

**SELECT BOARD/FINANCE COMMITTEE MEETING MINUTES**  
**MONDAY, JANUARY 6, 2020, 7:00 PM**  
**2<sup>ND</sup> FLOOR MEETING ROOM**  
**TOWN HALL, 173 MAIN ST GROTON MA**

**SB Members Present:** Alison S. Manugian, Chair; Joshua A. Degen, Vice Chair; John F. Reilly, Clerk; John R. Giger, Member; Rebecca H. Pine, Member

**Finance Committee Members Present:** Bud Robertson (Chair), Gary Green, Scott Whitefield, Colby Doody, David Manugian and Mary Linskey.

**Also Present:** Mark W. Haddad (Town Manager); Dawn Dunbar (Executive Assistant), Michael Hartnett, Jonathan Greeno, Melisa Doig and Patricia Dufresne were present for the Finance Team.

Ms. Manugian called the Select Board meeting to order at 7:00pm and reviewed the agenda.

Mr. Robertson called the Finance Committee to order at 7:00pm.

**ANNOUNCEMENTS**

Mr. Giger said that the Christmas Tree Bonfire was scheduled for Friday, January 10th at 7pm at the Town Field.

**TOWN MANAGER'S REPORT**

1. Mr. Haddad said that he had sent out to the Select Board their proposed goals a few weeks ago adding he had received no changes. Ms. Pine said that she thought the Green Communities goal was still a goal. Mr. Haddad said that it was on their goals list that was still in effect until June 30.

*Mr. Degen moved to approve the 6-month duration goals of the Select Board through June 30, 2020. Mr. Reilly seconded the motion. The motion carried unanimously.*

2. Mr. Haddad said that Ms. Pine came forward today with 2 additions to the complaint portion of the Anti-Discrimination, Equal Employment Opportunity Policy to add the Town Manager under the jurisdiction of Select Board and the words, 'as appropriate', at the end of the same sentence.

*Ms. Pine moved to approve the Standard of Conduct and Anti-Discrimination, Equal Employment Opportunity Policies with changes received today. Mr. Giger seconded the motion. The motion carried unanimously.*

Mr. Haddad said that he had received positive feedback on the Select Board Operational Policy he and Mr. Giger worked on. Mr. Giger explained the intent behind what the Board had in front of them. Ms. Pine asked if the wording about the Chair not serving in that capacity for more than 2 consecutive years was something new or in the existing policy. Mr. Giger said that wording was in the previous policy.

*Ms. Pine moved to approve the Select Board Operational Policy as presented. Mr. Reilly seconded the motion. The motion carried unanimously.*

Ms. Pine said that the Board had questions about their Parks & Commons Policy and the process for naming them. She said that she received a very thorough and detailed list from the Park Commission. She suggested that they put this on an agenda for later in January to invite the Park Commission to work out the naming portion of the policy.

Mr. Haddad said that all policies would be added under eCode so that everyone had access to them.

**BLOOD FARM EARTH REMOVAL PERMIT APPLICATION PUBLIC HEARING**

Mr. Haddad asked the Board to open the public hearing on the Blood Farm Earth Removal Permit Application and read the public hearing notice into the record.

*Ms. Pine moved to open the public hearing on the Blood Farm Earth Removal Permit Application. Mr. Degen seconded the motion. The motion carried unanimously.*

Mr. Haddad asked the Board to continue the hearing January 13, 2020 at 6:15pm.

*Mr. Degen moved to continue the hearing until Monday, January 13, 2020 at 6:15pm. Mr. Giger seconded the motion. The motion carried unanimously.*

Mr. Degen left the meeting at 7:15pm.

### **TOWN MANAGER'S REPORT-CONT.**

3. Ms. Laurie Smigelski introduced herself and explained the Hazel Grove Agricultural Association's (HGAA) summary application before the CPC. She said that a couple of older buildings on the property needed some work. She said that the request was for \$9,200. She explained the proposed work. She said that she was there to request a letter of support from the Select Board. Ms. Pine said she would like to see some more information about Hazel Grove Agricultural Association before she voted to support this request. Ms. Smigelski said that they had formed themselves as a 501(c)3 as of last year adding that the Fairgrounds had been used for years. Mr. Giger said he wholeheartedly supported this. He said that labor was being donated to support this adding it was important. He said that several things concerned him about public safety that should be attended to at these buildings. Mr. Reilly said he supported this also. Ms. Manugian said she did also. She asked when the project would be done. Ms. Smigelski said that the final application would need to be to the CPC with any letters of support by January 27th. Ms. Emma Newman, of the HGAA said that their website had a lot of information and explained some activities that Hazel Grove held. She said that they also submitted an annual report yearly. Mr. Giger said he wanted to see them not push this out adding it was pretty straightforward.

