

## **SELECT BOARD/FINCOM MEETING MINUTES**

**MONDAY, JANUARY 09, 2023**

**Town Hall: Second Floor Meeting Room, 173 Main Street Groton, MA**

**Approved 03/04/23**

**SB Members Present:** John F. Reilly, Chair; Rebecca H. Pine, Vice Chair (virtual); Matthew F. Pisani, Clerk; Alison S. Manugian; Peter S. Cunningham

**FinCom Members Present:** Bud Robertson, Chair; Colby Doody, Vice Chair; Gary Green; David Manugian; Scott Whitefield; Michael Sulprizio; Mary Linskey

**Also Present:** Mark W. Haddad, Town Manager, Dawn Dunbar, Town Clerk, Patricia DuFresne, Town Accountant, Hannah Moller, Tax Accountant; Megan Foster, Principal Assessor; Melisa Doig, Human Resources Director; Michael Luth, Chief of Police; Tom Delany, DPW Director, Finance Committee:

John Reilly called the meeting to order at 6:30pm and reviewed the agenda.

### **Determine Whether or Not to Modify or Uphold the Hearing Officer's Decision to Humanely Euthanize Two Dogs Owned by Daniel Monroe of 828 Martins Pond Road.**

Mr. Haddad said that all Bylaws had been referenced and all documentation had been provided to the Select Board regarding the incident with Daniel Monroe's two dogs. The two dogs were declared dangerous. Mr. Haddad said that the Select Board has the authority to request a hearing for additional testimony or uphold the Hearing Officer's decision to humanely euthanize the two dogs. Mr. Haddad said that the dog owner has the right to appeal the decision within 10 days and proceed to the District Court.

Ms. Manugian questioned if the dogs could be transferred from the Town. Mr. Haddad said that is not an option, the Town is legally required to notify any Town if a dog has been declared dangerous.

Mr. Pisani asked if the Town would be held liable if another situation were to occur. Mr. Haddad said he would need to refer to the Town Counsel.

Ms. Pine commented that there is no need for any additional testimony a comprehensive decision has been provided and requesting that the animals be restricted to the property would not be effective.

Mr. Cunningham asked Mr. Haddad why the final decision was made. Mr. Haddad said that this was the third occurrence and there was no other choice.

Daniel Monroe apologized for the attack and requested for the opportunity to train his dogs to be more obedient. He said that 2 out of the 3 recommendations provided urged confinement whereas the third recommendation came from a source that never conversed with him and only with the victim. Mr. Monroe expressed to the Board how significant his two dogs are to him. He said he would be appealing the Select Board's decision.

*Mr. Cunningham made a motion to uphold the Hearing Officer's decision to humanely euthanize the two dogs owned by Daniel Monroe of 828 Martins Pond Road. Mr. Pisani seconded the motion. The motion was carried. Roll Call: Cunningham-aye, Reilly- aye, Manugian-aye, Pine-aye, Pisani- aye*

### **ANNOUNCEMENTS/PUBLIC COMMENTS**

Ms. Pine encouraged the public to attend the Public Hearing regarding various options to improve Broadmeadow Road provided by the Town Consultants and Environmental Partners on Wednesday, January 11, 2023 at 7:00pm at the Groton Center.

Ms. Pine said that she was very disappointed with the delay of the swearing in of Margaret Scarsdale and that the victory had been confirmed in a recount. She said that the Town has been deprived of representation for a year now. Mrs. Scarsdale's opponent Mr. Shepherd has commenced a lawsuit and the six surrounding Towns will be required to utilize tax dollars to defend the lawsuit, if it proceeds. Ms. Pine said that she has full confidence in the Groton Clerk and is calling for Mr. Shepherd to withdraw the lawsuit that has no merit. She is also calling on Speaker Mariano to immediately swear in Mrs. Scarsdale. Mr. Cunningham agreed with Ms. Pine and said that a special committee has been formed and is a concern. He suggested that the Select Board closely track the committee's progress and if there is no movement that the Select Board collaborate with other Select Boards and impose pressure on the speaker to ensure that the job is completed. Mr. Haddad commended Ms. Dunbar on managing the recount amazingly well.

Mr. Pisani said that an open house is being held this Saturday, January 14, 2023 at 9:00 a.m. to anyone of interest in becoming an on-call firefighter.

Mr. Pisani confirmed that the bonfire is scheduled for this Friday, January 13, 2023 weather permitting.

Mr. Haddad said that the Groton Council on Aging was chosen by Massachusetts Council on Aging to host training videos on the challenges and changes of managing during a pandemic. The Groton Center will be hosting a premiere of the videos this Friday, January 13, 2023 at noon. He said to please call the Groton Center to preregister.

Mr. Haddad said that there have been numerous comments on social media regarding the tax bill and felt it was necessary to address the residents and explain how the tax bills are calculated. A document has been drafted and will be accessible on the Town Website for all residents to view. Mr. Haddad said that the Town's Board of Assessors is required by law to value dwellings up to 90%-110% in fair market value. Groton's Assessors are consistent with 97% and that value is determined based on the sales records for the previous year and the Department of Revenue also certifies that value. On average, all property values have increased by 18.5%. He said that if the property values did not change the tax rate would have been \$18.56 resulting in an increase of \$733. However, the tax rate has decreased from \$17.19 to \$15.64 bringing the average tax bill to \$717. \$300 of the amount represents the allowed increase in the levy in proposition 2.5% and the remaining \$417 is associated with the excluded debt service for the construction of the new Florence Roche Elementary School. Mr. Haddad explained that the finance team observed low interest rates and locked in the percentage which then moved up the timeframe to paying off the debt services. He wanted residents to be aware that the increase did not result from hiring firefighters as noted on several blogs. The Board briefly discussed the Tax Bill Scheduling and the calculation of quarterly billing.

Mr. Art Prest, resident, said he is concerned with the increase of taxes, his bill specifically increased 24% and he is afraid that others will not be able to afford these increases. He said residents are panicking and are unsure of how they are going to fund all of their bills. Mr. Prest recommended that a detailed forensic analysis be performed.

Mr. Cunningham noted that there are various programs that residents can receive relief from.

Mr. Haddad said at the previous Select Board meeting it was voted to increase the Senior Work Off program's abatement of \$700 to \$1,000. There will be at least 6-7 slots available for the next fiscal year. Mr. Haddad said that Ms. Moller has been working on receiving donations for the T. R. E. A. D (Tax Relief for Elders and the Disabled) and that program will also provide additional assistance. Ms. Foster said that her office is accepting applications for the following exemptions, elderly older than 70, surviving spouses, tax deferrals and disabled veterans. Ms. Foster noted that the Senior Work Off Program allows for applications to be submitted up until November 1st and hopes that all 30 slots are fulfilled next year. Ms. Moller said that she has been actively working on receiving donations for the T. R. E. A.D and the committee would be meeting this Wednesday. She encouraged residents to reach out to the Town Hall for assistance and said that there are multiple programs that can be considered.

Mr. Val Prest said that he has been a long time resident of Lost Lake and receives one of the higher tax bills in Town. He said that he is strictly on Medicare and is finding it difficult to pay for his taxes. He commented that the Town has received significant land donations and suggested that the properties be sold for commercial use. By creating taxable income it would allow for the Town to reduce its taxes for residents.

**Bud Robertson called the Finance Meeting to order at 7:18 p.m.**

Connie Sartini, resident, asked who is responsible for increasing the number of participants in the Senior Work Off Program. Mr. Haddad said that the Select Board makes the determination on the number of slots; however the impact of the overlay needs to be considered. Ms. Sartini asked what occurs if the valuation of a property changes. Mr. Haddad said that the property would be reassessed however, reiterated that if the property values drop the tax rate would increase. Ms. Foster stated that the State requires assessors to perform revaluations every year. Ms. Sartini requested more information on auditing the School District. Mr. Haddad said that the Finance Committee would determine the budget as soon as it is provided by the school. Mr. Robertson explained the process of reviewing the school budget and stated that 80% of the budget is generally made up of employees and the Committee will seek if those employees are necessary. Mr. Green said that Regional School Districts operate themselves and the Town has no ultimate power on their actual budget. He explained that the Town collaborates with the schools and provides recommendations; however, it can be determined how each dollar is expensed at Town Meeting. Mr. Brian LeBlanc, Groton Dunstable School Committee Chair, said that the committee would present a budget by February 8th, 2023. A public hearing will be on February 15, 2023 if there is any feedback. Mr. LeBlanc said that the school committee is supportive of the Finance Committee's recommendations and tries to answer all their questions; however, confirmed that the school committee has control over their final budget.

Ms. Manugian asked if there are any tax relief programs that the Town is not taking advantage of. Ms. Foster said that the Town has not adopted the Valor Act which is directed toward military personnel. She said she would be willing to research the program further.

Mr. Art Prest said that he conducted a forensic analysis on the budget in 2016 when the Town was facing a \$1.9 million override and to his understanding there were many questionable items. He suggested that the level service budget be analyzed for any pre-covid expenses that may not be necessary for the upcoming fiscal year.

**TOWN MANAGERS REPORT**

**1. Call for and Open the Warrant for the 2023 Spring Town Meeting**

Mr. Haddad said that the Town's Bylaw states that the Spring Town Meeting is to be held on the 4th

Monday of April. He said that the Town has been successful holding the meetings on Saturdays and is requesting that the meeting be held on April 29, 2023 which allows for an additional week to be prepared. The warrant would open tonight and close on February 24th.

*Mr. Cunningham made a motion to call for the 2023 Town Spring Meeting to be held on Saturday, April 29, 2023. Ms. Manugian seconded the motion. The motion carried. Roll call: Pine-aye, Manugian-aye, Pisani- aye, Cunningham, Reilly- aye*

*Ms. Manugian made a motion to open the warrant for the Spring Town Meeting tomorrow January 10, 2023 at 8:00 a.m. and to close the warrant on Friday, February 24, 2023 at the end of the business day. Mr. Cunningham seconded the motion. The motion carried. Roll Call: Pine-aye, Manugian- aye, Cunningham- aye, Pisani-aye, Reilly-aye*

**2. Fiscal Year 2024 Budget Development Update**

Mr. Haddad presented the Fiscal Year 2024 Operating Budget in a joint session with the Finance Committee using a PowerPoint presentation. He commenced the presentation by discussing the process of maintaining the municipal services at the same level as FY2023 and supporting the Operational Assessment of the Groton Dunstable Regional School District. He said under Section 6.4.1 of the Groton Charter that the proposed budget shall be balanced and not require an Override of Proposition 2 ½. Mr. Haddad said in October, 2022 the Finance Committee and the Select Board collaboratively set the following guidance in developing the FY2024 proposed Balanced Budget. On November 1, 2022 Mr. Haddad requested that the Departments provide an outlook on their anticipated expenditures. Those budgets were due on November 21st and review meetings proceeded the following week by the Town's Finance Team, (Patricia Dufresne, Hannah Moller, Megan Foster, Dawn Dunbar, Melisa Doig, Michael Hartnett, and Kara Cruikshank.) Mr. Haddad said prior to completing the proposed budget the Town heard that the anticipated increase of 5.01% that was set aside for the School District would be insufficient and would not meet the schools anticipated increase of 13.3%. The Select Board and Finance Committee had a meeting on December 19, 2022 to discuss alternatives to address the issue. At that time no final decision was made due to the school committee not being able to provide a preliminary budget until February 8, 2023. Mr. Haddad said that he was required to submit a balanced budget by December 31, 2022 and the budget proposed would reflect the original 5.01% for the School District.

