



FINANCE COMMITTEE MEETING
The Groton Center, Corner Meeting Room
163 W. Main Street Groton, MA 01450
Tuesday, Oct 20, 2026 – 7:00 PM

Approved 10/26/26

Finance Committee Members Present: Chair – David Manugian, Vice Chair – Bud Robertson, Kristina Lengyel, Nancy Muller, Scott Whitefield

Finance Committee Members Absent: Gary Green, Jamie McDonald

Also Present: Town Manager – Mark Haddad, Town Accountant – Patricia A. DuFresne, School Committee Liaison - Rebecca Weksner, Judy Anderson

The meeting was convened at 7:00 PM.

Review of Agenda & Other Business

- Mr. Manugian noted that the group would use this meeting to discuss FY28 Budget Guidance and Fire Department Staffing as well as reviewing and approving minutes.
 - Approval of Minutes:
 - On a motion by Mr. Robertson, seconded by Ms. Lengyel, the Finance Committee voted to approve the meeting minutes from 9/28/26 as drafted. (The Vote: 5-0-0)
 - On a motion by Ms. Lengyel, seconded by Ms. Muller, the Finance Committee voted to approve the meeting minutes from 10/3/26 as amended. (The Vote: 5-0-0)
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FY28 Budget Guidance

Mr. Haddad explained that his FY28 Budget Working Group had been meeting since the summer. He formed this group to bring together representatives from Groton, Dunstable and the School District to review projected financials for FY28, identify budgetary pressures and consider solutions to address any anticipated deficits. After reviewing the 3-year projections the Town of Groton is estimating a deficit of approximately \$2.1 Mil for FY28. This is based on anticipated 9.24% growth in the GDRSD assessment to Groton. Mr. Haddad explained how he had derived his projections: the pension assessment is already set from MCRS, wage/salary increases are firm at 3% based on previously negotiated CBA's, the health insurance placeholder is provided by MIIA

at 10% but is not final until February. He noted that when the Town first joined the Patriot Regional Emergency Communication Center, our fees were paid by a grant for three years. Now, we must begin paying our share for those services, which is 50% or \$180,000 for FY28.

The group discussed the anticipated assessment from the Nashoba Valley Technical High School. Mr. Haddad said that our enrollment (which drives the assessment) is fairly consistent there (around 12 per grade level) and we have one of the lower enrollment levels in the 8-town district. As of right now, we are still waiting to hear what the final October enrollment totals are. Mr. Whitefield wondered why the cost structure at NVTHS seems to be different from that of GDRSD. Ms. Weksner suggested that the enrollment demographics specific to NVTHS might offer opportunities for additional grant funding. Ms. Lengyel asked whether their teachers belong to the same union as those from GDRSD. Ms. Weksner said they probably belong to MTA but may have their own local chapter. Mr. Robertson reminded the group that the level of state funding is impactful; GDRSD has budget growth of around 6%, but assesses Groton at 9% and Dunstable at 7% due to flat state aid. In reply to a question from Ms. Lengyel, Mr. Haddad said that the district was using the most recent Chapter 70 contributions in their projections. He went on to say that it was unlikely that the state would offer much additional aid in FY28.

Mr. Haddad said that the Town must seek a tax override for FY28 or make significant budget reductions (approximately \$400k on the municipal side and \$2 Mil on the district side). He emphasized that this would be devastating as over the last few years the Town has cut 4 or 5 positions and the School District has cut around 40. The Budget Working Group has reached out to three towns that have had successful overrides in the recent past: Marblehead, Melrose and Grafton. These towns all adopted similar strategies such as choosing a multi-year override, structuring the request into discreet funding tiers, and spending a great deal of time and effort on public education campaigns. In some cases, town officials signed agreements to constrict spending to remain within the limits of the authorized override. Also, the successful strategies included specificity about the budget cuts to be made. Ms. Muller asked what such a public relations campaign would look like in Groton. Mr. Haddad said he would recommend modeling it after the “Yes Grafton” campaign that was run in the Town of Grafton. It was headed up by a 501(c) 3 organization and raised around \$5,000 for education, hiring consultants, reviewing voter lists, etc. He emphasized that this effort is already underway in Groton. On the question of who should lead this campaign, Ms. Weksner and Mr. Haddad agreed that it should not be led by the Select Board or FinCom, but by an independent citizen’s committee.