*Mr. Giger moved to authorize the Town Manager to draft a letter of support for the HGAA CPC application. Mr. Reilly seconded the motion. The motion carried unanimously.*

### **FY 2021 TOWN MANAGER'S PROPOSED OPERATING BUDGET PRESENTATION**

Mr. Haddad said that this was the 12th budget he had put together for the Town of Groton. Mr. Haddad said that they had anticipated a deficit of \$500K when the working group met over the summer to delve into the upcoming FY numbers. He said that he was asked to provide 2 budgets; a level services budget and a balanced budget. He said that the FY20 budget was \$279,639 under the levy limit. He said that new growth was certified at \$28.3M adding that FY21 new growth was being estimated at \$15M. Mr. Greeno said that plans for new construction and additions to existing homes was not something they were anticipating. Mr. Greeno said that the only factor for the high new growth this year was because of the full measure and list that was done which generated about \$8M in additional growth.

Mr. Haddad said that they changed the way they looked at local estimated receipts based on the anticipated deficit. He said that they were using the 5-year average when looking at local receipts. He said that this resulted in an 8% increase in local receipts adding they included an increase of \$100K in meals and local room occupancy tax. Mr. Haddad explained three significant savings in FY20 that would not be repeated in FY21: absence of a snow & ice deficit, cost share adjustment in health insurance budget and early retiree liability pay-off in pension assessment. Mr. Haddad said that the School Districts were in the process of developing their budgets adding that the school numbers were preliminary. He said that the GDRSD was estimating an assessment of \$1.6M or 7.78% for FY21. He explained how strong the collaboration was between the Town and the School District. Mr. Haddad said that the number of students enrolled at NVTHS decreased by 6 students adding that he was unable to reduce the assessment because of a couple of factors (the superintendent's reallocation of certain costs and new capital improvement efforts). He said that he had level funded this assessment.

Mr. Haddad reviewed revenue projections and the estimated levy.

Mr. Haddad said that there were no new service offerings in the level services budget and no reductions in personnel adding that expenses were examined in an effort to consolidate costs. He explained what performance incentives were calculated at and debt service. He said that the OPEB request was for \$177K. Mr. Haddad defined a major initiative; a new item in the budget this year. He said that 2 additional dispatchers had been requested at a cost of \$171,937 and that the hydrant rental fee of \$75K be reinstituted under major initiatives. He said that both were worthy of funding but could not be done under the level services budget. Mr. Haddad said that the total increase to the municipal budget to provide level services was 3.05%, exclusive of debt service. He said that the level service budget showed a projected deficit of \$564,827.

Mr. Haddad said that the following reductions were made in budget #2 to cover the deficit:

- Reduce snow and ice by \$100K
- Eliminate Select Board minor capital of \$25,683
- Eliminate cyclical inspections of \$21,600
- Eliminate police and fire communications wages by \$150K and use grant income to cover the cost. Mr. Reilly pointed out that this was a one-time reduction. Mr. Haddad said that was correct.
- Eliminate water safety expenses by \$28,000 which would eliminate the lifeguards at Sargisson Beach.
- Eliminate weed management expenses of \$15,000 which would not allow for maintenance of weeds at Baddacook.
- Eliminate \$5K out of employee benefits

He said that the total municipal reduction was \$245,283. He said that the GDRSD assessment reduction was \$219,544 as part of the shared deficit. Mr. Robertson said that he was opposed to some of these reductions. Mr. Haddad said that should funding become available, he had proposed in his budget message a list of items to be restored. He reminded the Board and Finance Committee that should funds become available, 50% would go to the town and 50% to the schools. Mr. Robertson felt this was a good start on budget adjustments, and additional discussions will now occur to finalize and prioritize any cuts presented at this meeting. He stressed that year end Free Cash for FY22 is likely to be reduced by \$150,000 due to the use of the Dispatch Grant proceeds to offset budgeted wages, and maybe another \$100,000 due to more aggressive revenue budgeting for FY21. Mr. Robertson went on to say that both the Town and the School District will have a single chance to slow budget growth as both entities will be engaging in major wage and benefit negotiations in the near future.

Mr. Haddad reviewed a list of proposed capital items to be funded and the anticipated funding sources. He noted the importance of maintaining the Town's AAA bond rating in preparation for the Florence Roche construction project debt issue.

Mr. Robertson adjourned the Finance Committee at 8:30pm.

Respectfully submitted:

Dawn Dunbar, Executive Assistant

Date Approved: Select Board = 1/13/2020

Finance Committee= 02/25/2020





# **TOWN OF GROTON FISCAL YEAR 2021**

## **TOWN MANAGER'S PROPOSED OPERATING BUDGET**

1

## **PROCESS**

- This is the twelfth Proposed Operating Budget that I have submitted as Groton's Town Manager.
- Budget Process for FY 2021 Budget is much different than in past years.
- FY 2020 Five Year Projection showed a major deficit in FY 2021.
- Select Board established a Working Group to begin addressing this anticipated deficit over the Summer of 2019.

