



# **TOWN OF GROTON FISCAL YEAR 2025**

## **TOWN MANAGER'S PROPOSED OPERATING BUDGET**

# PROCESS

- This is the sixteenth Proposed Operating Budget that I have submitted as Groton's Town Manager.
- FY 2025 Budget Process started earlier than usual.
- Town Manager's Tri-Comm Working Group began reviewing the issues surrounding the development of the Fiscal Year 2025 Budget in July 2023.
- The Working Group conducted studies of comparable Communities and School Districts and determined that spending by the Town and the School District was in line with these Comparables.
- The Working Group developed Revenue and Expenditure Assumptions based on the best information available at that time.

# PROCESS

- Outcome of this work showed the Town of Groton would be facing a deficit of \$3.9 Million in FY 2025.
- What issues created this deficit?
- Lack of sustained revenue sources
- Lack of consistent and appropriate support from the Commonwealth of Massachusetts
- No longer receiving Federal Funding that was used to balance the Budget in FY 2023 and FY 2024
- Use of One-Time Revenue Source (E&D) by the GDRSD.

# PROCESS

- To Balance the Fiscal Year 2025 Budget, the Working Group determined that an Override of Proposition 2½ would be required, or the Town and School District would face substantial cuts in their respective Operating Budgets.
- Based on this, in October 2023, the Select Board and Finance Committee provided the Town Manager with the following Budget Guidance for Fiscal Year 2025:
  - The Town Manager shall submit two Budgets
  - In compliance with the Groton Charter and State Law, one budget will be balanced with no proposed override of Proposition 2½
  - The second budget shall be a level services budget (maintains services at the FY 2024 level and does not add any new services) that proposes a potential override of Proposition 2½ to eliminate a projected three-year deficit.
  - The Town Manager shall collaborate with representatives of the Groton Dunstable Regional School District and Nashoba Valley Technical School District to create these two budgets.

# PROCESS

- To comply with the guidance, the Town Manager determined that the main budget will be the Level Services Budget, which would then be reduced to bring it into balance with anticipated revenues in FY 2025.
- This was done to create a baseline understanding of the current level of services being provided and to illustrate the dire financial situation Groton is facing, which would furnish the Finance Committee and Select Board with information to determine priorities when considering budget reductions.
- This will also supply a justification for needing additional revenues in FY 2025.

# PROCESS

- The Town Manager released budgetary instructions on November 1, 2023, and asked Departments to provide a level services budget and a detailed memorandum that considers an eleven (11%) percent reduction in their respective Department Budget.
- Budgets were due on November 20, 2023, and review meetings took place between November 27th and November 29th.
- To review and develop the Proposed Budget, the Town Manager was assisted by the Town's Finance Team made up of Patricia DuFresne, Hannah Moller, Megan Foster, Dawn Dunbar, Melisa Doig, Michael Hartnett and Kara Cruikshank.
- Members of both the Finance Committee and Select Board attended the meetings. The Finance Team welcomes this participation as it allows members to understand the review process and the details discussed.

# **LEVEL SERVICE BUDGET DEVELOPMENT**

- **The Fiscal Year 2024 Approved Budget is \$240,920 under the Levy Limit.**
- **FY 2024 New Growth was certified at \$36 million, which added \$564,180 to the FY 2024 Tax Levy.**
- **We have estimated Fiscal Year 2025 New Growth at \$20 million which will add \$301,800 to the Tax Levy.**
- **The Proposed Fiscal Year 2025 Town Operating Budget anticipates level funding State Aid at \$1,116,143.**
- **We are anticipating a modest increase of an additional \$126,500 in Estimated Receipts.**

# LEVEL SERVICE BUDGET DEVELOPMENT

Overall, the Finance Team anticipates an increase of 3.08% in New Revenues for Fiscal Year 2025 as follows:

<u>Revenue Source</u>	<u>Budgeted FY 2024</u>	<u>Proposed FY 2025</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Property Tax*	\$ 36,832,663	\$ 38,055,280	\$ 1,222,617	3.32%
State Aid	\$ 1,116,143	\$ 1,116,143	\$ -	0.00%
Local Receipts - Excluding Country Club	\$ 4,797,383	\$ 4,873,883	\$ 76,500	1.59%
Country Club Revenue	\$ 700,000	\$ 750,000	\$ 50,000	7.14%
Other Available Funds	\$ 350,000	\$ 350,000	\$ -	0.00%
 TOTAL	 \$ 43,796,189	 \$ 45,145,306	 \$ 1,349,117	 3.08%

\*Includes 2½ percent increase allowed by law and \$20 million in new growth.