The group discussed potential strategies to avoid catastrophic additional budget cuts. Mr. Haddad suggested adopting the recommendations put forward by his Budget Working Group (see attached Budget Guidance Memo of 10/14/26). He felt the guidance should include:

1. The Town Manager should provide a balanced budget within the levy, and specifically identify all potential budget reductions. This can be complicated due to the vagaries of the GDRSD assessment formulas that are applied to the two towns. FinCom will have an opportunity to help target those budget adjustments.

2. The Town Manager should additionally prepare budgets that include a three-year multi-level Proposition 2 ½ Tax Override which would provide voters with the following funding alternatives:
 - a. Maintain Level Services Override – This would raise the tax levy by \$6,450,000 and would provide only that funding necessary to maintain the current level of municipal and educational services.
 - b. Restoration Investment Override – This would raise the tax levy by \$7,900,000 and would build on the level services scenario by adding funding for crucial staffing restorations and other critical needs within both the Town and the School District. Specifically, this option would restore 7.6 FTE's within GDRSD at a cost of \$855k, and on the municipal side, would restore 1 Police Officer, 2 DPW employees and add 1 Fire Fighter at a total cost of just over \$500k. The addition of 1 Fire Fighter would allow the Department to staff 3 Officers per every shift. Mr. Haddad would also like to add a third level of funding that builds on the initial Restoration Investment Override by adding 4 more Fire Fighters at a cost of \$589,896. This would push the tax levy increase to \$8,530,000, and would allow the Town to adopt the full staffing model recommended by the Fire Staffing Study consultant (John Parow).

Mr. Haddad informed the members that if they would give him the budget guidance based on these parameters, he would work with the FinCom to begin targeting budget reductions.

The group discussed how this strategy would play out at the Spring Town Meeting. Mr. Haddad explained that Town Meeting would be asked to approve a base-level balanced budget and then also 3 additional budgets, each contingent on a successful vote for a Proposition 2 ½ Override at the ballot. In response to a question from Ms. Muller, Mr. Haddad replied that all 7.6 FTE's to be restored by GDRSD (with the Restoration Investment Override) are student-facing positions. Several members of the group expressed concern that adding the 4th level of funding (to include the final 4 Fire Fighters) increases the risk of the Override failing. The group will have further discussions regarding how to appropriately structure the override. Mr. Haddad noted that his Working Group has recommended adopting a unified Town and School approach to presenting the override request, so as to avoid competing interests at the ballot. The FinCom members generally agreed to this approach. Mr. Whitefield emphasized the importance of maintaining the integrity of the funding tiers as presented to the public. Mr. Manugian agreed saying that if the override fails, then those cuts that were presented must be made. The Finance Committee discussed allowing some exceptions to this tenet, and agreed that if private funding or state/federal grants became available, these sources of revenue could be used to restore services. However, these services would not be added back to the base operational budget as the revenue would be considered one-time funding. Mr. Haddad mentioned that if State Aid comes in significantly higher, it would be appropriate for budget adjustments to be made at the Fall Town Meeting.

Fire Department Staffing

Several FinCom members argued that the Fire Department Staffing issue could use additional discussion, especially with regards to the pending opening of the new UMASS Emergency Facility. Transportation concerns are among the topics yet to be resolved with the Fire Department and communicated to citizens. Mr. Robertson agreed that the true impacts cannot be known until the new facility has been operating for a year. However, the safety of the Fire Department employees should be kept in mind; he is in favor of adding one additional Fire Fighter so that all shifts will have 3 officers. He agreed with several other members that adding a 4th level of override funding for additional Fire Fighters may be problematic.

Mr. Robertson asked for confirmation that the 60/40 revenue split that was in place for the FY27 budget would be continued for FY28. Mr. Haddad agreed that all new revenue would be split so that 60% would support the School District budget and 40% would support the municipal budget. He stressed that any additional revenue that is received beyond the budgeted projection would go to the School District as the district is seen as having the greater need.

The group discussed the need to educate the public about the limitations of budgeting to a tax override. It is important that the citizens realize that until the gap between revenue and operating expenses is closed (either through additional State Aid, new revenue streams, or reducing expense growth) tax override requests will continue to be needed every few years. Ms. Weksner mentioned that state officials are planning a review of the Chapter 70 formula, but this won't take place for several years. She said it will be crucial to provide clarity on the budgetary challenges when educating the public about the tax override; people have incorrect perceptions about how municipal finance works.

