



# **FY26 OPERATING BUDGET**

## **JANUARY 2025**

# Agenda

- Budget Calendar, Process, Current Status
- Revenue Estimates and Overview
- Department Requests
- Town Administrator's Recommendations
- Financial History
- Deficits and Impacts
  - Based on Proportional Share of Revenue
  - Based on Groton Assessment
  - Based on Level Service GDRSD Budget
- Capital
- Future Planning

# Budget Calendar, Process, Current Status



- Summer – Select Board, Town Administrator, and Departments establish goals and priorities.
- Summer – Advisory Board, Select Board, and Town Administrator develop and review Financial Forecast.
- Summer – Town Administrator/Town Manager Tri-Comm meetings begin between the Towns of Dunstable and Groton, and Groton Dunstable Regional School District.
- Early Fall – Town Administrator distributes budget message and departmental budget worksheets.
- Early Fall – Town Administrator distributes capital improvement request sheets to departments.
- Early / Late Fall - Staff develop budget requests and submit capital requests.
- Early /Late Fall – Dunstable and Groton Select Boards, Dunstable Advisory Board, Groton Finance Committee, and Groton Dunstable Regional School Committee hold joint budget forum to review financial condition of the Towns and School District.
- Late Fall / Early Winter - Departments budgets are submitted to Advisory Board and Select Board and are reviewed.
- Early / Mid Winter – Draft, proposed Capital Improvement Plan is submitted to the Capital Improvement Committee and is reviewed.



# What's Next?

## Process

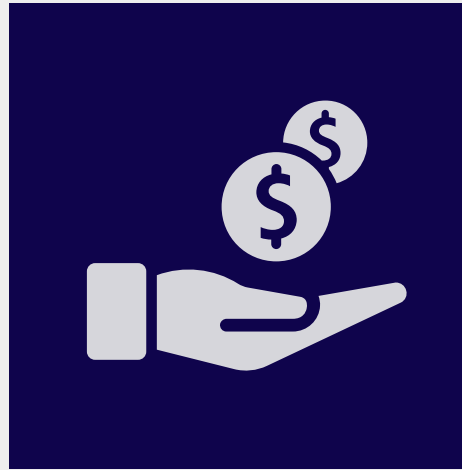
- Late Winter/Early Spring – Following a series of meetings and discussions, FY26 Budget and Capital Plan is finalized and approved by Advisory Board and Select Board.
- Early / Mid Spring – Before Annual Town Meeting, Town officials will host a briefing to review Town Meeting articles, including a review of the FY26 Operating Budget.
- Early / Mid Spring – Information and materials on each Town Meeting warrant article will be available and distributed, including materials and information on the FY26 budget.
- Spring - Annual Town Meeting takes place the second Monday of each May.

## Budget

- Refine budget estimates
- Work with Town of Groton and School Districts to finalize budget request
- Determine budget reductions and/or revenue enhancements needed
- Budget communication and outreach with community

# Revenue Estimates

Revenue assumptions are consistent for all budget scenarios



## Tax Levy

- Tax levy increase of 2.5%
- New Growth is estimated at \$110,000, consistent with prior years
- Excluded debt reduction of \$117,860
  - \$92,272 reduction of GDRSD debt service
  - \$12,072 reduction of Town debt service compared to FY25 budgeted amount



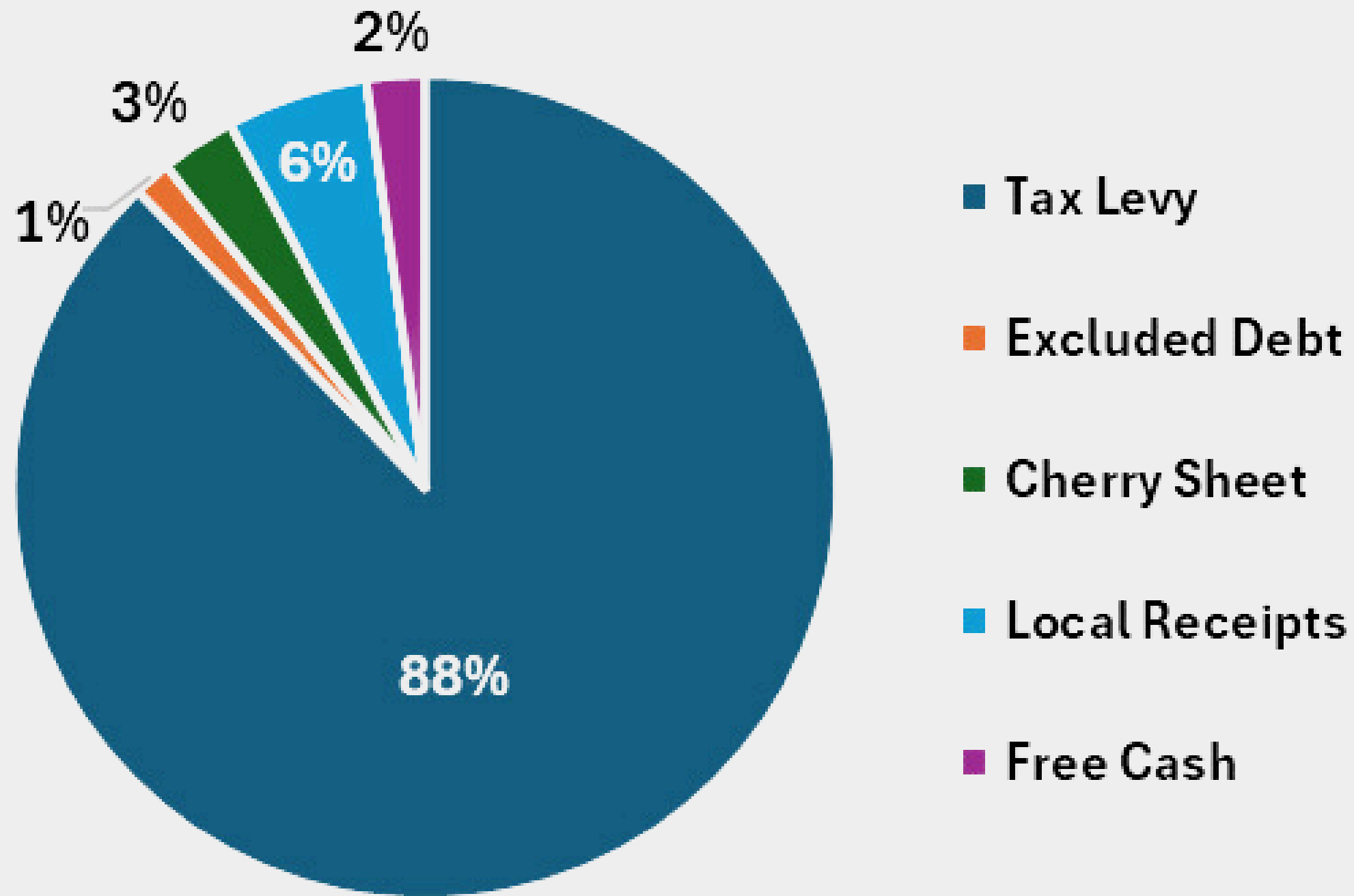
## State Aid and Local Receipts

- State Aid is estimated to increase by 4% based on last year's actual aid amount
- Local receipts are estimated at \$750,000, the same amount as years prior



## Free Cash

- Free Cash usage has been decreased by \$50,000, from \$358,724 to \$308,724
- Initial goal was to decrease use by \$100,000 in FY26
- The Town's financial policies state that free cash use should be reduced in future fiscal years



Revenue	Amount
Tax Levy	11,918,883
Excluded Debt	\$197,357
Cherry Sheet	\$400,820
Local Receipts	\$750,000
Free Cash	\$308,724

# Revenue Overview

Real estate taxes makeup 89% of local revenues

Total:  
\$13,575,784

Base Tax Levy	\$11,520,861
2 1/2 Increase	\$288,022
New Growth	\$110,000
Excluded Debt	\$197,357

