

TOWN OF GROTON FINANCE COMMITTEE Regular Session

*Monday, April 27th, 2020, 7:00 p.m.
Virtual Meeting
Zoom ID# 923-6273-3921*

Meeting Jointly with the Select Board for Public Hearing (continuation) on Spring Town Meeting Warrant

Present for Finance Committee: B. Robertson (Chair), C. Doody, D. Manugian, S. Whitefield, M. Linskey, A. Prest, G. Green

Absent: None

Present for Select Board: A. Manugian (Chair), J. Reilly, B. Pine, J. Degen, J. Giger

Also Present: P. Dufresne (Town Accountant), D. Dunbar, M. Haddad, M. Bouchard, T. Delaney, J. Kauppi, M. Doig, M. Hartnett, Police Chief M. Luth, Fire Chief S. McCurdy, R. Johnson, G. Chalmers, D. Black, A. Eliot, G. Moore, J. Greeno, Members of the CPC: B. Easom, R. Hewitt, D. Emerson, C. Perkins, B. DeGroot, T. Svarczkopf

Documents available at the meeting: Spring Town Meeting Budget Report 4/23/2020
FY21 Levy Limit Projection 4/23/2020
FY20 3rd Quarter Budget to Actual Report

Ms. Manugian called the regular session of the Select Board to order at 7:00 p.m.
Mr. Robertson called the regular session of the Finance Committee to order at 7:00 p.m.

Ms. Manugian reviewed the agenda for the upcoming meeting and then asked Mr. Haddad to deliver his Town Manager's report.

Memorial Day Parade Status – Mr. Haddad asked the Select Board to consider postponing the scheduled parade (possibly until Veteran's Day) given the current public health crisis. Mr. Johnson (Veteran's Agent) believes it would be appropriate to hold a much smaller celebration on Memorial Day and save the larger public observance for later in the year. He doubts many members of the public would plan on participating in May at this point. While the committee hasn't formally met to discuss this matter, both D. Black and G. Chalmers (while in attendance at this meeting) concurred that it would be best to postpone the parade out of an abundance of caution.

On a motion by Mr. Degen, seconded by Mr. Reilly, the Select Board voted unanimously to postpone the Memorial Day parade to a later date (to be determined). The Vote: Ms. Manugian – Aye, Mr. Degen -Aye, Mr. Giger – Aye, Mr. Reilly – Aye, Ms. Pine – Aye. (5-0-0)

FY20 Third Quarter Budget Report – Mr. Haddad presented the FY20 3rd Quarter budget results (see document attached). He stressed that the Town was on target for a very strong financial finish this year until the Covid-19 crisis hit. Meals and Room taxes were ahead of budget through March, and Motor Vehicle Excises are on target (after adjusting for timing differences due to pandemic related delays in lock box processing). Real Estate tax revenue also performed as budgeted through 3rd quarter. Unfortunately, Meals and Rooms taxes are likely to return little or no revenue for 4th Quarter; and Motor Vehicle Excise taxes are expected to be somewhat reduced. He is also sorry to say that the Country Club, which was expected to cover the entirety of its budget in FY20 (without a taxpayer subsidy), will almost certainly finish the year in deficit given the impact the pandemic will have on its operations. Municipal expenses should finish the year well under budget given the spending freeze that was put in place at the beginning of the crisis.

*At this point in the meeting (7:15 pm), on a motion by Mr. Degen, seconded by Mr. Reilly, the Select Board voted unanimously to re-open the Public Hearing on the Spring Town Meeting Warrant. **The Vote: Ms. Manugian – Aye, Mr. Degen -Aye, Mr. Giger – Aye, Mr. Reilly – Aye, Ms. Pine – Aye. (5-0-0)***

Article 4: FY21 Operating Budget – Mr. Haddad explained that the original FY21 Operating Budget was rebalanced after the Covid-19 review by using \$298k from the Town’s Stabilization Fund. However, since the GDRSD decreased their assessment through the use of \$618,160 of certified E&D funds, a transfer from Stabilization is no longer necessary in FY21, and there is \$319,260 of Unexpended Tax Capacity. The district voted to use E&D specifically to aid Dunstable, but because of the terms of the regional agreement, Groton also benefits. Mr. Haddad particularly stressed that the district has not reduced their budget, but simply amended the funding strategy. This should not be considered a windfall for Groton; the \$618,160 will have to be built back into the GDRSD budget for FY2022. The district cannot use E&D two years in a row, therefore the need for the Town to use Stabilization money to offset the budget should be considered merely delayed until FY22 unless revenues recover significantly.

Also relative to the Groton Operational Budget, while the funding for the lifeguards at Sargisson Beach remains cut (\$28,000), the Finance Committee has requested that the money for the Baddacook Pond weed harvesting (\$15,000) be reinstated; the Water Department has agreed to fund their share (\$10,000) as well for FY21. Quotes are already being sought for this project.

The Snow & Ice deficit is approximately \$106k currently. Mr. Haddad said that the Board of Assessors has been asked to release \$50k to offset that deficit. If they choose not to release overlay, then Mr. Haddad recommends that the entire deficit be relieved with line item transfers at the end of the year.

Mr. Giger felt it might be useful to think of the district use of E&D as a loan to the Town which will have to be paid back. The group briefly discussed the district’s cancellation of food service and custodial contracts as a money saving measure. Budgeted funds left unspent at year end will be re-certified to district E&D, and will replace the \$800k used for FY21. Ms. Manugian pointed out that without the use of

district E&D the Town would have had to find the extra \$300k; this new development merely masks a structural deficit that will be carried forward to FY22. She feels that the \$618,160 offset from GDRSD should be retained in one lump sum, perhaps as unexpended tax capacity in order to reduce confusion and more easily identify and return it to the district in FY22. Mr. Robertson agreed it was necessary to keep track of this funding, but noted that the Town's budget was balanced prior to the E&D transfer. The Stabilization Fund would be tapped in hopes that revenue would recover and that money could be redeposited in the reserve account. Now that the district assessment has been reduced, it makes sense to apply that now and save the cash in Stabilization. If revenues recover in FY22 there will be no need to search for additional funding, and if revenues don't recover, the Stabilization funding will still be available. He went on to say that as the FY21 budget is essentially finished (and the warrant is going to the printer tomorrow), it should not be changed at this point. By the time the Town begins crafting the FY22 budget, there will be a much clearer picture of the true extent of the financial impact of this crisis. Mr. Green agreed saying we should view the reduced assessment as a future debt for the Town. He suggested preparing now for additional budget cuts in case they become necessary. If we don't plan now, he believes that the Town will struggle next year with this \$600k in addition to the natural annual assessment growth from the District. Mr. Degen agreed with delaying the use of Stabilization funds until it becomes necessary, and he is concerned that the problem could be worse in the fall. The Town should be proactive and plan in advance for additional budget cuts.

The Select Board recommended Article 4 (FY21 Town Operating Budget) to Town Meeting. Ms. Manugian did not support this recommendation; the remaining four members indicated support.

The Finance Committee unanimously recommended Article 4 (FY21 Town Operating Budget) to Town Meeting, with all seven members indicating support.

Article 5: OPEB Trust FY 21 Funding \$177,094 – Mr. Haddad informed the group that the Finance Committee had previously voted unanimously to recommend this article as written. Mr. Degen believes this vote should be deferred until the fall. **The Select Board unanimously recommended Article 5 (OPEB Trust FY21 Funding) to Town Meeting. Mr. Degen indicated reluctant support, while the remaining four members supported the article.**

Article 8: Prescott School Sprinkler System \$125,000 (CPC) – The CPC meeting was called to order at 7:42 pm. Mr. Haddad explained that as the project engineer has reviewed the low bid received. It is his belief that the low bidder (Xcel Fire Protection) has a full understanding of the scope of work, is confident in their price proposal, and is DCAMM certified, therefore Mr. Haddad saw no reason not to award the bid. He asked them to hold the bid price until Town Meeting (which may be delayed) and Xcel agreed in writing. While the bid received is less than the amount CPC has recommended for funding, Mr. Haddad would appreciate the entire amount be made available so as to provide a contingency; any surplus will of course be turned back to the CPC at the completion of the project. Mr. Emerson stated that both the projects currently being recommended to Town Meeting had been supported by the CPC in March, and those positions have not changed. Ms. Eliot pointed out that the Prescott project had ranked quite low in the process of scoring applications. She wondered why this ended up being the project prioritized over all the others. Mr. Emerson replied that rankings don't always play the largest role in deciding which projects advance first. Ultimately, Town Meeting residents vote to decide funding on all of them. Mr.