Mr. Haddad summarized the FY28 Budget Guidance agreed to this evening:

1. To provide balanced budget within tax levy itemizing all reductions
2. To also provide contingent budgets based on unified Town/District Prop 2 ½ Override requests as follows:
 - a. Level Services Budget increase of \$6,450,000
 - b. Restoration Investment budget (with 1 Fire Fighter) increase of \$7,900,000
 - c. Restoration Investment budget (with 5 Fire Fighters) increase of \$8,530,000
3. Operational budget reductions to be considered firm with the exception of funding received through grants or from private donations

Mr. Haddad noted that while this was the budget guidance he was taking away from this meeting, additional discussions would take place and therefore the final decision made about a potential tax override may change. He reminded the group that while FinCom controlled proposed budgets, the Select Board controlled Tax Override requests.

Mr. Manugian summarized the Finance Committee's plan to move forward:

1. It is the FinCom's intent to adopt the budget group's working memo as a guidance document for the FY28 budget planning process (FY28 Budget Guidance Memo attached).
 2. With all budget scenarios, there is no intent to separate the schools and the municipal portions into different overrides.
 3. Once the service levels are set (and after the school committee certifies their budget), there will be no operations budget changes except where grants or donations extend services on a one-time basis.
 4. The FinCom will discuss fire staffing in the context of budget discussions moving forward.
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Closing

- The next meeting is scheduled for October 26, 2026 at 6:30 PM, and will feature a presentation from the Regional Energy Manager followed by a joint meeting with the Select Board to formalize the FY28 Budget Guidance discussed today.
 - Chair Manugian adjourned the meeting at 8:00 pm.
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Respectfully submitted by Patricia Dufresne, Assistant Finance Director/Town Accountant



TOWN OF GROTON

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Select Board

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Rebecca H. Pine, *Vice Chair*
Nicholas J. Degaitas, Jr., *Clerk*
John F. Reilly, *Member*
Matthew F. Pisani, *Member*

Town Manager
Mark W. Haddad

To: *Select Board
Finance Committee*

From: *Mark W. Haddad – Town Manager*

Subject: *Fiscal Year 2028 Budget Guidance*

Date: *October 14, 2026*

The purpose of this memorandum is to provide information and a recommendation on the Fiscal Year 2028 Budget Guidance. Section 6.4.1 of the Groton Charter requires the Town Manager to meet with the Select Board and Finance Committee to determine budgetary guidance for the subsequent fiscal year. This guidance will be used by the Town Manager and Finance Team to develop the Town Manager's Proposed Fiscal Year 2028 Operating Budget that is due by January 31, 2027. As the Select Board and Finance Committee are aware, the Town of Groton is facing significant financial challenges in Fiscal Year 2028. Given the anticipated budget deficit for FY 2028, we initiated the budget development process considerably earlier than in previous years. This proactive approach is intended to provide sufficient time to thoroughly evaluate projected revenues and expenditures, identify the factors contributing to the anticipated shortfall, and develop a responsible and sustainable financial plan that addresses the Town's fiscal challenges while continuing to provide essential municipal and educational services.

Understanding that the financial challenges facing Groton are closely tied to the financial circumstances of the Town of Dunstable and the Groton-Dunstable Regional School District, Dunstable Town Administrator Jason Silva and I established the Town Manager's/Town Administrator's Budget Working Group. The purpose of this Working Group is to bring together representatives from all three entities to collaboratively review projected FY 2028 revenues and expenditures, assess the anticipated financial pressures facing each community and the School District, and develop a common recommendation to address the deficit during the development of the Fiscal Year 2028 Proposed Operating Budget. The Working Group consists of the following representatives:

Town of Groton: Town Manager Mark Haddad, Select Board Member Nick Degaitas, and Finance Committee Member Bud Robertson.

Town of Dunstable: Town Administrator Jason Silva, Select Board Member Ron Mikol, and Advisory Committee Member Matthew Naughton.

Groton-Dunstable Regional School District: Regional School Committee Chair Lacey McCabe, Superintendent Dr. Geoff Bruno, and Director of Business Sherry Kersey.

In addition to the members of the Working Group, members of Groton's Finance Team, including Patricia DuFresne, Katie Kazanjian, Tammi Mickel, Melisa Doig, and Kara Cruikshank, have participated in the meetings, providing valuable support throughout the process.