# **LEVEL SERVICE BUDGET DEVELOPMENT**

- The Work conducted by the Tri-Comm Working Group proved to be extremely accurate.
- The Level Services Budget was \$3.9 million out of balance as predicted by the Working Group based on total anticipated revenues in FY 2025.
- The Town and the School District then took steps to reduce the anticipated FY 2025 deficit, including the following:

# LEVEL SERVICE BUDGET DEVELOPMENT

- Groton Dunstable Regional School District will phase out the use of E&D and phase in full day kindergarten over three years (along with other budget adjustments).
- Select Board voted to join the Patriot Regional Emergency Communications Center.
- Select Board voted to join MIIA for Health Insurance.
- A more accurate assessment came forward from Nashoba Tech.
- Finance Team scrubbed revenues and found areas to increase them from the original estimate developed by the Tri-Comm Working Group.
- Miscellaneous Adjustments were made to the Municipal Budget.

# LEVEL SERVICE BUDGET DEVELOPMENT

These actions reduced the anticipated deficit to \$2,383,222 in FY 2025 as follows:

Original Projected Deficit	\$	3,918,075
School District Adjustments	\$	726,244
Regional Dispatch	\$	464,314
Health Insurance	\$	117,563
Adjusted Nashoba Tech Assessment	\$	40,000
New Revenues	\$	126,500
Misc. Budget Adjustments	\$	60,232
New Projected Deficit	\$	2,383,222

# **LEVEL SERVICE BUDGET SUMMARY**

- **By joining MIIA for Health Insurance in FY 2025, this budget will only increase by 3.38%, or \$70,588.**
- **The FY 2025 Pension Budget will increase by 6.36%, or \$158,739.**
- **FY 2025 is the third year of three-year agreements with our Unions. Total Salary Increase for FY 2025 (including COLA, Performance Incentives, Contractual Employee and one time cash payments) is \$231,964.**
- **Excluded Debt will increase by 6.3%, or \$299,804.**
- **We anticipate covering all costs associated with the Groton Country Club. We do not anticipate any taxpayer subsidy.**

# **LEVEL SERVICE BUDGET SUMMARY**

- Due to a decrease in Cable Revenues, we are proposing to eliminate the Cable Enterprise in FY 2025 and make it a Town Department that will be supported by Cable Receipts Reserved for Appropriation and General Fund Revenues.
- In FY 2025, we are recommending that the Cable Department be supported by \$155,442 from the Town's Free Cash Account to give the Cable Receipts an opportunity to build up a reserve over the next year. Benefits for our Cable Employees will be covered in the General Fund Budget.
- There are no Major Initiatives Contained in the Proposed Level Service Budget.

# LEVEL SERVICE BUDGET SUMMARY

- **ENTERPRISE FUND BUDGETS**

• <b>Water Department</b>	<b>\$2,310,267</b>	<b>10.50%</b>
• <b>Sewer Department</b>	<b>\$1,250,475</b>	<b>40.58%</b>
• <b>Four Corners Sewer District</b>	<b>\$ 98,040</b>	<b>26.00%</b>
• <b>Stormwater Utility</b>	<b>\$ 247,851</b>	<b>2.20%</b>
• <b>TOTAL</b>	<b>\$3,906,632</b>	<b>18.36%</b>

# CAPITAL BUDGET

<u>Department</u>	<u>Item</u>	<u>Amount</u>	<u>Funding Source</u>
Fire and EMS	Extrication Tools - "Jaws of Life"	\$ 92,500	Capital Asset
Highway	Pick-Up Truck	\$ 55,000	Capital Asset
Highway	Brush Mower/Field Mower	\$ 70,000	Capital Asset
Highway	Dump Truck	\$ 40,000	Capital Asset
Town Facilities	IT Infrastructure	\$ 40,000	Capital Asset
Town Facilities	Municipal Buildings Exterior Repairs	\$ 25,000	Capital Asset
Town Facilities	Police Station HVAC	\$ 65,000	Capital Asset
Transfer Station	Baler/Maintenance	\$ 25,000	Capital Asset
Library	Carpet Replacement	\$ 50,000	Capital Asset
Park Department	Property Improvements	\$ 50,000	Capital Asset
Police	Police Cruisers	\$ 134,000	Capital Asset
Police	Police Pick-Up Truck	\$ 77,000	Capital Asset
Police	Electronic Control Device - "Tasers"	\$ 12,500	Free Cash
Country Club	Golf Carts	\$ 25,553	Free Cash
Country Club	Greens Equipment - Ventrac	\$ 10,918	Free Cash
Country Club	Greens Equipment - Hauler Pro X	\$ 20,000	Free Cash
Country Club	Greens Equipment - Truckster XD	\$ 13,500	Free Cash
Country Club	Greens Equipment - Ventrac Attachments	\$ 18,000	Free Cash
Country Club	Greens Equipment - Greens Mower	\$ 10,000	Free Cash
Country Club	HVAC	\$ 23,000	Free Cash
Country Club	Golf Shop Building Repairs & Painting	\$ 20,000	Free Cash
Country Club	Function Hall Bathroom Repairs	\$ 10,000	Free Cash
Country Club	Retaining Walls	\$ 15,000	Free Cash
Water	Water Meter Replacement Program	\$ 75,000	Water Fund
Water	New Vehicle	\$ 50,000	Water Fund
Water	GDRSD High School PFAS	\$ 12,800,000	Bond/Grants
Sewer	Nod Road Pump Station	\$ 500,000	Grant
GDRSD	Annual Regional School Capital	\$ 550,000	GDRSD Capital Fund
<b>Total Requested</b>		<b>\$ 14,876,971</b>	