2

## PROCESS

- The Town Manager and School Superintendent developed three-year budget projections based on sound financial principals.
- The outcome of the Working Group anticipated a \$500,000 deficit in FY 2021.
- Based on this work, in compliance with our Charter and Financial Policies, the Finance Committee and Select Board set the following budget guidance for the Town Manager in developing the FY 2021 Proposed Budget:

3

## PROCESS

- The Town Manager shall provide two budgets to the Finance Committee and the Select Board.
- The first budget shall be a level services budget that continues to provide the same services that the Town currently receives.
- The second budget shall be a balanced budget that does not require an override of Proposition 2½. Any deficit in the level services budget shall be offset by equal reductions to the Municipal Budget Request and Groton Dunstable Regional School District Operational Assessment Request.
- There shall be no new benefited positions proposed.

4

## PROCESS

- Instructions were sent out to every Department requesting Budgets that maintained services at the current levels.
- The Finance Team would then develop the Level Services Budget (Budget #1) and determine if reductions in this budget needed to be made to balance the budget (Budget #2).
- To review the submittals and develop the two requested budgets, the Town Manager was assisted by the Town's Finance Team made up of Patricia DuFresne, Jonathan Greeno, Michael Hartnett, Melisa Doig and Dawn Dunbar. In addition, Town Clerk Michael Bouchard and members of the Select Board and Finance Committee attended several of the Departmental Review Sessions.

5

## BUDGET DEVELOPMENT

- The Fiscal Year 2020 Approved Budget is \$279,639 under the Levy Limit.
- FY 2020 New Growth was certified at \$28.3 million, which added \$515,620 to the FY 2020 Levy Limit.
- After a thorough review of building permits issued and projects before the Planning Board, we have estimated Fiscal Year 2021 New Growth at \$15 million which will add \$260,700 to the FY 2021 Levy Limit.
- The Proposed Fiscal Year 2021 Town Operating Budget anticipates that State Aid will be level funded.

6

## BUDGET DEVELOPMENT

- Different approach in the development of Local Estimated Receipts for FY 21 based on projected deficit.
- For the last eleven (11) years, we have used a conservative approach in developing these estimates, which has allowed us to maintain a AAA Bond Rating and maintain healthy reserves leading to a strong Free Cash position (funding capital for both Town and Schools).
- It was determined to use the Five-Year Average for most Receipts.
- This resulted in an eight (8%) percent increase, or an additional \$329,459, the largest projected increase in last eleven (11) years (this includes a \$100,000 increase in the Meals and Local Room Occupancy Tax).

7

## BUDGET DEVELOPMENT

Estimated Receipts - FY 2016	\$	3,644,255
Estimated Receipts - FY 2017	\$	3,608,413
Dollar Change	\$	(35,842)
Percent Change		-0.98%
Estimated Receipts - FY 2018	\$	3,820,787
Dollar Change	\$	212,374
Percent Change		5.89%
Estimated Receipts - FY 2019	\$	3,993,241
Dollar Change	\$	172,454
Percent Change		4.51%
Estimated Receipts - FY 2020*	\$	4,120,480
Dollar Change	\$	127,239
Percent Change		3.19%
Estimated Receipts - FY 2021	\$	4,449,939
Dollar Change	\$	329,459
Percent Change		8.00%

*\*Certified Free Cash dropped from \$2,212,873 in FY 2019 to \$1,335,762 in FY 2020, a decrease of \$877,111 or 39.64%*

8

## BUDGET DEVELOPMENT

- There were three significant savings that allowed us to come in under the levy limit in FY 2020 and maintain services that will not be repeated in FY 2021:
  - There was no Snow and Ice Deficit in FY 2020. We are anticipating a deficit of \$200,000 that will need to be raised in FY 2021.
  - In FY 2020, we concluded the negotiated Health Insurance cost share shift to 70 percent Town/30 percent employee and the early retirement assessment was paid off, saving the Town \$200,000 in pension costs. This allowed the Town to essentially level fund employee benefits in FY 2020. We are anticipating an increase of \$210,163 in FY 2021.
  - To assist the Town of Dunstable, the Groton Dunstable Regional School District used \$400,000 in Excess and Deficiency Funds to offset Operating Costs, saving the Town of Groton approximately \$300,000 in FY 2020. These funds may not be available in FY 2021 and will have to be made up in the Operating Assessment.

9

## BUDGET DEVELOPMENT

- Both the Groton Dunstable Regional School Committee and Nashoba Regional Technical High School Committee have yet to complete their Budgets for FY 2021.
- Strong collaboration between the Town of Groton and the Groton Dunstable Regional School District continues as evidenced by the Working Group over the Summer.
- Based on this work, the School District estimates a needed increase in the Assessment of \$1,654,492, or 7.78% for their level services budget.