Prest asked why the Finance Committee should vote on CPC projects given that CPC is an autonomous committee. Mr. Haddad replied that it is true that the Finance Committee has no control over the CPC process, however it is entirely appropriate to ask the Finance Committee to take a position on whether or not a particular project brought forward by the CPC should be recommended to Town Meeting. Mr. Degen noted that a Prescott Oversight Committee meets regularly to review the financials of the Friends of Prescott operations. The lease agreement that the Town signed with FOP was predicated on performance metrics that include revenue to be received once the 3rd floor was rented out. Without the installation of a fire suppression system, that business model falls apart. He feels it would be disingenuous for the same board that signed the lease agreement to not support this project on which the agreement depends. Mr. Robertson agrees that the analysis has been done several times and all the numbers are available; renting out the 3rd floor will make possible the elimination of a taxpayer subsidy for the next 3-year lease agreement.

Mr. Easom provided an update of the balances available in the CPC buckets (if only the 2 articles on the Spring Town Meeting Warrant are approved):

Historic Reserve	\$37,675
Unallocated Reserve	\$314,231
Housing Reserve	\$571,642
Open Space Reserve	\$ 343

The next State funding match will be received around the middle of November. Several Select Board members expressed appreciation for the Engineer’s review and clarification of the bids received.

On a motion by Mr. Prest, seconded by Mr. Colby, the Finance Committee voted unanimously to recommend Article 8- CPC Prescott School Phase III to Town Meeting. The Vote: Mr. Robertson – Aye, Mr. Green – Aye, Ms. Linskey -Aye, Mr. Manugian -Aye, Mr. Doody – Aye, Mr. Whitefield – Aye, Mr. Prest -Aye.

On a motion by Mr. Degen, seconded by Ms. Pine, the Select Board voted in the majority to recommend Article 8 – CPC Prescott School Phase III to Town Meeting. The Vote: Ms. Manugian – No, Mr. Degen - Aye, Mr. Giger – No, Mr. Reilly – Aye, Ms. Pine – Aye (3-2-0)

The Community Preservation Committee adjourned their meeting at 8:05 pm

Article 11: Offset Snow & Ice Deficit – Mr. Haddad would like to use \$50k from Overlay Surplus for this purpose, with the remaining offset to come from FY20 year-end line item transfers. If the Board of Assessors chooses not to release overlay, he recommends funding the entire deficit (approximately \$106k) from line item transfers.

On a motion by Mr. Manugian, seconded by Mr. Green the Finance Committee voted unanimously to recommend Article 11: Offset Snow & Ice Deficit to Town Meeting. The Vote: Mr. Robertson – Aye, Mr. Green – Aye, Ms. Linskey -Aye, Mr. Manugian -Aye, Mr. Doody – Aye, Mr. Whitefield – Aye, Mr. Prest - Aye.

The Select Board unanimously recommended Article 11: Offset Snow & Ice Deficit to Town Meeting, with all five members indicating support.

Article 13: Sewer Enterprise Transfer from E&D to FY20 Operating Budget \$100,000 – On a motion by Mr. Manugian, seconded by Mr. Green, the Finance Committee voted unanimously to recommend Article 13: Sewer E&D transfer to FY20 Budget to Town Meeting. The Vote: Mr. Robertson – Aye, Mr. Green – Aye, Ms. Linskey -Aye, Mr. Manugian -Aye, Mr. Doody – Aye, Mr. Whitefield – Aye, Mr. Prest - Aye.

On a motion by Mr. Giger, seconded by Mr. Degen, the Select Board voted unanimously to recommend Article 13: Sewer E&D transfer to FY20 Budget to Town Meeting. The Vote: Ms. Manugian – Aye, Mr. Degen -Aye, Mr. Giger – Aye, Mr. Reilly – Aye, Ms. Pine – Aye

Town Meeting & Election Dates – Mr. Kauppi (Town Moderator) explained that May 18th was chosen as the day on which to hold Town Meeting in order to set the Town election prior to June 30th. Town Meeting does not have to happen prior to June 30th; if a weather or public health emergency render it necessary, the Moderator can change the date of Town Meeting. He will wait for guidance from the Governor and plans to announce any delay as soon as possible. He would like to assure the public that Town Meeting would be held only when it is safe to do so. Mr. Haddad pointed out that the Select Board can change the date of the Town election to sometime between June 9th and June 30th, as long as it is done 20 days before June 9th, and in consultation with the Town Clerk.

On a motion by Mr. Degen, seconded by Ms. Pine, the Select Board voted unanimously to close the public hearing and post the warrant for the Spring Town Meeting. The Vote: Ms. Manugian – Aye, Mr. Degen -Aye, Mr. Giger – Aye, Mr. Reilly – Aye, Ms. Pine – Aye

Mr. Robertson said that all financial topics of discussion had been addressed, therefore he was officially adjourning the meeting of the Finance Committee at 8:20 pm