The presentation highlighted Budget Development next. Mr. Haddad said that after performing a comprehensive review of the building permits issued and proposed projects that there would be an estimation of \$18 million in new growth for the FY2024, adding \$281,520 to the tax levy. There is anticipation that State Aid will increase by \$75,000 totaling to \$1,152,749 which will also account for the full reimbursement of the Senior Van Expenses. Mr. Haddad said that there is anticipation for an increase in estimated receipts or an additional \$575,318 from the following items, Motor Vehicle Taxes (\$1,828,638/increase of \$16,380), Meal Tax/Room Occupancy Tax (increase of \$50,000), Recreational Marijuana Revenue (new revenue line of \$150,000), Payments in Lieu of Taxes (\$350,000/increase of 25,000 from ticket sales from Groton Hill Music), Other Charges for Services (\$99,000/ increase of \$9,000 agreement with Dunstable) and Other Departmental Revenue (\$800,000/increase of 25,000). Mr. Haddad urged reductions to Licenses and Permits due to the concern that the significant 36% increase in FY2024 for the redevelopment of the Deluxe Property will not be met in the future years. He also said that the anticipated Investment Income that has been averaging for the last five years at \$49,929 is being pushed to its limits and should also be reduced. There have been higher interest rates this year increasing the revenue to \$90,000, and Mr. Haddad believes those rates will fall. For Recreation Revenues based on the success of the Country

Club the amount of revenue is being increased to \$94,733 totaling \$700,000. Mr. Haddad said on February 6, 2023 that the Town would be notified of the Health Insurance rate.

Ms. Linskey questioned the status of the committee that was supposedly addressing the private schools to offset some of those expenses. Mr. Haddad said that the committee would be contacting the schools within the month.

Mr. Haddad explained that this was the largest yearly increase in anticipated revenues and that the Finance Team has been very aggressive in developing the numbers. He noted that there could potentially be an adverse impact on Free Cash. Mr. Haddad then showed the calculated projections for the expected levy limit for FY2024 totaling \$36,550,000. The FY2023 total tax levy was calculated at \$41,461,933. Mr. Haddad said that the Other Estimated Revenues (state aid, motor vehicle excise, general revenues, free cash, and other available funds) totaled \$7,554,514. A pie graph was displayed showing the sources of revenue being acquired from property taxes, excluded debt, state aid, local receipts, the Country Club revenue, and other available funds for FY2024

Mr. Haddad reminded the Boards in his Budget Summary that the Finance Team thoroughly reviewed all submitted budgets and that the Town has no option but to fund Pensions and Health Insurance. The Middlesex County has informed the Town that the assessment would decrease by 1.76% to \$2,494,280. Health insurance has been estimated at 11% however, the number would be adjusted accordingly in February once the final rates are received. Mr. Haddad said that there are a few routine budgetary expenditures that need to be funded as well. Salaries and wages will increase by a total of \$260,735. Municipal Excluded Debt is significantly increasing by \$1,143,549 due to paying the debt service of the new Florence Roche Elementary School. Mr. Haddad said that the levy will be set at \$230,980. The Town Accountant's position is being reclassified to Assistant Director of Finance/ Town Accountant and the salary is to increase by \$13,298. Mr. Haddad said that the DPW Director will be retiring and a DPW Director in Training Program has been established. There will be no associated wage increases as the proposed \$7,000 stipend will come from the savings in wages from a recent retirement. Mr. Haddad said that a Major Initiative is being proposed in the FY2024 Operating Budget. He said that the Operating Budget includes \$87,000 of funding for an additional Fighter/EMT however; wages will decrease due to the one time expenditures in FY2023. Mr. Haddad explained if this position is not funded the total reduction would be \$30,000 due to covering additional overtime and on-call salaries. The Enterprise Fund Budgets were calculated totaling \$3,370,790 and the total Capital Budget requested is \$2,120,856. Mr. Haddad then displayed the calculated expenditure breakdown and the Municipal Government totaled \$16,990,530, the increase for FY2024 would be 3.4%. Tax Impact was discussed and as shown the highest percentage change resulted from the construction of the new Florence Roche Elementary School.

Mr. Haddad then discussed five additional scenarios to address the anticipated budget shortfall of \$2,012,584 that the School District estimated. Scenario #1- Town approves balanced budget proposed by the Town Manager and increases the Operating Assessment of the District by 5.01%. The school would need to reduce their anticipation to meet the proposed appropriation. Scenario #2 The Town and the School District jointly reduce budgets to meet the anticipated shortfall of \$2,012,584. The School District would be responsible for \$1,167,299 and the Town would need to provide \$845,285. The Districts Operating Assessment would increase to \$2,063,683. In order for

the Town to meet the assessment the Town would not fund the Districts Capital Assessment and utilize \$552,203 in a onetime revenue source. Scenario #2(B) same a #2 Town and School District share the burden. The Town would fund the Districts Capital Assessment by reducing the Municipal Budget Request by \$845,285. This would result in the FY2024 budget appropriation being \$203,802 less than the current fiscal year. Mr. Robertson commented that an alternative scenario had already been discussed and it was the preferred solution 2(c) that the School District receives \$250,000 of the \$552,000 and that the Town would reduce their capital budget by an equal amount. Scenario #3 Town fully funds the anticipated Operating Assessment. The Town's fiscal year budget would be 2,012,584 less than this year's appropriation. Scenario #4 The Select Board calls for an Operational Override of Proposition 2 ½ to meet both the Municipal Balanced Budget and the Operational Assessment of the School District. The override amount would increase the anticipated FY2024 Tax rate by \$.80.

Mr. Haddad then discussed the timeline of receiving the proposed school budget on February 8th and the dates of reviewing it and the deadlines that need to be met by March 15th. The Select Board has until April 10th to call for an override. Mr. Haddad recommended delaying the Saturday, February 4th 2023 Finance Committee>Select Board Budget Review meeting until the number from the school is received.

Mr. Robertson commented that the Town or the School District funding the entire amount would not be feasible and suggested that they find a solution to reach the \$2 million. Mr. Haddad said that the Finance Team has reductions to meet all scenarios discussed. He said once the number is finalized by the School Committee then there will be an executive session. Mr. Robertson said when the discussion commenced the Town did not want an override situation due to the impact on taxes. There needs to be a split for the municipalities and the School District to then discuss what can be reduced or eliminated to reach those numbers. Mr. Haddad said that February 8, 2023 is an important date; the superintendent will release the budget for the School District. He said he failed to mention that Nashoba Valley Technical High School will be level funded due to four less students attending than the prior year. Mr. Green asked why the Finance Committee and the Select Board would be meeting to discuss the operating budget if the School Districts number is not in. Mr. Haddad requested an executive session prior to the March 4th meeting. Mr. Robertson commented that it's important for the Finance Committee to be knowledgeable of the numbers that Mr. Haddad is thinking of prior to meeting with the Department Managers. Mr. Leblanc said that the School District would have a "good, better, best scenario" at the end of January which would allow for them to observe the number of teachers or positions that can be eliminated. He said that the community will also have a better understanding of the impacts to the School if their numbers are not met. Mr. Green reiterated the importance of knowing the tradeoffs prior to the executive session; he then asked Mr. Haddad if it would be worthy to have a more detailed discussion to provide the entire context or background. Mr. Haddad said that the executive session would be sufficient and there would still be opportunities to make recommendations.

Ms. Manugian asked whether it makes sense to change the date requirement of the Charter from December 31st due to all the work that is performed prior to receiving the finalized budgets from the School District. She also asked if there is a way to change the requirement of needing a balanced budget. Mr. Haddad said that the Charter Committee had previously considered changing the date

however decided against it. Ms. Manugian said that the MMA Conference is coming up next week and that the School District cannot be the only ones finding that the Covid impacts require more time and investment. She suggested that Mr. Haddad coordinate with Laura Chesson, Superintendent, and commence advocating with the State through the school committees or superintendents to try and receive any additional funding that may be available.

Mr. Sulprizio questioned whether user fees, permits, and or licenses had been increased. Mr. Haddad said that Ms. Dunbar conducted a study a couple of years ago and the revenue at the Transfer Station increased significantly. He said that the building, electrical and plumbing permits have been increased and recommended against increasing those fees so soon.

Mr. Robertson recommended a pre-executive session and then a post executive session. Ms. Manugian commented that it may be difficult to fit in the extra sessions with April vacation.

**Mr. Robertson adjourned the Finance Committee meeting at 8:27p.m.**

**3. Update on Select Board Meeting Schedule Through 2023 Spring Town Meeting**

Mr. Haddad updated the meeting schedule that would take the Board to the 2023 Spring Town Meeting.

Wednesday, January 11, 2023	-Public hearing on Broadmeadow Improvements
Monday, January 16, 2023	-No Meeting (MLK Holiday)
Monday, January 23, 2023	-Regularly Scheduled meeting
Monday, January 28, 2023	-Potential FinCom Budget Hearing
Monday, January 30, 2023	-Regularly Scheduled Meeting
Saturday, February 4, 2023	-Potential FinCom Budget Hearing
Monday, February 6, 2023	- Regularly Scheduled Meeting
Monday, February 13, 2023	- Regularly Scheduled Meeting
Monday, February 20, 2023	- No Meeting (President's Day)
Monday, February 27, 2023	- Regularly Scheduled Meeting
Monday, March 6, 2023	- Regularly Scheduled Meeting
Monday, March 13, 2023	- Regularly Scheduled Meeting
Monday, March 20, 2023	- No Meeting
Monday, March 27, 2023	- Regularly Scheduled Meeting
Monday, April 3, 2023	- Regularly Scheduled Meeting
Monday, April 10, 2023	- Regularly Scheduled Meeting
Monday, April 17, 2023	- No Meeting (Patriot's Day)
Saturday, April 29, 2023	-2023 Spring Town Meeting

**SELECT BOARD ITEMS FOR CONSIDERATION AND ACTION**

1. The Squannacook Greenways requested that the Select Board approve the letter of support to the Community Preservation Committee. Application (#2024-09)  
Mr. Cunningham said there have been minor changes to the first paragraph of the drafted letter. The letter had referenced the phase of the construction of the rail trail in Townsend Center and Townsend Harbor and that section has been completed. The letter currently reflects the construction from Bertozi to Crescent Drive.

Mr. Hadadd requested that the Select Board approve the amended letter.

*Ms. Manugian made a motion to approve the letter to the Community Preservation Committee in support of the Squannacook Greenways Application. Mr. Cunningham seconded the motion. The motion carried. Roll Call: Cunningham-aye; Manugian-aye; Pine- aye; Reilly-aye; Pisani-Aye*

**ON-GOING ISSUES**

Mr. Haddad said there needs to be a solution for the PFAS Issue at the High School. He said he would be meeting with engineers to decide the best remediation plan this week. The topic will be added to the upcoming agenda to discuss how the expenses will be funded.