10



## BUDGET DEVELOPMENT

- We have been informed that the number of Groton students attending Nashoba Tech has decreased by six, from 44 to 38.
- This has temporarily halted the trend of adding 12 to 13 new students per year.
- While we would ordinarily decrease the anticipated assessment from Nashoba Tech in the Proposed Budget, the Superintendent has informed me that we should not anticipate a decrease given the overall number of total students, as well as, increases in capital costs. We have therefore level funded the assessment in FY 2021 at \$728,802.
- The proposed budgets for both GDRSD and Nashoba Tech should be considered placeholders at this time.

11

## REVENUE PROJECTIONS

### TO CALCULATE THE FY 2021 LEVY LIMIT

• <b>FY 2020 LEVY LIMIT</b>	<b>\$31,932,418</b>
• <b>ADD 2½ PERCENT</b>	<b>\$ 798,310</b>
• <b>ADD NEW GROWTH</b>	<b>\$ 260,700</b>
• <b>EXPECTED LEVY LIMIT</b>	<b>\$32,991,429</b>

12

## REVENUE PROJECTIONS

### FY 2021 TOTAL TAX LEVY CALCULATION

• FY 2021 LEVY LIMIT	\$ 32,991,429
• DEBT EXCLUSION – TOWN	\$ 1,559,856
• FY 2021 BOND PROCEEDS	\$ (24,970)
• DEBT EXCLUSION – GDRSD	\$ 648,497
• SUB-TOTAL – EXCLUSIONS	\$ 2,183,383
• TOTAL TAX LEVY	\$ 35,174,812

13

## REVENUE PROJECTIONS

### OTHER ESTIMATED REVENUES

• State Aid	\$ 971,581
• Motor Vehicle Excise Taxes	\$1,650,000
• General Revenues	\$2,799,939
• Free Cash	\$ 300,730
• Other Available Funds	<u>\$ 300,000</u>
• TOTAL	\$6,022,250

14

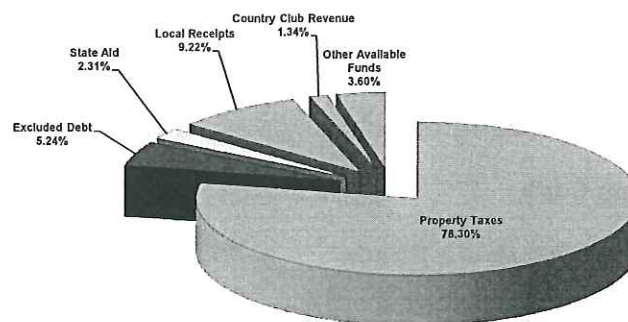
## REVENUE PROJECTIONS

<u>Revenue Source</u>	<u>Actual FY 2020</u>	<u>Proposed FY 2021</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Property Tax**	\$ 31,652,779	\$ 32,991,429	\$ 1,338,650	4.23%
State Aid	\$ 971,581	\$ 971,581	\$ -	0.00%
Local Receipts	\$ 4,120,480	\$ 4,449,939	\$ 329,459	8.00%
Enterprise Fund Reimbursement for Benefits	\$ 236,288	\$ 256,254	\$ 19,966	8.45%
Free Cash	\$ 300,857	\$ 300,730	\$ (127)	100.00%
Other Available Funds	\$ 300,000	\$ 300,000	\$ -	0.00%
<b>TOTAL</b>	<b>\$ 37,581,985</b>	<b>\$ 39,269,933</b>	<b>\$ 1,687,948</b>	<b>4.49%</b>

\*\*Includes two and one-half percent increase allowed by law, \$15 million in new growth and \$279,639 in unexpended tax capacity

15

### Sources of Revenue Fiscal Year 2021



16

## BUDGET #1 SUMMARY

- There are no new service offerings proposed in the Fiscal Year 2021 Level Services Proposed Operating Budget.
- All current services are maintained as directed in the Budget Guidance.
- The Town has seven (7) Collective Bargaining Units. Fiscal Year 2021 will be the final year of three-year agreements with all seven (7) unions. Six (6) of the Union agreements call for Cost of Living Adjustments of two (2%) percent, while one Agreement (Communications Union) calls for an increase of one and three quarters (1.75%) percent.
- These Cost of Living Adjustments will cause Salaries and Wages to increase by \$133,032 in FY 2021.

17

## BUDGET #1 SUMMARY

- The performance incentive program remains in effect for many of our union employees. As was the case last year, for the Supervisors Union, the incentive will be paid as a one-time cash bonus and will not be added to their base when calculating the FY 2022 Cost of Living Adjustment. The total amount of the Incentive Program for all Unions is \$71,265, of which \$28,422 is for Supervisor Incentives that will be paid out of Free Cash.
- There will be an increase in Excluded Debt Service in Fiscal Year 2021. The proposed budget carries the first-year full debt service for the DPW Garage and Library Roof Project. This has increased the Town's share of excluded debt by \$297,994 from \$1,261,862 to \$1,559,856, or 23.62%. To offset this increase, we are recommending using surplus bond proceeds from other projects totaling \$24,970 towards this Debt. Taking into consideration a decrease in GDRSD Debt, total Excluded Debt will increase in FY 2021 from \$2,070,421 to \$2,183,383 or \$112,962.
- We are proposing to permanently finance the Engine 3 purchase approved at the 2019 Spring Town Meeting. Debt Service within the Levy Limit will remain at approximately \$250,000 annually.

