

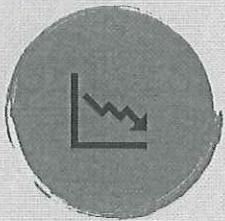


TOWN OF DUNSTABLE

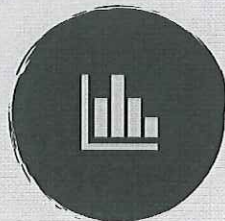
BUDGET AND FINANCIAL
OVERVIEW

OCTOBER 25, 2023

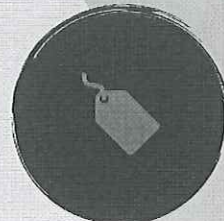
Overview



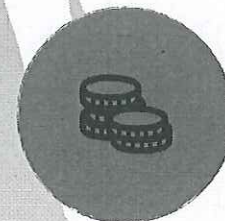
FY24 Recap



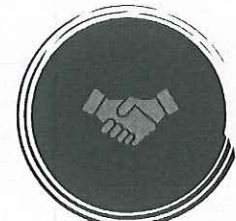
FY25 Financial
Forecast



Impacts and
Magnitude of
Deficit



FY25 Budget
Status



Next Steps and
Timeline



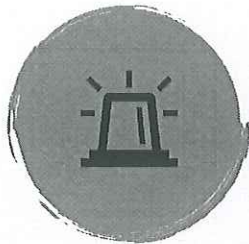
FY24 RECAP

- Town requested General Fund Override in the amount of \$301,162
 - Passed at Town Meeting
 - Failed at the ballot
- Reductions in FY24 because of failed override
- Fully funded Groton Dunstable Regional School District Assessment



FY24 Reductions

- Police
- Fire
- Highway
- Parks
- Selectmen
- Treasurer/Collector



Police
\$84,874



Fire
\$52,824



Highway
\$73,464



**Parks, Selectmen,
Treasurer/Collector**
\$15,000

FY24 Reduction Impacts

Police Department

Reduced 1 police officer position causing a reduction in coverage on the overnight shift from 2 to 1 officer, Monday through Friday. When receiving multiple calls for emergency response, this results in an increased reliance on mutual aid, expected to affect response times.

Fire Department

Reduced the per diem firefighter schedule from 2 to 1 from 8 AM to 4 PM, 7 days per week causing an increased reliance on on-call firefighters and mutual aid. This was expected to affect response times and the ability to respond with limited staff back-up and support. Fortunately, a donor came forward to pay for the 2nd per diem position for FY25.

Highway Department

Without the addition of the new employee, the Department will continue to have 1 employee work alone much of the time, restricting the type of work that can be performed. Communication improvements and required stormwater maintenance were cut.

Parks, Selectmen, Treasurer/Collector Departments

The Parks Department experienced a reduction in requested landscaping and irrigation maintenance funding, Selectmen Department has reduced professional development and training, and Treasurer/Collector has less funding than requested for staffing support.

FY24 Budget Impacts on Free Cash



Free Cash

\$95,000

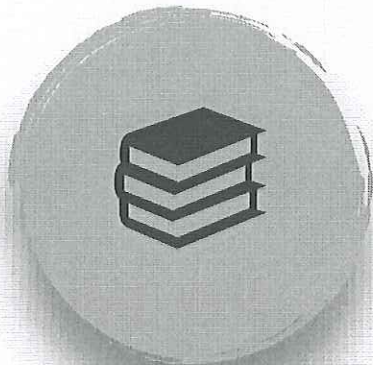
- Additional free cash to support the FY24 operational budget due to override failing: \$95,000
- Free cash used to balance FY24 budget: \$574,343
- Free cash used to balance FY23 budget: \$479,343

FY24 Budget Increases (and Decreases)



