public Safety

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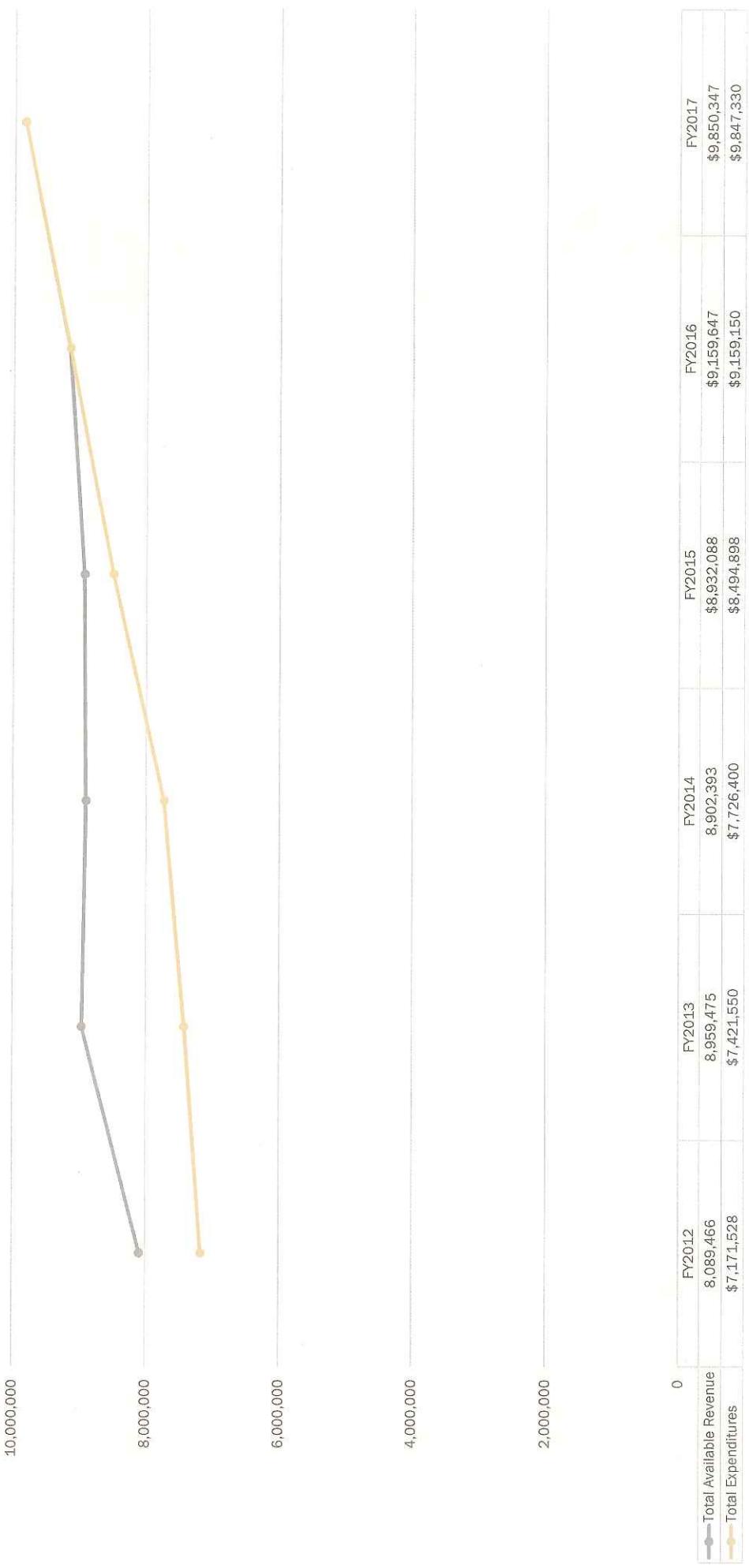
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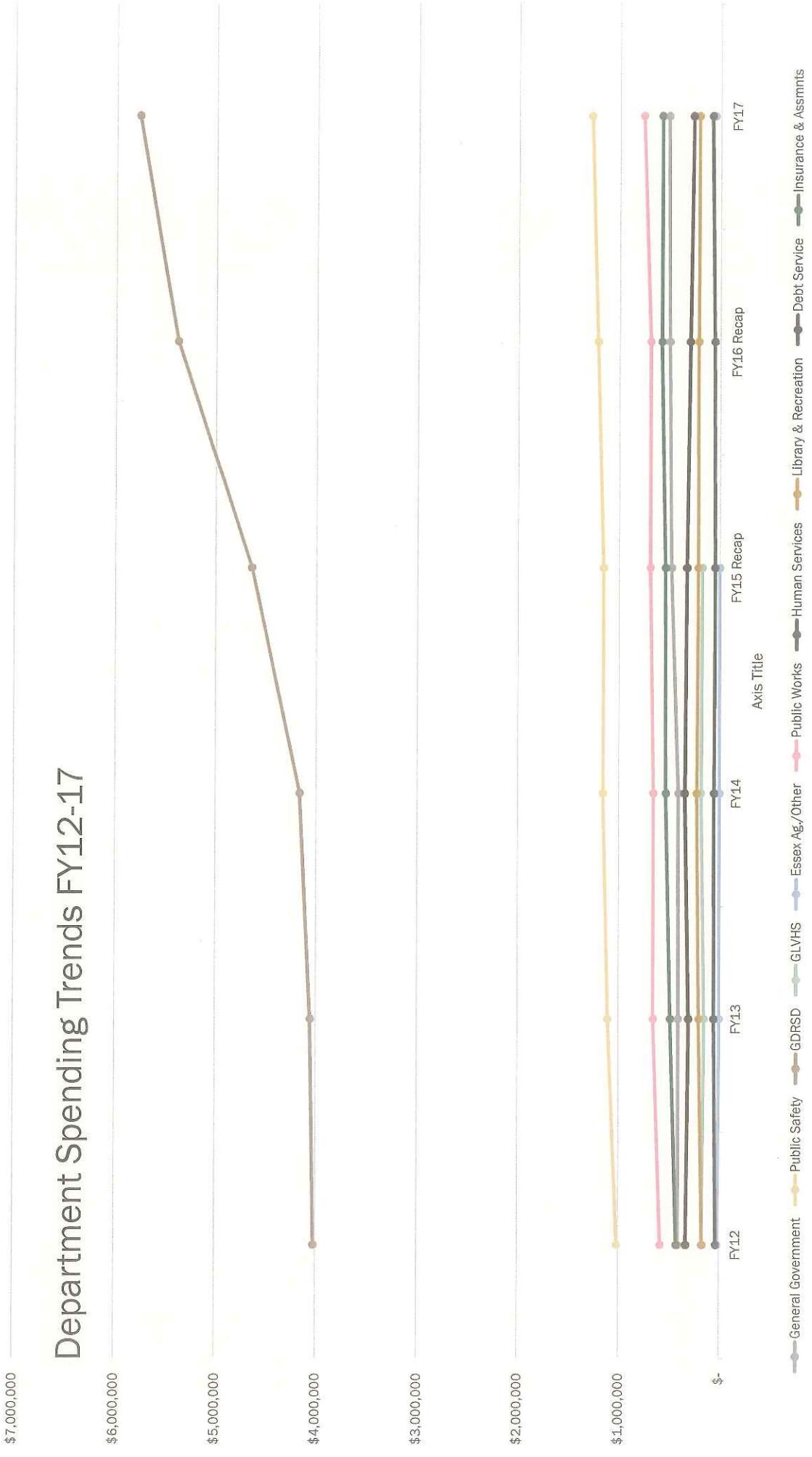
Debt Service