Respectfully submitted,

Patricia Dufresne, Recording Secretary

Town of Groton
General Fund Statement of Revenues & Expenditures
March 31, 2020

	Current Budget FY20	July - Mar Actual FY20	Variance to FY20 Budget	3rd Qtr % of Budget	Final FY19 Budget	Final FY19 Actual	July - Mar Actual FY19	Variance to FY19 Budget	3rd Qtr % of Budget	% of Budget Change	Notes
Revenue											
State Aid (Lottery/Exempts/Van)	971,581	817,280	(154,291)	84.12%	909,717	901,811	734,942	(174,775)	80.79%	104.12%	FY19 Qtr4 UGSA rec'd 1st Qtr FY20
Motor Vehicle/Boat Excise	1,577,642	1,071,331	(506,311)	67.91%	1,549,739	1,793,261	1,290,850	(258,889)	83.29%	81.53%	\$159k posted 1st wk April 2020
Local Option Meals Tax	150,000	161,421	11,421	107.61%	120,000	168,570	128,189	8,189	106.82%	100.74%	FY20 Budget adj to reflect 3 yr history
Local Option Room Occupancy Tax	50,000	42,020	(7,980)	84.04%	90,000	109,578	62,672	(27,328)	69.64%	95.84%	Penalty activity halted for COVID FY20
Penalties and Interest on Taxes	90,000	60,062	(29,938)	66.74%	260,000	281,907	153,000	(107,000)	56.85%	114.44%	7 Hills/Groton Sch/ Shanklin rec'd FY20
Payments in Lieu of Taxes	260,000	175,119	(84,881)	67.35%	67,000	68,815	1,845	(65,155)	2.75%	35.64%	FY20 includes SRO reimb/billed late in FY
Other Charges for County (Dunst)	82,000	800	(81,200)	0.98%	301,338	552,570	256,481	(253,021)	50.34%	93.11%	FY20 is 1st year for Room Occ. Tax
Country Club Revenue	493,838	231,443	(262,395)	46.87%	51,012	392,157	286,143	(15,195)	94.96%	101.04%	
Fees (incl Van vouchers)	289,737	278,011	(11,726)	95.95%	12,000	52,766	32,352	(18,660)	63.42%	107.16%	Cell Tower Rev up slightly FY20
Rentals (Cell Towers)	49,000	33,299	(15,701)	67.96%	12,000	10,395	8,396	(3,604)	69.97%	88.15%	Fine activity halted for COVID FY20
Library Fines	12,000	7,401	(4,599)	61.68%	680,000	684,031	512,759	(167,241)	75.41%	84.83%	3rd Qtr FY20 GELD rec'd in April
Other Departmental Revenue	700,000	447,819	(252,181)	63.97%	306,000	413,343	331,652	25,652	108.39%	119.62%	permit activity ahead of budget
Licenses and Permits	300,000	388,906	88,906	129.64%	25,000	17,688	10,400	(14,600)	41.60%	149.42%	Motor Vehicle Fines trending up
Fines and Forfeits	25,000	15,540	(9,460)	62.16%	20,000	94,991	41,228	21,228	206.14%	47.29%	FY20 Budget adj to reflect 3 yr history
Investment Income	40,000	38,997	(1,003)	97.49%	0	59,241	2,722	2,722			
Misc Non-recurring (State Aid)	0	0	0		0	0	0	0			
Misc (Bond Prem Amort & Other)	1,263	10,253	8,990	811.80%	1,650	28,705	17,556	15,906	1064.00%	76.30%	Bond Premium/111F Reimb/ Unclaimed Prop
Enterprise Allocation for Indirects	236,288	158,624	(77,664)	67.13%	237,633	227,899	130,858	(106,775)	55.07%	121.90%	3rd Qtr FY20 billed but not paid
Real Estate and Personal Prop	33,723,200	24,867,769	(8,855,431)	73.74%	32,348,930	32,053,738	23,803,860	(8,545,070)	73.56%	100.22%	\$87k RE tax posted 1st wk April 2020
Total Revenue	39,051,549	28,806,105	(10,245,444)	73.76%	37,489,521	37,911,466	27,805,905	(9,683,616)	74.17%	99.45%	
Expenditures (Operating Expenses)											
General Government	2,543,664	1,730,075	(813,589)	68.02%	2,480,565	2,303,303	1,733,910	(746,655)	69.90%	97.31%	
Public Safety General Fund**	4,399,782	2,813,364	(1,586,418)	63.94%	4,126,335	3,866,011	2,629,472	(1,496,863)	63.69%	100.39%	
Department of Public Works	2,247,122	1,724,640	(522,482)	76.75%	2,291,272	2,261,163	1,748,083	(543,189)	76.29%	100.60%	
Culture, Rec, & Citizen's Svcs	1,689,572	1,174,164	(515,408)	69.49%	1,677,500	1,597,830	1,129,482	(548,018)	67.33%	103.21%	CC wages up 22k, COA wages up 10k
Employee Benefits and Other*	3,867,106	3,376,794	(490,312)	87.32%	3,666,530	3,618,835	3,332,137	(334,393)	90.89%	96.08%	MCRS down 5% FY20
Total Operating Expenses	14,747,246	10,819,037	(3,928,209)	73.36%	14,244,202	13,647,142	10,573,084	(3,671,118)	74.23%	98.83%	
Expenditures (Non - Operating Exp.)											
Special Articles Voted for Current Yr	514,945	287,838	(227,107)	55.90%	963,236	686,455	523,966	(439,270)	54.40%	102.76%	
PY Articles/Enc(SeeUse of Enc Below)	485,672	136,549	(349,123)	28.12%	468,056	301,441	221,390	(246,666)	47.30%	59.45%	
Education	23,271,070	17,620,979	(5,650,091)	75.72%	22,069,389	22,069,389	16,691,366	(5,378,023)	75.63%	100.12%	
Debt Service	1,591,938	1,055,134	(536,804)	66.28%	1,009,519	1,009,517	609,686	(399,933)	60.38%	109.77%	
Intergovernmental (State Offsets)	93,392	70,044	(23,348)	75.00%	91,612	91,612	68,709	(22,903)	75.00%	100.00%	
Total Non - Operating Expenses	25,957,017	19,170,544	(6,786,473)	73.85%	24,601,812	24,158,414	18,115,017	(6,821,996)	73.63%	100.30%	
Excess (Deficiency) Before OFS&U	(1,652,714)	(1,163,476)	469,238	71.61%	(1,356,493)	105,910	(882,196)	474,297	65.04%	110.10%	
Other Financing Sources											
Transfers from Other Funds	1,484,832	1,484,832	0	100.00%	1,185,983	1,185,983	1,185,983	0	100.00%	100.00%	CapSlab/EMS Receipts
Use of Avail. Funds: Encumbrances	482,477	482,477	0	100.00%	466,988	466,988	466,988	0	100.00%	100.00%	Funded in Prior Fiscal Year
Avail. Funds: F. C./Overlay Surplus	381,793	381,793	0	100.00%	1,034,875	1,034,875	1,034,875	0	100.00%	100.00%	
Total OFS	2,349,102	2,349,102	0	100.00%	2,687,846	2,687,846	2,687,846	0	100.00%	100.00%	
Other Financing Uses											
Overlay & Deficits to be Raised	220,799	220,799	0	100.00%	527,234	527,234	527,234	0	100.00%	100.00%	Sno&Lce/Library Offset/Overlay/Recap Debt
Transfers to Other Funds	475,589	475,589	0	100.00%	804,119	804,119	804,119	0	100.00%	100.00%	Stabilization/OPEB/Capital Projects BANS
Total OFU	696,388	696,388	0	100.00%	1,331,353	1,331,353	1,331,353	0	100.00%	100.00%	
Excess (Deficiency) Incl. OFS&U	0	469,238	469,238		0	1,462,403	474,297	474,297			

**\$281,098 = Dispatch Grants Awarded for FY19, \$218,545.18 offset to Dispatch Budget thru 3/31/19

Town of Groton
General Fund Statement of Revenues & Expenditures
March 31, 2020

28,806,105

Salaries/Wages Expenditures by Function of Government											
	Current Budget FY20	July - Mar Actual FY20	Variance to FY20 Budget	3rd Qtr % of Budget	Final FY19 Budget	Final FY19 Actual	July - Mar Actual FY19	Variance to FY19 Budget	3rd Qtr % of Budget	% of Budget Change	Notes
General Government:											
BOS/Town Manager	345,820	252,332	93,488	72.97%	325,323	324,088	231,867	93,456	71.27%	102.39%	
Accountant	142,947	104,541	38,406	73.13%	137,297	137,241	100,135	37,162	72.93%	100.27%	
Assessors	140,901	102,121	38,780	72.48%	128,351	128,272	93,076	35,275	72.52%	99.94%	
Treasurer/Collector	206,999	152,847	53,752	73.98%	200,293	200,293	143,221	57,072	71.51%	103.45%	
Personnel	82,673	61,135	21,538	73.95%	79,225	79,225	58,109	21,116	73.35%	100.82%	
Information Technology	173,570	126,399	47,171	72.82%	166,394	166,342	120,749	45,645	72.57%	100.34%	
Town Clerk/Elections	158,012	111,564	46,448	70.60%	160,646	159,459	117,593	43,053	73.20%	96.45%	Election activity FY19 1st Qtr
Land Use Conservation Comm.	70,169	51,637	18,532	73.59%	66,686	66,686	48,641	18,045	72.94%	100.89%	
Land Use Inspection Services	187,715	128,556	59,159	68.48%	186,352	183,651	130,528	55,824	70.04%	97.77%	
Land Use (Planning/ZBA)	103,503	75,854	27,649	73.29%	100,179	100,117	73,896	26,283	73.76%	99.36%	
Total General Government	1,611,909	1,166,986	444,923	72.40%	1,550,746	1,545,374	1,117,815	432,931	72.08%	100.44%	
Public Safety:											
Police Department	2,207,440	1,543,457	663,983	69.92%	2,141,885	2,063,394	1,473,804	668,081	68.81%	101.61%	
Fire Department	1,174,641	789,145	385,496	67.18%	1,006,019	997,354	688,137	317,882	68.40%	98.22%	
Dispatch (paid from Gen Fund) **	512,769	184,731	328,038	36.03%	497,796	353,427	190,523	307,273	38.27%	94.15%	Grant Support rec'd
Animal Cntrl/Dog Officer	19,164	14,005	5,159	73.08%	19,164	19,164	14,005	5,159	73.08%	100.00%	
Total Public Safety	3,914,014	2,531,338	1,382,676	64.67%	3,664,864	3,433,339	2,366,469	1,298,395	64.57%	100.15%	
Department of Public Works:											
Municipal Buildings	145,276	102,635	42,641	70.65%	135,700	134,513	98,012	37,688	72.23%	97.81%	
Highway	815,890	575,966	239,924	70.59%	791,319	789,593	561,949	229,370	71.01%	99.41%	
Snow & Ice	140,000	129,107	10,893	92.22%	160,886	160,886	150,076	10,810	93.28%	98.86%	12/19 winter storms FY20
Solid Waste	138,211	94,159	44,052	68.13%	129,746	129,746	92,396	37,350	71.21%	95.67%	
Total DPW	1,239,377	901,867	337,510	72.77%	1,217,651	1,214,738	902,433	315,218	74.11%	98.19%	
Culture, Rec. & Citizen's Svcs:											
COA/COA Van	208,861	151,017	57,844	72.31%	212,441	190,090	134,604	77,837	63.36%	114.13%	Wages to be offset to grant FY20 \$10k
Vets Svcs/Water Safety/Graves	9,368	5,804	3,564	61.96%	9,450	8,216	5,601	3,849	59.27%	104.54%	
Library	724,398	505,158	219,240	69.73%	706,203	685,323	497,484	208,719	70.44%	98.99%	
Country Club	271,579	210,963	60,616	77.68%	269,999	269,999	183,991	86,008	68.15%	113.98%	Xtra lifeguards/Club Attendant 1st Qtr FY20
Total Culture, Rec. & Citizen's Svcs	1,214,206	872,942	341,264	71.89%	1,198,093	1,153,628	821,680	376,413	68.58%	104.83%	
Grand Total Salaries & Wages	7,979,506	5,473,133	2,506,373	68.59%	7,631,354	7,347,079	5,208,397	2,422,957	68.25%	100.50%	
Benefits:											
County Retirement	1,973,053	1,973,053	0	100.00%	2,081,699	2,081,699	2,081,699	0	100.00%	100.00%	
Health / Life Insurance *	1,732,953	1,308,371	424,582	75.50%	1,429,594	1,411,305	1,160,179	269,415	81.15%	93.04%	Health ins enrollments down FY20
Other Benefits (Medicare/Unemplmnt)	161,100	95,370	65,730	59.20%	155,237	125,831	90,259	64,978	58.14%	101.82%	
Total Benefits	3,867,106	3,376,794	490,312	87.32%	3,666,530	3,618,835	3,332,137	334,393	90.88%	96.08%	
Total Salaries/Wages/Benefits	11,846,612	8,849,927	2,996,685	74.70%	11,297,884	10,965,914	8,540,534	2,757,350	75.59%	98.82%	