Town

Operations
and Debt
Service
-3.24%

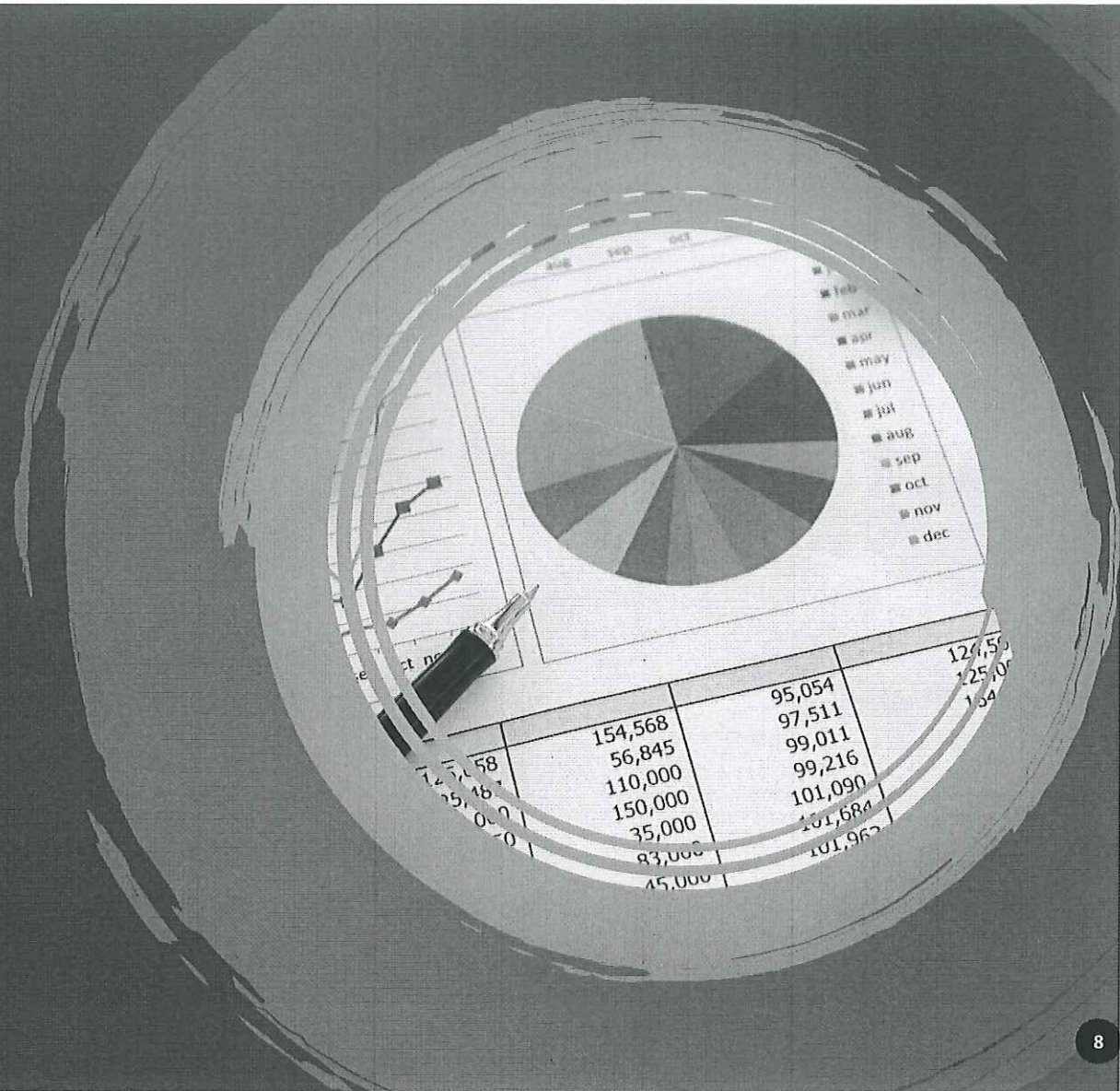


School

Operations
and Debt
Service
6.20%

- Town Budget
 - FY23: \$4,926,445
 - FY24: \$4,766,856
 - Reduction of \$159,589
- Groton Dunstable Regional School District Budget
 - FY23: \$7,590,208
 - FY24: \$8,061,150
 - Increase of \$470,942

FY25 FINANCIAL FORECAST



General

- Salaries: 2% Increase Annually
- General Expenses: 1% Increase Annually
- Contract Services: 2.5% Increase Annually
- Utilities and Energy: 2% Increase Annually

Exceptions

- Police Cruiser Replacement: actual anticipated costs
- Firefighter Supplies: 2.5% Increase Annually
- Firefighter PPE: Increase from \$2,500 in FY24 to \$10,000 next year
- GDRSD: 14.5% Increase in FY25
- Lowell Vocational and Technical High School: 2.5% Annually
- Debt Service: Actual Debt Schedule
- Nashoba Board of Health Assessment: 7.5% Increase Annually
- Town Nurse Assessment: 5% Increase Annually
- Mental Health Payment: Level Funded
- Assumes \$119,334 in Town Meeting Warrant Articles Expenses Annually

Funding Assumptions

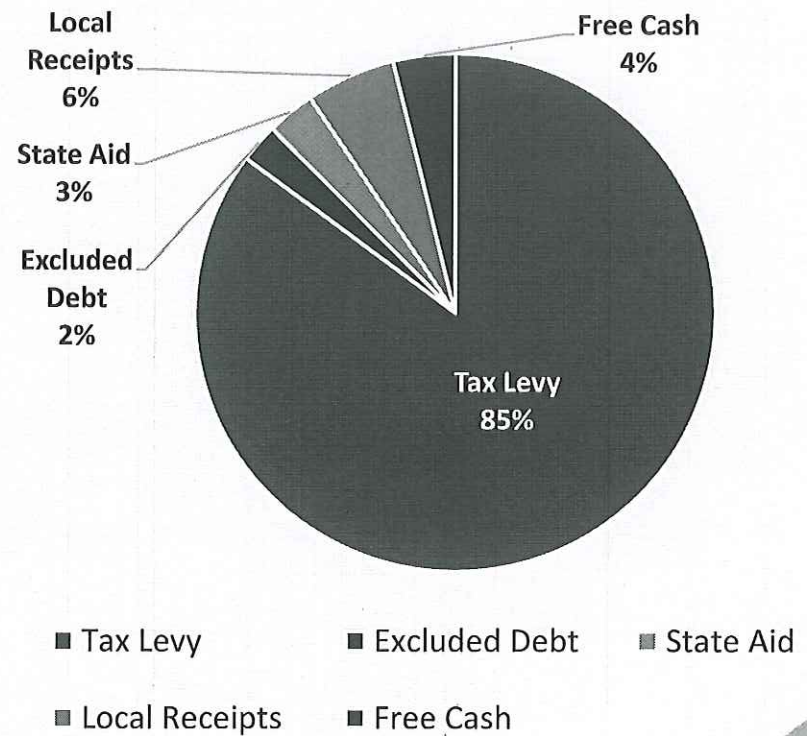
- Assumes a \$50,000 annual reduction in use of Free Cash to balance budget
- Assumes no general fund override
- Assumes \$110,000 in new growth
- Assume \$750,000 in local receipts
- Assume state aid increases by 4% year over year

Financial Forecast Assumptions

Revenue

Total General Fund Revenues				
	FY24	% of Revenues	FY25 (Forecast)	% of Revenues
Tax Levy	11,062,281	84.50%	11,448,838	85.16%
Excluded Debt	326,394	2.49%	326,403	2.43%
State Aid	379,303	2.90%	394,475	2.93%
Local Receipts	749,632	5.73%	750,000	5.58%
Free Cash	574,343	4.39%	524,343	3.90%
TOTAL	13,091,952	100.00%	13,444,059	100.00%