To date, the Working Group has held several meetings during which we have conducted a comprehensive review of anticipated revenues and expenditures for FY 2028 for the Towns of Groton and Dunstable, as well as the Groton-Dunstable Regional School District. These discussions have focused on identifying projected revenue growth, anticipated increases in operating expenses, and the financial implications of the Regional School District's budget on both member communities. The collaborative nature of these discussions has been particularly important, as decisions made by one entity will inevitably have financial implications for the others.

Based on our preliminary analysis, it is clear that both Groton and Dunstable are facing significant projected budget deficits in Fiscal Year 2028. While these projections will continue to be refined as additional financial information becomes available, the magnitude of the anticipated shortfalls requires that we begin addressing these challenges immediately. It is equally important that we approach this process with a shared understanding that the financial resources available to support municipal operations and public education are limited. Balancing these competing needs will require difficult decisions, meaningful cooperation, and a commitment by all parties to developing budgets that are both fiscally responsible and sustainable over the long term.

With that background, I believe it is important for the Select Board and Finance Committee to have a clear understanding of the Town's anticipated financial position before establishing formal budget guidance for FY 2028. The following chart summarizes the Town of Groton's preliminary projected revenues and expenditures for Fiscal Year 2028 and shows the anticipated budget shortfall that will need to be addressed as we move forward with the budget development process:

	<u>FY 2028</u>
<u>Category</u>	
Unexpended Levy Capacity	\$ 37,714
Anticipated FY 2028 Levy Increase (\$18 Million in New Growth)	\$ 1,302,821
Anticipated FY 2028 Local Receipts Increase	\$ -
Anticipated FY 2028 State Aid Increase (2.5% Estimated Increase)	\$ 31,690
Available New Revenue for Fiscal Year 2028	\$ 1,372,225
Initial Set Aside for Municipal Budget (40%)	\$ 548,890
Initial Set Aside for GDRSD Operational Assessment (60%)	\$ 823,335
Anticipated Increase in GDRSD Assessment (9.24% Increase)	\$ 2,721,757
<u>Anticipated Increases in Municipal Budget</u>	
Salaries/Wages - All Union Contracts Call for 3% COLA	\$ 293,877
Pension - (Estimated Increase of 6.54%)	\$ 132,115
Health Insurance - (Estimated Increase of 10%)	\$ 184,578
Anticipated Increase Patriot RECC - Communications Budget	\$ 180,000
Anticipated Increase in Nashoba Tech (2½% Increase)	\$ 23,490
Total	\$ 814,060
Anticipated FY 2027 Preliminary Surplus(Deficit)	\$ (2,163,592)

A projected budget deficit of this magnitude cannot be overcome without making significant reductions to both the Town's municipal operating budget and the operating assessment of the Groton-Dunstable Regional School District. The financial challenges facing both communities are substantial, and there is simply no realistic scenario in which we can close the anticipated budget gap through minor spending adjustments, operational efficiencies, or modest reductions in departmental budgets. Without a significant infusion of additional revenue, both the Town and the School District will be forced to make difficult decisions that will have a direct and lasting impact on the level and quality of services provided to our residents.

Unfortunately, the Commonwealth of Massachusetts has not proven to be a reliable partner in helping municipalities address these growing financial challenges. While the FY 2027 State Budget provides for the establishment of a Committee to study the Chapter 70 education funding formula, I do not believe that the Committee's work will be completed in time to result in any meaningful increase in education funding for the Groton-Dunstable Regional School District in FY 2028. Furthermore, despite a significant lobbying effort by the Massachusetts Municipal Association to increase Unrestricted General Government Aid (UGGA) in FY 2027, the Town of Groton received an increase of only \$84,871, or 7.1%. While any increase in state aid is appreciated, this amount does very little to address the escalating costs of providing municipal services. I have no reason to anticipate a substantial increase in unrestricted state aid in FY 2028. Simply stated, depending on the Commonwealth to provide the additional financial resources necessary to resolve our FY 2028 budget deficit is neither a realistic nor a responsible budget strategy.