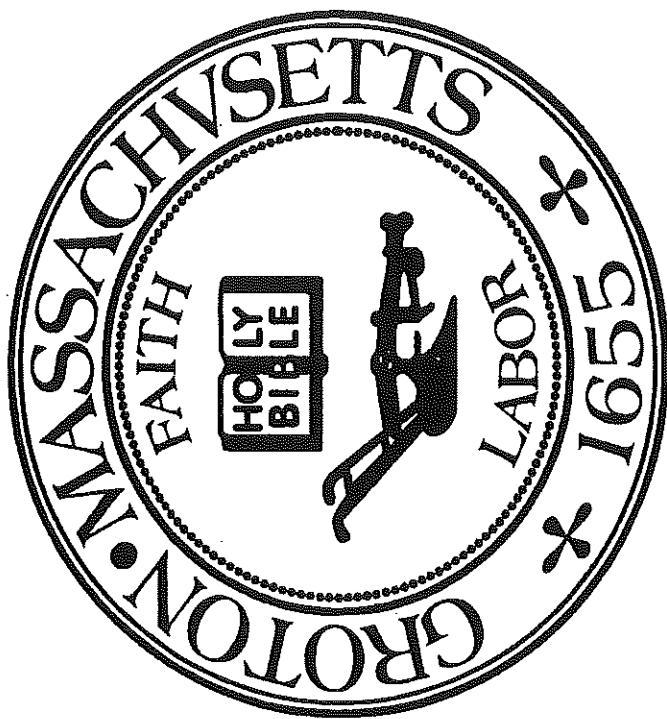
Mr. Haddad reminded the Board that there will be a topping off ceremony at the Florence Roche Elementary School and recommended taking the opportunity to sign the exposed beam. He commended Gilbane Building Company for the work they have completed. Ms. Manugian commented that the next bid package would be authorized this month and it will bring the Town to approximately 90% of the gross maximum price.

**MINUTES**

*Mr. Cunningham made a motion to approve the minutes of the regularly scheduled meeting on December 19, 2022. Ms. Manugian seconded the motion. The motion carried. Roll Call: Cunningham-aye; Manugian-aye; Pine- aye; Reilly- Aye, Pisani-Abstain.*

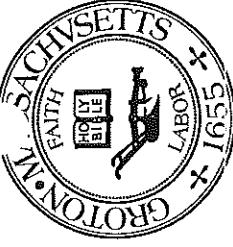
The Select Board/FinCom meeting was adjourned at 8:40 p.m.

Respectfully submitted: Kristine Fox, Minute Taker



# BUDGET EXPLANATION

# TOWN OF GROTON



173 Main Street  
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**Town Manager**  
Mark W. Haddad

## Select Board

John F. Reilly, Chair  
Rebecca H. Pine, Vice Chair  
Matthew F. Pisani, Clerk  
Alison S. Manugian, Member  
Peter S. Cunningham, Member

**To:** Honorable Select Board  
Honorable Finance Committee

**From:** Mark W. Haddad – Town Manager

**Subject:** Fiscal Year 2024 – Proposed Town of Groton Operating Budget

**Date:** December 31, 2022

Pursuant to Article 6 “Finance and Fiscal Procedure”, Section 6.4 “The Budget”, of the Charter of the Town of Groton, Massachusetts, I am pleased to submit for your consideration the Town Manager’s Proposed Fiscal Year 2024 Operating Budget for the Town of Groton. This is the Fifteenth Budget that I have submitted as your Town Manager. When preparing the Proposed Operating Budget, it was our intention to submit a Proposed Municipal Operating Budget that was considered a maintenance budget in which we attempted to maintain services in Fiscal Year 2024 at the same level as the current Fiscal Year, with the exception of adding an additional Firefighter to address a staffing issue we are experiencing at the Fire Department. It was also our intention to support the Budget Request of the Groton Dunstable Regional School District. We have a proven track record of working cooperatively with the School District and have always provided the necessary funding for the School District to meet their needs and provide an outstanding education to our students. That said, Fiscal Year 2024 will be the most challenging budget development process we have ever experienced based on the anticipated needs of the Groton Dunstable Regional School District. I will discuss this in more detail later in this Budget Message.

Before discussing the Budget, it is important to point out the statutory responsibility of the Town Manager in providing the Finance Committee and Select Board with a Proposed Operating Budget. Please note that Section 6.4.1 of the Groton Charter, states, in part, that the “proposed budget shall be balanced.” This means that the Town Manager must submit a budget that is balanced based on anticipated available revenues and cannot require an Override of Proposition 2½ to provide the necessary funding to balance the Budget. Pursuant to Massachusetts General Law, Chapter 59, §21C, only the Select Board can place a General Override Question on the Ballot. It cannot be done by Citizens’ Petition. In addition, the Town Manager cannot arbitrarily increase or inflate anticipated revenues to balance the Budget. All

revenues must be justified on the Tax Recapitulation Sheet, or the Department of Revenue will not certify the Tax Rate. All that said, the Fiscal Year 2024 Proposed Operating Budget will be balanced and provided to the Finance Committee and Select Board in compliance with the Groton Charter and State Law. However, to address the needs of the Groton Dunstable Regional School District, we will be providing various options/scenarios for consideration by the Finance Committee and Select Board.

I am extremely fortunate to have the outstanding support of the Town's Finance Team. Town Accountant Patricia DuFresne, Principal Assessor Megan Foster, Treasurer/Collector Hannah Moller, Assistant Treasurer/Collector Michael Hartnett, Town Clerk Dawn Dunbar, Human Resources Director Melisa Doig and Executive Assistant Kara Cruikshank are an amazing team and their recommendations and cooperation were crucial in the preparation of this budget. In accordance with the Groton Charter and the Town's Financial Policies, the Fiscal Year 2024 Budget Process is the eighth year where the Select Board and Finance Committee have provided direction prior to the development of the proposed budget. The Select Board and Finance Committee met with the Finance Team prior to the issuance of the initial budget instructions to review objectives and develop specific goals that would be followed during the development of the Fiscal Year 2024 Proposed Operating Budget. At the budget guidance development meeting in October, the Select Board and Finance Committee voted unanimously to provide the following direction to the Town Manager and Finance Team:

1. The Town Manager shall prepare a balanced budget for Fiscal Year 2024 with no proposed Override of Proposition 2½.
2. The Town Manager shall work with representatives of the Groton Dunstable Regional School District and Nashoba Valley Technical School District to balance the budget.

On November 1, 2022, the Town Manager released the budgetary preparation instructions to all Departments, Boards, Committees and Commissions outlining the guidance provided to the Finance Team. As part of the guidance, Departments were asked to provide a realistic outlook on where changes in the delivery of services can be made. Budgets were due on November 21, 2022 and review meetings with the Finance Team took place between November 28 and November 30, 2022. During these meetings, the Finance Team focused on maintaining services, while considering areas where increases were necessary to maintain those services. As was the case last year, of note during these meetings was the attendance by some members of the Select Board and Finance Committee. The Finance Team welcomes this participation as it gives members a "close up" of the process and the significant detail that is reviewed with each Departmental Budget.

As stated in the beginning of this Budget Message, this year's Budget Development will be the most challenging process we have ever experienced. In an effort to meet this challenge, the Finance Team and I thoroughly reviewed anticipated revenues with an eye on increasing them to the maximum amount we believe will be received in Fiscal Year 2024 and approved by the Department of Revenue when approving the Tax Rate. While I have some apprehension in pushing revenues to this extreme, I believe it is necessary to allow the Town to meet the budgetary needs of the Town and School District. As is always the case, the Commonwealth has yet to begin its Budget Process for Fiscal Year 2024. With a new Governor starting in January, it is very difficult to determine what the new Governor's priorities will be in Fiscal

Year 2024. Based on this uncertainty, we have level funded base state aid for FY 2024, however, we have increased the reimbursement for the Senior Van by \$75,000 to reflect our anticipated use/reimbursement for this service. With regard to New Growth, Principal Assessor Megan Foster is estimating \$18 million in Growth, which will generate an additional \$281,520 in tax revenues in Fiscal Year 2024. We are also utilizing \$50,000 more in Ambulance Receipts (from \$300,000 to \$350,000) to help pay for the additional firefighter position we are recommending next Fiscal Year. At this time, we are estimating an increase in local receipts of \$575,318 from \$4,808,620 to \$5,383,938, or 12%. This is the largest increase in local receipts I have ever recommended in my 14 years as your Town Manager. The following is summary of where we anticipate the most significant increases:

1. **Motor Vehicle Excise Taxes** – The five-year average is \$1,799,220. In Fiscal Year 2022, the Town collected \$1,843,246 in Motor Vehicle Excise Taxes. Based on this, at this time, we are estimating \$1,828,638 for FY 2024, or an increase of \$16,380 over FY 2023. As is always the case, we will revisit this estimate once the FY 2023 First Commitment is released in January, 2023.
2. **Meals Tax/Room Occupancy Tax** – This has been an excellent revenue source over the last year. In Fiscal Year 2023, we increased this estimate by \$100,000 and we are confident we will reach this level. Given the fact that the first quarter of Fiscal Year 2023 generated \$35,000 more in revenues than the first quarter in FY 2022, we are estimating an additional increase of \$50,000 in FY 2024.
3. **Recreational Marijuana Revenue** – This is a new revenue line item for Fiscal Year 2024. Currently, two companies are in the process of receiving both local and state approvals to open. We anticipate one business will open in March/April, 2023, while the other will open sometime in Fiscal Year 2024. Under the terms of the Host Community Agreements signed with both businesses, they are currently required to pay the Town 1.5% of their total revenues (although this may be eliminated based on changes in State Law). Additionally, the Town will receive a 3% tax on total sales as well. Since we have no idea what this will generate, we are being ultra-conservative and are estimating an additional \$150,000 in revenues for Fiscal Year 2024 at this time. We will monitor this very closely over the next ten months and determine if it can be increased prior to setting the tax rate next Fall.
4. **Payments in Lieu of Taxes** – We have increased this line item by \$25,000 to \$325,000 in anticipation of the new ticket surcharge agreed to by Groton Hill Music. Since we have yet to receive any payment, it is too early to nail down a final estimate. We hope to receive the first quarterly payment in January, 2023 and can revisit this estimate at that time.
5. **Other Charges for Services** – This line item has been increased by \$9,000 to \$99,000 to reflect the agreement we have with the Town of Dunstable to increase their reimbursement for Dispatch Services.
6. **Other Departmental Revenue** – We have increased this estimate by \$25,000 to \$800,000 in anticipation of the reimbursement from the Enterprise Funds increasing due to an anticipated increase in Health Insurance.

7. **Licenses and Permits** – This estimate is the one that concerns me most. While the three-year average has been \$485,915, eventually building will slow down and we may not be able to generate this level of income in the future. While we expect a major increase in Fiscal Year 2024 due to the anticipated redevelopment of the Deluxe Property, that level will most likely not continue in future fiscal years which will require us to reduce this amount. It is not wise to build a budget on one-year anomalies in receipts. It is similar to using non-recurring revenues to balance a budget. That said, we are significantly increasing this estimate in FY 2024 by \$113,619, from 315,681 to \$429,300 or 36%. Should New Growth or State Aid come in excess of what we are estimating, I will strongly urge the reduction of this estimate.
  
8. **Investment Income** – This is another estimate that is being pushed to the limit. While the five-year average is \$49,929, we are increasing this estimate by \$40,000 from \$50,000 to \$90,000, or 80% due to the higher interest rates we have been experiencing in the last year and the money the Town has on hand for the Florence Roche Elementary School Project. While this will not continue in future fiscal years, we believe it is a safe estimate in FY 2024. That said, similar to Licenses and Permits, if New Growth or State Aid comes in at a level more than what we are estimating, I would strongly urge the reduction of this estimate as well.
  