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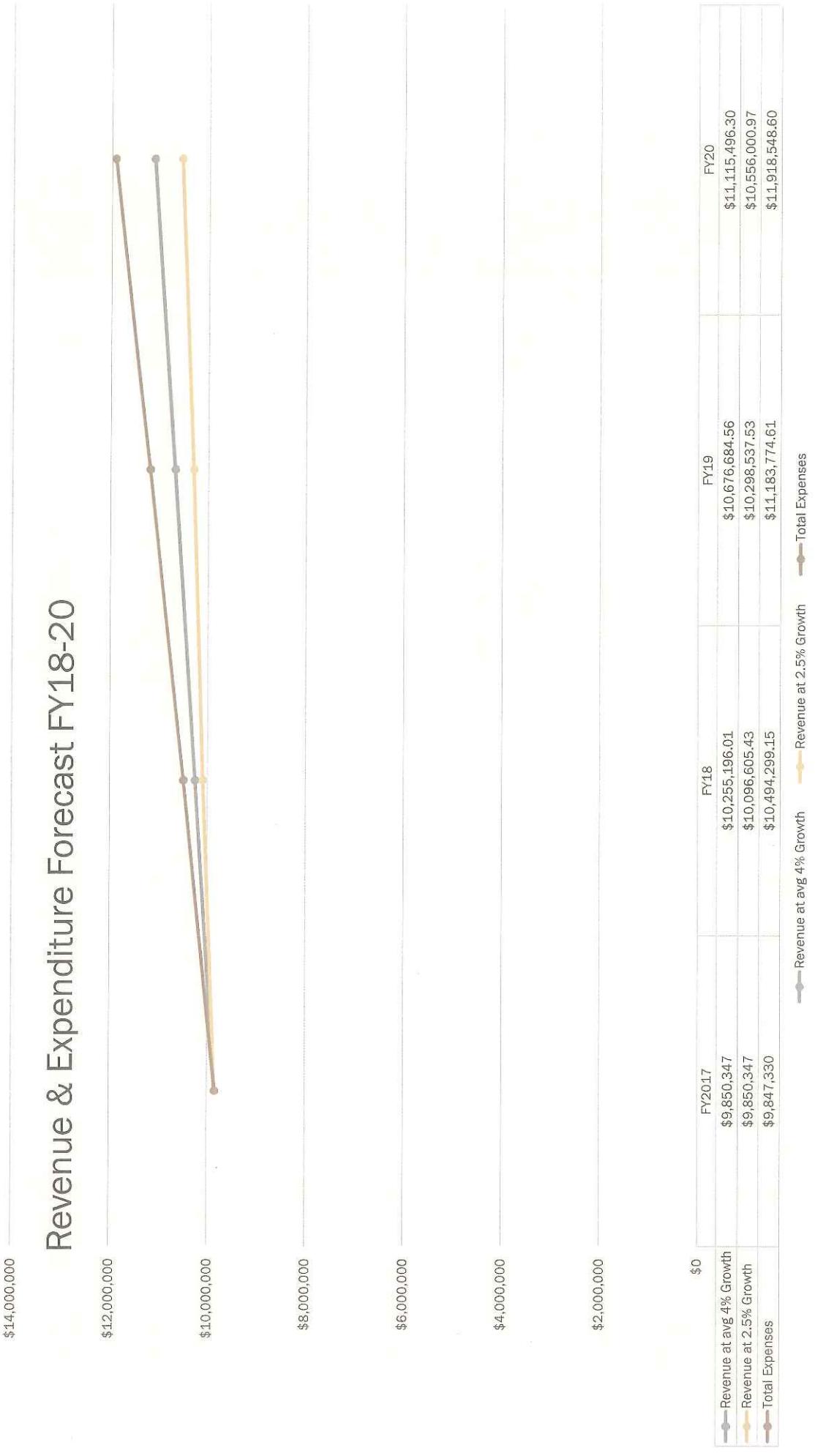
Revenue & Expenditure Trends FY12-17