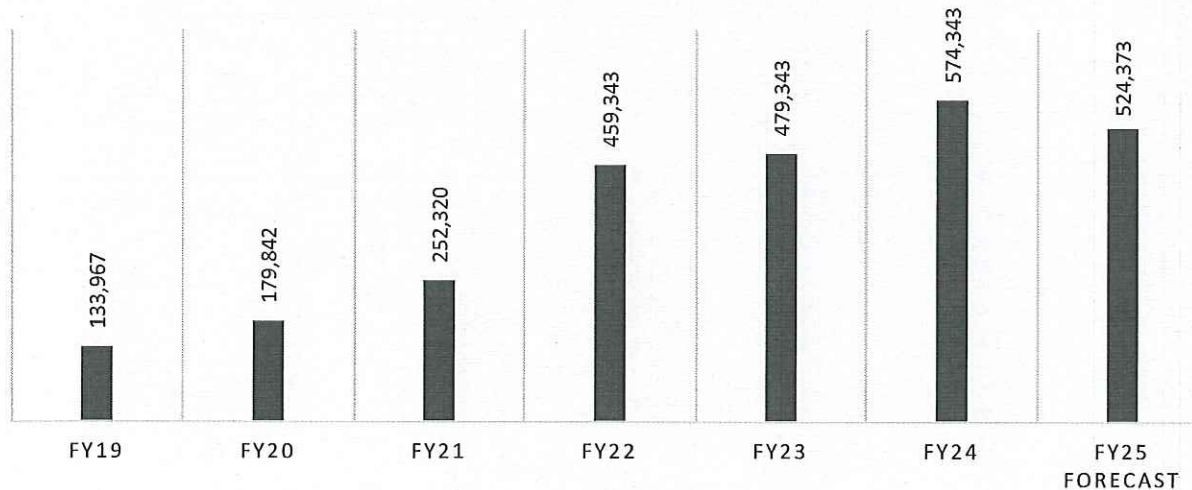
FY25 Budget - General Fund Revenues



Free Cash

	2018	2019	2020	2021	2022	2023
Free Cash Certification and Available to Appropriate	867,129	490,353	480,659	763,086	527,737	680,186
Free Cash for Operating Expenses	133,967	179,842	252,320	459,343	479,343	574,343
Free Cash for ATM Articles	251,912	166,592	135,609	145,450	29,724	39,705
Free Cash for GDRSD	284,330	119,618	78,830	64,202	0	0
Balance Remaining	196,920	24,301	13,900	94,091	18,670	66,138

FREE CASH USED TO BALANCE BUDGET



- Between FY19 and FY24, Dunstable has increasingly relied on free cash to balance its budget demonstrating a growing gap between the Town's operational expenses and revenues being generated.
- Over this period of time, the use of free cash has grown from \$133,967 in FY19 to \$574,343 in FY24, increasing use by \$440,376 or almost 330%.

- Total FY25 operating revenue increases from \$12,765,559 to \$13,117,656
 - \$352,097 or 2.76% increase
 - This includes:
 - 2.5% Real Estate Tax Increase
 - \$110,000 New Growth Increase
 - Local receipts level at \$750,000
 - Projected 4% increase in state aid
 - \$50,000 reduction in free cash use (\$574,343 to \$524,343)

