



## TOWN OF GROTON FISCAL YEAR 2018

### TOWN MANAGER'S PROPOSED OPERATING BUDGET

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### PROCESS

- This is the ninth Proposed Operating Budget that I have submitted as Groton's Town Manager.
- FY 2018 is the second year in which the Board of Selectmen and Finance Committee provided direction to the Town Manager and Finance Team prior to the development of the proposed budget in compliance with the Financial Policies of the Town.
- The Board of Selectmen and Finance Committee voted that overall municipal spending should not increase by more than 2.40% over the FY 2017 approved budget.

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### PROCESS

- The Finance Committee and Board of Selectmen directed the Finance Team to continue to plan for the future and develop a budget that will be sustainable in future years.
- The Finance Team was also directed to develop two additional budget scenarios for review. Specifically, the Finance Team developed a budget with an increase of no greater than 1.2% and a level funded budget.

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## PROCESS

- Instructions were sent out to every Department requesting Budgets that maintained services, keeping in mind that the overall Municipal Budget would not increase by more than 2.40%
- To review the budgets submitted by the various Departments, the Town Manager was assisted by the Town's Finance Team made up of Patricia DuFresne, Rena Swezey, Michael Hartnett, Melisa Doig and Dawn Dunbar.

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## PROCESS

- All Departments submitted budgets that allowed the Finance Team to develop a Budget that met the Budget Guidelines established by the Board of Selectmen and Finance Committee.
- The Proposed Fiscal Year 2018 Municipal Budget does not exceed an increase of 2.40% AND maintains services at current levels.

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## BUDGET DEVELOPMENT

- The Fiscal Year 2017 Approved Budget is \$178,840 under the Levy Limit.
- FY 2017 New Growth was certified at \$23,754,760, which added \$446,114 to the FY 2017 Levy Limit.
- The Fiscal Year 2018 Budget anticipates \$15 million in New Growth which will add \$273,900 to the FY 2018 Levy Limit.

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## BUDGET DEVELOPMENT

- The Proposed Fiscal Year 2018 Town Operating Budget anticipates that State Aid will be level funded.
- Both the Groton Dunstable Regional School Committee and Nashoba Regional Technical High School Committee have yet to complete their Budgets for FY 2018.
- We have been informed that the number of students that are attending Nashoba Tech from Groton has increased from 37 to 39 according to October enrollment figures.

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## BUDGET DEVELOPMENT

- The proposed budgets for both GDRSD and Nashoba Tech should be considered placeholders at this time.
- In order to allow for increases in both Regional School Budgets and keeping Municipal Spending to a 2.40% total increase, all of the Town's unexpended Tax Capacity is needed to balance the budget.
- The Town Manager is required to submit a balanced budget based on anticipated revenues. The Town Manager cannot submit a budget that requires an override of Proposition 2½. Only the Board of Selectmen can make this decision.

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## BUDGET DEVELOPMENT

- Excluded Debt will decrease slightly in FY 2018 from \$2,232,427 to \$2,174,878, providing some relief to Taxpayers.
- It is anticipated that the Town will see an increase of 6.96%, or \$249,998 in Employee Benefits in Fiscal Year 2018.
- We anticipate a healthy revenue forecast for FY 2018.

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## REVENUE PROJECTIONS

### TO CALCULATE THE FY 2018 LEVY LIMIT

• FY 2017 LEVY LIMIT	\$28,151,493
• ADD 2½ PERCENT	\$ 703,787
• ADD NEW GROWTH	\$ 273,900
• EXPECTED LEVY LIMIT	\$29,129,180

## REVENUE PROJECTIONS

### FY 2018 TOTAL TAX LEVY CALCULATION

• FY 2018 LEVY LIMIT	\$ 29,129,180
• DEBT EXCLUSION – TOWN	\$ 1,097,819
• DEBT EXCLUSION – GDRSD	\$ 1,077,059
• SUB-TOTAL – EXCLUSIONS	\$ 2,174,878
• TOTAL TAX LEVY	\$ 31,304,058