**\$200,574 = Dispatch Wage Grants Awarded for FY20, \$190,268 offset to Dispatch Budget thru 3/31/20

**\$163,484 = Dispatch Wage Grants Awarded for FY19, \$153,400 offset to Dispatch Budget thru 3/31/19

**FISCAL YEAR 2021 LEVY LIMIT CALCULATION
BALANCED BUDGET**

I. TO CALCULATE THE FY 2020 LEVY LIMIT

A.	FY 2019 LEVY LIMIT	\$	30,650,535
A1.	ADD AMENDED FY 2019 NEW GROWTH	\$	-
B.	ADD TWO AND ONE HALF PERCENT	\$	766,263
C.	ADD FY 2020 NEW GROWTH	\$	515,620
D.	ADD FY 2020 OVERRIDE	\$	-
E.	FY 2020 SUBTOTAL	\$	31,932,418
F.	FY 2020 LEVY CEILING	\$	44,656,171
			\$ 31,932,418 FY 2019 LEVY LIMIT

II. TO CALCULATE THE FY 2021 LEVY LIMIT

A.	FY 2020 LEVY LIMIT	\$	31,932,418
A1.	ADD AMENDED FY 2020 NEW GROWTH	\$	-
B.	ADD TWO AND ONE HALF PERCENT	\$	798,310
C.	ADD FY 2021 NEW GROWTH	\$	173,800
D.	ADD FY 2021 OVERRIDE	\$	
E.	FY 2021 SUBTOTAL	\$	32,904,529
F.	FY 2021 LEVY CEILING	\$	44,656,717
			\$ 32,904,529 FY 2020 LEVY LIMIT

Reduced by \$86,900 by reducing new growth estimate from \$15 million to \$10 million



Revised: 4/23/2020

**TOWN OF GROTON, MASSACHUSETTS
FY 2021 TOTAL TAX LEVY CALCULATION
BALANCED BUDGET**

FY 2021 LEVY LIMIT	\$	32,904,529	
CAPITAL EXCLUSION	\$	-	
DEBT EXCLUSION - TOWN	\$	1,497,863	Reduced by \$61,993 from original budget of \$1,559,856 to reflect actual interest rate on Bonds for DPW Building and Library Roof.
FY 2021 BOND PROCEEDS REDUCTION	\$	(24,970)	
DEBT EXCLUSION - SEWER	\$	-	
DEBT EXCLUSION - WATER	\$	-	
DEBT EXCLUSION - GDRSD	\$	648,497	
SUB-TOTAL - EXCLUSIONS	\$	2,121,390	
TOTAL TAX LEVY	\$	35,025,919	

Revised: 4/23/2020
BALANCED BUDGET

TOWN OF GROTON
FISCAL YEAR 2021
REVENUE ESTIMATES

	BUDGETED FY 2020	ESTIMATED FY 2021	CHANGE
PROPERTY TAX REVENUE	\$ 31,932,418	\$ 32,904,529	\$ 972,110
DEBT EXCLUSIONS	\$ 2,070,421	\$ 2,121,390	\$ 50,969
CHERRY SHEET - STATE AID	\$ 971,581	\$ -	\$ -
UNEXPENDED TAX CAPACITY	\$ (279,639)	\$ -	\$ 279,639
LOCAL RECEIPTS:			
General Revenue:			
Motor Vehicle Excise Taxes	\$ 1,577,642	\$ 1,555,341	Reduced by \$100,000.
Meals Tax and Room Occupancy Tax	\$ 200,000	\$ 150,000	Reduced by \$150,000.
Penalties & Interest on Taxes	\$ 90,000	\$ 110,000	(22,301)
Payments in Lieu of Taxes	\$ 260,000	\$ 265,000	(50,000)
Other Charges for Services	\$ 82,000	\$ 82,000	20,000
Fees	\$ 300,000	\$ 300,000	5,000
Rentals	\$ 40,000	\$ 40,000	Reduced by \$40,000.
Library Revenues	\$ 12,000	\$ 12,000	-
Other Departmental Revenue	\$ 700,000	\$ 725,000	25,000
Licenses and Permits	\$ 300,000	\$ 300,000	Reduced by \$50,000.
Fines and Forfeits	\$ 25,000	\$ 20,000	(5,000)
Investment Income	\$ 40,000	\$ 40,000	-
Recreation Revenues	\$ 493,836	\$ 515,939	22,101
Miscellaneous Non-Recurring	\$ -	\$ -	-
Sub-total - General Revenue	\$ 4,120,480	\$ 4,115,280	(5,200)
Other Revenue:			
Free Cash	\$ 300,857	\$ 287,090	Reduced by \$18,933 to reflect actual assessment.
Capital Stabilization Fund for GDRSD	\$ 479,012	\$ 423,926	(3,767)
Stabilization Fund for Tax Rate Relief	\$ -	\$ -	(55,086)
Capital Asset Stabilization Fund	\$ 504,945	\$ 125,100	Reduced by \$346,570 to reflect delaying capital purchases until the Fall.
EMS/Conservation Fund Receipts Reserve	\$ 500,875	\$ 625,000	(379,845)
COVID-19 One-Time Transfer	\$ -	\$ -	124,125
Community Preservation Funds	\$ -	\$ -	-
Water Department Surplus	\$ -	\$ -	-
Sewer Department Surplus	\$ -	\$ -	-
Insurance Reimbursements	\$ -	\$ -	-
Encumbrances	\$ -	\$ -	-
Sub-total - Other Revenue	\$ 1,785,689	\$ 1,471,116	(314,573)
WATER DEPARTMENT ENTERPRISE	\$ 1,206,020	\$ 1,388,916	\$ 182,896
SEWER DEPARTMENT ENTERPRISE	\$ 725,415	\$ 763,300	\$ 37,885
LOCAL ACCESS CABLE ENTERPRISE	\$ 216,778	\$ 214,804	(1,975)
FOUR CORNER SEWER ENTERPRISE	\$ 20,618	\$ 32,805	\$ 12,187
TOTAL ESTIMATED REVENUE	\$ 42,769,782	\$ 43,983,721	\$ 1,213,939

No longer needed with reduction to GDRSD Assessment.

Increased by \$325,000 to reflect purchase of new ambulance.