18



## **BUDGET #1 SUMMARY**

- In Fiscal Year 2019, we generated a surplus of \$48,291 in Country Club Revenues. We anticipate a similar surplus in FY 2020. Based on these outcomes, we are expecting the Club to break even in FY 2021 when you take into consideration a request of \$50,000 in the Capital Budget to replace the Roof on the Function Hall.
- In compliance with the Financial Policies of the Town concerning Other Post Employment Benefits, we will continue to fund from Free Cash the amount necessary to prevent the net present value OPEB Liability from increasing. The FY 2021 Budget requests \$177,094 for this purpose.

19

## **BUDGET #1 SUMMARY**

- **New Section of the Budget – Major Initiatives**
- A Major Initiative is defined as any proposed increase in the Operating Budget of \$50,000 or greater in any fiscal year, or \$100,000 over three years.
- There are two requests that meet this definition in FY 2021:
  - Two Additional Dispatchers (\$171,937 in FY 2021)
  - Reinstitute the Hydrant Rental Fee (\$75,000 in FY 2021)
- While both initiatives are worthy of funding, neither could be funded in FY 2021.

20

## BUDGET #1 SUMMARY

- Under the Level Services Budget, all mandatory increases in expenses were covered (wages, pension, health insurance).
- There were no reductions in personnel and expenses were thoroughly examined in an effort to find ways to consolidate costs.
- The total increase in the municipal budget to provide level services (exclusive of debt service) is \$453,851, or 3.05%.
- Based on this and the proposed increase in the Groton Dunstable Regional School District Operating Assessment, the Level Services Budget (exclusive of debt service) increases by \$2,070,640, or 5.49%.
- Taking into consideration the projected Snow and Ice Deficit, this budget has a projected deficit of \$564,827.

21

## BUDGET #1 SUMMARY

### • ENTERPRISE FUND BUDGETS

• Water Department	\$1,388,916	15.17%
• Sewer Department	\$ 763,300	5.22%
• Four Corners Sewer District	\$ 32,805	59.11%
• Community Cable Department	\$ 214,804	- 0.91%
• TOTAL	\$2,399,825	10.65%

22

## BUDGET #2 SUMMARY

- According to the Budget Guidance, the second budget (balanced budget) would require the Town Manager to reduce both the Municipal Budget and proposed Operating Assessment of the Groton Dunstable Regional School District by equal amounts.
- To meet the Guidance, the following reductions from the Level Services Budget are proposed:
  - 1. Reduce Projected Snow and Ice Deficit by \$100,000, thereby requiring a reduction of \$232,414 in both the Municipal Budget and Proposed Operating Assessment of the GDRSD
  - 2. Select Board Minor Capital – Eliminate \$25,683 for Town's Share of Pepperell Sewer Grant Upgrade.
  - 3. Board of Assessors Expenses – Eliminate \$21,600 for annual cyclical inspections (pay for this out of Overlay Surplus).
  - 4. Police and Fire Communications Wages – Eliminate \$150,000 in wages and use Grant Income to cover the cost.
  - 5. Water Safety Expenses – Eliminate \$28,000 in expenses and not fund lifeguards at Sargission Beach.
  - 6. Weed Management Expenses – Eliminate \$15,000 for maintenance of Baddacook Pond.
  - 7. Employee Benefits – Eliminate \$5,000 for Town's share of Medicare Costs.
  - 8. Groton Dunstable Regional School District Operating Assessment – Reduce anticipated increase by \$219,544.
- Total Municipal Reduction is \$245,283.

23

## BUDGET #2 SUMMARY

- Should funding become available, we are recommending that the Municipal Budget Line Items be restored as follows:
  - Priority #1 – Weed Management Expenses
  - Priority #2 – Water Safety Expenses
  - Priority #3 – Communications Budget Wages
  - Priority #4 – Select Board Minor Capital
  - Priority #5 – Employee Benefits – Medicare
  - Priority #6 – Board of Assessors Expenses