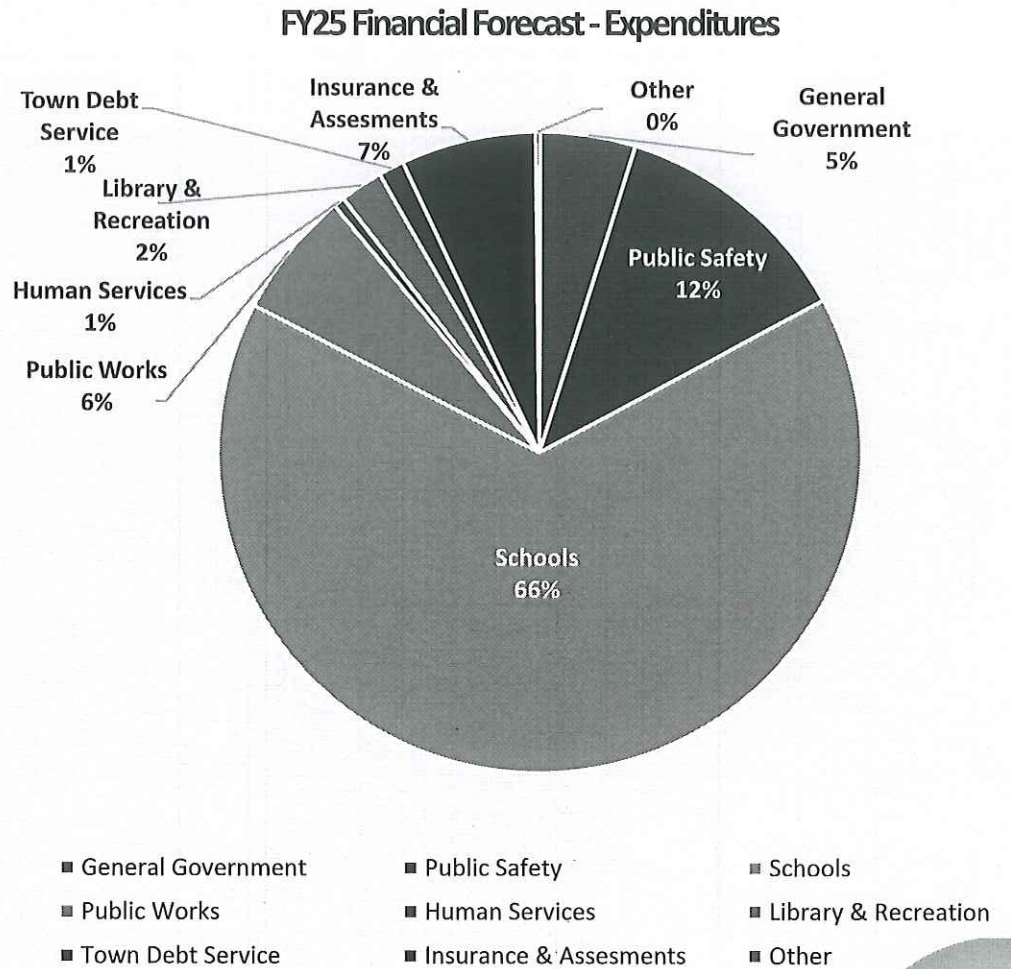
FY25 Financial Forecast – Revenue

Summary of *Available* New Revenues

- A total of \$402,097 in new revenue for FY25 projected
 - Revenue
 - A reduction of \$50,000 in free cash use: \$352,097
 - Expenditures
 - Added \$119,344 in capital costs: \$232,753
- **Total available new revenue: \$232,753**
- GDRSD is 62% of operating expenditures, town is the remaining 38% in current fiscal year.
 - 62% of available revenues equates to \$144,307 (1.79% school increase)
 - 38% of available revenues equates to \$88,446 (1.9% Town increase)

Expenditures

Budget Category	FY24 Budget	FY25 Financial Forecast
General Government	659,182	685,690
Public Safety	1,666,566	1,777,066
Schools	8,292,773	9,419,687
Public Works	911,976	923,504
Human Services	78,382	80,528
Library & Recreation	307,171	312,263
Town Debt Service	187,693	187,702
Insurance & Assessments	955,886	972,998
Other	32,323	32,369
Total Town Budget	13,091,952	14,391,807



Financial Forecast

Projected Deficits

	FY25	FY26	FY27	FY28
Surplus/(Deficit)	(1,067,093)	(1,328,215)	(1,629,749)	(1,956,626)

Numbers based on budget assumptions that will change as the budget process progresses

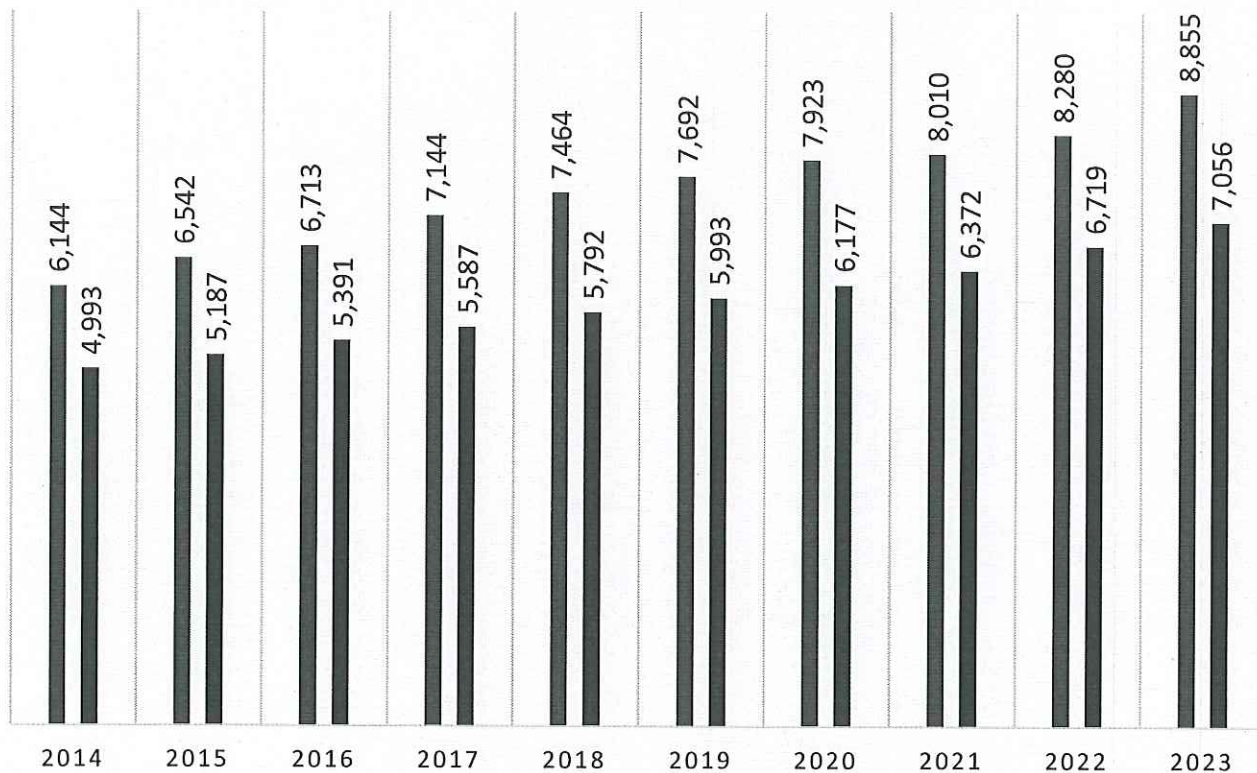
FY25 Projected Deficit - Breakdown

- Town operating costs projected to increase a total of \$177,879
 - Total available revenue is \$88,446
 - Projected deficit is \$89,433
- GDRSD operating costs projected to increase a total of \$1,121,920
 - Total available revenue is \$144,307
 - Projected deficit is \$977,613

Dunstable Average Single Family Tax Bill

AVERAGE SINGLE FAMILY TAX BILL

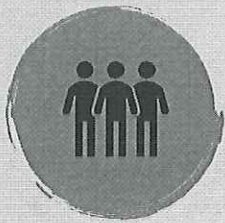
■ Dunstable Single Family Tax Bill ■ State Single Family Tax Bill



- In FY23, Dunstable's average single-family tax bill was \$8,855, higher than the state average, \$7,056.
- Dunstable's single family tax bill has steadily increased since FY2014, from \$6,144 to \$8,855 and has consistently been above the state average.