9. **Recreation Revenues** – Based on the last three years of outstanding success of the Groton Country Club (the Town collected \$739,701 in Fiscal Year 2022), we are increasing this estimate by \$94,733 from \$605,267 to \$700,000, or 15.7%.

As you can see, we were very aggressive in developing Estimated Receipts for Fiscal Year 2024. The following chart shows what we expect to receive in revenues that can be used to fund the Proposed Operating Budget, the highest increase we have ever presented:

<u>Revenue Source</u>	<u>Budgeted FY 2023</u>	<u>Proposed FY 2024</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Property Tax*	\$ 35,383,886	\$ 36,550,003	\$ 1,166,117	3.30%
State Aid	\$ 1,077,749	\$ 1,152,749	\$ 75,000	6.96%
Local Receipts - Excluding Country Club	\$ 4,203,353	\$ 4,683,938	\$ 480,585	11.43%
Country Club Revenue	\$ 605,267	\$ 700,000	\$ 94,733	15.65%
Free Cash	\$ 619,994	\$ 667,827	\$ 47,833	7.72%
Other Available Funds	\$ 309,000	\$ 350,000	\$ 41,000	13.27%
<b>TOTAL</b>	<b>\$ 42,199,249</b>	<b>\$ 44,104,517</b>	<b>\$ 1,905,268</b>	<b>4.51%</b>

\*Includes 2½ percent increase allowed by law and \$18 million in new growth.

Prior to presenting proposed changes in the Proposed Balanced Municipal Operating Budget, a review of mandatory expenditures is warranted, as well as areas in the budget that are routine in nature. With regard to mandatory expenditures, two categories fit this definition, Pension and Health Insurance. Health Insurance increases are always difficult to project. The news across the health insurance industry has not been very positive. Given this and the information received thus far from the Minuteman Nashoba Health Group, we are anticipating an overall rate increase of eleven (11%) percent, or an increase in the Health Insurance budget of \$189,987. On a positive note, Middlesex County has informed the Town that we will see a decrease in our Pension Assessment for Fiscal Year 2024. Our Pension Budget is decreasing by \$44,360, from \$2,538,910 to 2,494,280, or 1.76%.

Some other areas I would like to highlight relative to the proposed budget includes the following:

### Union Contracts and By-Law Employees

The Town has seven (7) Collective Bargaining Units. All contracts will be entering the second year of a three-year contract. All Unions have agreed to a 2% wage adjustment in FY 2024. As has been our practice, I am recommending that the remaining three (3) By-Law employees receive the same adjustment as the Supervisors' Union, a wage adjustment of two (2%) percent. When you take into consideration these agreements, along with the employees that have contracts, salaries and wages will increase by \$168,739 in FY 2024. The Town Hall/Library Union and the DPW Union are also eligible for a performance incentive that allows employees to receive an increase in their base pay of up to two (2%). In Fiscal Year 2024, this will account for an increase in wages of \$50,639. Finally, some employees are eligible for a one-time performance incentive of up to 2½% that is not added to their base. This will be paid from Free Cash. The Fiscal Year 2024 impact for this program is \$41,357. Please note that salaries and wages increased by a total of \$260,735 in FY 2024, including one-time cash payments.

### Debt Service

We will continue to see a significant increase in Excluded Debt for Fiscal Year 2024 as we pay debt service on the Florence Roche Elementary School Project to cover both debt that has been permanently financed (\$28 million), as well as borrowed using bond anticipation notes (approximately \$27 million). For Fiscal Year 2024, Municipal Excluded Debt will increase from \$3,362,553 to \$4,506,102, an increase of \$1,143,549 or 34%. Excluded Debt from the Groton Dunstable Regional School District will decrease by \$15,731, or 3.7% from \$422,713 to \$406,982. Overall, Excluded Debt will increase in Fiscal Year 2024 by \$1,128,088, or 29.8% from \$3,783,842 to \$4,911,930. We are continuing with our practice to stabilize debt service within the Levy Limit at approximately \$250,000 annually. We continue to follow the plan by using the Excess and Deficiency ("Free Cash") Account to pay down the Principal and Interest on the Police and Fire Radio Project with the intent of paying that off in FY 2025. Last year, we used \$90,249 for this purpose and committed \$240,807 from taxation to cover non-excluded Debt Service. In FY 2024, we will continue to use Free Cash for the Police and Fire Radio Project (\$92,674). The following chart shows a comparison between FY 2023 and FY 2024:

	<u>FY 2023</u>	<u>FY 2024</u>
Long Term Debt - Principal Non-Excluded	\$ 158,786	\$ 153,506
Long Term Debt - Interest - Non-Excluded	\$ 82,021	\$ 77,474
Short Term Debt - Principal	\$ 85,174	\$ 85,174
Short Term Debt - Interest	<u>\$ 5,075</u>	<u>\$ 7,500</u>
<b>Total</b>	<b>\$ 331,056</b>	<b>\$ 323,654</b>
Less Free Cash Offset	\$ 90,249	\$ 92,674
<b>Total In-Levy Taxation for Debt Service</b>	<b>\$ 240,807</b>	<b>\$ 230,980</b>

### Country Club

For the last two years, the Country Club has been a success and a revenue generator for the Town of Groton. Fiscal Year 2022 was the most successful year the Country Club has ever had in terms of revenue generation. It is a testament to the strong management that our General Manager/Golf Professional Shawn Campbell provides to the Town. In Fiscal Year 2022, the Club made a profit of \$118,086 (total expenses of \$621,615; total revenues of \$739,701). Over a three-year period, there has been no taxpayer subsidy for the operation of the Country Club, with an overall profit during that period. As a matter of fact, over three years, the Club has actually returned a profit to the Town of \$168,348. We will continue to manage the Club in the most cost-effective way to the benefit of the taxpayers and residents of Groton.

### Town Accountant Position Reclassification

Over the past 14 years, I have had the privilege of working with the finest group of Department Heads I have ever worked with in 37 years of municipal government management. I have been very fortunate to have searched for and appoint all but one of our current staff. I believe it is important for the Town of Groton to retain the current staff for as long as possible. To that end, the Human Resources Director and I have spent time over the last several months reviewing job descriptions, salary surveys, industry vacancies and Groton's Organizational Chart to determine the best path forward to, not only retain our Department Heads, but strengthen our organizational structure for years to come. One position that requires a significant overhaul is the Town Accountant. A review of the job description for the position, taking into consideration what duties the current Town Accountant is actually performing, requires a total revision of this position. For the past twelve years, the current Town Accountant has taken on more and more responsibilities, from serving as the Senior Member of the Finance Team, to participating in all collective bargaining sessions, to providing guidance to the junior members of the Finance Team. This position has evolved into an Assistant Finance Director Position. While the Town Manager serves as the Finance Director (per the Charter), the Town

Accountant is most certainly performing Finance Director Duties. To that end, I am recommending that the position of Town Accountant be renamed/reclassified to Assistant Finance Director/Town Accountant. Based on a salary survey of similar positions, I am recommending that the salary be set for the newly titled position in Fiscal Year 2024 at \$110,000, an increase from what the position would have been budgeted for (\$96,702) of \$13,298, or 13.8%.

#### DPW Director-In-Training Program

For the past 38 years, the Town has been extremely fortunate to have had Robert "Tom" Delaney as an employee of the Town, serving as the Highway Surveyor and for the last 13 years as DPW Director. Mr. Delaney has informed me of his intention to retire in two years. Replacing a 38-year employee (40 years by the time he retires) will be a significant undertaking. It is never too early to start the process. As Town Manager, I have instituted "In-Training" programs, whereby we train current employees to take over the Department Head Position when the current incumbent retires. We successfully used this program to appoint our current Town Accountant, Building Commissioner and Treasurer/Collector. I would like to continue this very successful program in replacing Tom Delaney. With the approval of the Select Board and Finance Committee, I would like to advertise (among current staff) for an individual to serve as the "DPW Director-In Training." The appointed candidate would continue to perform their basic job functions, but would work closely with Tom managing the Department of Public Works. This will require the employee to work above and beyond their current duties (attending meeting, trainings, etc.). Prior to bringing this proposal forward to the Select Board and Finance Committee, I have reached out to both the Supervisors' and DPW Unions to discuss how this would be implemented. They both have fully supported this proposal. To that end, I have set aside a stipend of \$7,000 in the Highway Budget for this purpose. It is important to point out that this proposal does not increase the Highway Budget. We had a retirement of a 25-year employee who was paid at the top of his range and replaced him with an employee at the lower end of the range. The savings is being used to pay for this program.

#### Major Initiatives

Three years ago, the Finance Committee established the Major Initiative Criteria for budget development. A Major Initiative is defined as any proposed increase in the Operating Budget of \$50,000 in any fiscal year and/or an increase of \$100,000 over three years. There is one Major Initiative contained in the Fiscal Year 2024 Proposed Operating Budget. I am proposing that we add an additional Firefighter to the Fire Department. It was also proposed in the Fiscal Year 2023 Budget, but was not funded. I believe it is extremely important to reconsider this Initiative in Fiscal Year 2024 as it is an extremely important proposal to maintain/improve the delivery of services in our Fire Department.

## Groton Fire Department

As was the case last year, the Fiscal Year 2024 Proposed Operating Budget contains funding to add an additional full-time Firefighter/EMT to the Groton Fire Department, bringing the number to nine (9) full-time Firefighter/EMTs (plus the Fire Chief and Deputy Fire Chief). In his budget message this year, Fire Chief Steele McCurdy actually made a case for adding two additional Firefighter/EMTs. He states that *"Fiscal Year 2024 focuses on the current and the future needs of the Fire Department. The new development of the community will inevitably create a greater demand on the fire and medical services. With this anticipated demand for services from prevention to emergency responses, we will need to strongly consider additional staffing. In Fiscal year 2024, I am requesting 2 additional daytime positions that will bolster the staffing 7 days per week. These positions will work a 12-hour shift allowing us to maintain a more consistent level of daytime staffing each day. In addition, this additional staffing will concentrate on our busiest 12-hour block of time helping to prevent interruptions in other operational and administrative areas. For many years, we have leaned heavily on the call department to augment every aspect of emergency response and administration. However, with the consistent turnover of call firefighters and EMT's, coupled with the challenges of their everyday lives, it is hard to continue to rely as heavily on them. In 2021-2022, a committee of call firefighters was formed to look at how the call firefighters could be further engaged to support emergency operations. The Committee implemented changes that led to an uptick in call member responses during the nighttime hours, but the daytime hours have further suffered. This result further amplifies the assertion that while dedicated to the mission of the department, there is a premium on the time that our call personnel can spend here. We ask a lot of our firefighters to stay active and engaged, but have to simultaneously be cognizant of their time.*

Budgetary constraints in Fiscal Year 2024 makes it extremely difficult to add two (2) additional Firefighters, however, adding one (1) will actually provide a savings year over year in the Fire Department. In Fiscal Year 2023, we needed to add an additional \$167,000 to the Fire Department Budget to cover both overtime costs and staffing needs during the day. Instead of relying on overtime for this purpose, adding an additional full-time Firefighter will allow the Department to meet the demands outlined by the Fire Chief in his Budget Message. While the overall Wage Budget of the Fire Department decreases in Fiscal Year 2024 by \$78,117 or 6.4%, we used one-time revenues in Fiscal Year 2023 (Free Cash and EMS Funds) to cover the added overtime as stated earlier in this paragraph. In Fiscal Year 2024, since the Firefighter will be recurring, we will use tax revenues to pay for the position. The additional cost for this position is approximately \$87,000 (salary and benefits). To assist in covering this increase, we are increasing EMS Funds used to offset the Budget by \$50,000.