24

## CAPITAL BUDGET

<u>Department</u>	<u>Item</u>	<u>Amount</u>	<u>Funding Source</u>
Fire and EMS	Ambulance 2 Replacement	\$ 325,000	Ambulance Fund
Highway	Pick Up Truck	\$ 40,000	Capital Asset Fund
Highway	Dump Truck	\$ 40,000	Capital Asset Fund
Town Facilities	IT Infrastructure/Computer Replacement	\$ 40,000	Capital Asset Fund
Town Facilities	Municipal Building Exterior Repairs	\$ 25,000	Capital Asset Fund
Town Facilities	Paint Police Station/Roof Repairs	\$ 50,000	Capital Asset Fund
Town Facilities	Country Club Roof	\$ 50,000	Capital Asset Fund
Transfer Station	Tractor Trailer/Trash Unit	\$ 40,000	Capital Asset Fund
Library	Reconstruct Parking Lot	\$ 45,000	Capital Asset Fund
Park Department	Property Improvements	\$ 25,000	Capital Asset Fund
Police	Police Cruisers	\$ 56,570	Capital Asset Fund
Police	Police Pick-Up Truck	\$ 55,000	Capital Asset Fund
Country Club	Triplex - Greens Mower	\$ 5,100	Capital Asset Fund
Water	Water Meter Replacement Program	\$ 50,000	Water Revenue
Sewer	Wastewater Treatment Plant Upgrades	\$ 1,250,000	Sewer Revenue
GDRSD	Annual Regional School Capital	\$ 442,859	GDRSD Capital Fund
<b>Total Requested</b>		<b>\$ 2,539,529</b>	

25

## CAPITAL BUDGET

### Funding Sources

Capital Asset Fund	\$ 471,670
Ambulance Fund	\$ 325,000
Water Revenue	\$ 50,000
Sewer Revenue	\$ 1,250,000
GDRSD Capital Fund	\$ 442,859
<b>Total</b>	<b>\$ 2,539,529</b>

26



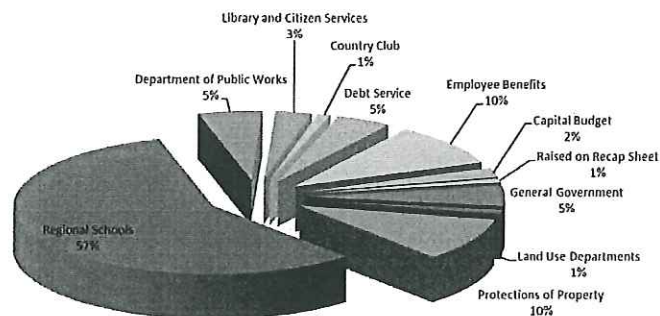
## EXPENDITURE BREAKDOWN

Function	FY 2021 Proposed	Percent Change
• General Government	\$ 2,107,735	0.00%
• Land Use Departments	\$ 448,055	-0.51%
• Protection Persons/Property	\$ 4,317,845	-1.01%
• Department of Public Works	\$ 2,254,853	0.77%
• Library and Citizen Services	\$ 1,704,572	1.83%
• Employee Benefits	\$ 4,243,463	5.14%
• Municipal Government Total	\$15,076,601	1.40%

27

### "Where Your Tax Dollars Go"

Fiscal Year 2021 Expenditure Analysis



28

## TAX IMPACT

	<u>Actual FY 2020</u>	<u>Proposed FY 2021</u>	<u>Percent Change</u>
<b>Levy Capacity Used</b>	<b>\$31,652,779</b>	<b>\$32,991,429</b>	<b>4.23%</b>
<b>Tax Rate</b>	<b>\$16.31</b>	<b>\$16.87</b>	<b>3.43%</b>
<b>Average Tax Bill</b>	<b>\$8,025</b>	<b>\$8,300</b>	<b>3.43%</b>
<b>Excluded Debt</b>	<b>\$2,070,421</b>	<b>\$2,183,383</b>	<b>5.46%</b>
<b>Tax Rate</b>	<b>\$1.07</b>	<b>\$1.12</b>	<b>4.67%</b>
<b>Average Tax Bill</b>	<b>\$526</b>	<b>\$551</b>	<b>4.67%</b>
<b>Final Levy Capacity</b>	<b>\$33,723,200</b>	<b>\$35,174,812</b>	<b>4.30%</b>
<b>Final Tax Rate</b>	<b>\$17.38</b>	<b>\$17.99</b>	<b>3.51%</b>
<b>Average Tax Bill</b>	<b>\$8,551</b>	<b>\$8,851</b>	<b>3.51%</b>