Comparable Communities Analysis

Factors Considered



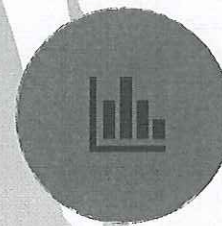
Population Size



Income Per
Capita



Average Single-
Family Value
and Tax Bill



Budget Size



Regional
School District

Comparable Communities



Dunstable



Hubbardston



Brimfield



Essex



West
Newbury



Nahant



Merrimac



Princeton



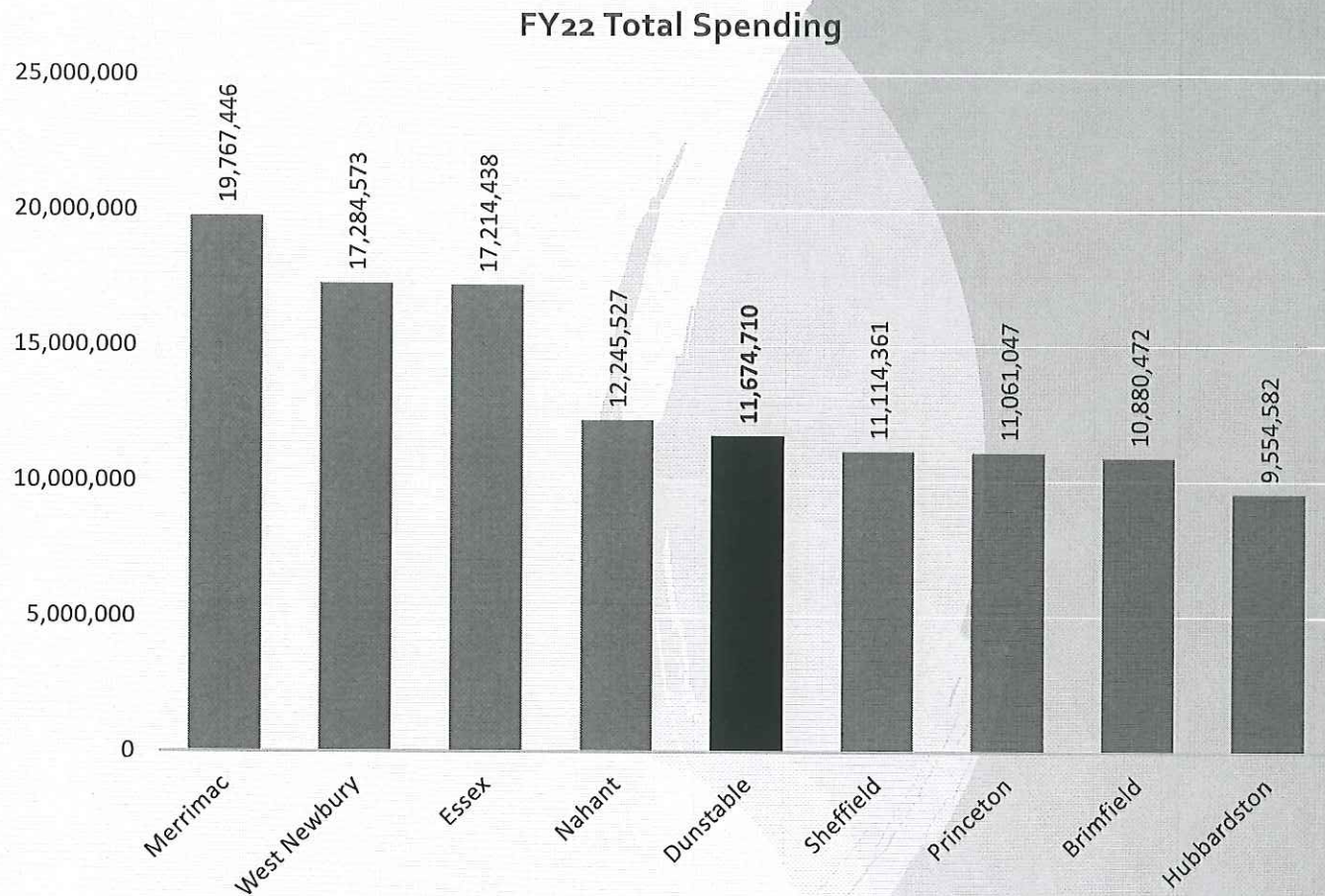
Sheffield

Comparable Communities - Basis

Municipality	County	2021 Population	FY 2023 Single Family Tax Bill	2020 DOR Income Per Capita	School District
Essex	ESSEX	3,668	10,667	73,034	Manchester Essex
West Newbury	ESSEX	4,544	8,991	77,798	Pentucket
Dunstable	MIDDLESEX	3,341	8,855	78,539	Groton Dunstable
Nahant	ESSEX	3,315	8,455	75,116	Pre-K to 6; Swampscott Middle and High School
Merrimac	ESSEX	6,705	7,874	44,435	Pentucket
Princeton	WORCESTER	3,499	6,934	69,905	Wachusett
Sheffield	BERKSHIRE	3,312	5,173	40,782	Southern Berkshire
Brimfield	HAMPDEN	3,690	4,977	40,907	Tantasqua
Hubbardston	WORCESTER	4,312	4,625	40,903	Quabbin

Municipality	County	Assessed Value Residential	Assessed Value Commercial	Assessed Value Industrial	Assessed Value Pers Prop	Total Assessed Value
West Newbury	ESSEX	1,353,610,071	11,333,470	2,837,100	22,662,650	1,390,443,291
Nahant	ESSEX	1,222,230,470	16,498,631	563,100	31,355,750	1,270,647,951
Essex	ESSEX	1,069,904,842	60,290,537	16,969,585	16,509,610	1,163,674,574
Merrimac	ESSEX	1,113,322,113	24,353,736	10,041,870	9,444,044	1,157,161,763
Sheffield	BERKSHIRE	754,343,192	65,068,004	18,627,524	40,451,620	878,490,340
Dunstable	MIDDLESEX	705,783,270	5,213,633	3,956,700	38,243,793	753,197,396
Princeton	WORCESTER	637,244,738	8,970,797	2,097,600	13,931,210	662,244,345
Hubbardston	WORCESTER	581,275,887	13,373,933	5,043,200	18,418,860	618,111,880
Brimfield	HAMPDEN	504,840,510	28,471,358	12,635,500	19,553,550	565,500,918

Comparable Communities – Total Spending



In FY22, the Town of Dunstable spent a total of \$11,674,710 which is fifth highest among the comparable communities, directly in the middle when compared to the other communities.