**FY26 Tax Levy:**  
**\$12,116,240**

**FY26 Tax Levy**

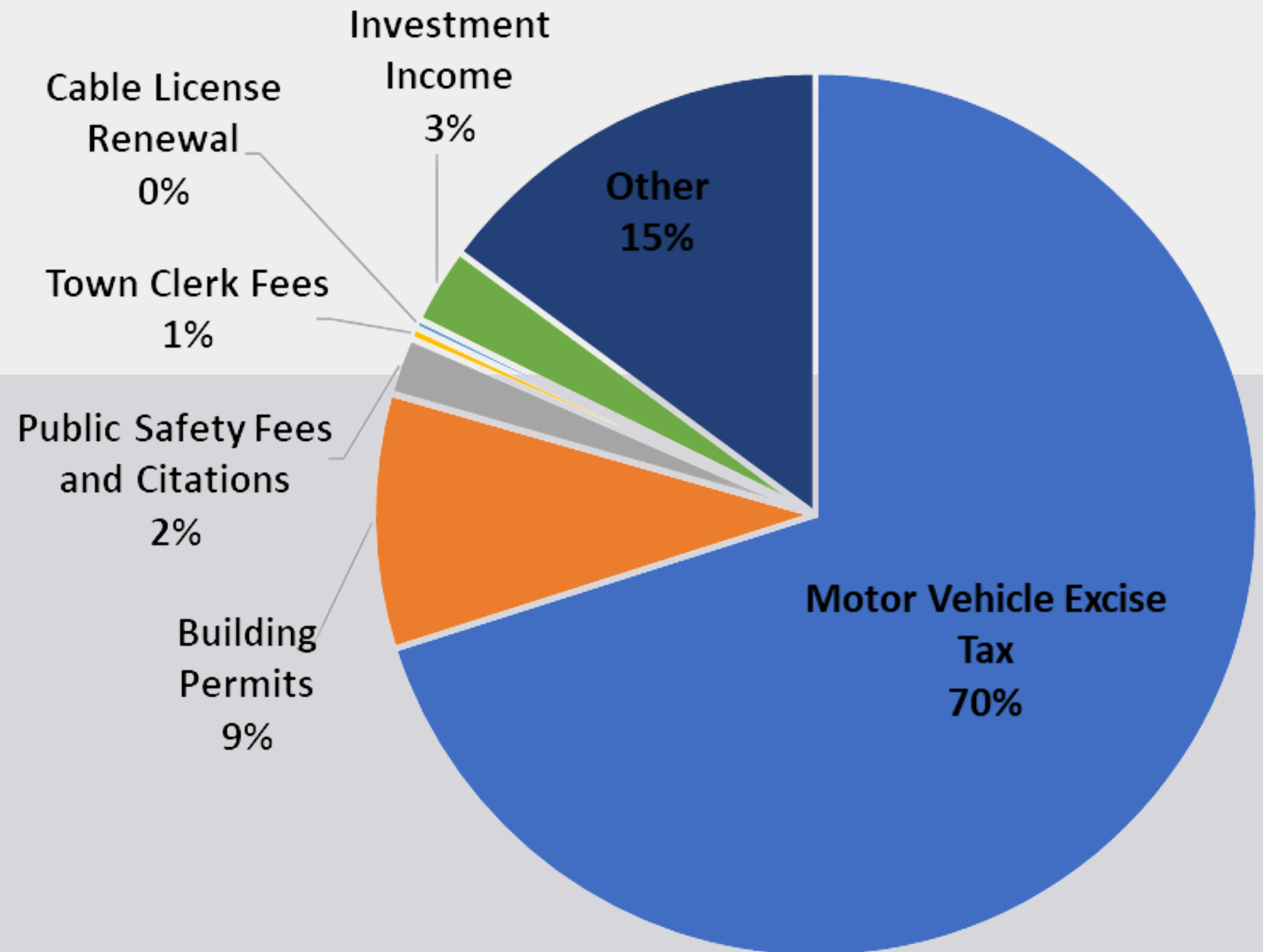


# FY26 Local Receipts Estimated

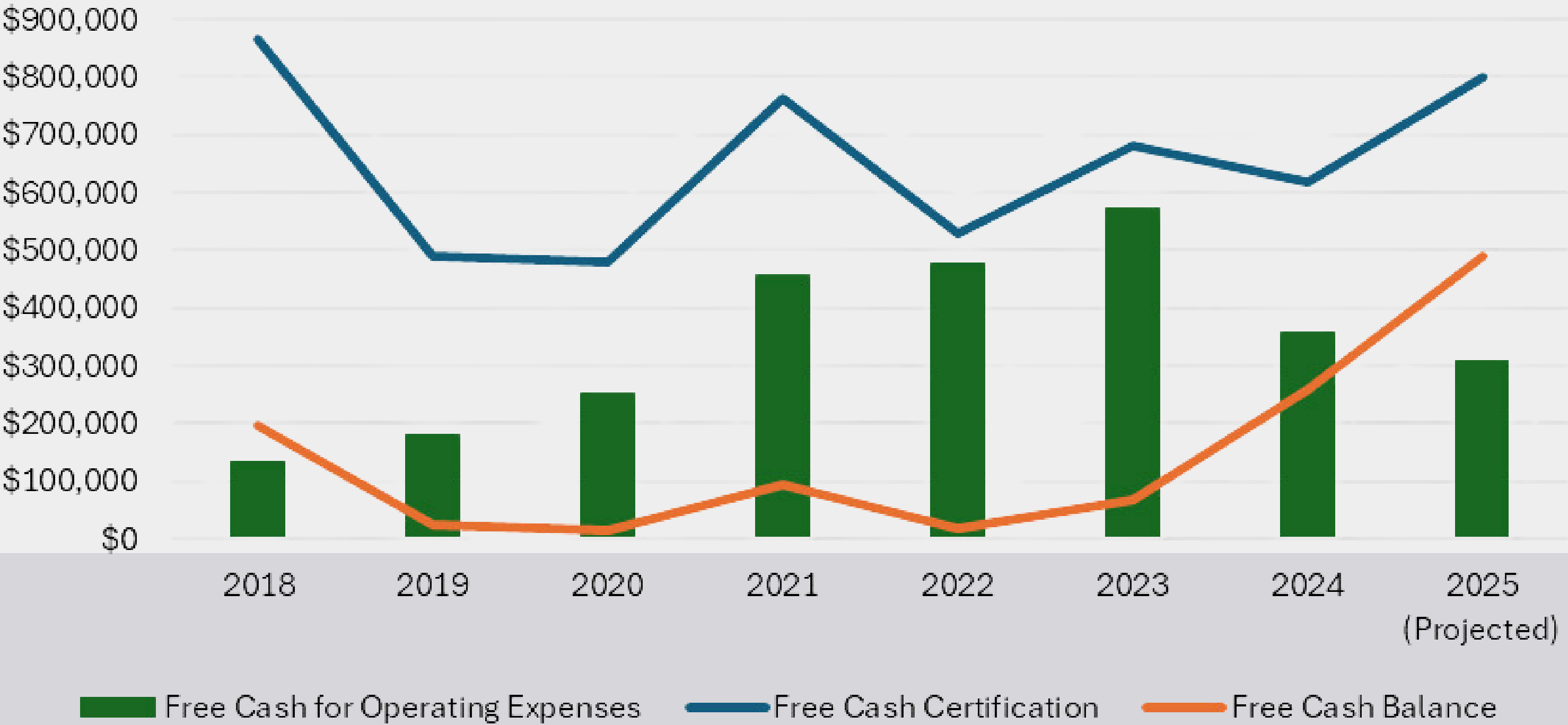
## \$750,000

Local receipts are made up of local permits, fees, licenses, and other payments for municipal services.