## REVENUE PROJECTIONS

### OTHER ESTIMATED REVENUES

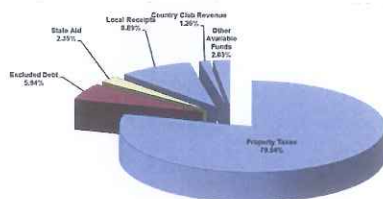
• State Aid	\$ 860,020
• Motor Vehicle Excise Taxes	\$1,438,435
• General Revenues	\$2,279,837
• Unexpended Tax Capacity	\$ 178,840
• Other Available Funds	\$ 225,000
• TOTAL	\$4,982,132

## REVENUE PROJECTIONS

Revenue Source	Budgeted FY 2017	Estimated FY 2018	Dollar Change	Percent Change
Property Tax	\$28,151,493	\$29,128,180	\$ 977,687**	3.47%
Unexpended Tax Capacity	\$ (178,840)	\$ 0	\$ 178,840	-100.00%
State Aid	\$ 880,020	\$ 880,020	\$ 0	0.00%
Local Receipts	\$ 3,608,413	\$ 3,718,272	\$ 109,859	3.04%
Free Cash	\$ 0	\$ 0	\$ 0	0.00%
Other Available Funds	\$ 225,000	\$ 225,000	\$ 0	0.00%
<b>TOTAL</b>	<b>\$32,666,086</b>	<b>\$33,932,472</b>	<b>\$1,266,386</b>	<b>3.88%</b>

\*\*Includes two and one half percent increase allowed by law and \$15 million in new growth.

Sources of Revenue  
Fiscal Year 2018



## BUDGET HIGHLIGHTS

- There are no new service offerings proposed in the Fiscal Year 2018 Proposed Operating Budget.
- All current services are maintained.
- We are proposing a Pilot Program in Fiscal Year 2018 to provide compensation to Call EMT's and Officers as an incentive to sign up for call shifts. Funding for this Program (estimated at \$73,000) will come from Free Cash.



## BUDGET HIGHLIGHTS

- In addition to funding a portion of the Town's OPEB Liability from the Operating Budget, we are proposing that the Town increase this appropriation annually by at least \$200,000 from Free Cash to help pay down the Town's unfunded OPEB Liability.
- Two years ago, we implemented a plan that we felt would allow us to eliminate the taxpayer subsidy to operate the Groton Country Club. The goal was to eliminate this subsidy within three years.
- In Fiscal Year 2018, this Plan has come to fruition. We are pleased to announce that the Country Club Budget, including all hard and soft costs, is not expected to require any taxpayer subsidy in Fiscal Year 2018.

## BUDGET HIGHLIGHTS

Item	FY 2018	Expense
Country Club Salaries		\$143,285
Country Club Wages		\$113,881
Country Club Expenses		\$122,454
Capital Purchases		\$ 11,600
Wages in Operating Budget		\$ 12,296
Health Insurance		\$ 25,186
Payroll Taxes		\$ 3,907
Insurance		\$ 15,878
Building Costs		\$ 4,000
Unemployment		\$ 8,000
Sub-Total Expense		\$493,467
Less Anticipated FY 2018 Revenue		\$493,467
Taxpayer Subsidy		\$ 0

## BUDGET HIGHLIGHTS

- All Seven (7) Union Agreements are entering the third year of three year deals.
- Five of the Agreements call for a 2% Wage Adjustment and we are recommending the same adjustment for the three remaining By-Law employees. The two Police Unions do not receive any wage adjustment in FY 2018.
- Impact on the FY 2018 Budget for these Agreements, including By-Law Employees, is \$88,071. The Performance Incentive Program will cost \$49,022, for a total salary impact of \$137,093.

## BUDGET HIGHLIGHTS

- We are proposing a Balanced Budget that uses all available funds under Proposition 2½, including all of the unexpended Tax Capacity. The total budget, if approved, will be at the anticipated FY 2018 Levy Limit.
- As directed by the Board of Selectmen and Finance Committee, the Municipal Budget increases by 2.29%, which is under the directive to keep municipal spending to an increase of no more than 2.40%.