# CAPITAL BUDGET

## Funding Sources

Capital Asset	\$ 723,500
Free Cash	\$ 178,471
GDRSD Capital Fund	\$ 550,000
Water Fund	\$ 125,000
Bond/Grants	\$ 13,300,000
<b>Total</b>	<b>\$ 14,876,971</b>



# LEVEL SERVICE BUDGET SUMMARY

Category	FY 2024		FY 2025		Dollar Difference	Percentage Change
General Government	\$	2,388,159	\$	2,472,927	\$ 84,768	3.55%
Land Use	\$	499,606	\$	516,501	\$ 16,895	3.38%
Protection of Persons and Property	\$	4,772,597	\$	4,515,079	\$ (257,518)	-5.40%
Department of Public Works	\$	2,351,495	\$	2,389,516	\$ 38,021	1.62%
Library and Citizen Services	\$	1,947,870	\$	2,192,957	\$ 245,086	12.58%
Employee Benefits	\$	4,930,663	\$	5,174,990	\$ 244,327	4.96%
<b>Sub-Total</b>	<b>\$</b>	<b>16,890,390</b>	<b>\$</b>	<b>17,261,969</b>	<b>\$ 371,580</b>	<b>2.20%</b>
Debt Service - Excluded	\$	4,326,957	\$	4,649,077	\$ 322,120	7.44%
Debt Service - In Levy Only	\$	474,605	\$	407,534	\$ (67,071)	-14.13%
<b>Sub-Total - All Municipal</b>	<b>\$</b>	<b>21,691,952</b>	<b>\$</b>	<b>22,318,580</b>	<b>\$ 626,629</b>	<b>2.89%</b>
Nashoba Tech	\$	762,656	\$	962,656	\$ 200,000	26.22%
Groton-Dunstable Operating	\$	25,937,716	\$	29,392,165	\$ 3,454,449	13.32%
Groton-Dunstable Excluded Debt	\$	406,982	\$	384,622	\$ (22,360)	-5.49%
Groton-Dunstable Debt	\$	58,814	\$	60,534	\$ 1,720	2.92%
Groton Dunstable Capital	\$	552,203	\$	550,000	\$ (2,203)	-0.40%
<b>Sub-Total - Education</b>	<b>\$</b>	<b>27,718,371</b>	<b>\$</b>	<b>31,349,977</b>	<b>\$ 3,631,606</b>	<b>13.10%</b>
<b>Grand Total - Town Budget</b>	<b>\$</b>	<b>49,410,323</b>	<b>\$</b>	<b>53,668,557</b>	<b>\$ 4,258,235</b>	<b>8.62%</b>

# **LEVEL SERVICE BUDGET SUMMARY**

- **In compliance with the Guidance issued by the Finance Committee and Select Board, the Town Manager determined that the Level Service Budget is out of balance by \$2,383,222.**
- **In further compliance with the Guidance, the Town Manager has estimated that an override in FY 2025 of \$5.5 million would be needed to cover an anticipated three-year deficit.**

# LEVEL SERVICE BUDGET SUMMARY

The following is the three year projection of revenues and expenditures as required by the Budget Guidance for the Level Service Budget:

## Town of Groton

### Summary of Projected Revenues and Expenditures

General Fund Revenues	FY 2024	FY 2025	FY 2026	FY 2027
Property Tax Levy	41,565,448	43,087,871	45,504,776	46,912,790
State Aid Cherry Sheet	1,116,143	1,116,143	1,134,664	1,153,555
Estimated Local Receipts	5,497,383	5,623,883	5,677,569	5,732,329
Available Funds/Other Financing Sources	2,217,637	2,321,460	2,321,460	2,321,460
Enterprise (for Indirects)	336,486	315,664	321,977	328,417
<b>Total General Fund Revenues</b>	<b>50,733,097</b>	<b>52,465,021</b>	<b>54,960,446</b>	<b>56,448,551</b>
<b>Total Revenue Percentage Change</b>		3.4%	4.8%	2.7%