Based on the Working Group's discussions and financial analysis, it is clear that we are facing two choices in Fiscal Year 2028. We can either seek an Override of Proposition 2½ in both Groton and Dunstable for FY 2028 or make significant reductions to both municipal operating budgets and the Regional School District's operating budget. Neither alternative is without considerable challenges. However, given the magnitude of the projected deficit, I believe we have no choice but to seriously consider pursuing an override as a means of preserving the essential services that our residents have come to expect from both the Town and School District. I fully recognize that pursuing a Proposition 2½ override in Groton will be a difficult undertaking. The Town has not successfully passed a Proposition 2½ operating override since 2004, and our history demonstrates that obtaining voter support for additional property taxes is far from certain. Nevertheless, the financial circumstances we are facing in FY 2028 are significant, and I do not see a viable alternative that would allow us to maintain our current level of municipal and educational services without seeking additional revenue. The reductions necessary to balance the budget without an override would be severe and would detrimentally reduce the level of services we are able to provide. In my opinion, we need to fully explain the magnitude of the problem and identify the exact reductions/impacts if we fail to address it. This will provide an opportunity for residents to determine the level of services they are willing to support.

Making this even more difficult is the fact that the Town of Groton is also facing a significant staffing shortage within the Fire Department that must be addressed as part of the FY 2028 budget process. The Fire Staffing Working Group has been reviewing the Department's staffing needs and is recommending, at a minimum, that the Town hire one additional Firefighter/EMT as soon as possible. This would bring each group to three Firefighter/EMTs. However, the ultimate goal is hiring a total of five additional Firefighter/EMTs, which would bring each group to four Firefighter/EMTs. These staffing needs are not simply a matter of enhancing existing services. As presented to the Select Board and Finance Committee at your joint meeting of September 28th, they are directly related to the Town's ability to provide adequate fire protection and emergency medical services to our residents. Addressing this critical public safety need will require additional financial resources at precisely the same time that we are struggling to

maintain existing municipal and educational operations. This further reinforces the need to consider an Override of Proposition 2½ in Fiscal Year 2028.

Recognizing Groton's history with Proposition 2½ overrides, the Budget Working Group determined that it would be beneficial to learn from other Massachusetts communities that have recently faced similar financial challenges and successfully obtained voter approval for additional operating revenues. To that end, members of the Working Group met with officials from the Towns of Grafton and Marblehead and the City of Melrose. Each of these communities successfully pursued and passed multi-year, multi-level overrides to address structural budget deficits and avoid significant reductions in municipal and educational services. The discussions with these communities were extremely valuable and provided important insight into the challenges associated with developing, communicating, and ultimately obtaining voter support for an operational override. While each community approached its financial challenges somewhat differently, each community outlined the importance of clearly demonstrating to residents the financial realities facing their community, the specific services that would be impacted without additional revenue, and the long-term benefits of establishing a sustainable financial plan. These communities recognized that simply presenting voters with a request for additional funding was not sufficient. Residents needed to understand why the additional revenue was necessary, how it would be utilized, and what the consequences would be if the override were unsuccessful.

Another important takeaway from these discussions was the value of considering a multi-year approach to addressing structural budget deficits. Rather than seeking additional revenue to address only a single fiscal year's shortfall, these communities developed strategies intended to provide greater financial stability over multiple fiscal years. This approach requires careful financial forecasting, clearly defined spending priorities, and a commitment to managing future expenditures within the additional revenue authorized by the voters. It also requires transparency and accountability so that residents can have confidence that the additional tax dollars are being utilized for their intended purposes. I believe the experiences of Grafton, Marblehead, and Melrose provide a useful framework as we consider our options for FY 2028. While there are important differences between these communities and Groton, their experiences demonstrate that voters may be willing to support additional operating revenues when presented with a clear, credible, and well-documented explanation of the community's financial needs. Equally important, these discussions reinforced that a successful override effort must begin well in advance of the actual vote and must be grounded in accurate financial information, realistic expenditure projections, and a clear understanding of the services that are at risk.