Revised: 4/23/2020

TOWN OF GROTON
FISCAL YEAR 2021
TAX LEVY CALCULATIONS

FY 2021 PROPOSED EXPENDITURES

BALANCED BUDGET - Anticipated Proposed Budget

General Government	\$	2,133,418
Land Use Departments	\$	448,055
Protection of Persons and Property	\$	4,369,427
Regional School Districts	\$	23,920,189
Department of Public Works	\$	2,254,853
Library and Citizen Services	\$	1,719,650
Debt Service	\$	1,819,826
Employee Benefits	\$	4,143,463

GDRSD Assessment reduced by \$618,160 due to the use of E&D to offset FY 2021 Budget

Reduced by \$28,000 by removing funding for the Sargisson Beach Life Guards

Sub-Total - Operating Budget \$ 40,808,881

- A. TOTAL DEPARTMENTAL BUDGET REQUESTS \$ 40,808,881
- B. CAPITAL BUDGET REQUESTS \$ 450,100
- C. ENTERPRISE FUND REQUESTS \$ 2,143,561
- D. COMMUNITY PRESERVATION REQUEST

OTHER AMOUNTS TO BE RAISED

- 1. Amounts certified for tax title purposes -
- 2. Debt and interest charges not included -
- 3. Final court judgments -
- 4. Total Overlay deficits of prior years -
- 5. Total cherry sheet offsets -
- 6. Revenue deficits -
- 7. Offset Receipts 18,527
- 8. Authorized deferral of Teachers' Pay -
- 9. Snow and ice deficit -
- 10. Other -

Current Deficit is at approximately \$100,000. We will eliminate the deficit through a combination of overlay reserve and line item transfers

- E. TOTAL OTHER AMOUNTS TO BE RAISED \$ 18,527
- F. STATE AND COUNTY CHERRY SHEET CHARGES \$ 93,392
- G. ALLOWANCE FOR ABATEMENTS AND EXEMPTIONS \$ 150,000

TOTAL PROPOSED EXPENDITURES \$ 43,664,461

FY 2021 ESTIMATED RECEIPTS

ESTIMATED TAX LEVY			
Levy Limit	\$	32,904,529	
Debt Exclusion	\$	2,121,390	
	\$		35,025,919
A. ESTIMATED TAX LEVY	\$		35,025,919
B. CHERRY SHEET ESTIMATED RECEIPTS	\$		971,581
C. LOCAL RECEIPTS NOT ALLOCATED	\$		4,115,280
D. OFFSET RECEIPTS	\$		-
E. ENTERPRISE FUNDS	\$		2,399,825
F. COMMUNITY PRESERVATION FUNDS	\$		-
G. FREE CASH	\$		297,090
H. COVID-19 ONE TIME TRANSFER TO BALANCE BUDGET	\$		-

Reduced by \$86,900 by reducing anticipated new growth from \$15 million to \$10 million.

Reduced by \$340,000 to reflect economic impacts of COVID-19, including MV excise, fees, meals tax, room tax and Country Club Capital

No longer needed with Reduction in GDRSD Assessment.

OTHER AVAILABLE FUNDS

1. Stabilization Fund	\$	125,100	
2. Capital Asset Fund	\$	423,926	
3. GDRSD Capital Asset Fund	\$	625,000	
4. EMS/Conservation Fund			

I. OTHER AVAILABLE FUNDS

	\$	1,174,026
TOTAL ESTIMATED RECEIPTS	\$	43,983,721
FY 2021 SURPLUS/(DEFICIT)	\$	319,260

Revised: 4/23/2020

**TOWN OF GROTON, MASSACHUSETTS
DEPARTMENT OF REVENUE
TAX RATE RECAPITULATION**

**FISCAL YEAR 2021
BALANCED BUDGET**

\$ 43,664,461.25
\$ 8,957,802.49
\$ 34,706,658.76

I. TAX RATE SUMMARY

- Ia. Total amount to be raised (from IIe)
- Ib. Total estimated receipts and other revenue sources (from IIIe)
- Ic. Tax levy (Ia minus Ib)
- Id. Distribution of Tax Rates and Levies

Tax Rate Reduced by
\$0.16 due to reduction
in GDRSD Assessment

CLASS	(b) Levy Percentage (from LA -5)	(c) IC above times each percent in col (b)	(d) Valuation by Class (from LA - 4)	(e) Tax Rates (c) x (d) x 1000	(f) Levy by Class (d) x (e) /1000
RESIDENTIAL	94.2703%	\$ 32,718,069.81	\$ 1,838,596,191.00	17.80	\$ 32,718,069.81
NET OF EXEMPT					\$ -
OPEN SPACE	0.0000%	\$ -			\$ -
COMMERCIAL	3.8272%	\$ 1,328,290.81	\$ 74,643,475.00	17.80	\$ 1,328,290.81
NET OF EXEMPT					\$ -
INDUSTRIAL	0.7334%	\$ 254,541.63	\$ 14,304,000.00	17.80	\$ 254,541.63
SUBTOTAL	98.8309%		\$ 1,927,543,666.00		\$ 34,300,902.25
PERSONAL	1.1691%	\$ 405,756.51	\$ 22,801,540.00	17.80	\$ 405,756.51
TOTAL	100.0000%		\$ 1,950,345,206.00		\$ 34,706,658.76

FISCAL YEAR 2021

TAX RATE RECAPITULATION
GROTON

II. AMOUNTS TO BE RAISED		\$	43,402,542
II a. Appropriations			
II b. Other amounts to be raised			
1. Amounts certified for tax title purposes		\$	
2. Debt and interest charges not included		\$	
3. Final court judgments		\$	
4. Total overlay deficits of prior years		\$	
5. Total cherry sheet offsets		\$	
6. Revenue deficits		\$	18,527
7. Offset receipts deficits		\$	
8. Authorized Deferral of Teachers' Pay		\$	
9. Snow and Ice deficit		\$	
10. Other		\$	
		\$	18,527
II c. State and County Cherry Sheet Charges		\$	93,392
II d. Allowance for Abatements and Exemptions (overlay)		\$	150,000
II e. TOTAL AMOUNT TO BE RAISED		\$	43,664,461

III. Estimated Receipts and Other Revenue Sources

III a. Estimated Receipts - State

1. Cherry Sheet Estimated Receipts	\$	971,581
2. Massachusetts School Building Authority Payments	\$	-
TOTAL III a.	\$	971,581

III b. Estimated Receipts - Local

1. Local Receipts Not Allocated	\$	4,115,280
2. Offset Receipts	\$	-
3. Enterprise Funds	\$	2,399,825
4. Community Preservation Funds	\$	-
TOTAL III b.	\$	6,515,105

III c. Revenue Sources Appropriated for Particular Purposes

1. Free Cash	\$	297,090
2. Other Available Funds	\$	1,174,026
TOTAL III c.	\$	1,471,116

III d. Other Revenue Sources Appropriated Specifically to Reduce the Tax Rate

1a. Free Cash...appropriated on or before June 30, 2019	\$	-
1b. Free Cash...appropriated on or after July 1, 2019	\$	8,957,802
2. Municipal Light Source		
3. Teachers' Pay Deferral		
4. Other Source:		
TOTAL III d.	\$	8,957,802

III e. Total Estimated Receipts and Other Revenue Sources

a. Total Amount to be Raised	\$	43,664,461
b. Total Estimated Receipts and Other Revenue Sources	\$	8,957,802
c. Total Real and Personal Property Tax Levy	\$	34,706,659
d. Total Receipts from All Sources	\$	43,664,461

IV. Summary of Total Amount to be Raised and Total Receipts from All Sources

TAX RATE RECAPITULATION
GROTON

FISCAL YEAR 2021

LOCAL RECEIPTS NOT ALLOCATED

	BUDGETED RECEIPTS FY 2020	ESTIMATED RECEIPTS FY 2021
1 MOTOR VEHICLE EXCISE	\$ 1,577,642	\$ 1,555,341
2 OTHER EXCISE	\$ 200,000	\$ 150,000
3 PENALTIES AND INTEREST ON TAXES	\$ 90,000	\$ 110,000
4 PAYMENTS IN LIEU OF TAXES	\$ 260,000	\$ 265,000
5 CHARGES FOR SERVICES - WATER	\$ -	\$ -
6 CHARGES FOR SERVICES - SEWER	\$ -	\$ -
7 CHARGES FOR SERVICES - HOSPITAL	\$ -	\$ -
8 CHARGES FOR SERVICES - TRASH DISPOSAL	\$ 82,000	\$ 82,000
9 OTHER CHARGES FROM SERVICES	\$ 300,000	\$ 300,000
10 FEES	\$ 40,000	\$ 40,000
11 RENTAL	\$ -	\$ -
12 DEPARTMENTAL REVENUE - SCHOOLS	\$ 12,000	\$ 12,000
13 DEPARTMENTAL REVENUE - LIBRARIES	\$ -	\$ -
14 DEPARTMENTAL REVENUE - CEMETERIES	\$ 493,838	\$ 515,939
15 DEPARTMENTAL REVENUE - RECREATION	\$ 700,000	\$ 725,000
16 OTHER DEPARTMENTAL REVENUE	\$ 300,000	\$ 300,000
17 LICENSES AND PERMITS	\$ -	\$ -
18 SPECIAL ASSESSMENTS	\$ 25,000	\$ 20,000
19 FINES AND FORFEITS	\$ 40,000	\$ 40,000
20 INVESTMENT INCOME	\$ -	\$ -
21 MISCELLANEOUS RECURRING	\$ -	\$ -
22 MISCELLANEOUS NON-RECURRING	\$ -	\$ -
TOTAL	\$ 4,120,480	\$ 4,115,280