### General Fund Expenditures

General Government	2,388,159	2,472,927	2,519,726	2,567,551
Land Use	499,605	516,501	527,547	538,851
Public Safety	4,772,597	4,515,079	4,600,296	4,687,167
Regional Schools	27,718,371	31,349,977	33,311,503	35,773,926
Department of Public Works	2,351,495	2,389,516	2,433,734	2,478,903
Library and Citizen Services	1,947,870	2,192,957	2,239,917	2,287,972
Employee Benefits	4,930,663	5,174,990	5,483,218	5,810,559
Debt Service	4,801,562	5,056,611	6,519,225	6,512,851
<b>Total Town Budget</b>	<b>49,410,322</b>	<b>53,668,558</b>	<b>57,635,166</b>	<b>60,657,780</b>
State Assessments	95,249	98,662	98,662	98,662
Other Amounts Raised	982,606	1,081,022	1,081,022	1,081,022
<b>Total General Fund Expenditures</b>	<b>50,488,177</b>	<b>54,848,242</b>	<b>58,814,850</b>	<b>61,837,464</b>
<b>General Fund Surplus/(Shortfall)</b>	<b>244,920</b>	<b>(2,383,222)</b>	<b>(3,854,404)</b>	<b>(5,388,913)</b>
<b>Total Expenditures Percentage Change</b>		8.6%	7.2%	5.1%

# REVENUE PROJECTIONS

## TO CALCULATE THE FY 2025 LEVY LIMIT

• FY 2024 LEVY LIMIT	\$36,832,663
• ADD 2½ PERCENT	\$ 920,817
• ADD NEW GROWTH	\$ 301,800
• ADD FY 2025 OVERRIDE	\$ 5,500,000
• EXPECTED LEVY LIMIT	\$43,555,280

# REVENUE PROJECTIONS

## FY 2025 TOTAL TAX LEVY CALCULATION

• FY 2025 LEVY LIMIT	\$	43,555,280
• DEBT EXCLUSION – TOWN	\$	4,649,077
• FY 2025 BOND PROCEEDS	\$	( 1,109)
• DEBT EXCLUSION – GDRSD	\$	384,622
• SUB-TOTAL – EXCLUSIONS	\$	5,032,590
• TOTAL TAX LEVY	\$	48,587,870

# REVENUE PROJECTIONS

## OTHER ESTIMATED REVENUES

•	<b>State Aid</b>	<b>\$1,116,143</b>
•	<b>Motor Vehicle Excise Taxes</b>	<b>\$1,820,583</b>
•	<b>General Revenues</b>	<b>\$3,803,300</b>
•	<b>Free Cash</b>	<b>\$ 697,960</b>
•	<b>Other Available Funds</b>	<b><u>\$ 350,000</u></b>
•	<b>TOTAL</b>	<b>\$7,787,986</b>



# REVENUE PROJECTIONS

- With a \$5.5 Million Override in FY 2025, the following is the new three-year projection:

## Town of Groton

### Summary of Projected Revenues and Expenditures

General Fund Revenues	FY 2024	FY 2025	FY 2026	FY 2027
Property Tax Levy	41,565,448	43,087,871	51,142,276	52,691,227
Override	-	5,500,000	-	-
State Aid Cherry Sheet	1,116,143	1,116,143	1,134,664	1,153,555
Estimated Local Receipts	5,497,383	5,623,883	5,677,569	5,732,329
Available Funds/Other Financing Sources	2,217,637	2,321,460	2,321,460	2,321,460
Enterprise (for Indirects)	336,486	315,664	321,977	328,417
<b>Total General Fund Revenues</b>	<b>50,733,097</b>	<b>57,965,021</b>	<b>60,597,946</b>	<b>62,226,988</b>
<b>Total Revenue Percentage Change</b>		<b>14.3%</b>	<b>4.5%</b>	<b>2.7%</b>