# FY24 Local Receipts



# Free Cash



	2018	2019	2020	2021	2022	2023	2024	2025 (Projected)
Free Cash Certification	\$867,129	\$490,353	\$480,659	\$763,086	\$527,737	\$680,186	\$617,368	\$800,000
Free Cash Balance	\$196,920	\$24,301	\$13,900	\$94,091	\$18,670	\$66,138	\$258,644	\$491,276
Free Cash for Operating Expenses	\$133,967	\$179,842	\$252,320	\$459,343	\$479,343	\$574,343	\$358,724	\$308,724

# Reserve Fund Balances Versus Best Practices

General Stabilization: **\$349,204**

Free Cash Balance: **\$258,644**

Total: **\$607,848**

Target General Stabilization Fund balance  
of 5% to 10% of operating budget

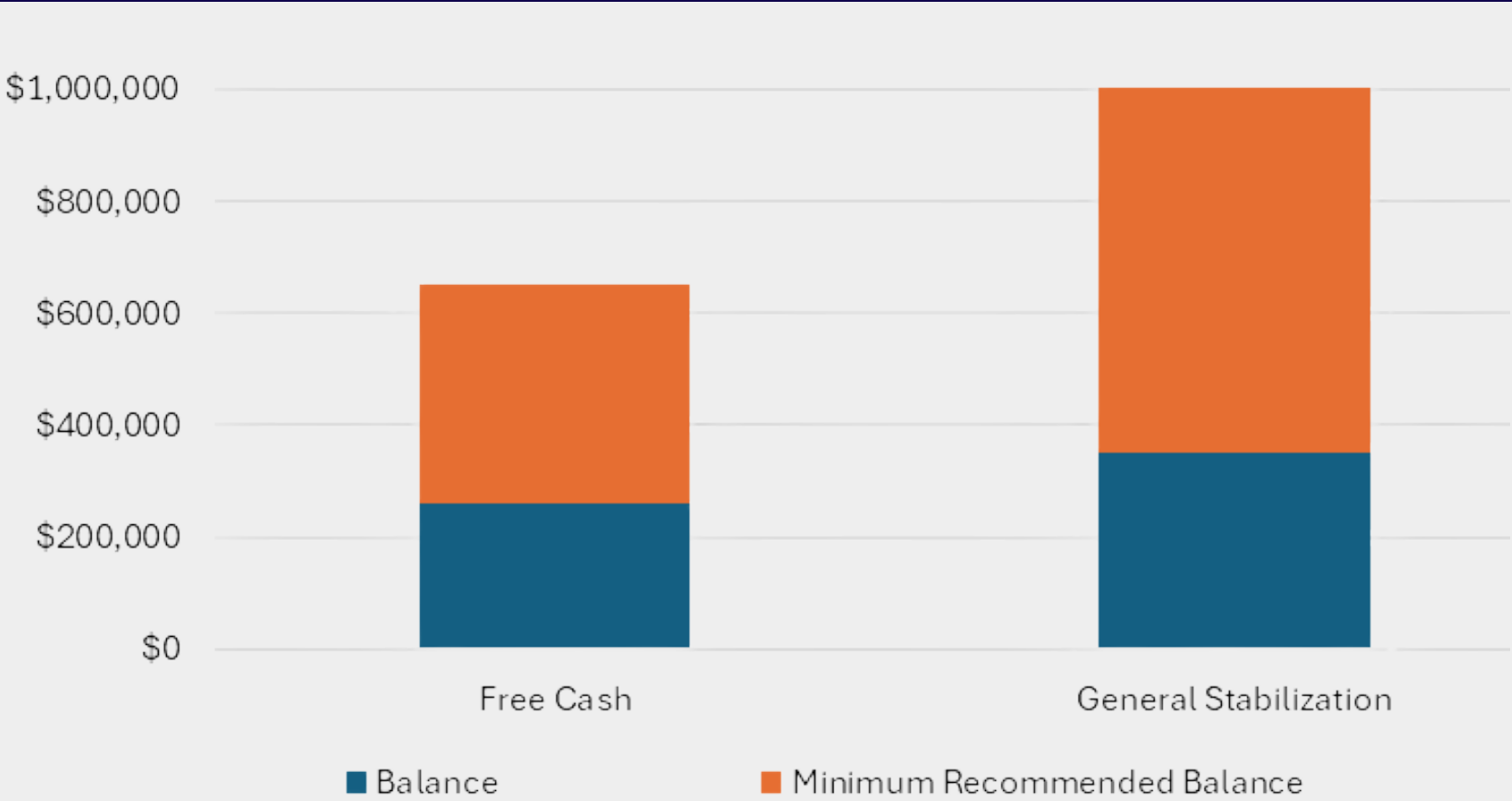
**\$655,245 to \$1,310,450**

Target Free Cash balance of 3% to 5% of  
operating budget

**\$393,147 to \$655,245**

Total from 8% to 15%

**\$1,048,392 to \$1,965,695**



Variance from best practices (8%):

General Stabilization: **\$306,041**

Free Cash Balance: **\$134,503**

Total: **\$440,544**

# Department Requests

Initial Expense Increase Requests



## Town

- Overall increase of 5.8% (operating, debt, capital)
  - Town operating increase of 6.42%
  - Town Debt Service reduction of 6.72% compared to FY25 budgeted amount
  - Capital Increase of .55%



## Schools

- Overall increase of 9.08% to assessment
  - GDRSD assessment increase of 9.19%
    - Operating assessment increase of 10.6%
    - Capital reduction of 3.6%
    - Debt Service reduction of 71.7%
  - GLRVTS estimated operating increase of 5%



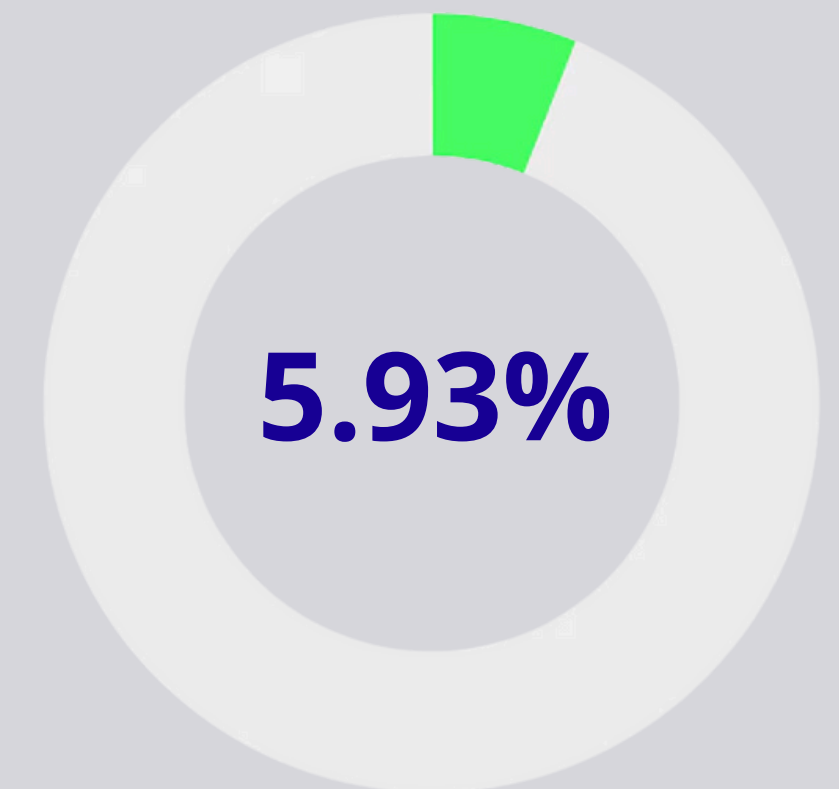
## Total Increase

Total Operating and Debt Increase of 7.94%  
Total Operating, Debt, and Town Capital Increase of 7.87%

# FY26 Expense Increase by Category

## Town - Department Requests

Budget Category	FY25	Dept Requests	Increase	% Increase
General Government	\$631,255	\$696,719	\$65,464	10.37%
Public Safety	\$1,687,507	\$1,742,440	\$54,933	3.26%
Public Works	\$895,811	\$945,189	\$49,378	5.51%
Human Services	\$79,328	\$76,923	-\$2,405	-3.03%
Library & Recreation	\$310,494	\$331,323	\$20,829	6.71%
Town Debt Service	\$179,627	\$167,555	-\$12,072	-6.72%
Insurance & Assessments	\$967,574	\$1,073,094	\$105,520	10.91%
<b>Total Town Budget</b>	<b>\$4,751,596</b>	<b>\$5,033,243</b>	<b>\$281,647</b>	<b>5.93%</b>