## BUDGET HIGHLIGHTS

- The Town Manager's Budget Proposes a funding increase in Operating Expenses of \$750,000 or 4.08% for the Groton Dunstable Regional School District.
- Based on the anticipated increase in Groton Students at Nashoba Tech, the Budget Proposes a funding increase of \$41,444 or 7.27%.
- For perspective, the Town of Groton will have increased the GDRSD Operating Expense Line Item from \$15,118,999 in Fiscal Year 2014 to \$19,149,093 in Fiscal Year 2018 for a total increase of \$4,030,094 or 26.7%.
- During this same time period, Municipal Spending will increase from \$13,536,421 in FY 2014 to \$14,879,788 in FY 2018 for a total increase of \$1,343,367 or 9.9%.

## BUDGET HIGHLIGHTS

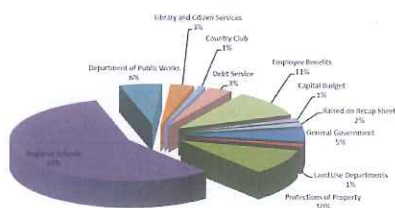
- **CAPITAL BUDGET** **\$1,761,692**
- **ENTERPRISE FUND BUDGETS**

• Water Department	\$1,131,936	10.45%
• Sewer Department	\$ 699,840	0.23%
• Community Cable Department	\$ 206,454	-10.57%
• TOTAL	\$2,038,230	4.32%

## EXPENDITURE BREAKDOWN

Function	FY 2018 Proposed	Percent Change
• General Government	\$ 1,919,980	1.63%
• Land Use Departments	\$ 434,948	2.20%
• Protection Persons/Property	\$ 3,766,073	2.40%
• Department of Public Works	\$ 2,136,809	1.06%
• Library and Citizen Services	\$ 1,569,350	0.28%
• Debt Service	\$ 1,210,119	-5.66%
• Employee Benefits	\$ 3,842,510	6.96%
• Municipal Government Total	\$14,879,788	2.29%

"Where Your Tax Dollars Go"  
Fiscal Year 2018 Expenditure Analysis



## TAX IMPACT

	Actual FY 2017	Proposed FY 2018	Percent Change
Levy Capacity Used	\$27,972,653	\$29,129,180	4.13%
Tax Rate	\$16.91	\$17.45	3.19%
Average Tax Bill	\$7,187	\$7,416	3.19%
Excluded Debt	\$2,232,427	\$2,174,878	-2.58%
Tax Rate	\$1.35	\$1.30	-3.70%
Average Tax Bill	\$574	\$553	-3.70%
Final Levy Capacity	\$30,205,080	\$31,304,058	3.64%
Final Tax Rate	\$18.26	\$18.75	2.68%
Average Tax Bill	\$7,761	\$7,969	2.68%



### REDUCTIONS TO BRING BUDGET TO AN INCREASE OF 1.2%

Budget Line Item	Amount	Description
Reduction in Hours - Town Hall	\$ 50,000	All Non-Exempt Employees Reduced by 25 Hours Per Week
Emergency Management - Minor Capital	\$ 18,500	Eliminate Funding For Emergency Message Board
Library - Wages	\$ 17,300	Eliminate All Sunday Hours
Town Counsel - Expenses	\$ 15,000	Reduce Appropriation
Veteran's Agent - Benefits	\$ 15,000	Reduce Appropriation
Debt Service	\$ 14,667	Extend Payback on Four Corners Sewer Engineering by One Year
GIS Committee - Expenses	\$ 10,100	Reduce Appropriation - Less Support
Highway Department - Wages	\$ 8,000	Eliminate Summer Help
Emergency Management - Expenses	\$ 7,000	Eliminate Reverse 911 - Code Red Service
Postage and Town Hall - Telephone Expense	\$ 5,000	Reduce Appropriation - Reduce Phone Lines
Conservation Commission - Expenses	\$ 3,000	Eliminate Funding for Land Management
Earth Removal Inspector - Sdpend	\$ 1,500	Eliminate Sdpend
Increase Unemployment	\$ (7,086)	Cover Additional Unemployment for Reduction in Hours/Positions
<b>Total Reduction From Proposed Budget</b>	<b>\$ 157,981</b>	