Comparable Communities – Spending Categories

Categories of spending are broken down into 12 categories



General Government



Police



Fire



Other Public Safety



Education



Public Works



Human Services



Culture and Recreation



Fixed Costs



Intergovernment



Other Expenses



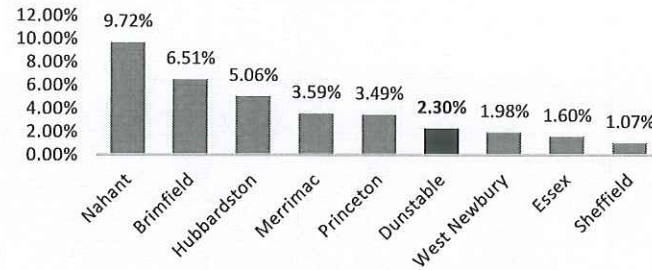
Debt Service

Municipality	Fire
Nahant	1,190,257
Merrimac	710,278
Brimfield	708,532
Hubbardston	483,285
Princeton	385,780
West Newbury	341,458
Essex	275,662
Dunstable	268,988
Sheffield	118,709

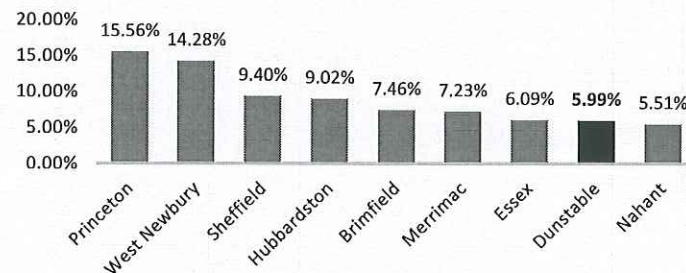
Municipality	Public Works
West Newbury	2,468,234
Princeton	1,720,672
Merrimac	1,429,672
Essex	1,048,838
Sheffield	1,044,950
Hubbardston	862,299
Brimfield	811,891
Dunstable	699,579
Nahant	675,129

Municipality	General Government
Merrimac	1,437,568
Essex	1,401,744
Nahant	1,389,531
West Newbury	1,195,468
Princeton	747,526
Sheffield	657,590
Brimfield	650,025
Dunstable	608,563
Hubbardston	564,684

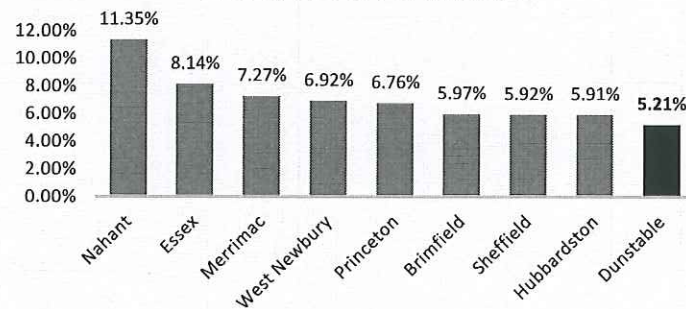
Fire



Public Works



General Government



Comparable Communities – Spending Categories Analysis

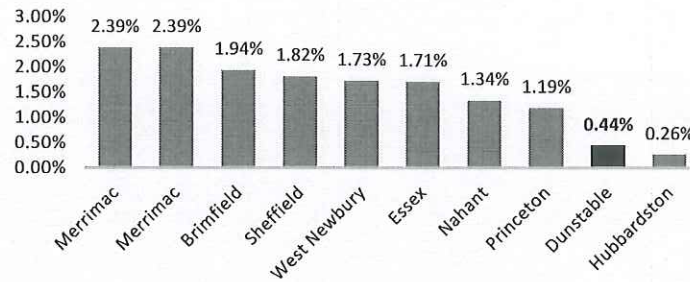
Because each community has different sized budgets, from slightly under \$20 million to \$9.5 million, to accurately compare spending among these communities the charts below include each category, total spending, and their percentage of the overall Town spending.

Municipality	Human Services
Merrimac	472,634
West Newbury	298,694
Essex	294,522
Brimfield	211,428
Sheffield	202,415
Nahant	164,129
Princeton	131,682
Dunstable	51,686
Hubbardston	24,957

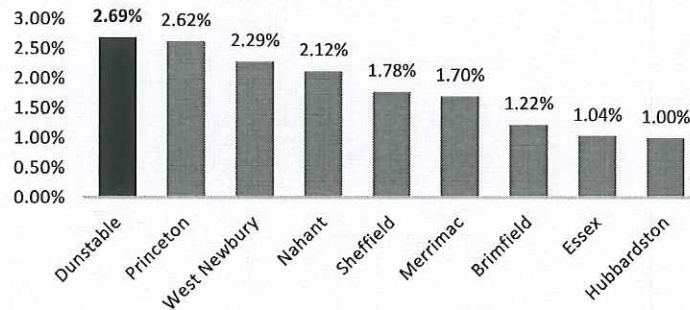
Municipality	Culture and Recreation
West Newbury	395,063
Merrimac	335,975
Dunstable	314,623
Princeton	290,281
Nahant	260,165
Sheffield	197,481
Essex	178,331
Brimfield	133,206
Hubbardston	95,458

Municipality	Police
Nahant	1,594,960
Essex	1,356,657
Merrimac	1,317,034
Dunstable	1,221,130
West Newbury	1,213,807
Princeton	877,779
Hubbardston	743,598
Sheffield	548,007
Brimfield	325,790