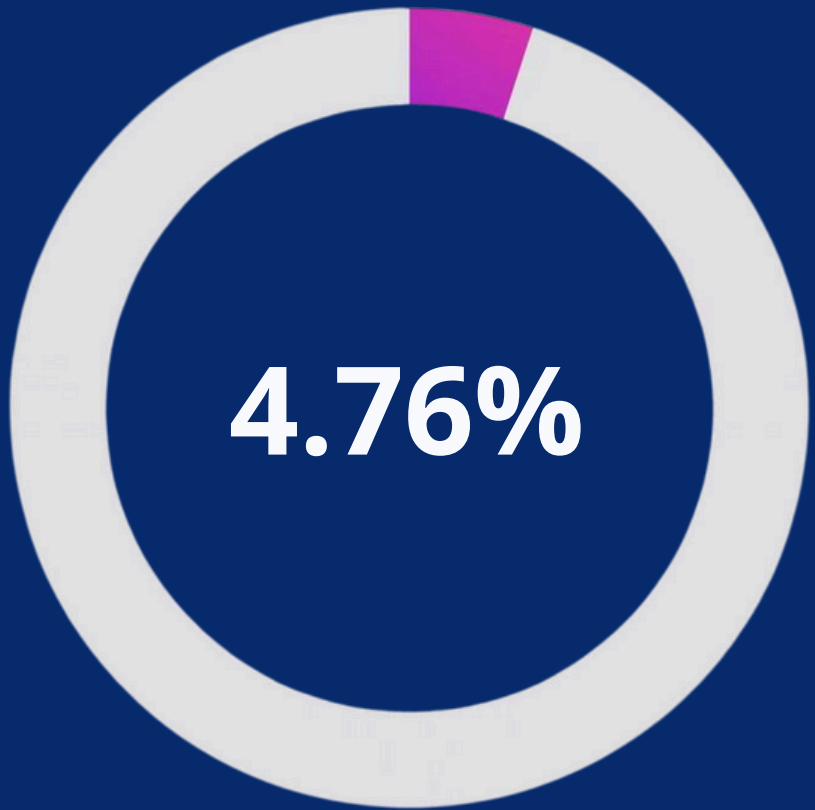


**Total Town  
Operating and Debt  
Increase**

# FY26 Expense Increase by Category

## Town - Town Administrator Recommendations

Budget Category	FY25	Town Administrator Recommendations	Increase	% Increase
General Government	\$631,255	\$696,759	\$65,504	10.38%
Public Safety	\$1,687,507	\$1,737,399	\$49,892	2.96%
Public Works	\$895,811	\$918,189	\$22,378	2.50%
Human Services	\$79,328	\$76,923	-\$2,405	-3.03%
Library & Recreation	\$310,494	\$318,323	\$7,829	2.52%
Town Debt Service	\$179,627	\$167,555	-\$12,072	-6.72%
Insurance & Assessments	\$967,574	\$1,062,468	\$94,894	9.81%
<b>Total Town Budget</b>	<b>\$4,751,596</b>	<b>\$4,977,616</b>	<b>\$226,020</b>	<b>4.76%</b>



**Total Town  
Increase**

# Major Budget Changes



## Municipal Salaries

- Overall Increase by 4.05%
- Added \$10,000 to Reserve Fund in preparation of Compensation and Classification Study results



## Insurance and Assessments

- Overall increase of 9.81%
- Pension assessment increased by 24%



## Planning for Regional Emergency Communications Center Payment

- Increased Police Department Communications line by \$10,000
- Increased Fire Department Communications line by \$12,000