### REDUCTIONS TO LEVEL FUND THE BUDGET

Budget Line Item	Amount	Description
Reductions Made at the 1.2% Budget	\$ 157,981	Carry Over
Additional Reduction in Hours	\$ 50,000	All Non-Exempt Employees Reduced by 5 Hours Per Week
Police Department Wages	\$ 59,863	Eliminate One Patrolman Position
Fire Department Wages	\$ 64,337	Eliminate Either One Full-Time or Reduce Call Appropriation
Highway Department - Wages	\$ 43,221	Eliminate One Position
Additional Increase to Unemployment	\$ (42,855)	Cover Additional Unemployment for Reduction in Hours/Positions
<b>Total Reduction From Proposed Budget</b>	<b>\$ 332,547</b>	

TOWN OF GROTON		FIVE YEAR PROJECTION		Percent Increase		Percent Increase		Percent Increase		Percent Increase		Percent Increase		Percent Increase		Percent Increase	
		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
<b>Operating Expenses</b>																	
Manitok Village	\$ 7,079,910	\$ 7,150,717	1.00%	\$ 7,222,251	1.00%	\$ 7,294,447	1.00%	\$ 7,367,324	1.00%	\$ 7,440,981	1.00%	\$ 7,515,425	1.00%	\$ 7,590,654	1.00%	\$ 7,666,666	1.00%
Employee Benefits	\$ 3,942,510	\$ 4,120,091	7.45%	\$ 4,240,825	2.92%	\$ 4,327,782	2.02%	\$ 4,405,346	1.79%	\$ 4,485,346	1.80%	\$ 4,567,801	1.80%	\$ 4,652,751	1.95%	\$ 4,740,201	1.90%
<b>Sub-Total</b>	<b>\$ 11,022,420</b>	<b>\$ 11,270,808</b>	<b>2.27%</b>	<b>\$ 11,463,106</b>	<b>1.68%</b>	<b>\$ 11,622,229</b>	<b>1.37%</b>	<b>\$ 11,772,690</b>	<b>1.30%</b>	<b>\$ 11,925,327</b>	<b>1.29%</b>	<b>\$ 12,079,376</b>	<b>1.29%</b>	<b>\$ 12,235,501</b>	<b>1.29%</b>	<b>\$ 12,393,867</b>	<b>1.29%</b>
Manitok Expenses	\$ 3,742,291	\$ 3,776,713	0.92%	\$ 3,802,481	0.69%	\$ 3,830,461	0.73%	\$ 3,859,710	0.75%	\$ 3,890,281	0.78%	\$ 3,921,121	0.82%	\$ 3,952,281	0.85%	\$ 3,983,691	0.79%
<b>Sub-Total</b>	<b>\$ 11,022,420</b>	<b>\$ 11,047,526</b>	<b>0.23%</b>	<b>\$ 11,075,587</b>	<b>0.25%</b>	<b>\$ 11,106,690</b>	<b>0.28%</b>	<b>\$ 11,140,400</b>	<b>0.30%</b>	<b>\$ 11,176,601</b>	<b>0.33%</b>	<b>\$ 11,215,291</b>	<b>0.35%</b>	<b>\$ 11,256,571</b>	<b>0.37%</b>	<b>\$ 11,300,361</b>	<b>0.39%</b>
Debt Service - In Levy Capacity Only	\$ 112,500	\$ 112,500	0.00%	\$ 112,500	0.00%	\$ 112,500	0.00%	\$ 112,500	0.00%	\$ 112,500	0.00%	\$ 112,500	0.00%	\$ 112,500	0.00%	\$ 112,500	0.00%
<b>Total - Operating Budget</b>	<b>\$ 11,134,920</b>	<b>\$ 11,160,026</b>	<b>0.23%</b>	<b>\$ 11,188,187</b>	<b>0.25%</b>	<b>\$ 11,219,380</b>	<b>0.28%</b>	<b>\$ 11,252,800</b>	<b>0.30%</b>	<b>\$ 11,289,101</b>	<b>0.33%</b>	<b>\$ 11,328,591</b>	<b>0.35%</b>	<b>\$ 11,371,161</b>	<b>0.37%</b>	<b>\$ 11,417,361</b>	<b>0.39%</b>
Gravel Damable Regional School	\$ 18,143,000	\$ 18,800,162	3.60%	\$ 19,473,350	3.60%	\$ 20,168,462	3.60%	\$ 20,886,224	3.60%	\$ 21,626,646	3.60%	\$ 22,399,828	3.60%	\$ 23,206,870	3.60%	\$ 24,048,692	3.60%
Gravel Damable Regional School	\$ 39,810	\$ 39,810	0.00%	\$ 39,810	0.00%	\$ 39,810	0.00%	\$ 39,810	0.00%	\$ 39,810	0.00%	\$ 39,810	0.00%	\$ 39,810	0.00%	\$ 39,810	0.00%