Department Spending Trends FY12-17



Revenue & Expenditure Forecast Fy18-20



Conclusions

- Trends show erratic patterns of revenue and expenditures.
- We tweak budgets to make them fit within revenues.
- Departments can't plan for growth or improvements because revenue is uncertain.
- Master plan may help with revenue growth, but it will take time.
- Would like to develop fiscal policies to help create more predictable growth and opportunities.

FY18 Municipal Goals

<u>Goal</u>	<u>Amount</u>	<u>Funding Source</u>
Restore most FY17 cuts	\$ 55,500	raise and appropriate
Capital Plan	\$ 111,000	raise and appropriate
Replace Engine 2	\$ 360,000	debt exclusion?
Backhoe	\$ 110,000	debt exclusion?
Water Infrastructure	\$2,500,000	debt exclusion?
Public Safety building	TBD	debt exclusion

FY18 Revenue Estimates

FY17 Base	\$8,004,513
2.5% Increase	\$ 200,112
New Growth	\$ 50,000
Excluded Debt	\$ 586,241
Cherry Sheets	\$ 270,000
Local Receipts	\$ 650,000
Total	\$9,760,866

Revenue Distribution

Total new GDRSD spending (proposed)	\$1,715,000
Dunstable portion (25% +/-)	\$ 428,750
Groton portion (75% +/-)	\$1,286,250

Levy not Utilized	\$162,000
New Growth	\$ 50,000
<u>2 1/2</u>	<u>\$200,112</u>
	\$412,112 (60% = \$247,267)