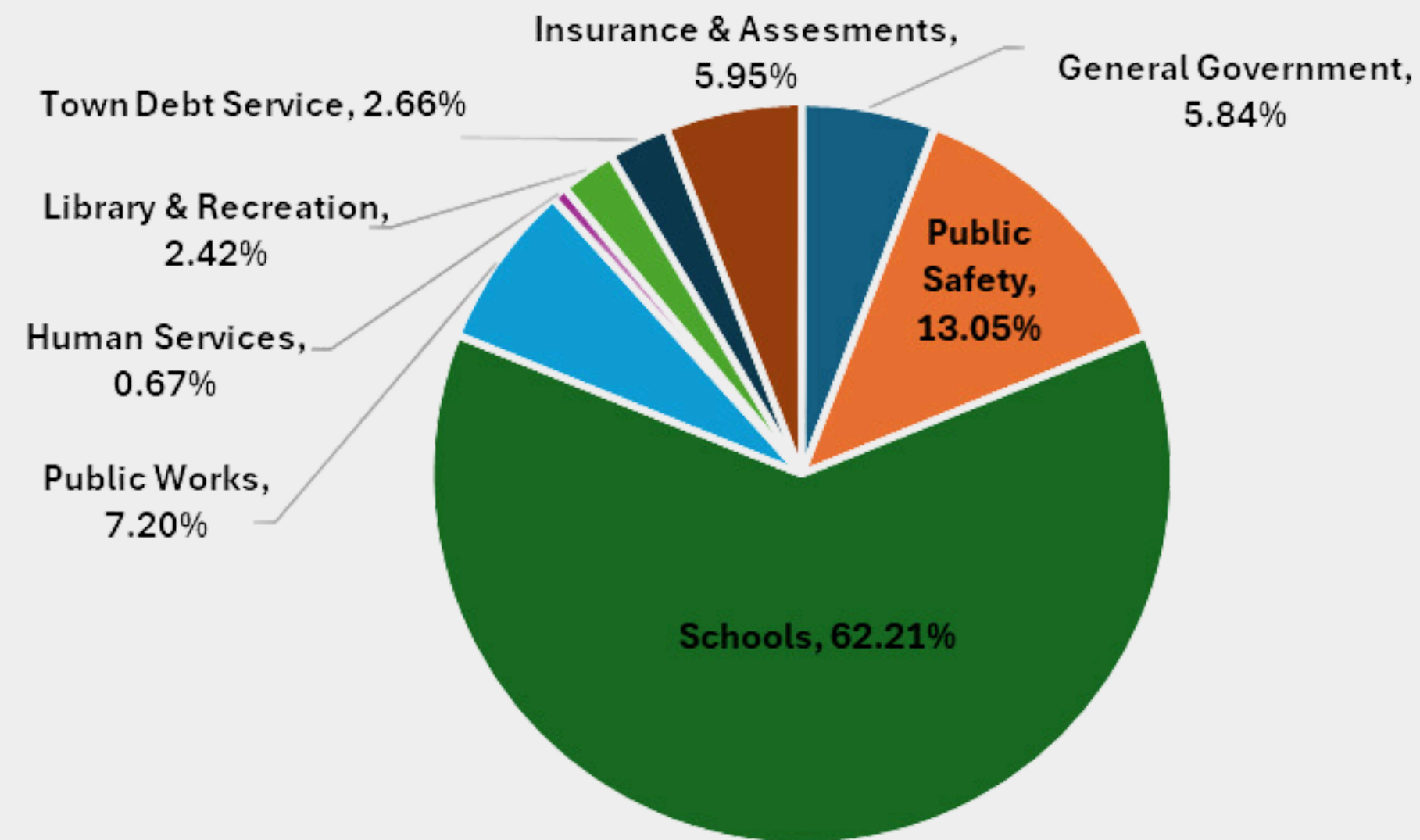


## Debt Service

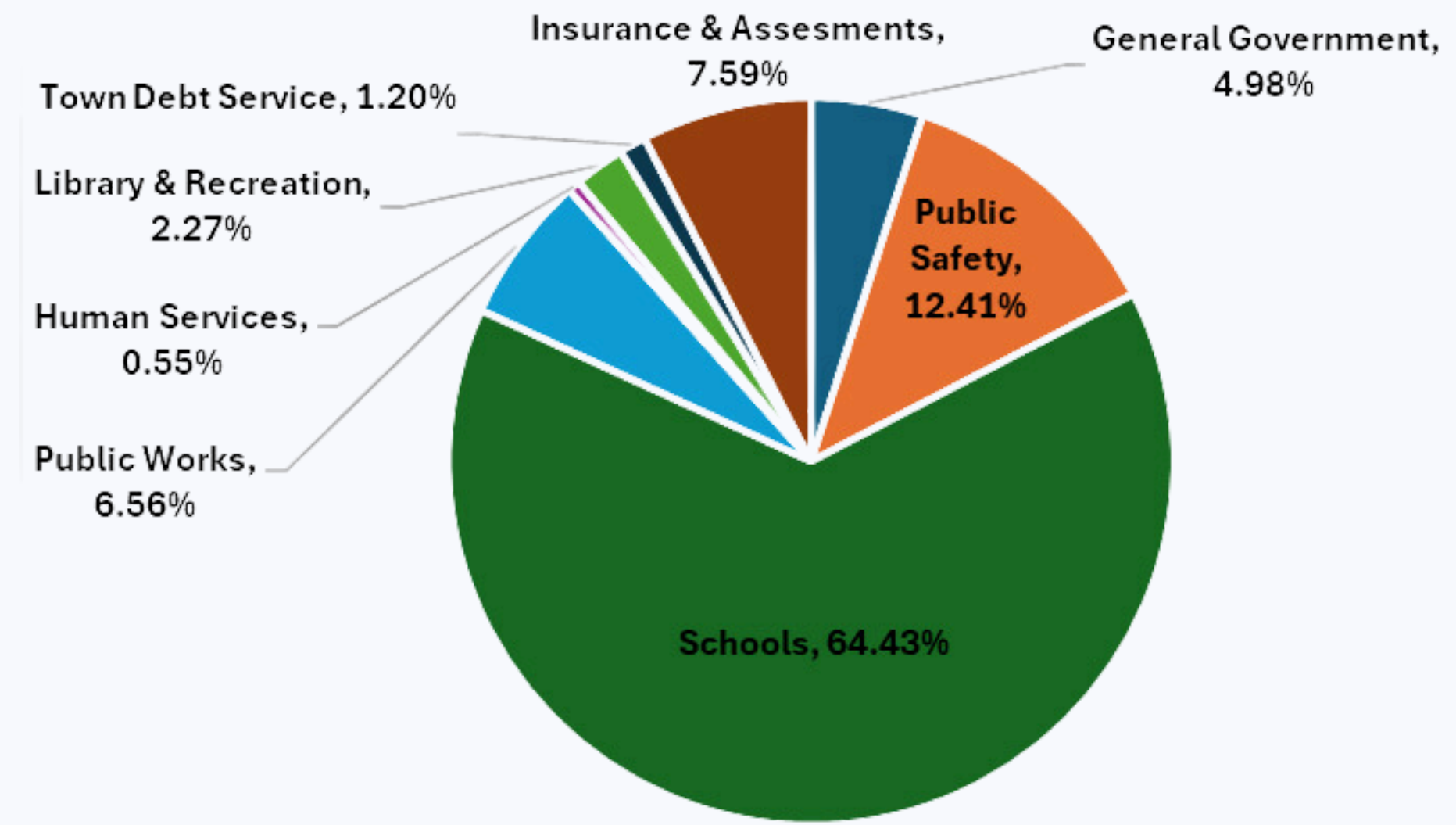
- Town Debt Service decreased by 6.72%
- Overall excluded debt decreased by 37.39%