## General Fund Expenditures

General Government	2,388,159	2,472,927	2,519,726	2,567,551
Land Use	499,605	516,501	527,547	538,851
Public Safety	4,772,597	4,515,079	4,600,296	4,687,167
Regional Schools	27,718,371	31,349,977	33,311,503	35,773,926
Department of Public Works	2,351,495	2,389,516	2,433,734	2,478,903
Library and Citizen Services	1,947,870	2,192,957	2,239,917	2,287,972
Employee Benefits	4,930,663	5,174,990	5,483,218	5,810,559
Debt Service	4,801,562	5,056,611	6,519,225	6,512,851
<b>Total Town Budget</b>	<b>49,410,322</b>	<b>53,668,558</b>	<b>57,635,166</b>	<b>60,657,780</b>
State Assessments	95,249	98,662	98,662	98,662
Other Amounts Raised	982,606	1,081,022	1,081,022	1,081,022
<b>Total General Fund Expenditures</b>	<b>50,488,177</b>	<b>54,848,242</b>	<b>58,814,850</b>	<b>61,837,464</b>
<b>General Fund Surplus/(Shortfall)</b>	<b>244,920</b>	<b>3,116,779</b>	<b>1,783,096</b>	<b>389,524</b>
<b>Total Expenditures Percentage Change</b>		<b>8.6%</b>	<b>7.2%</b>	<b>5.1%</b>

# BALANCED BUDGET SUMMARY

- To provide a balanced budget, the Town Manager must reduce the Proposed Level Service Budget by \$2,383,222.
- Under previous practice, to eliminate the deficit, the GDRSD has absorbed sixty (60%) percent of the deficit, while the Town absorbs forty (40%) percent.
- Based on this, the School District would need to reduce their proposed level service budget by \$1,429,934, or 4.87% and the Town would need to reduce its proposed level service budget by \$953,288, or 5.52%. The total reduction of \$2,383,222 is a reduction of 5.11% from the Proposed Level Service Budget.
- Reductions at these levels would be devastating to both the Municipal and School District Operations.



# BALANCED BUDGET SUMMARY

<u>Department</u>	<u>Description</u>	<u>Original Request</u>	<u>Amount Reduced</u>	<u>Percentage Reduced</u>
<b>General Government</b>				
<b>Select Board</b>		\$ 30,854		
	Pepperell SRF		\$ 24,054	77.96%
<b>Town Manager</b>		\$ 412,800		
	Minute Takers		\$ 10,000	2.42%
<b>Board of Assessors</b>		\$ 213,047		
	Cyclical Inspections		\$ 10,000	4.69%
<b>Treasurer/Tax Collector</b>		\$ 274,954		
	Wages		\$ 762	
	Tax Title		\$ 5,000	
	Bond Cost		\$ 2,300	
	Sub-Total		\$ 8,062	2.93%
<b>Town Counsel</b>		\$ 90,000		
	Services		\$ 15,000	16.67%
<b>Elections/Registrars</b>		\$ 54,141		
	Stipend		\$ 3,266	6.03%
<b>Insurance and Bonding</b>		\$ 367,000		
	Liability Insurance		\$ 10,000	2.72%
<b>TOTAL GENERAL GOVERNMENT</b>		\$ 2,472,927	\$ 80,382	3.25%

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# BALANCED BUDGET SUMMARY

<u>Department</u>	<u>Description</u>	<u>Original Request</u>	<u>Amount Reduced</u>	<u>Percentage Reduced</u>
<b>Public Safety</b>				
<b>Police Department</b>	Wages	\$ 2,810,496	\$ 233,217	8.30%
	Revenue from Dunstable/Resource Officer		\$ (15,000)	
<b>Fire Department</b>	Wages	\$ 1,665,119	\$ 116,558	7.00%
	<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 4,515,079</b>	<b>\$ 334,775</b>	<b>7.41%</b>
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<b>Department of Public Works</b>				
<b>Highway</b>	Wages	\$ 1,108,353	\$ 130,628	11.79%
<b>Municipal Buildings</b>	Wages	\$ 458,795	\$ 55,395	
	Expenses		\$ 15,182	
	Minor Capital		\$ 25,000	
	Sub-Total		\$ 95,577	20.83%
<b>Parks Department</b>	Wages	\$ 73,681	\$ 7,522	
	Expenses		\$ 55,759	
	Sub-Total		\$ 63,281	85.89%
<b>TOTAL DEPARTMENT OF PUBLIC WORKS</b>		<b>\$ 2,389,516</b>	<b>\$ 289,486</b>	<b>12.11%</b>
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# BALANCED BUDGET SUMMARY