The following municipal budget by function is proposed by the Town Manager:

<u>Category</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>Dollar Difference</u>	<u>Percentage Change</u>
General Government	\$ 2,293,398	\$ 2,349,147	\$ 55,749	2.43%
Land Use	\$ 460,356	\$ 494,508	\$ 34,152	7.42%
Protection of Persons and Property	\$ 4,833,510	\$ 4,831,397	\$ (2,113)	-0.04%
Department of Public Works	\$ 2,345,816	\$ 2,366,495	\$ 20,679	0.88%
Library and Citizen Services	\$ 1,892,083	\$ 1,993,320	\$ 101,237	5.35%
Employee Benefits	\$ 4,797,706	\$ 4,955,663	\$ 157,957	3.29%
<b>Sub-Total</b>	<b>\$ 16,622,869</b>	<b>\$ 16,990,529</b>	<b>\$ 367,660</b>	<b>2.21%</b>
Debt Service - Excluded	\$ 3,320,202	\$ 4,506,102	\$ 1,185,900	35.72%
Debt Service - In Levy Only	\$ 331,056	\$ 323,654	\$ (7,402)	-2.24%
<b>Sub-Total - All Municipal</b>	<b>\$ 20,274,127</b>	<b>\$ 21,820,285</b>	<b>\$ 1,546,158</b>	<b>7.63%</b>

#### Regional Schools Budgets

As I state every year, and this year is no different, the collaboration between the Town of Groton and the Groton Dunstable Regional School District continues to be strong. The relationship the Finance Team and I have developed with Dr. Laura Chesson and Business Manager Sherry Kersey continues to be one of strong collaboration and respect. As is the case every year, the Groton Dunstable Regional School District is still developing their budget and will not have a final budget until sometime in early 2023. When the Finance Team and I developed the balanced budget, we followed last year's Groton Dunstable Regional School District Operating Assessment increase and increased the Assessment by 5.01% or \$1,218,398, which is sixty-five (65%) percent of our anticipated new Revenues, excluding Free Cash set aside for one-time costs included in the Municipal Budget. While this can be considered a healthy increase, unfortunately, based on

preliminary numbers provided by the School District, it appears it will not be anywhere close to their anticipated needs. According to numbers we received in mid-December, the School District may require an increase of \$3,230,982 (13.29%) in the anticipated Operating Assessment. Obviously, even if the Town set aside all new anticipated revenues to the School District, we would still need an additional \$1,371,101 to meet their anticipated Assessment. As I stated earlier in this Budget Message, I am required to submit a balanced budget by December 31, 2022 to the Finance Committee and Select Board. Since the Groton Dunstable Regional School Committee has yet to develop their final budget (expected by mid-February, 2023), I am extremely uncomfortable creating a Proposed Operating Budget based on such an unprecedent high preliminary number. That does not mean that we should not prepare for such an increase should it come to realization. Later in this Budget Message I will provide various scenarios to address an increase in the Groton Dunstable Regional School District Operating Assessment should it be at the level preliminarily provided. Regardless, the number provided in the Balanced Proposed Operating Budget should be considered a place holder. We will address the actual Assessment and our ability to fund it during Budget Deliberations with the Finance Committee.

With regard to the Nashoba Valley Regional Technical High School, the Town has been informed that the number of Groton students attending the School has decreased from 45 to 40. Similar to the Groton Dunstable Regional School District, they have just begun their budget deliberations. Based on the decrease in students, the Proposed Balanced Budget level funds the Operating Assessment at \$810,037 for Fiscal Year 2024. As is the case with the Groton Dunstable Regional School District proposed assessment, this should be considered a placeholder. We should have their final assessment in January/February, 2023.

#### **TOWN MANAGER'S PROPOSED FISCAL YEAR 2024 OPERATING BUDGET**

The following is the total proposed Fiscal Year 2024 Operating Budget by the Town Manager (compared with Fiscal Year 2023):

<u>Category</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>Dollar Difference</u>	<u>Percentage Change</u>
General Government	\$ 2,293,398	\$ 2,349,147	\$ 55,749	2.43%
Land Use	\$ 460,356	\$ 494,508	\$ 34,152	7.42%
Protection of Persons and Property	\$ 4,833,510	\$ 4,831,397	\$ (2,113)	-0.04%
Department of Public Works	\$ 2,345,816	\$ 2,366,495	\$ 20,679	0.88%
Library and Citizen Services	\$ 1,892,083	\$ 1,993,320	\$ 101,237	5.35%
Employee Benefits	\$ 4,797,706	\$ 4,955,663	\$ 157,957	3.29%
<b>Sub-Total</b>	<b>\$ 16,622,869</b>	<b>\$ 16,990,529</b>	<b>\$ 367,660</b>	<b>2.21%</b>
Debt Service - Excluded	\$ 3,320,202	\$ 4,506,102	\$ 1,185,900	35.72%
Debt Service - In Levy Only	\$ 331,056	\$ 323,654	\$ (7,402)	-2.24%
<b>Sub-Total - All Municipal</b>	<b>\$ 20,274,127</b>	<b>\$ 21,820,285</b>	<b>\$ 1,546,158</b>	<b>7.63%</b>
Nashoba Tech	\$ 810,037	\$ 810,037	\$ -	0.00%
Groton-Dunstable Operating	\$ 24,319,318	\$ 25,537,716	\$ 1,218,398	5.01%
Groton-Dunstable Excluded Debt	\$ 422,713	\$ 406,982	\$ (15,731)	-3.72%
Groton-Dunstable Debt	\$ 60,191	\$ 58,814	\$ (1,377)	-2.29%
Groton Dunstable Capital	\$ 577,026	\$ 552,203	\$ (24,823)	-4.30%
<b>Sub-Total - Education</b>	<b>\$ 26,189,285</b>	<b>\$ 27,365,752</b>	<b>\$ 1,176,467</b>	<b>4.49%</b>
<b>Grand Total - Town Budget</b>	<b>\$ 46,463,412</b>	<b>\$ 49,186,037</b>	<b>\$ 2,722,625</b>	<b>5.86%</b>

#### CAPITAL BUDGET

The Capital Budget will be submitted to the Select Board and Finance Committee under separate cover. The requested FY 2024 Capital Budget is \$2,120,856. The requested items and funding sources are as follows:

<u>Department</u>	<u>Item</u>	<u>Amount</u>	<u>Funding Source</u>
Fire and EMS	Ambulance 1 Replacement	\$ 108,511	EMS Fund
Fire and EMS	Command Vehicle	\$ 70,000	EMS Fund
Highway	Dump Truck	\$ 40,000	Capital Asset
Highway	Loader	\$ 220,000	Capital Asset
Town Facilities	IT Infrastructure	\$ 50,000	Capital Asset
Town Facilities	Municipal Buildings Exterior Repairs	\$ 25,000	Capital Asset
Town Facilities	Building Maintenance Van	\$ 60,000	Capital Asset
<i>Town Facilities</i>	<i>Seal Police and Fire Station Lots</i>	\$ 30,000	<i>Free Cash*</i>
Park Department	Property Improvements	\$ 25,000	Capital Asset
Police	Police Cruisers	\$ 125,142	Capital Asset
Police	Hazmat Storage Evidence Locker	\$ 40,000	Capital Asset
Country Club	Golf Carts	\$ 25,000	Capital Asset
<i>Country Club</i>	<i>Parking Lot Improvements</i>	\$ 80,000	<i>Free Cash*</i>
Country Club	Driving Range Improvements	\$ 50,000	Free Cash
Country Club	Greens Equipment	\$ 10,000	Capital Asset
Water	Water Meter Replacement Program	\$ 75,000	Water Fund
Water	Chestnut Hill Tank Painting	\$ 35,000	Water Fund
Sewer	Nod Road Pump Station	\$ 500,000	Grants
GDRSD	Annual Regional School Capital	\$ 253,407	GDRSD Capital Fund
GDRSD	Annual Regional School Capital	\$ 298,796	Free Cash
<b>Total Requested</b>		<b>\$ 2,120,856</b>	
<u>Funding Sources</u>			
	EMS Fund	\$ 178,511	
	Capital Asset	\$ 620,142	
	Free Cash	\$ 458,796	
	GDRSD Capital Fund	\$ 253,407	
	Water Fund	\$ 110,000	
	Grants	\$ 500,000	
	<b>Total</b>	<b>\$ 2,120,856</b>	

\* Will be paid from Free Cash and brought to the 2023 Fall Town Meeting for consideration

## ENTERPRISE FUND BUDGETS

As has been our custom, we have included the proposed Enterprise Fund Budgets of the Board of Water Commissioners, Board of Sewer Commissioners (overseeing both the Center Sewer District and Four Corners Sewer District), Community Access Cable Department and the Stormwater Enterprise with the Proposed Balanced Budget. We reviewed these budgets in the same manner as all department budgets.

We are confident that the estimated revenues of the Water Department, Sewer Department, Four Corners Sewer District and Community Access Cable Department will meet their proposed expenditures. With regard to the Stormwater Budget, there is a slight increase of \$1,425, or .59% to cover the cost of the collective bargaining agreements. Regardless of that slight increase, we will be recommending that the Stormwater Fee remain the same as FY 2023 and be set at \$60 per improved parcel in Fiscal Year 2024.

The following is a breakdown of the proposed budgets for our Enterprise Funds:

Category	FY 2023	FY 2024	Dollar Change	Percent Change
Water Department	\$ 1,647,167	\$ 1,940,823	\$ 293,656	17.83%
Sewer Department	\$ 837,839	\$ 889,498	\$ 51,659	6.17%
Four Corners Sewer District	\$ 79,134	\$ 77,812	\$ (1,322)	-1.67%
Community Cable Department	\$ 223,219	\$ 220,137	\$ (3,082)	-1.38%
Stormwater Utility	\$ 241,095	\$ 242,520	\$ 1,425	0.59%
Total Enterprise Funds	\$ 3,028,453	\$ 3,370,789	\$ 342,336	11.30%

## TAX IMPACT OF THE PROPOSED OPERATING BUDGET

The total Balanced Town Manager's Fiscal Year 2024 Proposed Operating Budget, including placeholders for the Regional School Assessments, and excluded debt, is \$49,186,037, or an increase of 5.86%. This proposed balanced budget is at the anticipated FY 2024 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 \$53,439,296. The Fiscal Year 2023 Tax Rate has been certified at \$15.64. Based on the Proposed Balanced Budget, the estimated Tax Rate in Fiscal Year 2024 is \$16.44, or an increase of \$0.80. In Fiscal Year 2023, the average Tax Bill in the Town of Groton (based on a home valued at \$633,985) is \$9,916. Under this proposed balanced budget, that same homeowner can expect a tax bill of \$10,423, or an increase of \$507. The following chart shows a comparison between FY 2023 and FY 2024:

	<u>Actual FY 2023</u>	<u>Proposed FY 2024</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Levy Capacity Used	\$ 35,383,886	\$ 36,550,003	\$ 1,166,117	3.30%
Tax Rate on Levy Capacity Used	\$ 14.13	\$ 14.49	\$ 0.36	2.55%
Average Tax Bill	\$ 8,958	\$ 9,186	\$ 228	2.55%
Excluded Debt	\$ 3,783,842	\$ 4,911,930	\$ 1,128,088	29.81%
Tax Rate on Excluded Debt	\$ 1.51	\$ 1.95	\$ 0.44	29.14%
Average Tax Bill	\$ 957	\$ 1,236	\$ 279	29.14%
Final Levy Used	\$ 39,167,728	\$ 41,461,933	\$ 2,294,205	5.86%
Final Tax Rate	\$ 15.64	\$ 16.44	\$ 0.80	5.12%
Average Tax Bill	\$ 9,916	\$ 10,423	\$ 507	5.12%

#### FIVE YEAR PROJECTION

As is our practice, we have developed a Five-Year Projection for your review and consideration. This Projection is based on the Proposed Balanced Budget, and not on the anticipated increase in the Operating Assessment of the Groton Dunstable Regional School District. Even so, the Town continues to face a structural deficit that, so far, we have been able to overcome without seeking an override of Proposition 2½ by reducing municipal spending and working closely each year with the Groton Dunstable Regional School District. That said, we are not as confident that we can meet the Town's obligations in Fiscal Year 2024 without an Override of Proposition 2½. This Five-Year Projection should be considered a Placeholder until such time as we receive the final Assessments from both School Districts. We can update the Projection at that time to a more realistic outlook.