# Then Versus Now    FY18 versus FY26 proposal

## FY18 Spending

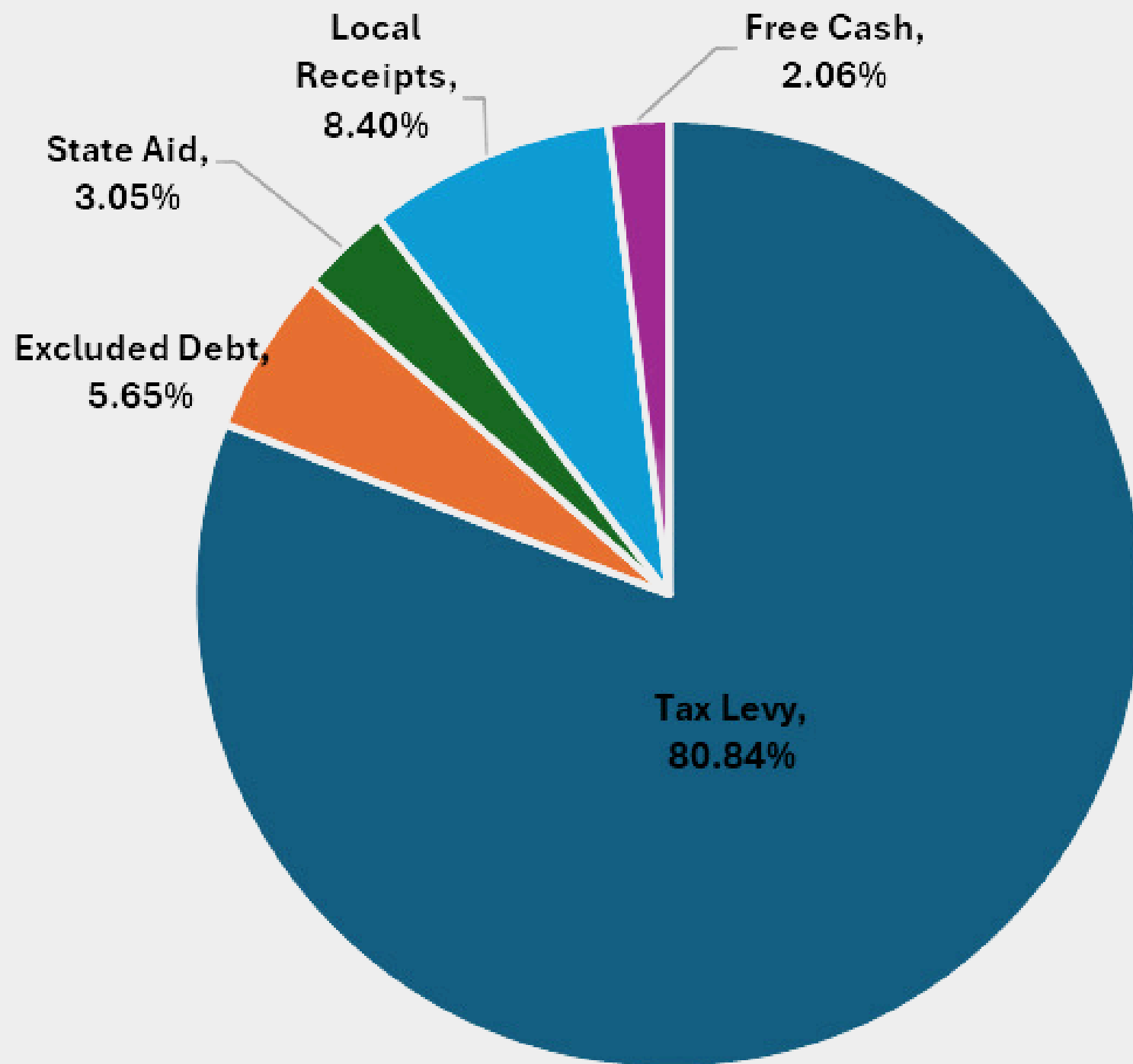


## FY26 TA Proposed Spending

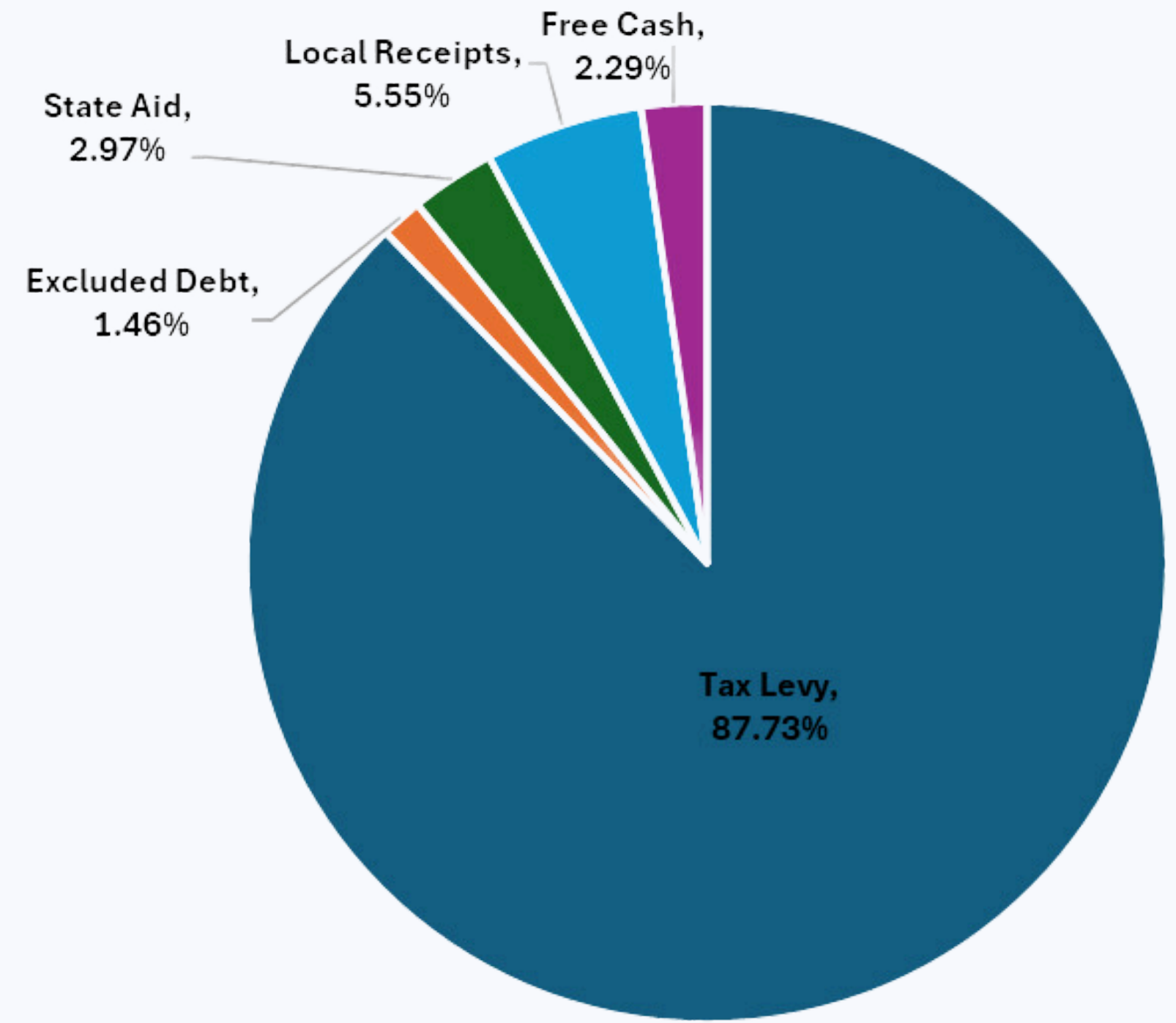


# Then Versus Now    FY18 versus FY26 proposal

## FY18 Revenue

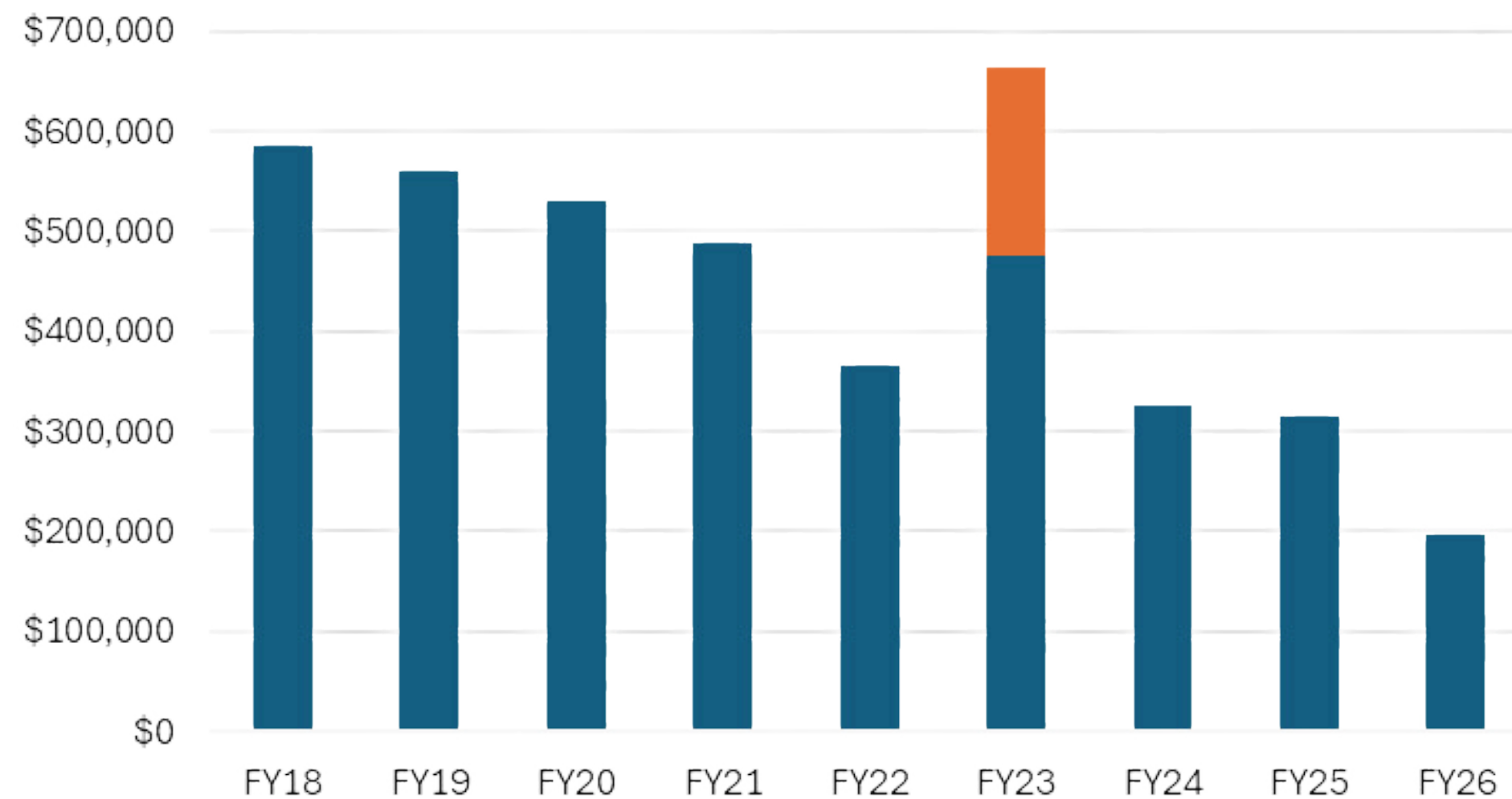


## FY26 Revenue



# Excluded

# Debt Service



	Excluded Debt	Capital Exclusion
FY18	\$586,446	
FY19	\$561,136	
FY20	\$530,275	
FY21	\$489,288	
FY22	\$365,120	
FY23	\$475,253	\$188,974
FY24	\$326,394	
FY25	\$315,217	
FY26	\$197,357	

## Historic Trends

# Budget Scenarios

*Requires override in  
both Dunstable and  
Groton*



## **New Revenue**

Proportionally assign new  
revenues



## **Groton Assessment**

Based on what the Town of  
Groton can afford without  
an override for the schools



## **Groton Dunstable School District Level Service Budget**

Based on a level service  
budget for the Groton  
Dunstable Regional School  
District

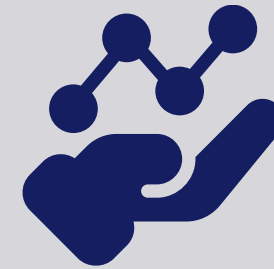
# FY26 Available New Revenue

The initial new revenue calculation is the tax levy increase (2.5% plus new growth) added together with the projected increases in state aid and local receipts



## New Revenue

\$486,189



## Excluded Debt Service

\$117,860 Reduction



## Free Cash

\$50,000 Reduction



## Total Available New Revenue

**\$318,329**

# Budget Scenarios

Projected Deficits



## New Revenue

- Town receives \$119,287
  - Creates deficit of \$110,242 based on TA Recommended Budget
- GDRSD receives \$205,085
  - Creates deficit of \$546,464 based on level service budget
- GLVTS receives \$4,464
  - Creates deficit of \$3,013