I believe it is crucial that the Select Board, Finance Committee, along with the Town of Dunstable and the Groton-Dunstable Regional School District approach this challenge together. An override should not be viewed as an opportunity to expand government spending without restraint, but rather as a way to preserve essential services, address critical public safety needs, and establish a more sustainable financial foundation for the future. At the same time, we must recognize that any request for additional taxpayer support must be accompanied by a demonstrated commitment to controlling costs and ensuring that every available tax dollar is spent responsibly. This was a hallmark to the strategy used by the Town of Marblehead. The Finance Committee and School Committee entered into an agreement outlining the terms and commitment by both Boards on budget growth over the course of the projected override length. Ultimately, the decision to pursue an override will rest with the Select Boards of both Groton and Dunstable, and the final decision on whether to authorize additional property tax revenue will rest with the voters of Groton and Dunstable. However, given the severity of the projected FY 2028 deficit, I believe we have an obligation to fully explore this option and develop a comprehensive plan that allows our residents to make an informed decision about the future of municipal services and public education in Groton and Dunstable.

Based on the work undertaken by the Town Manager's/Town Administrator's Budget Working Group, including our review of projected revenues and expenditures, the anticipated structural deficits facing both communities, and the experiences of other municipalities that have successfully pursued Proposition 2½ overrides, I am recommending that the Select Board and Finance Committee adopt the following budget guidance for Fiscal Year 2028. I believe it is essential that we approach this process with complete transparency and provide our residents with a clear understanding of the financial challenges facing the Town and the consequences of not obtaining revenues necessary to maintain services. Please consider the following:

Alternative One: Develop of a Balanced FY 2028 Budget Without a Proposition 2½ Override

The Select Board should direct the Town Manager to prepare and submit a balanced Fiscal Year 2028 Operating Budget that does not rely on the passage of a Proposition 2½ override. This budget must be developed using available revenues within the Town's existing levy limit, together with other reasonably anticipated revenue sources. The Town Manager shall identify the specific reductions necessary to bring the municipal operating budget into balance. In addition, working collaboratively with the Groton-Dunstable Regional School District, identify the reductions in the School District's operating assessment that would be necessary to achieve a balanced budget without additional property tax revenue. This budget must clearly identify the positions, programs, services, and operational capabilities that would be eliminated or reduced. Residents deserve to understand precisely what a balanced budget without an override would mean for public safety, public works, general government, and the educational services provided to our children. While this will require difficult decisions, I believe it is a necessary first step. Regardless of whether the Town ultimately pursues an override, I am legally required to provide a Balanced Budget. In addition, developing this Budget will establish a clear baseline against which residents can evaluate the benefits and costs of any proposed override.

Alternative Two: Consideration of a Three-Year, Multi-Level Proposition 2½ Override

The Select Board, with the support of the Finance Committee, should consider seeking voter approval of a multi-year Proposition 2½ operating override designed to address the Town's financial needs over Fiscal Years 2028, 2029, and 2030. Based on our discussions with officials from Grafton, Marblehead, and Melrose, the Working Group believes that a multi-year financial strategy, coupled with multiple override questions offering different levels of service, provides a reasonable approach for consideration. In particular, the Towns of Marblehead and the City of Melrose utilized multiple override questions to provide voters with choices regarding the level of municipal and educational services they wished to support.

I believe this approach is especially appropriate for Groton. Rather than presenting voters with a single take-it-or-leave-it override proposal, we should provide them with clearly defined funding alternatives that distinguish between maintaining existing services and making targeted investments to restore services and address critical staffing deficiencies. The Working Group has developed three potential override funding scenarios for consideration.

Level One – Maintain Level Services Override

The first proposed override level would provide the funding necessary to maintain the current level of municipal and educational services over the next three fiscal years. Based on the projected Municipal Budget and Operating Assessment from the School District over the next three years, we have estimated that the three-year override requirement would be **\$6,450,000**.

This funding level is intended to stabilize municipal and School District operations and avoid another round of significant service reductions over the three-year planning period. It is important to emphasize that this is not a restoration budget. It does not seek to replace positions eliminated during previous budget cycles, restore every program that has been reduced, or address all of the Town's identified staffing needs. Instead, this scenario is designed to provide the additional revenue necessary to maintain the level of services currently being delivered to our residents and students. Given the reductions that have already occurred in both municipal government and the School District, I believe this represents the minimum additional investment necessary to preserve our existing operations.

Level Two – Restoration Investment Override

The second proposed override level would build upon the Maintain Level Services scenario by providing additional funding for targeted staffing restorations and critical service needs within both the Groton-Dunstable Regional School District and the Town's municipal departments. Unlike the first scenario, which is intended solely to stabilize existing operations, this level recognizes that reductions made over the last several fiscal years have had a meaningful impact on the Town's and School District's ability to deliver services. However, this proposal is not intended to restore every previously eliminated position or expenditure. Instead, it focuses on carefully selected investments that would have the greatest impact on core municipal services, public safety, and educational programming.