#### BUDGET SCENARIOS TO ADDRESS THE ANTICIPATED ASSESSMENT FROM THE GROTON DUNSTABLE REGIONAL SCHOOL DISTRICT

As stated earlier, the Placeholder in the Town Manager's Balanced Proposed Fiscal Year 2024 Operating Budget for the Groton Dunstable Regional School District's Operating Assessment may not be sufficient to meet their anticipated needs. According to preliminary numbers provided by the District, they would need an additional \$2,012,584 (for a total increase in their Assessment of \$3,230,982). The Finance Committee and Select Board, when reviewing this Proposed Balanced Budget, must take that into consideration. The Select Board, Finance Committee, Finance Team, School Administration and some members of the Groton Dunstable Regional School Committee met in joint

session on December 19, 2022 to discuss ways to address this complicated issue. While no direct decision was made due to the fact that the School District will not have a final number until mid-February, 2023, the Town Manager still has the legal requirement to submit a balanced budget by December 31, 2022. The main document provided to you is the Proposed Balanced Budget for Fiscal Year 2024 to comply with the Charter. That said, the Finance Team and I have developed various scenarios that provide the Finance Committee and Select Board with ways you might be able to meet the Anticipated Assessment from the School District, up to and including an override of Proposition 2½.

In our opinion, there are potentially five ways to address the anticipated budget shortfall as follows:

Scenario #1 – The Town of Groton approves the Proposed Balanced Budget by the Town Manager that sets aside an increase in the Groton Dunstable Regional School District's Operating Assessment of \$1,218,398. Under this Scenario, the School District would need to reduce their anticipated increase to meet the Town's proposed appropriation.

Scenario #2(A) – The Town of Groton and the Groton Dunstable Regional School District jointly reduce their budget requests to meet the anticipated shortfall of \$2,012,584. One way to share the burden would be to base it on the share of the Town's Overall Budget, excluding debt. In FY 2023, the School District's Operating Assessment is fifty-eight (58%) percent of the Town's Budget. Based on this, the District would need to absorb 58% of the anticipated shortfall, or \$1,167,299. The Town of Groton would need to provide an additional \$845,285 to the District bringing their Operational Assessment Increase to \$2,063,683. Under this scenario, the Town would not fund the School's Capital Assessment and provide \$552,203 in a one-time appropriation for the School District to continue funding positions added to the budget through ARPA Funds to address the impact COVID-19 had on the education of our children. The Town would then reduce its requested increase by \$293,082. The School District would receive 81.27% of our anticipated new revenues, or \$1,511,480, while the Town would receive 18.73%, or \$348,401. The Finance Team and I have developed a list of potential reductions in the requested budget should the Select Board and Finance Committee want to move in this direction. We have determined that it would be premature to release these reductions until such time as we have final direction. Due to Collective Bargaining obligations, we would need to meet in Executive Session to review the reductions as they may have implications for our various Unions.

Scenario #2(B) – This scenario would be the same as Scenario #2(A), in which the Town of Groton and the School District would share the burden as described above, but the Town would fund the School District's Capital Assessment and reduce the requested municipal budget by the full \$845,285. The School District would still receive an increase in their Operational Assessment of \$2,063,683 and receive 100% of our anticipated new revenues (\$1,859,881). To meet this Scenario, we would need to reduce the Fiscal Year 2023 Municipal Appropriation by \$203,802. As stated under Scenario #2(A), the Finance Team and I have developed a list of potential reductions, but it would be premature to release these reductions for the reasons stated above.

Scenario #3 – The Town of Groton fully funds the anticipated operating assessment of the Groton Dunstable Regional School District (\$3,230,982) and reduces the FY 2023 Municipal Budget by \$2,012,584. I cannot begin to tell you how catastrophic this would be to the

Municipal Budget and our ability to provide the most basic of services. It would devastate the delivery of services as the Municipal Budget would be reduced by 12.1% and very likely put in jeopardy the Town's AAA bond credit rating going forward, which would adversely impact the cost of all future borrowing the Town undertakes. As Town Manager and the Chief Financial Officer of the Town, I cannot support this scenario, but it needs to be stated as you consider the various options. As stated in the above two scenarios, the Finance Team and I have developed a list of reductions to meet this scenario, but it would be premature to release them.

Scenario #4 – The Select Board votes to call for an Operational Override of Proposition 2½ to meet both the Proposed Municipal Balanced Budget and the Anticipated Operational Assessment of the Groton Dunstable Regional School District. This Scenario will avoid what could be a significant reduction in the delivery of services of both the Town and School District. An override of \$2,012,584 would cause an increase of \$0.80 in the FY 2024 anticipated tax rate and an increase of \$507 in the anticipated average tax bill (a home valued at \$633,985). The following chart shows a comparison between FY 2023 and FY 2024 should an override be approved:

	<u>Actual FY 2023</u>	<u>Proposed FY 2024</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Levy Capacity Used	\$ 35,383,886	\$ 36,550,003	\$ 1,166,117	3.30%
Tax Rate on Levy Capacity Used	\$ 14.13	\$ 14.49	\$ 0.36	2.55%
Average Tax Bill	\$ 8,958	\$ 9,186	\$ 228	2.55%
Override	\$ -	\$ 2,012,584	\$ 2,012,584	100.00%
Tax Rate on Override	\$ -	\$ 0.80	\$ 0.80	100.00%
Average Tax Bill	\$ -	\$ 507	\$ 507	100.00%
Excluded Debt	\$ 3,783,842	\$ 4,911,930	\$ 1,128,088	29.81%
Tax Rate on Excluded Debt	\$ 1.51	\$ 1.95	\$ 0.44	29.14%
Average Tax Bill	\$ 957	\$ 1,236	\$ 279	29.14%
Final Levy Used	\$ 39,167,728	\$ 43,474,517	\$ 4,306,789	11.00%
Final Tax Rate	\$ 15.64	\$ 17.24	\$ 1.60	10.23%
Average Tax Bill	\$ 9,916	\$ 10,930	\$ 1,014	10.23%

The Finance Team and I are prepared to discuss these proposed Scenarios in more detail as the Finance Committee and Select Board deliberate and review the Town Manager's Proposed Fiscal Year 2024 Operating Budget.

## BUDGET PRESENTATION

In addition to the Five-Year Projection, we have also attached to this memorandum several documents for you to review as you consider the Proposed Balanced Operating Budget. The first section is a summary of the estimated receipts and anticipated tax rate. This is followed by a summary of the overall budget. Next is a breakdown of the tax impact that the various departments have on the average tax bill. The following section contains the individual department budgets broken down by function. Finally, we have provided various charts and graphs to illustrate the overall budget. We hope you find these charts and graphs useful.

## CONCLUSION

I would like to take this opportunity to thank all of the Departments, Boards, Committees and Commissions for their outstanding work and cooperation in assisting me in preparing the Proposed Operating Budget. The Finance Team could not have prepared such a thorough budget without their help. I would also like to thank Patricia DuFresne, Megan Foster, Michael Hartnett, Hannah Moller, Melisa Doig, Dawn Dunbar and Kara Cruikshank for their outstanding efforts and hard work in assisting in the preparation of this document. They are all consummate professionals. The Town is extremely fortunate to have such a dedicated Finance Team. In addition, we truly appreciate the cooperation and collaboration of Dr. Laura Chesson and Sherry Kersey in assisting in the preparation of this document. We look forward to meeting with both the Finance Committee and Select Board to discuss this Proposed Balanced Operating Budget.

MWH/rjb

## FISCAL YEAR 2024 LEVY LIMIT CALCULATION

Revised: 12/24/2022

### I. TO CALCULATE THE FY 2023 LEVY LIMIT

A.	FY 2022 LEVY LIMIT	\$ 34,157,624	
A1.	ADD AMENDED FY 2022 NEW GROWTH	\$ (479)	
B.	ADD TWO AND ONE HALF PERCENT	\$ 853,929	
C.	ADD FY 2023 NEW GROWTH	\$ 372,812	
D.	ADD FY 2023 OVERRIDE	\$ -	
E.	FY 2023 SUBTOTAL	\$ 35,383,886	\$ 35,383,886 FY 2023 LEVY LIMIT
F.	FY 2023 LEVY CEILING	\$ 62,597,103	

### II. TO CALCULATE THE FY 2024 LEVY LIMIT

A.	FY 2023 LEVY LIMIT	\$ 35,383,886	
A1.	ADD AMENDED FY 2023 NEW GROWTH	\$ -	
B.	ADD TWO AND ONE HALF PERCENT	\$ 884,597	
C.	ADD FY 2024 NEW GROWTH	\$ 281,520	
D.	ADD FY 2024 OVERRIDE		
E.	FY 2024 SUBTOTAL	\$ 36,550,003	\$ 36,550,003 FY 2024 LEVY LIMIT
F.	FY 2024 LEVY CEILING	\$ 62,597,103	

Revised: 12/24/2022

**TOWN OF GROTON, MASSACHUSETTS  
FY 2024 TOTAL TAX LEVY CALCULATION**

<b>FY 2024 LEVY LIMIT</b>	\$	<b>36,550,003</b>
CAPITAL EXCLUSION	\$	-
DEBT EXCLUSION - TOWN	\$	<b>4,506,102</b>
<b>FY 2023 EXCLUDED BOND REDUCTION</b>	\$	<b>(1,154)</b>
DEBT EXCLUSION - SEWER	\$	-
DEBT EXCLUSION - WATER	\$	-
DEBT EXCLUSION - GDRSD	\$	<b>406,982</b>
<b>SUB-TOTAL - EXCLUSIONS</b>	\$	<b>4,911,930</b>
<b>TOTAL TAX LEVY</b>	\$	<b>41,461,933</b>