## Groton Assessment

- Creates a deficit of \$261,600

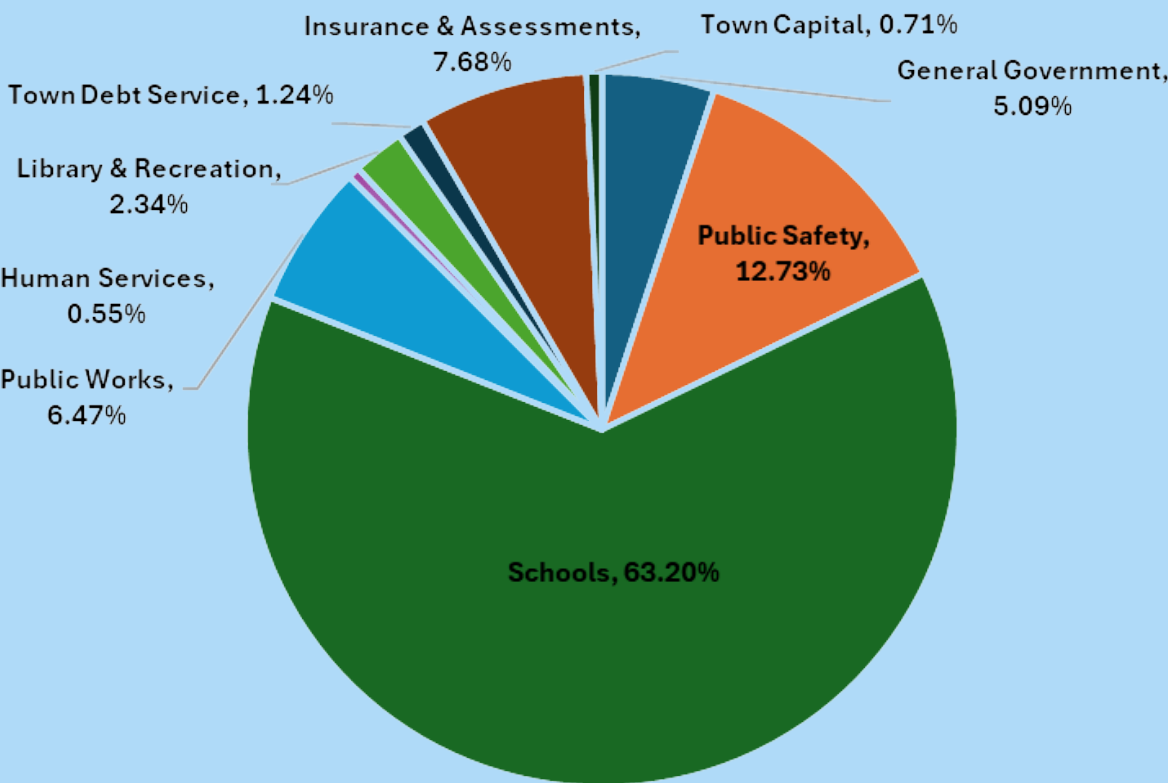


## GDRSD Level Service

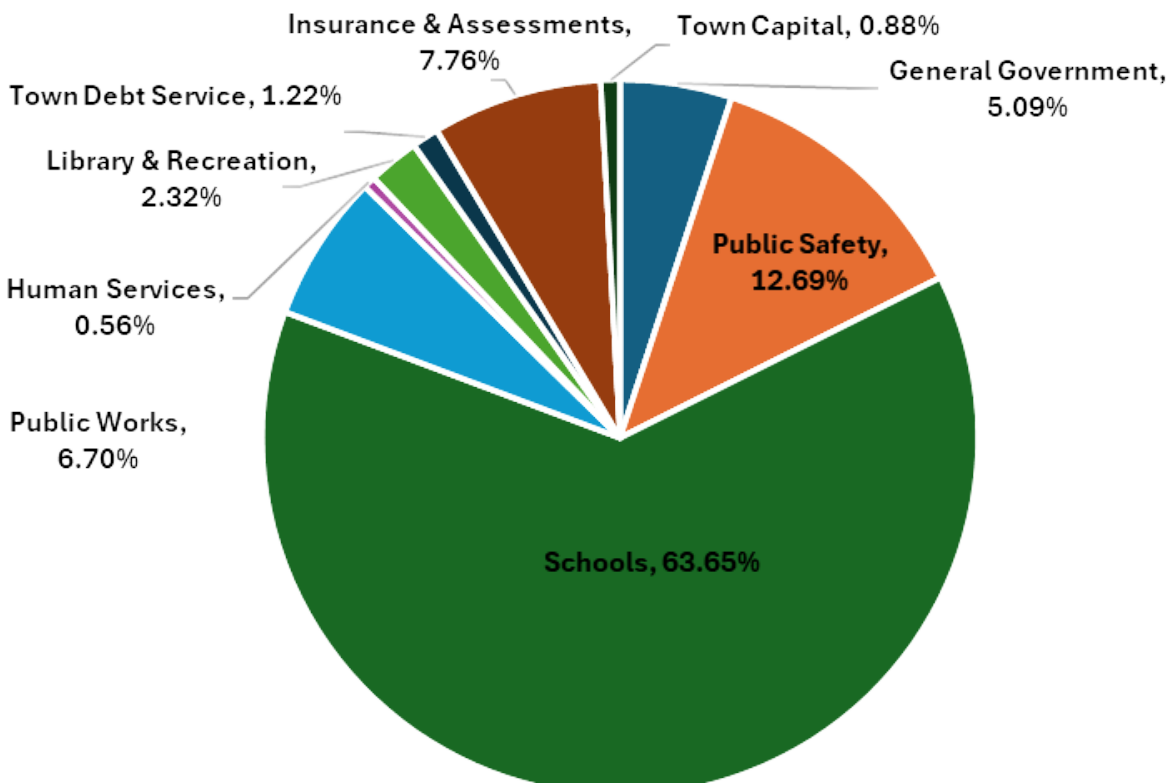
- Creates a deficit of \$561,629

# Budget Expenses by Scenario

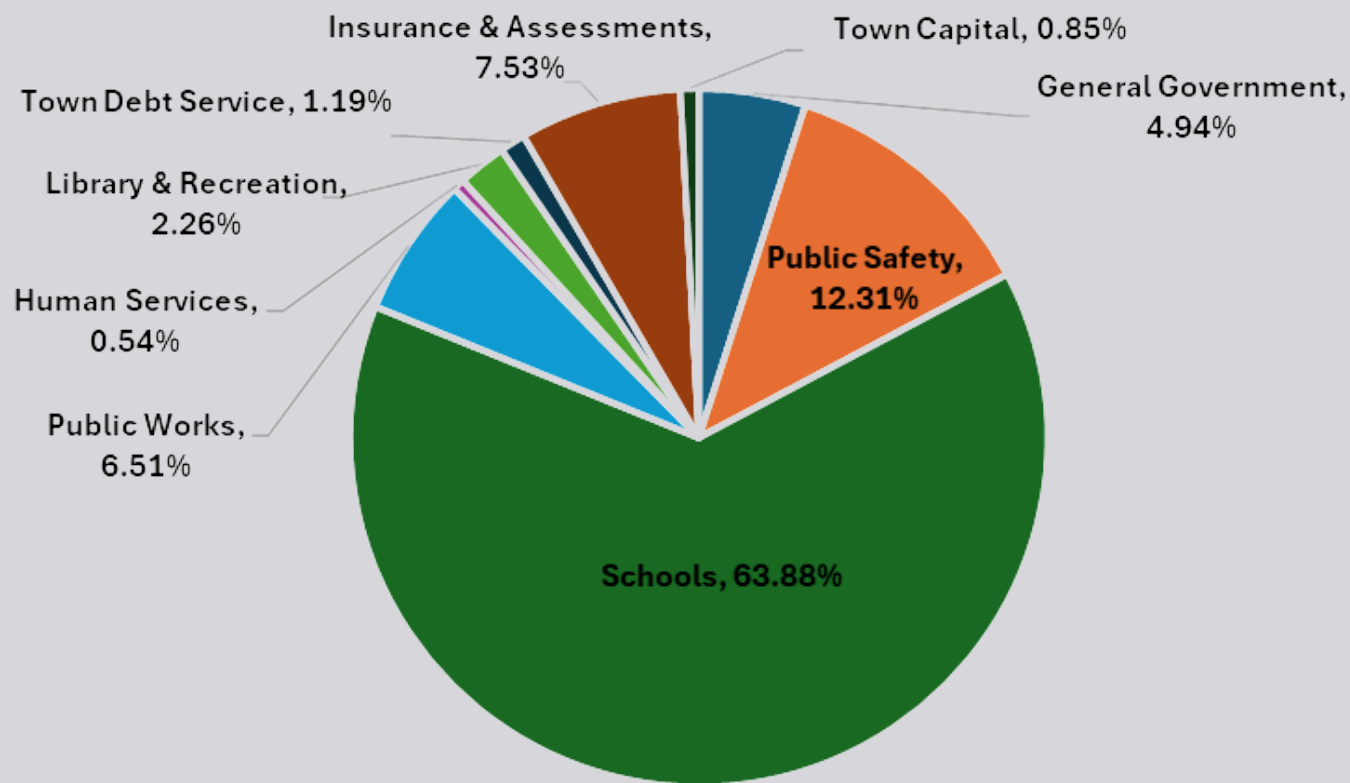
Proportional Revenue Share



Based on Groton Assessment



Based on GDRSD Level Service Budget



	Proportional Revenue Share	Groton Assessment	School Level Service
Town Operating	4,723,882	4,810,061	4,810,061
Schools Assessment	8,565,701	8,717,059	9,017,088
Town Debt Service	167,555	167,555	167,555
Town Capital	95,937	120,000	120,000
Total	13,553,075	13,814,674	14,114,703