Over the past three fiscal years, the Groton-Dunstable Regional School District has reduced staffing by more than 40 full-time equivalent positions (FTEs). These reductions have been significant, and the District has made clear that it is not seeking to restore every position eliminated during this period. Rather, the District has undertaken a review of its educational and operational needs and identified approximately 7.6 FTEs that it believes are necessary to support the continued delivery of a quality educational program. I will defer to the School Committee and District Administration to provide the specific details of these proposed restorations and explain their educational and operational importance. The estimated additional funding required for the School District's proposed restoration is approximately \$1,140,000, of which Groton's anticipated share is approximately \$855,000.

On the municipal side, I have reviewed the staffing reductions implemented during the last two fiscal years, as well as the operational needs identified by our Department Heads. Based on this review, I am recommending the restoration of three previously eliminated positions: One Police Officer, eliminated from the FY 2027 Operating Budget and Two Department of Public Works employees, eliminated over the last two fiscal years. The total estimated FY 2028 cost of restoring these three positions is \$356,893.

I believe these are reasonable and targeted restorations that would directly improve the Town's ability to deliver essential municipal services. The Police Department and Department of Public Works provide fundamental services that our residents rely upon every day. Restoring these positions would help address operational pressures resulting from previous staffing reductions and strengthen our ability to meet existing service demands. In addition to these restorations, we must address the significant staffing deficiencies identified through the Fire Department Staffing Study and the work of the Fire Staffing Working Group. The Fire Department's staffing needs present a particularly important challenge because they directly affect the Town's ability to respond to fires, medical emergencies, and other public safety incidents. The staffing recommendations can be viewed as two distinct stages.

The first stage calls for the immediate addition of one Firefighter/EMT. This would bring staffing to three Firefighter/EMTs assigned to each of the Department's four shifts. The second stage would provide for the addition of four more Firefighter/EMTs, bringing the total proposed increase to five positions and resulting

in four Firefighter/EMTs assigned to each shift. Given the financial implications of these recommendations, I believe it is appropriate to present voters with two versions of the Restoration Investment Override, allowing them to determine the level of additional investment they are willing to support.

Restoration Investment – Version One: _____ Three Firefighter/EMTs Per Shift

This scenario would include the funding necessary to maintain existing services, together with the following targeted investments:

- Restoration of approximately 7.6 FTEs within the Groton-Dunstable Regional School District. **(\$855,000)**
- Restoration of one Police Officer. **(\$195,493)**
- Restoration of two Department of Public Works employees. **(\$161,400)**
- Addition of one Firefighter/EMT (three Firefighter/EMTs on each of the four shifts.) **(\$147,474)**

This option would restore several critical municipal and educational positions while addressing the Fire Department's most immediate staffing recommendation.

The estimated three-year override requirement for this scenario is \$7,900,000.

Restoration Investment – Version Two: _____ Four Firefighter/EMTs Per Shift

The final scenario would include all of the funding and staffing investments identified in Version One, with the additional commitment to implement the full staffing recommendation contained in the Fire Department Staffing Study. Specifically, this scenario would provide funding for four additional Firefighter/EMTs **(\$589,896)** beyond the initial position included in Version One, resulting in a total increase of five Firefighter/EMTs and bringing each of the Department's four shifts to four Firefighter/EMTs. I believe this option deserves serious consideration because it addresses not only the immediate staffing deficiency within the Fire Department but also establishes a more appropriate long-term staffing model for the delivery of fire protection and emergency medical services in Groton.

The estimated three-year override requirement for this scenario is \$8,530,000.

Summary of Proposed Override Funding Levels

Based on the Working Group's preliminary analysis, the following three-year override funding framework is recommended for further consideration:

- Question #1 – Maintain Level Services - \$6,450,000
- Question #2 – Restoration/Investment – One Additional FF/EMT - \$7,900,000
- Question #3 – Restoration/Investment – Five Additional FF/EMT - \$8,530,000

These three scenarios represent progressively greater investments in municipal and educational services. The first would provide the resources necessary to maintain current operations. The second would preserve existing services while restoring targeted positions and addressing the Fire Department's immediate staffing need. The third would provide those same restorations while implementing the full Fire

Department staffing recommendation. It is important to emphasize that these figures represent preliminary three-year funding targets and will continue to be refined as we finalize revenue projections, School District assessments, staffing costs, and other expenditure assumptions. The precise annual override amounts, the structure of the ballot questions, and the estimated impact on residential property taxes will need to be developed as part of the Final Town Manager's Proposed Fiscal Year 2028 Operating Budget. Any multi-year override proposal must also recognize that voter-approved levy capacity becomes part of the Town's ongoing property tax base.