**TOWN OF GROTON  
FISCAL YEAR 2024  
REVENUE ESTIMATES**

	BUDGETED FY 2023	ESTIMATED FY 2024	CHANGE
<b>PROPERTY TAX REVENUE</b>	\$ 35,383,886	\$ 36,550,003	\$ 1,166,117
DEBT EXCLUSIONS	\$ 3,741,491	\$ 4,911,330	\$ 1,170,439
CHEERY SHEET - STATE AID	\$ 1,077,749	\$ 1,152,749	\$ 75,000
UNEXPENDED TAX CAPACITY	\$ 6,980	\$ -	\$ (6,980)
<b>LOCAL RECEIPTS:</b>			
General Revenue:			
Motor Vehicle Excise Taxes	\$ 1,778,260	\$ 1,828,638	\$ 50,348
Meals Tax and Room Occupancy Tax	\$ 350,000	\$ 400,000	\$ 50,000
Marijuana Revenue	\$ -	\$ 150,000	\$ 150,000
Penalties & Interest on Taxes	\$ 110,000	\$ 110,000	\$ -
Payments in Lieu of Taxes	\$ 300,000	\$ 325,000	\$ 25,000
Other Charges for Services	\$ 90,000	\$ 99,000	\$ 9,000
Fees	\$ 385,446	\$ 382,000	\$ 6,554
Rentals	\$ 32,000	\$ 40,000	\$ 8,000
Library Revenues	\$ -	\$ -	\$ -
Other Departmental Revenue	\$ 775,000	\$ 800,000	\$ 25,000
Licenses and Permits	\$ 315,681	\$ 429,300	\$ 113,619
Fines and Forfeits	\$ 10,000	\$ 20,000	\$ 10,000
Investment Income	\$ 50,000	\$ 90,000	\$ 40,000
Recreation Revenues	\$ 605,267	\$ 700,000	\$ 94,733
Miscellaneous Non-Recurring	\$ 6,936	\$ -	\$ (6,936)
<b>Sub-total - General Revenue</b>	\$ 4,808,620	\$ 5,383,938	\$ 575,318
Other Revenue:			
Free Cash	\$ 619,894	\$ 667,827	\$ 47,833
Capital Stabilization Fund for GDRSD	\$ 577,026	\$ 253,407	\$ (323,619)
Stabilization Fund for Tax Rate Relief	\$ -	\$ -	\$ -
Capital Asset Stabilization Fund	\$ -	\$ 620,142	\$ 82,142
EM/S Conservation Fund Receipts Reserve	\$ 538,000	\$ 528,511	\$ 28,511
Community Preservation Funds	\$ -	\$ -	\$ -
Water Department Surplus	\$ -	\$ -	\$ -
Sewer Department Surplus	\$ -	\$ -	\$ -
Insurance Reimbursements	\$ -	\$ -	\$ -
Bond Surplus Transfer	\$ 15,224	\$ -	\$ (15,224)
Coronavirus Recovery Funds	\$ 309,000	\$ -	\$ (309,000)
<b>Sub-total - Other Revenue</b>	\$ 2,059,244	\$ 2,069,887	\$ 10,643
<b>WATER DEPARTMENT ENTERPRISE</b>	\$ 1,647,167	\$ 1,940,823	\$ 293,656
<b>SEWER DEPARTMENT ENTERPRISE</b>	\$ 837,839	\$ 889,498	\$ 51,659
<b>LOCAL ACCESS CABLE ENTERPRISE</b>	\$ 223,219	\$ 220,137	\$ (3,082)
<b>FOUR CORNER SEWER ENTERPRISE</b>	\$ 79,134	\$ 77,812	\$ (1,322)
<b>STORMWATER UTILITY ENTERPRISE</b>	\$ 241,095	\$ 242,520	\$ 1,425
<b>TOTAL ESTIMATED REVENUE</b>	\$ 49,865,328	\$ 53,439,296	\$ 3,573,968

**TOWN OF GROTON  
FISCAL YEAR 2024  
TAX LEVY CALCULATIONS**

**FY 2024 PROPOSED EXPENDITURES**

Revised: 12/24/2022

<b>TOWN MANAGER - Proposed Budget</b>		
General Government	\$ 2,349,147	
Land Use Departments	\$ 494,508	
Protection of Persons and Property	\$ 4,831,397	
Regional School Districts	\$ 27,365,752	
Department of Public Works	\$ 2,366,495	
Library and Citizen Services	\$ 1,993,320	
Debt Service	\$ 4,829,756	
Employee Benefits	\$ 4,955,663	
<b>Sub-Total - Operating Budget</b>	<b>\$ 49,186,037</b>	
A. TOTAL DEPARTMENTAL BUDGET REQUESTS	\$ 49,186,037	
B. CAPITAL BUDGET REQUESTS	\$ 848,653	
C. ENTERPRISE FUND REQUESTS	\$ 3,034,303	
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	\$ 25,054	
6. Revenue deficits	\$ -	
7. Offset Receipts	\$ -	
8. Authorized deferral of Teachers' Pay	\$ -	
9. Snow and Ice deficit	\$ 100,000	
10. Other		
E. TOTAL OTHER AMOUNTS TO BE RAISED	\$ 125,054	
F. STATE AND COUNTY CHERRY SHEET CHARGES	\$ 95,249	
G. ALLOWANCE FOR ABATEMENTS AND EXEMPTIONS	\$ 150,000	
<b>TOTAL PROPOSED EXPENDITURES</b>	<b>\$ 53,439,296</b>	

**FY 2024 ESTIMATED RECEIPTS**

	<b>ESTIMATED TAX LEVY</b>	\$ 36,550,003
	Levy Limit	\$ 4,911,930
	Debt Exclusion	\$
A.	<b>ESTIMATED TAX LEVY</b>	\$ 41,461,933
B.	<b>CHERRY SHEET ESTIMATED RECEIPTS</b>	\$ 1,152,749
C.	LOCAL RECEIPTS NOT ALLOCATED	\$ 5,383,938
D.	<b>OFFSET RECEIPTS</b>	\$ -
E.	<b>ENTERPRISE FUNDS</b>	\$ 3,370,789
F.	<b>COMMUNITY PRESERVATION FUNDS</b>	\$ -
G.	<b>FREE CASH</b>	\$ 667,827
	<b>OTHER AVAILABLE FUNDS</b>	\$
	1. Stabilization Fund	\$ 620,142
	2. Capital Asset Fund	\$ 253,407
	3. GDRSD Capital Asset Fund	\$ 528,511
	4. EMS/Conservation Fund	\$ -
	5. Bond Surplus Transfer	\$ -
	6. Coronavirus Recovery Funds	\$ -
H.	<b>OTHER AVAILABLE FUNDS</b>	\$ 1,402,060
	<b>TOTAL ESTIMATED RECEIPTS</b>	\$ 53,439,296
	<b>FY 2024 SURPLUS/(DEFICIT)</b>	\$ 0

Revised: 12/24/2022

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

**FISCAL YEAR 2024**

**I. TAX RATE SUMMARY**

- la. Total amount to be raised (from IIe) \$ 53,439,295.62
- lb. Total estimated receipts and other revenue sources (from IIIe) \$ 11,977,363.11
- lc. Tax levy (la minus lb) \$ 41,461,932.52
- ld. Distribution of Tax Rates and Levies

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	94.3931%	\$ 39,137,194.07	\$ 2,380,484,038.00	\$ 16.44	\$ 39,137,194.07
NET OF EXEMPT					
OPEN SPACE	0.0000%	\$ -	\$ -	\$ -	\$ -
COMMERCIAL	3.9035%	\$ 1,618,465.60	\$ 98,441,690.00	\$ 16.44	\$ 1,618,465.60
NET OF EXEMPT					
INDUSTRIAL	0.6853%	\$ 284,124.29	\$ 17,281,600.00	\$ 16.44	\$ 284,124.29
SUBTOTAL	98.9818%		\$ 2,496,207,328.00		\$ 41,039,783.96
PERSONAL	1.0182%	\$ 422,148.56	\$ 25,676,800.00	\$ 16.44	\$ 422,148.56
<b>TOTAL</b>	<b>100.0000%</b>		<b>\$ 2,521,834,128.00</b>		<b>\$ 41,461,932.52</b>

## TAX RATE RECAPITULATION GROTON

### FISCAL YEAR 2024

II. AMOUNTS TO BE RAISED			
II a. Appropriations		\$	53,068,993
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	\$ 25,054		
6. Revenue deficits	\$ -		
7. Offset receipts deficits	\$ -		
8. Authorized Deferral of Teachers' Pay	\$ 100,000		
9. Snow and Ice deficit	\$ -		
10. Other	\$ 125,054		
	TOTAL II b.	\$	125,054
II c. State and County Cherry Sheet Charges		\$	95,249
II d. Allowance for Abatements and Exemptions (overlay)		\$	150,000
<b>II e. TOTAL AMOUNT TO BE RAISED</b>		\$	<b>53,439,296</b>

### III. Estimated Receipts and Other Revenue Sources

### III a. Estimated Receipts - State

1,152,749

1.	Cherry Sheet Estimated Receipts	\$
2.	Massachusetts School Building Authority Payments	\$
		<b>TOTAL</b>
		1,152,749

### 111 b. Estimated Receipts - Local

1. Local Receipts Not Allocated
2. Offset Receipts
3. Enterprise Funds
4. Community Preservation Funds
5. Coronavirus Recovery Funds

TOTAL I || b.

### III.6: Revenue Sources Appropriated for Particular Purposes

### 1. Free Cash

TOTAL

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1b. Free Cash...appropriated on or before July 31, 2023

1b. Free Cash...appropriated on or after July 1, 2023

2. Municipal Light Source
3. Teachers' Pay Deferral
4. Other Source:

TOTAL

### **Total Estimated Receipts and Other Revenue Sources**

### Summary of Total Amounts to be Raised and Total Receipts from All Sources

- a. Total Amount to be Raised
- b. Total Estimated Receipts and Other Revenue Sources
- c. Total Real and Personal Property Tax Levy
- d. Total Receipts from All Sources

53,439,296

53,439,296

53,439,296

53,439,296

EISCAI YEAR 2024 TOWN MANAGER'S PROPOSED OPERATING BUDGET

**TAX RATE RECAPITULATION**  
**GROTON**

**LOCAL RECEIPTS NOT ALLOCATED**

	BUDGETED RECEIPTS FY 2023	ESTIMATED RECEIPTS FY 2024
1 MOTOR VEHICLE EXCISE	\$ 1,778,290	\$ 1,828,638
2 OTHER EXCISE	\$ 350,000	\$ 550,000
3 PENALTIES AND INTEREST ON TAXES	\$ 110,000	\$ 110,000
4 PAYMENTS IN LIEU OF TAXES	\$ 300,000	\$ 325,000
5 CHARGES FOR SERVICES - WATER	-	-
6 CHARGES FOR SERVICES - SEWER	-	-
7 CHARGES FOR SERVICES - HOSPITAL	-	-
8 CHARGES FOR SERVICES - TRASH DISPOSAL	-	-
9 OTHER CHARGES FROM SERVICES	-	-
10 FEES	\$ 90,000	\$ 99,000
11 RENTAL	\$ 385,446	\$ 392,000
12 DEPARTMENTAL REVENUE - SCHOOLS	\$ 32,000	\$ 40,000
13 DEPARTMENTAL REVENUE - LIBRARIES	-	-
14 DEPARTMENTAL REVENUE - CEMETERIES	-	-
15 DEPARTMENTAL REVENUE - RECREATION	\$ 605,267	\$ 700,000
16 OTHER DEPARTMENTAL REVENUE	\$ 775,000	\$ 800,000
17 LICENSES AND PERMITS	\$ 315,681	\$ 429,300
18 SPECIAL ASSESSMENTS	-	-
19 FINES AND FORFEITS	\$ 10,000	\$ 20,000
20 INVESTMENT INCOME	\$ 50,000	\$ 90,000
21 MISCELLANEOUS NON-RECURRING	-	-
22 MISCELLANEOUS NON-RECURRING	\$ 6,936	\$ -
<b>TOTAL</b>	<b>\$ 4,808,620</b>	<b>\$ 5,383,938</b>