Natchez Regional School	\$ 111,524	\$ 111,524	0.00%	\$ 111,524	0.00%	\$ 111,524	0.00%	\$ 111,524	0.00%	\$ 111,524	0.00%	\$ 111,524	0.00%	\$ 111,524	0.00%	\$ 111,524	0.00%
<b>Total - Regional Schools</b>	<b>\$ 18,254,524</b>	<b>\$ 18,951,496</b>	<b>3.83%</b>	<b>\$ 19,624,684</b>	<b>3.83%</b>	<b>\$ 20,318,736</b>	<b>3.83%</b>	<b>\$ 21,034,534</b>	<b>3.83%</b>	<b>\$ 21,772,160</b>	<b>3.83%</b>	<b>\$ 22,533,160</b>	<b>3.83%</b>	<b>\$ 23,318,194</b>	<b>3.83%</b>	<b>\$ 24,128,026</b>	<b>3.83%</b>
<b>Total Operating Expenses</b>	<b>\$ 29,389,444</b>	<b>\$ 30,111,522</b>	<b>2.46%</b>	<b>\$ 30,812,871</b>	<b>2.33%</b>	<b>\$ 31,541,116</b>	<b>2.33%</b>	<b>\$ 32,295,334</b>	<b>2.40%</b>	<b>\$ 33,075,261</b>	<b>2.43%</b>	<b>\$ 33,881,751</b>	<b>2.46%</b>	<b>\$ 34,714,355</b>	<b>2.46%</b>	<b>\$ 35,574,387</b>	<b>2.46%</b>
<b>Additional Appropriations</b>																	
Debt Service - In Capacity to Maintain 1%	\$ -	\$ 171,353	0.00%	\$ 171,353	0.00%	\$ 171,353	0.00%	\$ 171,353	0.00%	\$ 171,353	0.00%	\$ 171,353	0.00%	\$ 171,353	0.00%	\$ 171,353	0.00%
Debt Service - In Capacity to Maintain 1%	\$ -	\$ 426,023	0.00%	\$ 426,023	0.00%	\$ 426,023	0.00%	\$ 426,023	0.00%	\$ 426,023	0.00%	\$ 426,023	0.00%	\$ 426,023	0.00%	\$ 426,023	0.00%
Capital Budget Request	\$ 216,102	\$ 216,102	0.00%	\$ 216,102	0.00%	\$ 216,102	0.00%	\$ 216,102	0.00%	\$ 216,102	0.00%	\$ 216,102	0.00%	\$ 216,102	0.00%	\$ 216,102	0.00%
County Debt Fund Five Years	\$ 1,000	\$ 1,000	0.00%	\$ 1,000	0.00%	\$ 1,000	0.00%	\$ 1,000	0.00%	\$ 1,000	0.00%	\$ 1,000	0.00%	\$ 1,000	0.00%	\$ 1,000	0.00%
County Debt Fund Five Years	\$ 20,000	\$ 20,000	0.00%	\$ 20,000	0.00%	\$ 20,000	0.00%	\$ 20,000	0.00%	\$ 20,000	0.00%	\$ 20,000	0.00%	\$ 20,000	0.00%	\$ 20,000	0.00%
County Debt Fund Five Years	\$ 200,000	\$ 200,000	0.00%	\$ 200,000	0.00%	\$ 200,000	0.00%	\$ 200,000	0.00%	\$ 200,000	0.00%	\$ 200,000	0.00%	\$ 200,000	0.00%	\$ 200,000	0.00%
State and County Charges	\$ 100,000	\$ 102,000	2.00%	\$ 104,000	2.00%	\$ 106,000	2.00%	\$ 108,000	2.00%	\$ 110,000	2.00%	\$ 112,000	2.00%	\$ 114,000	2.00%	\$ 116,000	2.00%
Allowance for Abolishment/Expenditures	\$ 250,000	\$ 250,000	0.00%	\$ 250,000	0.00%	\$ 250,000	0.00%	\$ 250,000	0.00%	\$ 250,000	0.00%	\$ 250,000	0.00%	\$ 250,000	0.00%	\$ 250,000	0.00%
<b>Sub Total Additional Appropriations</b>	<b>\$ 1,007,102</b>	<b>\$ 1,571,353</b>	<b>56.70%</b>	<b>\$ 1,571,353</b>	<b>0.00%</b>	<b>\$ 1,571,353</b>	<b>0.00%</b>	<b>\$ 1,571,353</b>	<b>0.00%</b>	<b>\$ 1,571,353</b>	<b>0.00%</b>	<b>\$ 1,571,353</b>	<b>0.00%</b>	<b>\$ 1,571,353</b>	<b>0.00%</b>	<b>\$ 1,571,353</b>	<b>0.00%</b>
<b>Grand Total Appropriations</b>	<b>\$ 30,396,546</b>	<b>\$ 31,682,875</b>	<b>4.25%</b>	<b>\$ 32,384,224</b>	<b>2.21%</b>	<b>\$ 33,112,469</b>	<b>2.21%</b>	<b>\$ 33,866,687</b>	<b>2.28%</b>	<b>\$ 34,646,614</b>	<b>2.30%</b>	<b>\$ 35,463,104</b>	<b>2.34%</b>	<b>\$ 36,315,509</b>	<b>2.38%</b>	<b>\$ 37,205,740</b>	<b>2.43%</b>