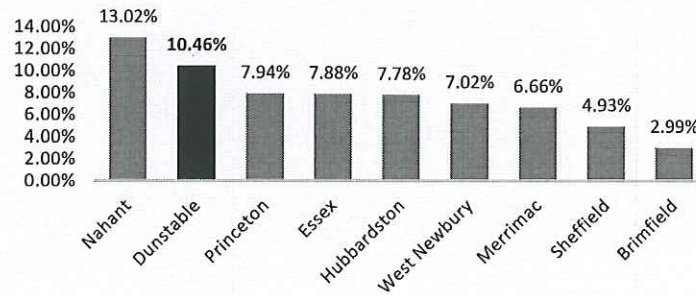
Human Services



Culture and Recreation

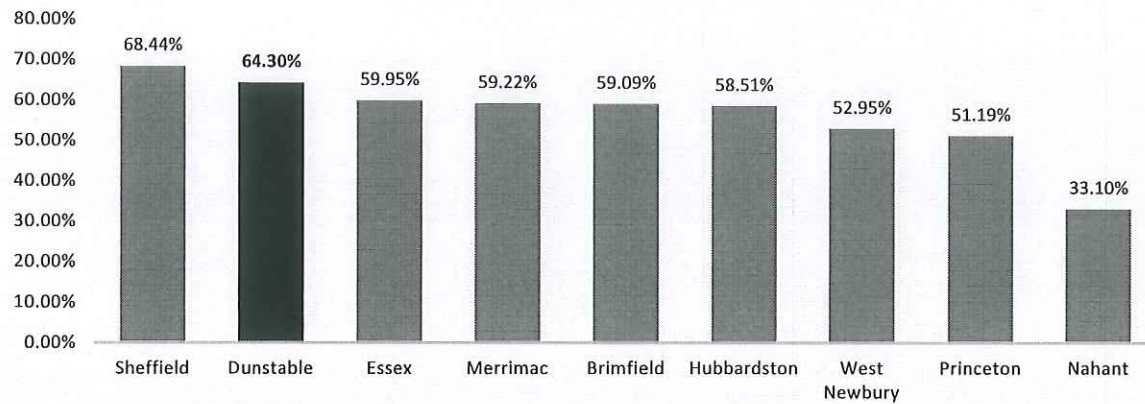


Police



Comparable Communities – Spending Categories Analysis

Education



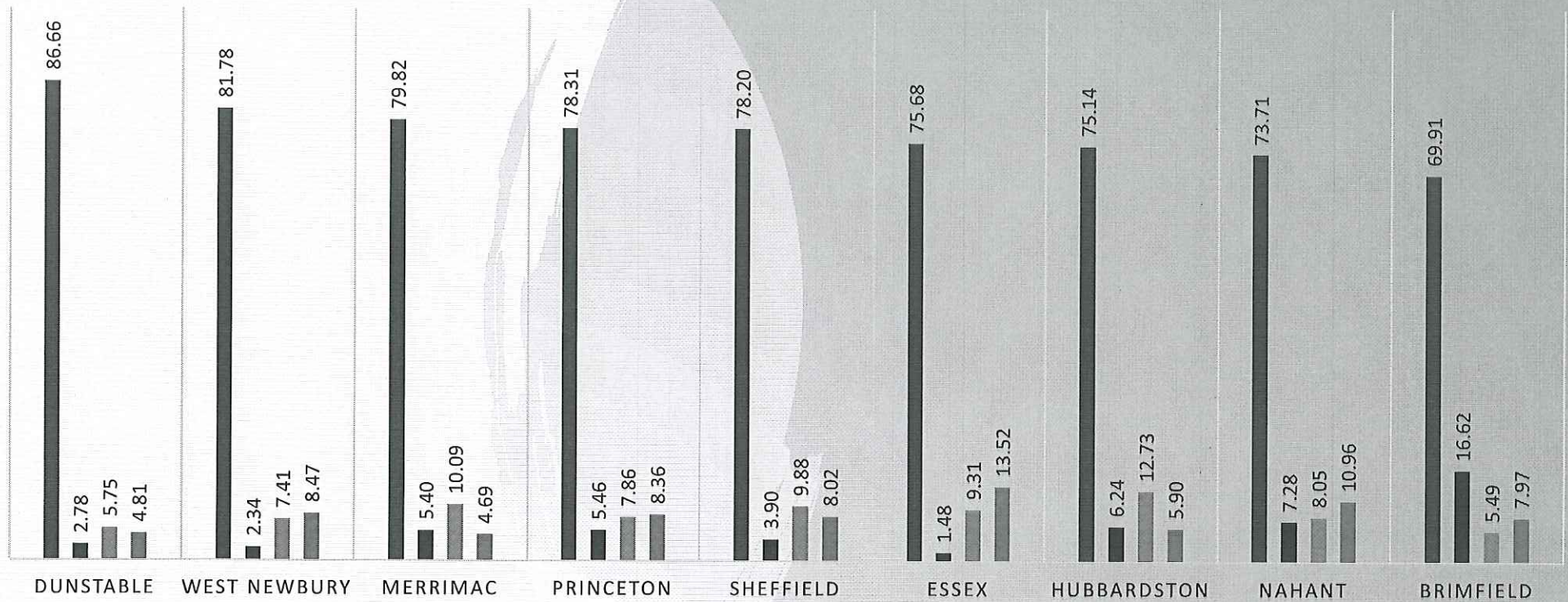
Municipality	Education
Merrimac	11,706,820
Essex	10,319,202
West Newbury	9,151,440
Sheffield	7,606,405
Dunstable	7,507,314
Brimfield	6,428,764
Princeton	5,661,886
Hubbardston	5,590,265
Nahant	4,053,536

Comparable Communities – Spending Categories Analysis

Comparable Communities – Revenue

FY23 REVENUE AS % OF GENERAL FUND BUDGET

■ Tax Levy as % of Budget ■ State Aid as % of Budget ■ Local Receipts as % of Budget ■ All Other as % of Budget