29

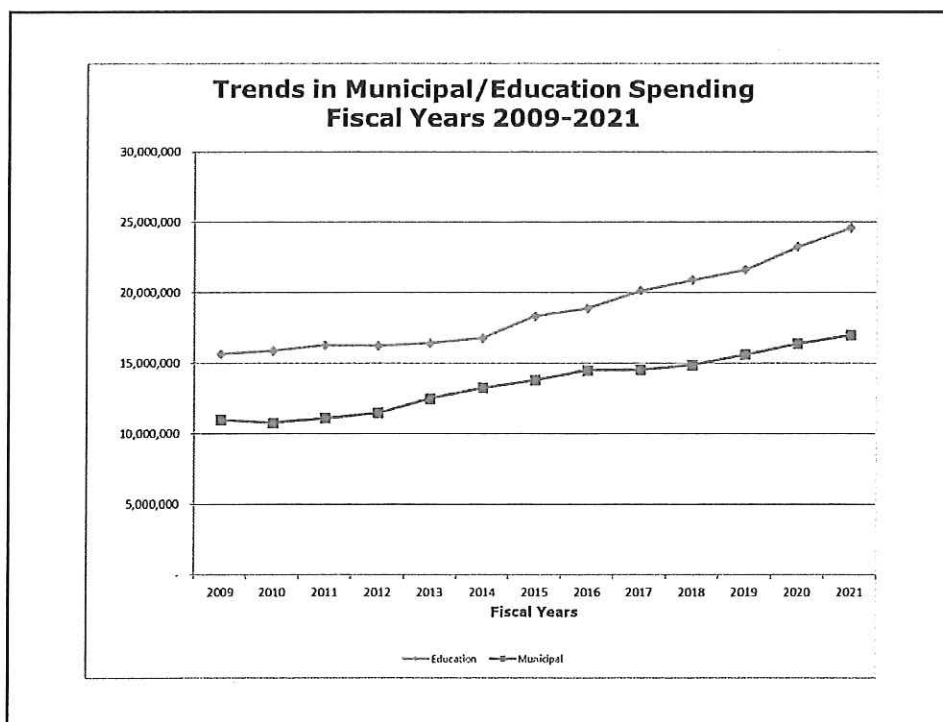
## BUDGET CONCERNS

- The proposed FY 2021 Balanced Budget does not follow sound financial budgeting principals in which you do not use one-time revenue sources to fund operating expenses which may impact the Town's AAA Bond Rating. Should the 911 Grant not be received, there will be a need to find \$150,000 to fund Dispatcher Wages.
- Largest one-year increase in Estimated Receipts that may have a detrimental impact to the Town's Free Cash Position in FY 2022, which may impact the Town's AAA Bond Rating and Capital Budget.
- Five Year Projection continues to show the need for Operational Overrides over the next five years of over \$500,000 annually.