Revised: 4/23/2020

Operating Budget Comparison - Fiscal Year 2020 Vs. Fiscal Year 2021

BALANCED BUDGET

<u>Category</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>Dollar Difference</u>	<u>Percentage Change</u>
General Government	\$ 2,107,704	\$ 2,133,418	\$ 25,714	1.22%
Land Use	\$ 450,361	\$ 448,055	\$ (2,306)	-0.51%
Protection of Persons and Property	\$ 4,362,042	\$ 4,369,427	\$ 7,385	0.17%
Department of Public Works	\$ 2,237,722	\$ 2,254,853	\$ 17,131	0.77%
Library and Citizen Services	\$ 1,674,098	\$ 1,719,650	\$ 45,552	2.72%
Sub-Total - Wages and Expenses	\$ 10,831,927	\$ 10,925,403	\$ 93,476	0.86%
Debt Service	\$ 1,607,259	\$ 1,819,826	\$ 212,567	13.23%
Employee Benefits	\$ 4,036,106	\$ 4,143,463	\$ 107,357	2.66%
Sub-Total - All Municipal	\$ 16,475,292	\$ 16,888,692	\$ 413,400	2.51%
Nashoba Tech	\$ 728,802	\$ 688,273	\$ (40,529)	-5.56%
Groton-Dunstable Operating	\$ 21,264,294	\$ 22,101,346	\$ 837,052	3.94%
Groton-Dunstable Excluded Debt	\$ 739,429	\$ 648,497	\$ (90,932)	-12.30%
Groton-Dunstable Debt	\$ 59,533	\$ 58,147	\$ (1,386)	-2.33%
Groton Dunstable Capital	\$ 479,011	\$ 423,926	\$ (55,085)	-11.50%
Sub-Total - Education	\$ 23,271,069	\$ 23,920,189	\$ 649,120	2.79%
Grand Total - Town Budget	\$ 39,746,361	\$ 40,808,881	\$ 1,062,520	2.67%

Revised: 4/23/2020

Operating Budget Comparison - Fiscal Year 2020 Vs. Fiscal Year 2021

BALANCED BUDGET

<u>Category</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>Dollar Difference</u>	<u>Percentage Change</u>
General Government	\$ 2,107,704	\$ 2,133,418	\$ 25,714	1.22%
Land Use	\$ 450,361	\$ 448,055	\$ (2,306)	-0.51%
Protection of Persons and Property	\$ 4,362,042	\$ 4,369,427	\$ 7,385	0.17%
Department of Public Works	\$ 2,237,722	\$ 2,254,853	\$ 17,131	0.77%
Library and Citizen Services	\$ 1,674,098	\$ 1,719,650	\$ 45,552	2.72%
Employee Benefits	\$ 4,036,106	\$ 4,143,463	\$ 107,357	2.66%
Sub-Total	\$ 14,868,033	\$ 15,068,866	\$ 200,833	1.35%
Debt Service - Excluded	\$ 1,261,862	\$ 1,473,787	\$ 211,925	16.79%
Debt Service - In Levy Only	\$ 345,397	\$ 346,039	\$ 642	0.19%
Sub-Total - All Municipal	\$ 16,475,292	\$ 16,888,692	\$ 413,400	2.51%
Nashoba Tech	\$ 728,802	\$ 688,273	\$ (40,529)	-5.56%
Groton-Dunstable Operating	\$ 21,264,294	\$ 22,101,346	\$ 837,052	3.94%
Groton-Dunstable Excluded Debt	\$ 739,429	\$ 648,497	\$ (90,932)	-12.30%
Groton-Dunstable Debt	\$ 59,533	\$ 58,147	\$ (1,386)	-2.33%
Groton Dunstable Capital	\$ 479,011	\$ 423,926	\$ (55,085)	-11.50%
Sub-Total - Education	\$ 23,271,069	\$ 23,920,189	\$ 649,120	2.79%
Grand Total - Town Budget	\$ 39,746,361	\$ 40,808,881	\$ 1,062,520	2.67%

Revised: 4/23/2020

Operating Budget Comparison - Fiscal Year 2020 Vs. Fiscal Year 2021

BALANCED BUDGET

<u>Category</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>Dollar Difference</u>	<u>Percentage Change</u>
Municipal Wages	\$ 7,979,033	\$ 8,102,678	\$ 123,645	1.55%
Employee Benefits	\$ 4,036,106	\$ 4,143,463	\$ 107,357	2.66%
Sub-Total - Wages and Benefits	\$ 12,015,139	\$ 12,246,141	\$ 231,002	1.92%
Municipal Expenses	\$ 2,852,894	\$ 2,822,725	\$ (30,169)	-1.06%
Sub-Total -	\$ 14,868,033	\$ 15,068,866	\$ 200,833	1.35%
Debt Service - In-Levy Only	\$ 345,397	\$ 346,039	\$ 642	0.19%
Total - All Municipal	\$ 15,213,430	\$ 15,414,905	\$ 201,475	1.32%
Nashoba Tech	\$ 728,802	\$ 688,273	\$ (40,529)	-5.56%
Groton-Dunstable Operating	\$ 21,264,294	\$ 22,101,346	\$ 837,052	3.94%
Groton-Dunstable Debt	\$ 59,533	\$ 58,147	\$ (1,386)	-2.33%
Groton Dunstable Capital	\$ 479,011	\$ 423,926	\$ (55,085)	-11.50%
Sub-Total - Education	\$ 22,531,640	\$ 23,271,692	\$ 740,052	3.28%
Grand Total - Town Budget	\$ 37,745,070	\$ 38,686,597	\$ 941,527	2.49%

BUDGET MESSAGE FROM THE TOWN MANAGER AND FINANCE COMMITTEE

TOWN OF GROTON FISCAL YEAR 2021

Pursuant to Article 6 "Finance and Fiscal Procedure", Section 6.4 "The Budget", of the Charter of the Town of Groton, Massachusetts, the Finance Committee, Select Board and Town Manager are pleased to submit for your consideration the Proposed Fiscal Year 2021 Operating Budget for the Town of Groton. Unlike any other time in Groton's history, the Fiscal Year 2021 Proposed Budget has gone through several iterations prior to it being finalized for your consideration. The COVID-19 Pandemic has made it necessary to reevaluate the original proposed budget and adjust anticipated revenues based on the economic challenges faced by the Town of Groton in dealing with this Pandemic.

The original budget was submitted by the Town Manager to the Finance Committee and the Select Board on December 26, 2019. This budget was developed based on the Budget Guidance provided by the Finance Committee and Select Board pursuant to the Town's Financial Policies and Charter. In developing this Guidance, they considered the Five-Year Projection that was provided last year. This projection called attention to a large anticipated deficit in Fiscal Year 2021 and beyond based on revenue projections and spending patterns. The Finance Committee and Select Board, along with the Finance Team, determined that this needed to be addressed sooner, rather than later. To that end, the Select Board created a Budget Working Group consisting of representatives from the Select Board, Finance Committee, Groton Dunstable Regional School Committee, Town Finance Staff and School Administration Staff. This group worked throughout last summer examining revenue and expense trends to determine how best to address the development of the Fiscal Year 2021 Proposed Operating Budget. Both the Town Manager and School Superintendent (and their Finance Staffs) developed three-year budget projections based on sound financial principals. The outcome of this work confirmed that Fiscal Year 2021 would be an extremely difficult year for the Town of Groton. Based on these projections, the anticipated deficit for the Fiscal Year 2021 was approximately \$500,000. This was the basis for the Finance Committee and Select Board to set the budget guidance for the development of the Fiscal Year 2021 Proposed Operating Budget. Specifically, that guidance stated that:

1. The Town Manager shall provide two budgets to the Finance Committee and the Select Board.
2. The first budget shall be a level services budget that continues to provide the same services that the Town currently receives.
3. 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 and Groton Dunstable Regional School District Operational Assessment.
4. There shall be no new benefited positions proposed.

While the Town Manager complied with the Guidance to provide two budgets, the Finance Committee and the Select Board made the determination that the Budget they would present to Town Meeting for Fiscal Year 2021 would not seek an override of Proposition 2½. They chose to focus their review on

the balanced budget that does not require an override. Both the Municipal Budget and the proposed Assessment from the Groton Dunstable Regional School Committee were reduced equally from the Level Services Budget to provide the original balanced budget.