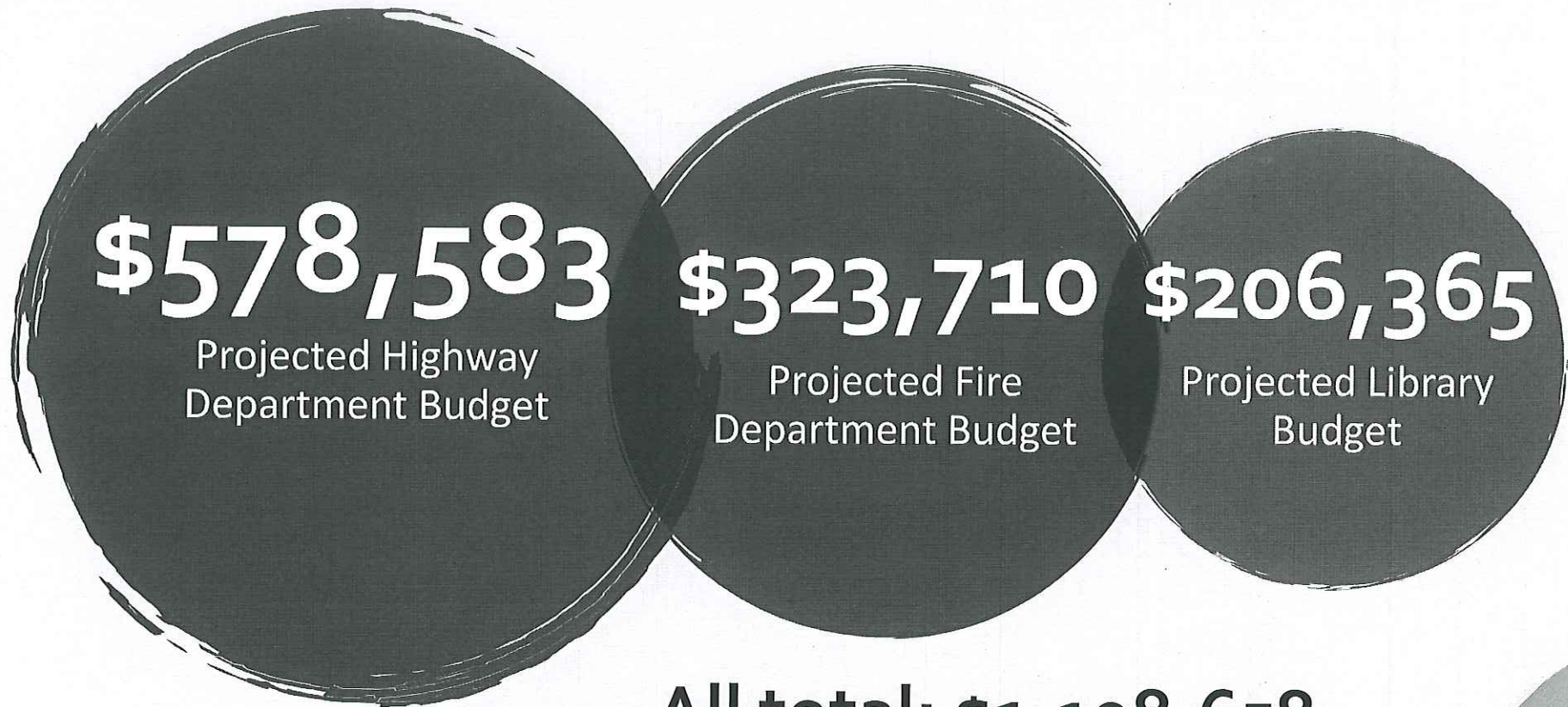




Magnitude of FY25 Deficit

Magnitude of FY25 Deficit

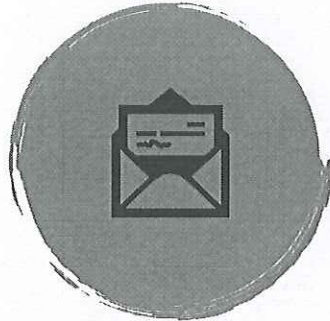
Projected FY25 deficit is \$1,067,093



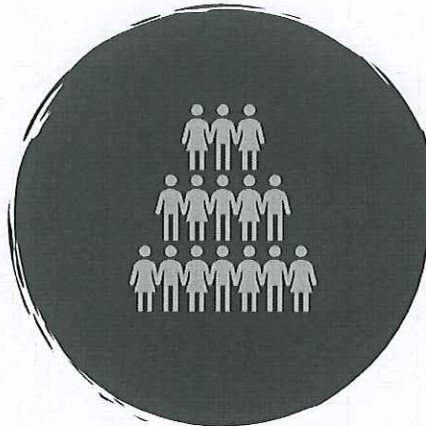
All total: \$1,108,658

Magnitude of Deficit

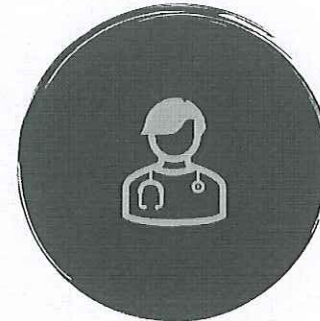
Total Municipal Operations Budget for FY24 is \$4,579,163



Expenses
\$1,373,224



Salaries
\$2,250,054



Insurance/
Assessments
\$955,886

Total deficit equates to 23% of total Town operational budget



FY25 BUDGET STATUS

FY25 Budget Status

- In August, Town officials started FY25 budget meetings – Town Administrator's School-Town Budget Working Group
- Town has drafted a Financial Forecast and Capital Improvement Plan
- Departmental budget worksheets were distributed and due on October 2, 2023
- Departments were asked to submit two versions of their budget – level service and level funded
- First round of budget meetings began last week and continue through this week