30

FIVE YEAR PROJECTION											
	FY 2021	FY 2022	Percent Increase	FY 2023	Percent Increase	FY 2024	Percent Increase	FY 2025	Percent Increase	FY 2026	Percent Increase
<b>Expenditures</b>											
Municipal Wages	\$ 8,091,096	\$ 8,252,373	2.50%	\$ 8,458,682	2.50%	\$ 8,627,556	2.00%	\$ 8,800,413	2.00%	\$ 8,976,422	2.00%
Employee Benefits	\$ 4,066,369	\$ 4,351,753	7.02%	\$ 4,656,656	7.05%	\$ 4,938,567	7.08%	\$ 5,343,536	7.12%	\$ 5,725,487	7.15%
Sub-Total	\$ 12,117,465	\$ 12,604,127	4.02%	\$ 13,117,288	4.07%	\$ 13,616,123	3.81%	\$ 14,143,949	3.87%	\$ 14,701,909	3.94%
Municipal Expenses	\$ 2,762,042	\$ 2,609,662	1.00%	\$ 2,637,961	1.00%	\$ 2,668,341	1.00%	\$ 2,695,004	1.00%	\$ 2,923,954	1.00%
Sub - Total	\$ 14,899,507	\$ 15,413,889	3.45%	\$ 15,665,229	3.51%	\$ 16,482,763	3.31%	\$ 17,038,953	3.37%	\$ 17,625,862	3.44%
Debt Service - In Levy Capacity Only	\$ 345,232	\$ 345,232	0.00%	\$ 345,232	0.00%	\$ 345,232	0.00%	\$ 345,232	0.00%	\$ 345,232	0.00%
Total - Municipal Budget	\$ 15,244,739	\$ 15,759,221	3.37%	\$ 16,300,461	3.43%	\$ 16,827,995	3.24%	\$ 17,384,185	3.31%	\$ 17,971,094	3.39%
Groton Durable Regional School	\$ 22,699,242	\$ 24,061,197	6.00%	\$ 25,004,658	6.00%	\$ 27,035,160	6.00%	\$ 28,657,270	6.00%	\$ 30,376,709	6.00%
Madira School Roof Debt Service	\$ 58,147	\$ 59,019	1.50%	\$ 59,804	1.50%	\$ 60,603	1.50%	\$ 61,715	1.50%	\$ 62,641	1.50%
GORSD Capital	\$ 442,859	\$ 444,531	0.38%	\$ 553,411	24.40%	\$ 552,203	-0.22%	\$ 553,408	0.22%	\$ 400,000	-27.72%
Nashoba Regional Technical High School	\$ 728,802	\$ 747,022	2.50%	\$ 765,698	2.50%	\$ 784,840	2.50%	\$ 804,461	2.50%	\$ 824,573	2.50%
Total - Regional Schools Assessments	\$ 23,923,060	\$ 25,311,768	5.78%	\$ 26,093,081	8.21%	\$ 28,433,007	8.76%	\$ 30,078,854	5.78%	\$ 31,663,920	5.28%
Total Operating Expenses	\$ 39,173,789	\$ 41,070,990	4.84%	\$ 42,184,343	5.19%	\$ 45,261,002	4.81%	\$ 47,461,039	4.89%	\$ 49,635,014	4.69%
<b>Additional Appropriations</b>											
OPFB	\$ 177,094	\$ 193,032	9.00%	\$ 210,405	9.00%	\$ 229,342	9.00%	\$ 249,583	9.00%	\$ 272,451	9.00%
Capital Budget Request	\$ 471,670	\$ 500,000	6.00%	\$ 500,000	0.00%	\$ 500,000	0.00%	\$ 500,000	0.00%	\$ 500,000	0.00%
Overlay Deficit From Prior Years	\$ -	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Cherry Sheet Offsets	\$ 18,527	\$ 20,000	0.00%	\$ 20,000	0.00%	\$ 20,000	0.00%	\$ 20,000	0.00%	\$ 20,000	0.00%
Snow and Ice Deficit	\$ 100,000	\$ 200,000	100.00%	\$ 205,000	2.50%	\$ 210,125	2.50%	\$ 215,376	2.50%	\$ 220,763	2.50%
State and County Charges	\$ 93,323	\$ 96,737	2.50%	\$ 98,120	2.50%	\$ 100,973	2.50%	\$ 103,087	2.50%	\$ 105,664	2.50%
Allowance for Abatement/Exemptions	\$ 150,000	\$ 200,000	33.33%	\$ 200,000	0.00%	\$ 200,000	0.00%	\$ 200,000	0.00%	\$ 200,000	0.00%
Sub-Total Additional Appropriations	\$ 1,010,633	\$ 1,208,759	19.65%	\$ 1,233,525	2.05%	\$ 1,260,040	2.15%	\$ 1,288,448	2.25%	\$ 1,318,908	2.36%
Grand Total Appropriations	\$ 40,184,472	\$ 42,279,749	5.21%	\$ 44,417,868	5.06%	\$ 46,521,042	4.73%	\$ 48,749,487	4.79%	\$ 50,953,922	4.52%
<b>Revenues</b>											
Previous Year Proposition 2 1/2 Levy Limit	\$ 31,932,418	\$ 32,991,429	3.32%	\$ 34,055,683	6.05%	\$ 36,918,528	5.52%	\$ 38,781,119	5.05%	\$ 40,875,791	5.40%
Allowed 2% Increase	\$ 799,310	\$ 824,765	3.32%	\$ 874,647	6.05%	\$ 922,953	5.52%	\$ 969,528	5.05%	\$ 1,021,695	5.40%
New Growth	\$ 263,700	\$ 601,581	92.51%	\$ 614,438	2.50%	\$ 627,289	2.50%	\$ 640,471	2.50%	\$ 653,983	2.50%
Proposition 2 1/2 Override	\$ -	\$ 987,787	0.00%	\$ 945,570	0.00%	\$ 919,399	0.00%	\$ 884,874	0.00%	\$ 842,970	0.00%
State Aid	\$ 971,581	\$ 900,000	-7.37%	\$ 900,000	0.00%	\$ 900,000	0.00%	\$ 900,000	0.00%	\$ 900,000	0.00%
Local Receipts	\$ 4,449,939	\$ 4,584,307	3.02%	\$ 4,698,915	2.50%	\$ 4,816,388	2.50%	\$ 4,936,788	2.50%	\$ 5,060,218	2.50%
Free Cash	\$ 390,130	\$ 372,000	-23.70%	\$ 372,000	0.00%	\$ 372,000	0.00%	\$ 372,000	0.00%	\$ 372,000	0.00%
Transfer from Enterprise Funds	\$ 258,264	\$ 258,077	-0.07%	\$ 292,531	9.00%	\$ 298,658	5.00%	\$ 311,490	5.00%	\$ 327,065	5.00%
Other Available Funds	\$ -	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
EMS Fund	\$ 300,000	\$ 300,000	0.00%	\$ 300,000	0.00%	\$ 300,000	0.00%	\$ 300,000	0.00%	\$ 300,000	0.00%
GORSD Capital Stabilization Fund	\$ 442,859	\$ 368,482	-16.79%	\$ 445,894	21.01%	\$ 554,876	24.44%	\$ 653,468	17.85%	\$ 800,000	22.72%
Capital Stabilization Fund	\$ 471,670	\$ 500,000	6.01%	\$ 500,000	0.00%	\$ 500,000	0.00%	\$ 500,000	0.00%	\$ 500,000	0.00%
Grand Total Revenues	\$ 40,184,472	\$ 42,279,749	5.21%	\$ 44,417,868	5.06%	\$ 46,521,042	4.73%	\$ 48,749,487	4.79%	\$ 50,953,922	4.52%
Surplus/Deficit	\$ 0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0

31



32