In order to provide for the original balanced budget, the Town Manager and the Finance Team needed to thoroughly review anticipated revenues for Fiscal Year 2021. State Aid was level funded at the Fiscal Year 2020 Level. The Town Manager and Finance Team also approached estimated receipts and local revenues differently than in past years. Part of the work over the summer was to fully examine local estimated receipts and determine if the Town can change the way they have historically been budgeted going forward. Past practice in determining these estimates has been to be extremely conservative. This practice has allowed the Town to maintain healthy reserves, ensure that the Town would never have a revenue deficit and maintain a strong AAA Bond Rating with Standard and Poor's. However, given the anticipated budget deficit, the Town Manager and Finance Team resolved to be more aggressive. While the Town Manager and Finance Team were extremely uncomfortable with changing the Town's proven and sound budgeting practice, they did not believe the Town had a choice given the budgetary shortfall anticipated in FY 2021. A thorough review of the Town's receipts over the last ten (10) years was conducted. Based on this review, Local Estimated Receipts were increased by \$334,800, the largest single increase in receipts in the last eleven years. One area that allowed for this increase was revenues received from the meals tax and local room occupancy tax. Based on the new restaurants in Town and the success of the new Groton Inn, these revenues increased substantially in this past year. When the original balanced budget was amended by the Finance Committee, Select Board and Town Manager, the following revenues were anticipated for Fiscal Year 2021:

<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	\$ 4,455,280	\$ 334,800	8.13%
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%
TOTAL	\$ 37,581,985	\$ 39,275,274	\$ 1,693,289	4.51%

**Includes 2½ percent increase allowed by law, \$15 million in new growth and \$279,639 in unexpended tax capacity from Fiscal Year 2020.

The Finance Committee and Select Board were comfortable with these estimates and determined that the proposed balanced budget, including the proposed Assessment from the Groton Dunstable Regional School District, would allow the Town to maintain services in Fiscal Year 2021 as close as possible to the services currently being provided in Fiscal Year 2020.

At a joint meeting of the Finance Committee and Select Board on Saturday, February 8, 2020, the Town Manager adjusted the original proposed budget to account for the revised and approved health insurance rates, proposed Operating Assessment from the Nashoba Technical Regional High School and other minor variations in anticipated revenues. Based on these adjustments, the new proposed Operating Budget being reviewed and considered by the Finance Committee was as follows:

Category	FY 2020	FY 2021	Dollar Difference	Percentage Change
General Government	\$ 2,107,704	\$ 2,133,418	\$ 25,714	1.22%
Land Use	\$ 450,361	\$ 448,055	\$ (2,306)	-0.51%
Protection of Persons and Property	\$ 4,362,042	\$ 4,369,427	\$ 7,385	0.17%
Department of Public Works	\$ 2,237,722	\$ 2,254,853	\$ 17,131	0.77%
Library and Citizen Services	\$ 1,674,098	\$ 1,747,650	\$ 73,552	4.39%
Employee Benefits	\$ 4,036,106	\$ 4,143,463	\$ 107,357	2.66%
Sub-Total	\$ 14,868,033	\$ 15,096,866	\$ 228,833	1.54%
Debt Service - Excluded	\$ 1,261,862	\$ 1,473,787	\$ 211,925	16.79%
Debt Service - In Levy Only	\$ 345,397	\$ 346,039	\$ 642	0.19%
Sub-Total - All Municipal	\$ 16,475,292	\$ 16,916,692	\$ 441,400	2.68%
Nashoba Tech	\$ 728,802	\$ 688,273	\$ (40,529)	-5.56%
Groton-Dunstable Operating	\$ 21,264,294	\$ 22,719,506	\$ 1,455,212	6.84%
Groton-Dunstable Excluded Debt	\$ 739,429	\$ 648,497	\$ (90,932)	-12.30%
Groton-Dunstable Debt	\$ 59,533	\$ 58,147	\$ (1,386)	-2.33%
Groton Dunstable Capital	\$ 479,011	\$ 423,926	\$ (55,085)	-11.50%
Sub-Total - Education	\$ 23,271,069	\$ 24,538,349	\$ 1,267,280	5.45%
Grand Total - Town Budget	\$ 39,746,361	\$ 41,455,041	\$ 1,708,680	4.30%

This Proposed Budget meets all anticipated expenses of the Town of Groton in Fiscal Year 2021, including Union Obligations, Regional School Assessments, Debt Obligations, and other contractual obligations. The Finance Committee was in the process of finalizing the Proposed Budget for presentation to the 2020 Spring Town Meeting, when the COVID-19 Pandemic hit the United States, requiring a thorough review of anticipated revenues and expenses for Fiscal Year 2021.

The Finance Team, led by the Town Manager, reassessed anticipated revenues and reduced them by \$426,900, which put the Proposed Budget out of balance. Specifically, the following revenue accounts were reduced:

New Growth: The Original Budget estimated new Growth at \$15 million which would have increased the anticipated FY 2021 Levy Limit by \$260,700. However, with most building construction halted due to the Pandemic, this estimate has been reduced to \$10 million, reducing the estimate by \$86,900 to \$173,800.

Motor Vehicle Excise Taxes: This revenue source was estimated at \$1,655,341, an increase of \$77,699 over FY 2020. This was based on the amount of new car sales in Calendar Year 2019. Unfortunately, car sales have become essentially non-existent causing the Town to revise this estimate down by \$100,000 to \$1,555,341.

Meals Tax/Room Occupancy Tax: These taxes have generated over \$200,000 thus far in Fiscal Year 2020. The Groton Inn and the new restaurants in Town have been very successful and generated a healthy new revenue source for the Town. Originally, the Town budgeted \$300,000 in Fiscal Year 2021. The Pandemic has caused us to significantly reevaluate this estimate as the Groton Inn and most restaurants have been closed for the last month and it is unclear when they will re-open and return to normalcy. The Town has revised this estimate by reducing it by \$150,000 to \$150,000.

Fees: This revenue source is generated by fees raised at Town Hall (including Town Clerk's Fees, Passport Fees, and Transfer Station fees (bag sales, sticker sales, etc.)). Given the current circumstances and the uncertainty of when the economy will return to normal, this Revenue source has been level funded and reduced to \$300,000 from \$340,000.

Country Club Revenue: The Country Club has been closed due to the Pandemic. When it opens for the 2020 Summer, it will be extremely hard to judge when/if we will return to the success of the last two years. Based on this uncertainty, we have reduced anticipated revenues for the Country Club by \$50,000. It is more likely than not, that the Town Meeting will be asked to reduce the appropriation for Country Club at the 2020 Fall Town Meeting after reviewing the revenues of the Club over the Summer.

The revised Fiscal Year 2021 Revenues are as follows:

<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	\$ 32,904,529	\$ 1,251,750	3.95%
State Aid	\$ 971,581	\$ 971,581	\$ -	0.00%
Local Receipts	\$ 4,120,480	\$ 4,115,280	\$ (5,200)	-0.13%
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%
TOTAL	\$ 37,581,985	\$ 38,848,374	\$ 1,266,389	3.37%

**Includes 2½ percent increase allowed by law, \$10 million in new growth and \$279,639 in unexpended tax capacity from Fiscal Year 2020.

To address this anticipated shortfall in revenues, the Finance Committee, Select Board, Town Manager and Groton Dunstable Regional School Committee have taken the following action:

1. The Town Manager has canceled the Contract for Life Guards at Sargisson Beach for the Summer of 2020, allowing the Finance Committee to reduce the Budget by \$28,000.
2. The Town Manager has proposed that the Town pay off the Snow and Ice Deficit in FY 2020, eliminating the need to raise \$100,000 in FY 2021.
3. The Groton Dunstable Regional School District Committee has voted to use their Excess and Deficiency Fund to offset their Proposed Operating Assessments to both Groton and Dunstable. This has reduced their proposed Assessment to Groton by \$618,160.