<u>Department</u>	<u>Description</u>	<u>Original Request</u>	<u>Amount Reduced</u>	<u>Percentage Reduced</u>
<b>Library and Citizen Services</b>				
<b>Library</b>		\$ 1,029,302		
	Wages		\$ 108,054	10.50%
<b>Water Safety</b>		\$ 20,143		
	Maintenance		\$ 10,900	54.11%
<b>Weed Management</b>		\$ 34,385		
	Baddacook Weed Management		\$ 15,000	43.62%
<b>TOTAL LIBRARY AND CITIZEN SERVICES</b>		<b>\$ 2,192,957</b>	<b>\$ 133,954</b>	<b>6.11%</b>
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<b>Employee Benefits</b>				
Health Insurance	Reducing Head Count	\$ 2,161,151	\$ 104,691	4.84%
Medicare	Reducing Head Count	\$ 157,000	\$ 10,000	6.37%
<b>TOTAL EMPLOYEE BENEFITS</b>		<b>\$ 5,174,990</b>	<b>\$ 114,691</b>	<b>2.22%</b>
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<b>TOTAL MUNICIPAL BUDGET</b>		<b>\$ 17,261,969</b>	<b>\$ 953,288</b>	<b>5.52%</b>

# FY 2025 TAX IMPACT

	<u>Actual FY 2024</u>	<u>Proposed FY 2025</u>	<u>Percent Change</u>
<b>Levy Capacity Used</b>	<b>\$36,607,742</b>	<b>\$38,055,280</b>	<b>3.95%</b>
<b>Tax Rate</b>	<b>\$13.36</b>	<b>\$13.80</b>	<b>3.29%</b>
<b>Average Tax Bill</b>	<b>\$9,284</b>	<b>\$9,590</b>	<b>3.29%</b>
<b>Override</b>	<b>\$-</b>	<b>\$2,383,222</b>	<b>100.00%</b>
<b>Tax Rate on Override</b>	<b>\$-</b>	<b>\$0.86</b>	<b>100.00%</b>
<b>Average Tax Bill</b>	<b>\$-</b>	<b>\$598</b>	<b>100.00%</b>
<b>Excluded Debt</b>	<b>\$4,782,786</b>	<b>\$5,032,590</b>	<b>6.33%</b>
<b>Tax Rate</b>	<b>\$1.73</b>	<b>\$1.82</b>	<b>5.20%</b>
<b>Average Tax Bill</b>	<b>\$1,202</b>	<b>\$1,265</b>	<b>5.20%</b>
<b>Final Levy Used</b>	<b>\$41,340,528</b>	<b>\$45,471,092</b>	<b>9.99%</b>
<b>Final Tax Rate</b>	<b>\$15.09</b>	<b>\$16.48</b>	<b>9.21%</b>
<b>Average Tax Bill</b>	<b>\$10,487</b>	<b>\$11,453</b>	<b>9.21%</b>

# TAX IMPACT

NO OVERRIDE				OVERRIDE				Override Cost	
Fiscal Year		Tax Rate	Average Tax Bill	Increase Per Year		Tax Rate	Average Tax Bill		Increase Per Year
2024	\$	13.36	\$ 9,284		\$	13.36	\$ 9,284		\$ -
2025	\$	13.80	\$ 9,590	\$ 306	\$	14.66	\$ 10,188	\$ 903	\$ 598
2026	\$	14.16	\$ 9,840	\$ 250	\$	15.56	\$ 10,813	\$ 625	\$ 375
2027	\$	14.54	\$ 10,104	\$ 264	\$	16.47	\$ 11,446	\$ 632	\$ 368
Total Increase		\$	820			\$	2,161		

Over three years, the average tax bill with an override will increase by \$1,341 or an average of \$447 per year.

## Breakdown of Tax Increase

<u>Fiscal Year</u>		<u>Normal Prop 2½ Increase</u>	<u>Override Increase</u>	<u>Existing Excluded Debt</u>		<u>FloRo Excluded Debt</u>		<u>PFAS Excluded Debt</u>		<u>Total Increase</u>	<u>Total Average Tax Bill</u>
2025	\$	306	\$ 598	\$ 21	\$	41	\$	-	\$	966	\$ 11,453
2026	\$	250	\$ 375	\$ (7)	\$	183	\$	82	\$	883	\$ 12,335
2027	\$	264	\$ 368	\$ -	\$	-	\$	-	\$	632	\$ 12,967

- Based on FY 2024 Property Values
- Accounts for \$20 million in New Growth in FY 2025
- Accounts for \$23 million in New Growth in FY 2026
- Accounts for \$22 million in New Growth in FY 2027
- Based on Home Valued at \$694,934