The following Chart shows the potential impact on the Average Tax Bill over the next three fiscal years:

Override Level	FY2027	FY2028	Increase	FY2029	Increase	FY2030	Increase
Balanced Budget - Without Override							
Estimated Tax Rate	\$ 15.44	\$ 15.81	\$ 0.37	\$ 16.11	\$ 0.30	\$ 16.38	\$ 0.27
Estimated Average Tax Bill	\$ 11,756	\$ 12,038	\$ 282	\$ 12,266	\$ 228	\$ 12,472	\$ 206
Level Services - \$6,450,000							
Estimated Tax Rate	\$ 15.44	\$ 16.55	\$ 1.11	\$ 17.49	\$ 0.94	\$ 18.52	\$ 1.03
Estimated Average Tax Bill	\$ 11,756	\$ 12,601	\$ 845	\$ 13,317	\$ 716	\$ 14,101	\$ 784
Estimated Tax Rate Increase for Override			\$ 0.74		\$ 0.64		\$ 0.76
Estimated Tax Bill Increase for Override			\$ 563		\$ 488		\$ 578
Restoration - One Firefighter/ EMT \$7,900,000							
Estimated Tax Rate	\$ 15.44	\$ 16.99	\$ 1.55	\$ 17.96	\$ 0.97	\$ 19.01	\$ 1.05
Estimated Average Tax Bill	\$ 11,756	\$ 12,936	\$ 1,180	\$ 13,675	\$ 739	\$ 14,474	\$ 799
Estimated Tax Rate Increase for Override			\$ 1.18		\$ 0.67		\$ 0.78
Estimated Tax Bill Increase for Override			\$ 898		\$ 511		\$ 593
Restoration - Five Firefighter/ EMTs \$8,530,000							
Estimated Tax Rate	\$ 15.44	\$ 17.19	\$ 1.75	\$ 18.16	\$ 0.97	\$ 19.22	\$ 1.06
Estimated Average Tax Bill	\$ 11,756	\$ 13,088	\$ 1,332	\$ 13,827	\$ 739	\$ 14,634	\$ 807
Estimated Tax Rate Increase for Override			\$ 1.38		\$ 0.67		\$ 0.79
Estimated Tax Bill Increase for Override			\$ 1,050		\$ 511		\$ 601

I believe this proposed Budget Guidance provides the Select Board and Finance Committee with a responsible and transparent path forward. By first developing a balanced budget without an override, we will clearly establish the consequences of attempting to address the FY 2028 deficit solely through expenditure reductions. By simultaneously developing three distinct override funding scenarios, we can provide residents with meaningful choices about the future level of municipal and educational services in Groton. It is also important that we approach this process with the understanding that an override, regardless of the amount ultimately proposed, is not a substitute for continued fiscal discipline. Every department, including the School District, must remain committed to controlling expenditures, identifying efficiencies, and ensuring that available resources are utilized effectively. Any additional revenue approved by the voters must be supported by a credible, sustainable, multi-year financial plan.

I look forward to discussing this in more detail with the Select Board and Finance Committee during your Joint Meeting scheduled for Monday, October 26, 2026 at the Groton Center in West Groton. In the meantime, please feel free to reach out to me with any questions or concerns prior to the joint meeting.

MWH/rjb

cc: Dr. Geoff Bruno – Superintendent, Groton Dunstable Regional School District
Sherry Kersey – Director of Business, Groton Dunstable Regional School District
Lacey McCabe – Chair, Groton Dunstable Regional School District Committee
Jason Silva – Dunstable Town Administrator
Patricia DuFresne – Assistant Director of Finance/Town Accountant
Katie Kazanjian – Treasurer/Tax Collector
Tammi Mickel – Principal Assessor
Melisa Doig – Human Resources Director
Kara Cruikshank – Executive Assistant to the Town Manager