**FISCAL YEAR 2024**

Revised: 12/24/2022

## Operating Budget Comparison - Fiscal Year 2023 Vs. Fiscal Year 2024

<u>Category</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>Dollar Difference</u>	<u>Percentage Change</u>
General Government	\$ 2,293,398	\$ 2,349,147	\$ 55,749	2.43%
Land Use	\$ 460,356	\$ 494,508	\$ 34,152	7.42%
Protection of Persons and Property	\$ 4,833,510	\$ 4,831,397	\$ (2,113)	-0.04%
Department of Public Works	\$ 2,345,816	\$ 2,366,495	\$ 20,679	0.88%
Library and Citizen Services	\$ 1,892,083	\$ 1,993,320	\$ 101,237	5.35%
<b>Sub-Total - Wages and Expenses</b>	<b>\$ 11,825,163</b>	<b>\$ 12,034,866</b>	<b>\$ 209,703</b>	<b>1.77%</b>
Debt Service	\$ 3,651,258	\$ 4,829,756	\$ 1,178,498	32.28%
Employee Benefits	\$ 4,797,706	\$ 4,955,663	\$ 157,957	3.29%
<b>Sub-Total - All Municipal</b>	<b>\$ 20,274,127</b>	<b>\$ 21,820,285</b>	<b>\$ 1,546,158</b>	<b>7.63%</b>
Nashoba Tech	\$ 810,037	\$ 810,037	\$ -	0.00%
Groton-Dunstable Operating	\$ 24,319,318	\$ 25,537,716	\$ 1,218,398	5.01%
Groton-Dunstable Excluded Debt	\$ 422,713	\$ 406,982	\$ (15,731)	-3.72%
Groton-Dunstable Debt	\$ 60,191	\$ 58,814	\$ (1,377)	-2.29%
Groton Dunstable Capital	\$ 577,026	\$ 552,203	\$ (24,823)	-4.30%
<b>Sub-Total - Education</b>	<b>\$ 26,189,285</b>	<b>\$ 27,365,752</b>	<b>\$ 1,176,467</b>	<b>4.49%</b>
<b>Grand Total - Town Budget</b>	<b>\$ 46,463,412</b>	<b>\$ 49,186,037</b>	<b>\$ 2,722,625</b>	<b>5.86%</b>

Revised: 12/24/2022

## Operating Budget Comparison - Fiscal Year 2023 Vs. Fiscal Year 2024

<u>Category</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>Dollar Difference</u>	<u>Percentage Change</u>
General Government	\$ 2,293,398	\$ 2,349,147	\$ 55,749	2.43%
Land Use	\$ 460,356	\$ 494,508	\$ 34,152	7.42%
Protection of Persons and Property	\$ 4,833,510	\$ 4,831,397	\$ (2,113)	-0.04%
Department of Public Works	\$ 2,345,816	\$ 2,366,495	\$ 20,679	0.88%
Library and Citizen Services	\$ 1,892,083	\$ 1,993,320	\$ 101,237	5.35%
Employee Benefits	\$ 4,797,706	\$ 4,955,663	\$ 157,957	3.29%
<b>Sub-Total</b>	<b>\$ 16,622,869</b>	<b>\$ 16,990,529</b>	<b>\$ 367,660</b>	<b>2.21%</b>
Debt Service - Excluded	\$ 3,320,202	\$ 4,506,102	\$ 1,185,900	35.72%
Debt Service - In Levy Only	\$ 331,056	\$ 323,654	\$ (7,402)	-2.24%
<b>Sub-Total - All Municipal</b>	<b>\$ 20,274,127</b>	<b>\$ 21,820,285</b>	<b>\$ 1,546,158</b>	<b>7.63%</b>
Nashoba Tech	\$ 810,037	\$ 810,037	\$ -	0.00%
Groton-Dunstable Operating	\$ 24,319,318	\$ 25,537,716	\$ 1,218,398	5.01%
Groton-Dunstable Excluded Debt	\$ 422,713	\$ 406,982	\$ (15,731)	-3.72%
Groton-Dunstable Debt	\$ 60,191	\$ 58,814	\$ (1,377)	-2.29%
Groton Dunstable Capital	\$ 577,026	\$ 552,203	\$ (24,823)	-4.30%
<b>Sub-Total - Education</b>	<b>\$ 26,189,285</b>	<b>\$ 27,365,752</b>	<b>\$ 1,176,467</b>	<b>4.49%</b>
<b>Grand Total - Town Budget</b>	<b>\$ 46,463,412</b>	<b>\$ 49,186,037</b>	<b>\$ 2,722,625</b>	<b>5.86%</b>

Revised: 12/24/2022

## Operating Budget Comparison - Fiscal Year 2023 Vs. Fiscal Year 2024

<u>Category</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>Dollar Difference</u>	<u>Percentage Change</u>
Municipal Wages	\$ 8,835,332	\$ 8,946,834	\$ 111,502	1.26%
Employee Benefits	\$ 4,797,706	\$ 4,955,663	\$ 157,957	3.29%
<b>Sub-Total - Wages and Benefits</b>	<b>\$ 13,633,038</b>	<b>\$ 13,902,497</b>	<b>\$ 269,459</b>	<b>1.98%</b>
Municipal Expenses	\$ 2,989,831	\$ 3,088,032	\$ 98,201	3.28%
<b>Sub-Total -</b>	<b>\$ 16,622,869</b>	<b>\$ 16,990,529</b>	<b>\$ 367,660</b>	<b>2.21%</b>
Debt Service - In-Levy Only	\$ 331,056	\$ 323,654	\$ (7,402)	-2.24%
<b>Total - All Municipal</b>	<b>\$ 16,953,925</b>	<b>\$ 17,314,183</b>	<b>\$ 360,258</b>	<b>2.12%</b>
Nashoba Tech	\$ 810,037	\$ 810,037	\$ -	0.00%
Groton-Dunstable Operating	\$ 24,319,318	\$ 25,537,716	\$ 1,218,398	5.01%
Groton-Dunstable Debt	\$ 60,191	\$ 58,814	\$ (1,377)	-2.29%
<b>Sub-Total - Education</b>	<b>\$ 25,189,546</b>	<b>\$ 26,406,567</b>	<b>\$ 1,217,021</b>	<b>4.83%</b>
<b>Grand Total - Town Budget</b>	<b>\$ 42,143,471</b>	<b>\$ 43,720,750</b>	<b>\$ 1,577,279</b>	<b>3.74%</b>



**Town of  
Groton  
Massachusetts**

**Government**

**Community**

**For Businesses**

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# **Understanding the Town of Groton Tax Billing Process**

Home » Understanding the Town of Groton Tax Billing Process

## **Understanding the Town of Groton Fiscal Year 2023 Tax Bill and the Tax Billing Process**

### **Fiscal Year 2023 Tax Bill**

The average tax bill (a home valued at \$633,985) in Groton grew by about \$717 in Fiscal Year 2023 (July 1, 2022 – June 30, 2023). The bills are significant for two reasons. First, fifty (50%) percent of the permanent debt service for the Florence Roche Elementary School Construction Project is contained on the bill for the first time. Second, due to the incredible real estate year in 2021, the Assessors had no choice but to raise property values by an average of 18%. Under Proposition 2½, the Assessors are required to bring property values between 90% and 110% of full and fair cash value. The Fiscal Year 2023 Valuation is based on sales from Calendar Year 2021. The extraordinary real estate market last year gave them very little choice but to raise values by that amount.

Under Proposition 2½, when values increase, the tax rate lowers, however, the Town still has to raise the same amount through taxation. For example, in Fiscal Year 2022, the average home was valued at \$535,100 and the tax rate was \$17.19. The average tax bill was \$9,198 based on the Town's need to raise \$36,298,084. In Fiscal Year 2023, the

Town needs to raise \$39,167,728. If the real estate values stayed the same, the tax rate necessary to cover that levy would have been \$18.56 and the average tax bill would be \$9,931 (an increase of \$733 due primarily to the debt service on the Florence Roche Elementary School Construction Project). Since the Assessors were required to raise values as described in the first paragraph above by approximately eighteen (18%) percent, the average home in Groton is now valued at \$633,985. The tax rate, instead of being \$18.56, is now \$15.64 based on the FY 2023 levy of \$39,167,728 and the average bill is \$9,915 (an increase of \$717). The rise in value did not increase the amount of money the Town is authorized to raise. The Town is not raising more money than legally allowed because of the increase in values. Please note that of the \$717 increase in the average tax bill in FY 2023, approximately \$300 is the increase based on the allowed increase in the Levy under Proposition 2½ (2½% increase plus new growth), and approximately \$417 is the increase for the debt service for the Florence Roche Elementary School Construction Project.

## **Tax Billing Schedule**

Groton has a quarterly tax billing schedule of real estate and personal property taxes.

Tax payments are due on **August 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup> and May 1<sup>st</sup>**.

The tax billing year is based on a fiscal year and not a calendar year.

The fiscal year is from **July 1<sup>st</sup> to June 30<sup>th</sup>**.

Building assessments are based on their status as of June 30<sup>th</sup>, prior to the start of the fiscal year. Land assessments are based on January 1st of the calendar year.

First two quarters are **preliminary tax bills** based on last year taxes. The preliminary tax bills are approximately 25% of last year taxes for the 1st & 2nd quarters.

**Example:** If a taxpayer had a total tax liability of \$10,000 for the previous year, using 25% of last year total tax bill, the 1st & 2nd quarter tax bills would be \$2,500 per quarter. The total of these two quarter tax bills would be \$5,000.

After the tax rate for the fiscal year is set (around the first week in December), your 3rd quarter tax bill will be sent out towards the end of December. The 3rd quarter tax bill is also known as the **actual tax bill** for that fiscal year. This bill will show the **new tax rate**, the **new assessed valuation**, and the **actual amount of taxes owed for the fiscal year**.

The actual taxes for the fiscal year will be calculated based on the new tax rate and the new assessment of the property. After subtracting the preliminary tax bills from the total taxes due, the balance owed will be divided into two equal installments for the 3rd & 4th quarter tax bills.

**Example:** The actual tax bill for the above taxpayer is calculated to be \$12,000 for the year. We subtract the total of the preliminary payments \$5,000 (see above example) leaving a balance of \$7,000 due. This then would be divided into two equal payments of \$3,500 due for the 3rd & 4th quarter tax bills.

**Total Tax Bill for the Year: \$12,000**

**Less Preliminary Taxes: \$5,000**

**Balance Due: \$7,000**

**3<sup>rd</sup> Quarter Tax Bill: \$3,500**

**4<sup>th</sup> Quarter Tax Bill: \$3,500**

**Preliminary Tax Bill in the following year:**

**1<sup>st</sup> Quarter Preliminary Bill: \$3,000**

**2<sup>nd</sup> Quarter Preliminary Bill: \$3,000**

## **Recent Town Announcements**

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**Understanding the Town of Groton Tax Billing Process**

Posted on January 10, 2023

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**Well Adult Clinic**

Posted on January 9, 2023

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**Nashoba Valley Chorale – The Chariot Jubilee**

Posted on January 6, 2023

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**Winter Parking Ban**

Posted on January 6, 2023

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**2023 Dog Registration Now Open**

Posted on January 4, 2023

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## **Upcoming Public Meetings**