TOWN OF GROTON  
FIVE YEAR PROJECTION

Revised: 12/21/2023

	FY 2025		FY 2026		Percent Increase	FY 2027		Percent Increase	FY 2028		Percent Increase	FY 2029		Percent Increase	FY 2030		Percent Increase
<u>Expenditures</u>																	
Municipal Wages	\$	8,909,589	\$	9,112,297	2.28%	\$	9,319,672	2.28%	\$	9,506,065	2.00%	\$	9,696,187	2.00%	\$	9,890,110	2.00%
Employee Benefits	\$	4,984,990	\$	5,291,318	6.15%	\$	5,616,741	6.15%	\$	5,962,455	6.16%	\$	6,329,735	6.16%	\$	6,719,878	6.16%
Sub-Total	\$	13,894,579	\$	14,403,615	3.66%	\$	14,936,413	3.70%	\$	15,468,521	3.56%	\$	16,025,922	3.60%	\$	16,609,989	3.64%
Municipal Expenses	\$	3,177,390	\$	3,208,923	0.99%	\$	3,240,772	0.99%	\$	3,273,180	1.00%	\$	3,305,912	1.00%	\$	3,338,971	1.00%
Sub - Total	\$	17,071,969	\$	17,612,538	3.17%	\$	18,177,185	3.21%	\$	18,741,700	3.11%	\$	19,331,833	3.15%	\$	19,948,959	3.19%
Debt Service - In Levy Capacity Only	\$	407,534	\$	308,648	-24.26%	\$	256,218	-16.99%	\$	250,000	-2.43%	\$	250,000	0.00%	\$	250,000	0.00%
Total - Municipal Budget	\$	17,479,503	\$	17,921,186	2.53%	\$	18,433,403	2.86%	\$	18,991,700	3.03%	\$	19,581,833	3.11%	\$	20,198,959	3.15%
Groton Dunstable Regional School	\$	29,392,165	\$	31,646,544	7.67%	\$	34,073,834	7.67%	\$	36,687,297	7.67%	\$	39,501,213	7.67%	\$	42,530,956	7.67%
Middle School Roof Debt Service	\$	60,534	\$	60,534	0.00%	\$	60,534	0.00%	\$	60,534	0.00%	\$	60,534	0.00%	\$	60,534	0.00%
GDRSD Capital	\$	550,000	\$	563,750	2.50%	\$	577,844	2.50%	\$	575,000	-0.49%	\$	575,000	0.00%	\$	575,000	0.00%
Nashoba Regional Technical High School	\$	962,656	\$	986,722	2.50%	\$	1,011,390	2.50%	\$	1,036,675	2.50%	\$	1,062,592	2.50%	\$	1,089,157	2.50%
Total - Regional Schools Assessments	\$	30,965,355	\$	33,257,550	7.40%	\$	35,723,602	7.42%	\$	38,359,506	7.38%	\$	41,199,339	7.40%	\$	44,255,647	7.42%
Total Operating Expenses	\$	48,444,858	\$	51,178,737	5.64%	\$	54,157,005	5.82%	\$	57,351,207	5.90%	\$	60,781,172	5.98%	\$	64,454,606	6.04%
Additional Appropriations																	
OPEB	\$	190,000	\$	191,900	1.00%	\$	193,819	1.00%	\$	195,757	1.00%	\$	197,715	1.00%	\$	199,692	1.00%
Capital Budget Request	\$	901,971	\$	901,971	0.00%	\$	901,971	0.00%	\$	901,971	0.00%	\$	500,000	-44.57%	\$	500,000	0.00%
Bond Premium Payment	\$	1,109	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%
Cherry Sheet Offsets	\$	29,051	\$	20,000	0.00%	\$	20,000	0.00%	\$	20,000	0.00%	\$	20,000	0.00%	\$	20,000	0.00%
Snow and Ice Deficit	\$	-	\$	100,000	100.00%	\$	102,500	2.50%	\$	105,063	2.50%	\$	107,689	2.50%	\$	110,381	2.50%
State and County Charges	\$	98,662	\$	101,129	2.50%	\$	103,657	2.50%	\$	106,248	2.50%	\$	108,904	2.50%	\$	111,627	2.50%
Allowance for Abatements/Exemptions	\$	150,000	\$	200,000	33.33%	\$	200,000	0.00%	\$	200,000	0.00%	\$	200,000	0.00%	\$	200,000	0.00%
Sub-Total Additional Appropriations	\$	1,370,793	\$	1,515,000	10.52%	\$	1,521,947	0.46%	\$	1,529,039	0.47%	\$	1,134,308	-25.82%	\$	1,141,700	0.65%
Grand Total Appropriations	\$	49,815,651	\$	52,693,737	5.78%	\$	55,678,952	5.67%	\$	58,880,246	5.75%	\$	61,915,480	5.15%	\$	65,596,306	5.94%
<u>Revenues</u>																	
Previous Year Proposition 2½ Levy Limit	\$	36,832,663	\$	43,555,280	18.25%	\$	45,021,162	3.37%	\$	46,533,116	3.36%	\$	52,392,529	12.59%	\$	54,108,330	3.27%
Allowed 2½ Increase	\$	920,817	\$	1,088,882	18.25%	\$	1,125,529	3.37%	\$	1,163,328	3.36%	\$	1,309,813	12.59%	\$	1,352,708	3.27%
New Growth	\$	301,800	\$	377,000	24.92%	\$	386,425	2.50%	\$	396,086	2.50%	\$	405,988	2.50%	\$	416,137	2.50%
Proposition 2½ Override	\$	5,500,000	\$	-	0.00%	\$	-	0.00%	\$	4,300,000	0.00%	\$	-	0.00%	\$	-	0.00%
State Aid	\$	1,116,143	\$	1,134,664	1.66%	\$	1,153,555	1.66%	\$	1,150,000	-0.31%	\$	1,150,000	0.00%	\$	1,150,000	0.00%
Local Receipts	\$	5,623,883	\$	5,677,569	0.95%	\$	5,732,329	0.96%	\$	5,789,652	1.00%	\$	5,847,549	1.00%	\$	5,906,024	1.00%
Free Cash	\$	697,960	\$	697,960	0.00%	\$	697,960	0.00%	\$	697,960	0.00%	\$	697,960	0.00%	\$	697,960	0.00%
Transfer from Enterprise Funds	\$	315,664	\$	321,977	2.00%	\$	328,417	2.00%	\$	334,985	2.00%	\$	341,685	2.00%	\$	348,519	2.00%
Other Available Funds	\$	-	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%
EMS Fund	\$	350,000	\$	350,000	0.00%	\$	350,000	0.00%	\$	350,000	0.00%	\$	350,000	0.00%	\$	350,000	0.00%
Bond Surplus Transfer	\$	-	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%
GDRSD Capital Stabilization Fund	\$	550,000	\$	550,000	0.00%	\$	550,000	0.00%	\$	550,000	0.00%	\$	550,000	0.00%	\$	550,000	0.00%
Capital Stabilization Fund	\$	723,500	\$	723,500	0.00%	\$	723,500	0.00%	\$	723,500	0.00%	\$	723,500	0.00%	\$	723,500	0.00%
Grand Total Revenus	\$	52,932,430	\$	54,476,832	2.92%	\$	56,068,877	2.92%	\$	61,988,627	10.56%	\$	63,769,024	2.87%	\$	65,603,179	2.88%
Surplus/(Deficit)	\$	3,116,778	\$	1,783,096		\$	389,924		\$	3,108,381		\$	1,853,544		\$	6,873	