Revenue											
Previous Year Proposition 2½ Levy Limit	\$ 28,151,493	\$ 28,123,160	3.47%	\$ 30,187,410	3.36%	\$ 31,116,085	3.33%	\$ 32,137,847	3.30%	\$ 33,191,294	3.29%
Allowed 2½ Increase	\$ 703,787	\$ 728,230	3.47%	\$ 752,865	3.36%	\$ 777,752	3.33%	\$ 803,446	3.30%	\$ 829,722	3.29%
New Growth	\$ 273,940	\$ 250,000	-8.73%	\$ 250,000	0.00%	\$ 250,000	0.00%	\$ 250,000	0.00%	\$ 250,000	0.00%
Proposition 2½ Outside	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
State Aid	\$ 800,000	\$ 841,000	5.00%	\$ 822,000	2.82%	\$ 890,000	8.28%	\$ 880,000	0.00%	\$ 880,000	0.00%
Local Receipts	\$ 3,718,272	\$ 3,811,229	2.50%	\$ 3,836,590	2.56%	\$ 4,016,264	2.81%	\$ 4,116,871	2.50%	\$ 4,218,588	2.50%
Free Cash	\$ 80,000	\$ 693,945	0.00%	\$ 456,765	-47.00%	\$ 498,288	0.11%	\$ 502,307	1.21%	\$ 502,677	0.07%
Transfer from Enterprise Funds	\$ 240,848	\$ 258,924	7.46%	\$ 275,687	6.58%	\$ 294,174	6.59%	\$ 313,561	6.59%	\$ 334,234	6.59%
Other Available Funds	\$ -	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
EMS Fund	\$ 258,000	\$ 225,000	-12.41%	\$ 225,000	0.00%	\$ 225,000	0.00%	\$ 225,000	0.00%	\$ 225,000	0.00%
Stabilization Fund	\$ -	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Capital Stabilization Fund	\$ 415,692	\$ 425,000	2.24%	\$ 425,000	0.00%	\$ 425,000	0.00%	\$ 425,000	0.00%	\$ 425,000	0.00%
Grand Total Revenues	\$ 34,838,113	\$ 36,226,467	4.43%	\$ 37,380,368	2.81%	\$ 38,334,674	2.44%	\$ 39,673,832	3.49%	\$ 41,777,664	5.04%
Surplus/Deficit	\$ 0	\$ 931		\$ 969		\$ 36,738		\$ 69,124		\$ 77,483	