These actions have put the Proposed Fiscal Year 2021 Operating Budget \$319,260 under the anticipated Levy Limit for Fiscal Year 2021. This excess levy capacity will provide the Town with flexibility to address any other revenue shortfalls due to the COVID-19 Pandemic and will not be spent on any other municipal need in Fiscal Year 2021. Further, it will be available to help address the Fiscal Year 2022 Operating Budget of the Town and Groton Dunstable Regional School District. The revised Proposed Fiscal Year 2021 Operating Budget of the Finance Committee that will be presented to the 2020 Spring Town Meeting is as follows:

<u>Category</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>Dollar Difference</u>	<u>Percentage Change</u>
General Government	\$ 2,107,704	\$ 2,133,418	\$ 25,714	1.22%
Land Use	\$ 450,361	\$ 448,055	\$ (2,306)	-0.51%
Protection of Persons and Property	\$ 4,362,042	\$ 4,369,427	\$ 7,385	0.17%
Department of Public Works	\$ 2,237,722	\$ 2,254,853	\$ 17,131	0.77%
Library and Citizen Services	\$ 1,674,098	\$ 1,719,650	\$ 45,552	2.72%
Employee Benefits	\$ 4,036,106	\$ 4,143,463	\$ 107,357	2.66%
Sub-Total	\$ 14,868,033	\$ 15,068,866	\$ 200,833	1.35%
Debt Service - Excluded	\$ 1,261,862	\$ 1,473,787	\$ 211,925	16.79%
Debt Service - In Levy Only	\$ 345,397	\$ 346,039	\$ 642	0.19%
Sub-Total - All Municipal	\$ 16,475,292	\$ 16,888,692	\$ 413,400	2.51%
Nashoba Tech	\$ 728,802	\$ 688,273	\$ (40,529)	-5.56%
Groton-Dunstable Operating	\$ 21,264,294	\$ 22,101,346	\$ 837,052	3.94%
Groton-Dunstable Excluded Debt	\$ 739,429	\$ 648,497	\$ (90,932)	-12.30%
Groton-Dunstable Debt	\$ 59,533	\$ 58,147	\$ (1,386)	-2.33%
Groton Dunstable Capital	\$ 479,011	\$ 423,926	\$ (55,085)	-11.50%
Sub-Total - Education	\$ 23,271,069	\$ 23,920,189	\$ 649,120	2.79%
Grand Total - Town Budget	\$ 39,746,361	\$ 40,808,881	\$ 1,062,520	2.67%

The total Balanced Fiscal Year 2021 Proposed Operating Budget, including Regional School Assessments and excluded debt, is \$40,808,881 or an increase of 2.67%. This proposed balanced budget is \$319,260 under the anticipated FY 2021 Proposition 2½ Levy Limit. When you take into consideration the proposed Capital Budget, Enterprise Fund Budgets and additional appropriations raised on the recap sheet, the total proposed balanced budget is \$43,664,461. The Fiscal Year 2020 Tax Rate has been certified at \$17.38. Based on the Proposed Balanced Budget, the estimated Tax Rate in Fiscal Year 2021 is \$17.80, or an increase of \$0.42. In Fiscal Year 2020, the average Tax Bill in the Town of Groton (based on a home valued at \$492,000) is \$8,551. Under this proposed balanced budget, that same homeowner can expect a tax bill of \$8,758 or an increase of \$207. The following chart shows a comparison between FY 2020 and FY 2021:

	<u>Actual</u> <u>FY 2020</u>	<u>Proposed</u> <u>FY 2021</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Levy Capacity Used*	\$ 31,652,779	\$ 32,585,269	\$ 932,490	2.95%
Tax Rate on Levy Capacity Used	\$ 16.31	\$ 16.71	\$ 0.40	2.45%
Average Tax Bill	\$ 8,025	\$ 8,221	\$ 197	2.45%
Excluded Debt	\$ 2,070,421	\$ 2,121,390	\$ 50,969	2.46%
Tax Rate on Excluded Debt	\$ 1.07	\$ 1.09	\$ 0.02	1.87%
Average Tax Bill	\$ 526	\$ 536	\$ 10	1.87%
Final Levy Used	\$ 33,723,200	\$ 34,706,659	\$ 983,459	2.92%
Final Tax Rate	\$ 17.38	\$ 17.80	\$ 0.42	2.42%
Average Tax Bill	\$ 8,551	\$ 8,758	\$ 207	2.42%

*The FY 2021 Levy Limit Used includes \$10 million in New Growth and is \$319,260 under the anticipated FY 2021 Levy Limit

The Town Manager and Finance Committee would like to take this opportunity to thank the Select Board, Town Accountant Patricia DuFresne, Town Treasurer/Collector Michael Hartnett, Principal Assessor Jonathan Greeno, Human Resources Director Melisa Doig, Executive Assistant Dawn Dunbar and all of the Departments, Boards, Committees and Commissions for their outstanding work and cooperation in assisting in the preparation of the Proposed Operating Budget. This budget cycle was also the first for the Capital Planning Advisory Committee who assisted the Town Manager in creating the Fiscal Year 2021 Capital Budget. In addition, the outstanding support and cooperation by Superintendent Dr. Laura Chesson, Business Manager Sherry Kersey and the Groton Dunstable Regional School District Committee was extremely important in developing this budget.

The Finance Committee encourages the public to attend its meetings and contribute through asking questions, providing comments, and listening to others debate the many important financial issues before the Town today.

Respectfully submitted,

Mark W. Haddad

Groton Town Manager

Respectfully submitted,

Bud Robertson, Chair

Gary Green, Vice Chair

Colby Doody

Mary Linskey

David Manugian

Arthur Prest

Scott Whitefield

Town of Groton Finance Committee

Patricia DuFresne

From: Mark Haddad
Sent: Friday, April 17, 2020 9:55 AM
To: Bud Robertson; Gary Green; David Manugian; Arthur Prest; Mary Linskey; Colby Doody; Scott Whitefield; Dan Emerson; Bruce Easom (Bruce@orchardtec.com); Anna Eliot; Carolyn Perkins (cperki297@gmail.com); tsvarczkopf@yahoo.com; Richard Hewitt; Robert DeGroot
Cc: Patricia DuFresne; Sammie Kul; Dawn Dunbar
Subject: Prescott Sprinkler Bids

Good Morning Members of the Finance Committee and CPC:

We had the bid opening on the Prescott Sprinkler Project on Wednesday. The following is the message I am providing to the Select Board on Tuesday night seeking their advice on the bids. I am providing this to you for your information as you will be discussing this at the FinCom meeting on Tuesday. Please let me know if you have any questions.

To: Select Board
From: Mark Haddad – Town Manager
Subject: Prescott Sprinkler Bids

We received two bids for the Project as follows:

Xcel Fire Protection - \$249,400
Carlysl Engineering - \$463,000

Please note that Carlysl Engineering installed the sprinkler systems in the Center Fire Station, Senior Center and Highway Garage Buildings. They have done very good work for the Town of Groton. That said, we do have an issue with the low bidder (Xcel Fire Protection) that I would like to seek the opinion of the Select Board before taking action on the bid. Specifically, one of the bidding requirements is that they provide a Certificate of Eligibility with their bid. They did not submit the necessary certification. As I was concerned with the legality of the Bid, I sought the opinion of Town Counsel on this issue. According to State Law, the submission of the Certificate of Eligibility with the bid package is mandatory. Based on this alone, I would need to reject the bid as not being in compliance with both State Law and our stated bidding requirements. However, Town Counsel checked with the Attorney General and was told that while the Town can reject the bid, in 1997 and 2005, the Attorney General had issued protest decisions reasoning that, if the bidder was, in fact, eligible at the time of the bid opening, including the actual certificate in the bid package was a formality that would be waived in the awarding authority's discretion. Xcel is eligible to bid on the project. This leaves the rejection of the bid in my authority as Chief Procurement Officer. Past practice in Town has been to reject bids that do not contain all mandatory items. However, given the nature of this project I do not want to take any action without receiving the voted opinion of the Select Board. To assist you in developing this recommendation, please note that there is \$218,209 left in the original appropriation. The Community Preservation Committee has set aside \$125,000 to supplement the original appropriation. The following would be the budget based on both bids:

	Xcel Fire Protection	Carlysl Engineering
Bid	\$249,400	\$463,000
Contingency (15%)	\$ 37,350	\$ 69,450
OPM/Clerk	\$ 20,000	\$ 20,000
Engineer Oversight	\$ 20,000	\$ 20,000

Total	\$326,750	\$572,450
Original Funding	\$218,209	\$218,209
Total Additional Needed	\$108,541	\$354,241

Please note that if we go with Xcel Fire Protection, they will have to agree to extend their bid an additional 45 days due to the delay of the Town Meeting. They do not have to hold the bid for more than 30 days. Given the difference in bids (\$213,600), they may not hold the price for more than 30 days. We can discuss this in more detail at Tuesday's meeting.

Mark

Mark W. Haddad

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