# **WE ARE NOT ALONE**

- Other area Towns facing a major deficit requiring an Override in FY 2025 include:
- Westford
- Dracut
- Acton
- Dunstable

# **FUTURE CONSIDERATIONS**

- **Administrators' Working Group, made up of representatives from Groton, Dunstable and the Groton Dunstable Regional School District, was created in November 2023.**
- **Goal of this Working Group was to promote collaboration and cooperation between the Towns of Groton and Dunstable and the Groton Dunstable Regional School District.**
- **Working Group has recommended that both Groton and Dunstable hold override votes on the same day prior to Town Meeting to show unity among the Towns and School District.**
- **The following is the proposed Timeline for this approach:**



# TIME LINE

- **Monday, January 8, 2024** – Town Manager Presents Proposed Budget
- **Wednesday, February 10, 2024** – GDRSD School Superintendent submits Proposed School Budget to GDRSD Committee
- **Saturday, January 27, 2024** – Finance Committee/Select Board Budget Review Meeting
- **Monday, February 26, 2024** – Groton Select Board and Dunstable Board of Selectmen call for a Special Override Election on April 2, 2024
- **Tuesday, February 27, 2024 and Wednesday, March 6, 2024** – Budget Forums Held in Groton and Dunstable (Time and Locations to be determined)
- **Tuesday, April 2, 2024** – Special Override Election in Groton and Dunstable
- **Monday, April 22, Saturday, April 27 or Monday, April 29, 2024** – Groton Annual Town Meeting

# **JANUARY 27<sup>TH</sup> MEETING SCHEDULE**

<b>8:40 a.m.</b>	<b>Library Budget</b>
<b>9:15 a.m.</b>	<b>Police Department Budget</b>
<b>9:50 a.m.</b>	<b>Fire Department Budget</b>
<b>10:25 a.m.</b>	<b>DPW Budget</b>
<b>11:00 a.m.</b>	<b>GDRSD Budget Assessment</b>
<b>11:35 a.m.</b>	<b>Town Manager Summary</b>
<b>12:00 p.m.</b>	<b>FY 25 Budget Deliberation</b>

# CONCLUSION

- **THANK YOU/QUESTIONS**