# Groton Dunstable Regional School District

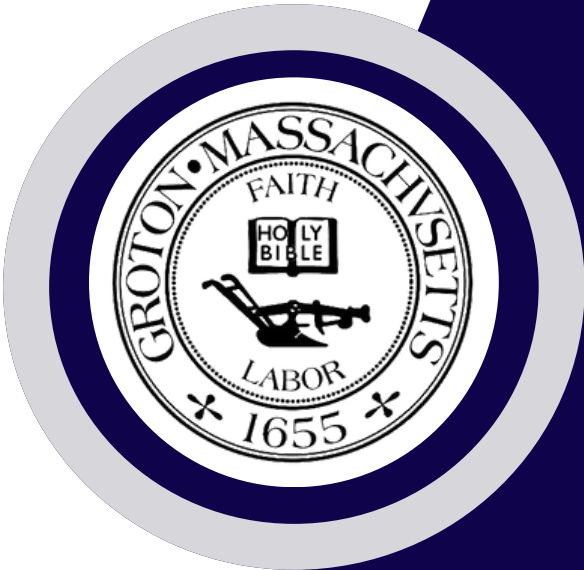
## Scenario Financial Impacts

	FY25	Proportional Revenue Share	Groton Assessment	Level Services
Assessment	\$8,177,586	\$8,382,671	\$8,531,016	\$8,831,045
Operating	\$7,962,157	\$8,262,640	\$8,410,985	\$8,711,014
Capital	\$86,733	\$83,607	\$83,607	\$83,607
Debt	\$128,696	\$36,424	\$36,424	\$36,424



### Proportional Share of New Revenue

- Assessment increase of \$205,085 or 2.51%
- \$448,374 less than level service budget



### Based on Groton Assessment

- Assessment increase of \$353,430 or 4.32%
- \$300,029 less than level service budget



### Based on Level Service Budget

- Assessment increase of \$653,459 or 7.99%

# FY25 Budget: Groton Dunstable Regional School District

- **Budget Increase**  
Groton Dunstable Regional School District/s FY25 Budget increased by only .91%
- **27 positions cut**  
Teacher, Social Worker, Counselors, Nurses, Librarian, Administrative, Specialists
- **Class Sizes**  
In certain grades at Swallow Union, and at the Middle and High Schools, class sizes have increased

# Town Impacts of Budget Scenarios

## Scenario Financial Impacts

- For the Town to match the Groton Assessment, it would need to reduce its operating budget by .51% from FY25.
- For the Town to match the GDRSD Level Service Budget, the Town would need to reduce its operating budget by 2.51% from FY25 with no capital investments supported by the General Fund.



### FY25 Town operating and debt expenses:

- Town operating: \$4,571,969
- Debt service: \$179,627



### Based on Groton Assessment

- Town operating: \$4,548,461
- Debt service: \$167,555



### Based on Level Service Budget

- Town operating: \$4,457,236
- Debt service: \$167,555
- No capital

# Magnitude of Deficit

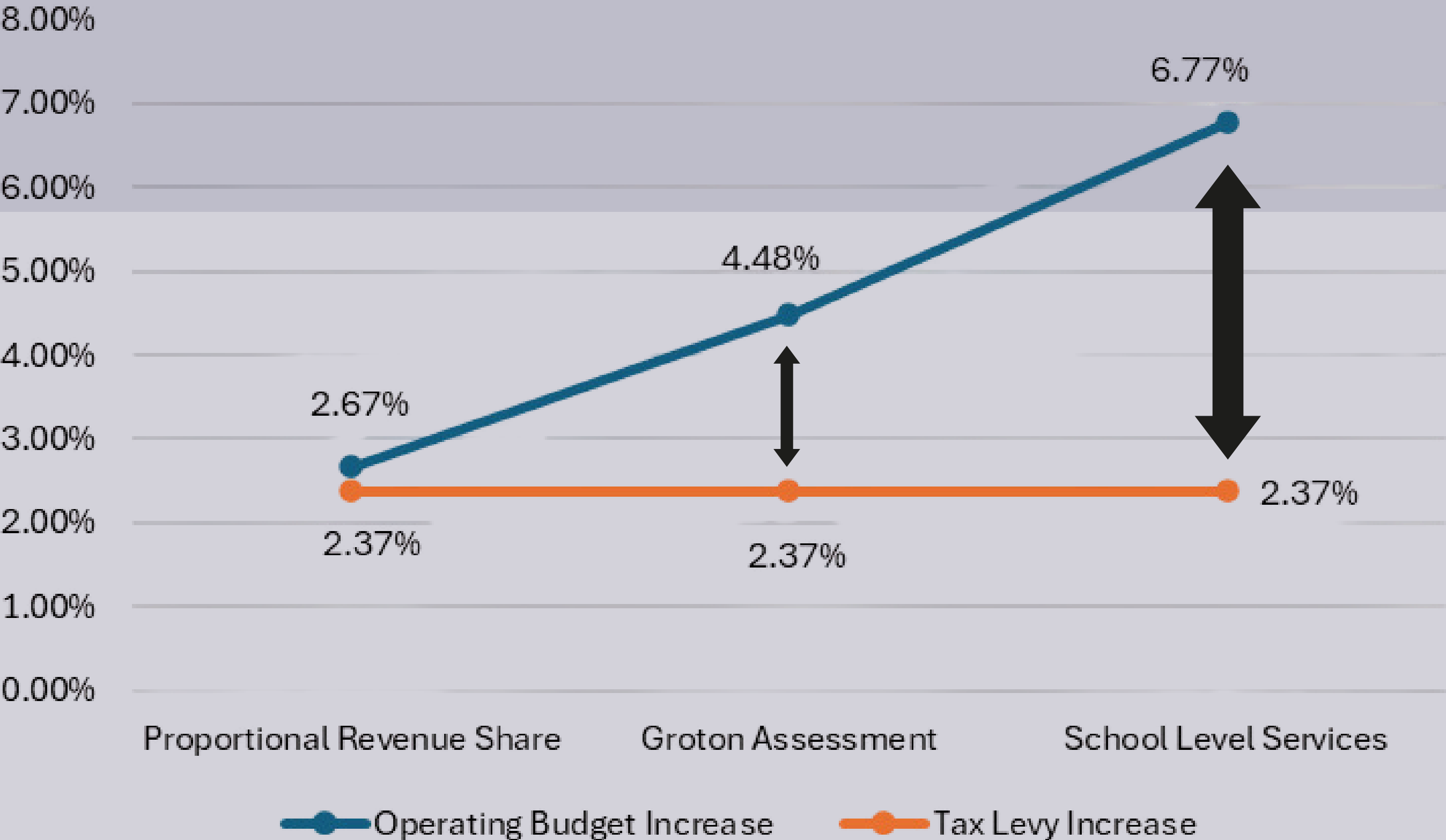
Groton Assessment  
\$261,600 Deficit

Level Service Budget  
\$561,629

	Library Budget \$203,377		Recreation \$11,400
	Per Diem Firefighters \$106,080		Highway Paving \$45,500
	Police Officer \$84,000		Highway Brush, Signs, Line Painting \$30,000
	Capital \$120,000		Town Administrator \$178,700
	Free Cash Appropriation Increase		Council on Aging \$17,754

# FY26 Estimated Levy Increase versus Budget Increases

While the total tax levy is estimated to increase by 2.37%, operating increases are increasing, 2.67%, 4.48%, and 6.77% respectively.



# FY26 Variables



## Insurance

Health and General Liability



## Employee Salaries

Police Union, Fire Chief contract, TA contract, Compensation and Classification Study



## TA Recommendations

May need adjustments



## Free Cash

Not yet certified and how much to use to supplement budget. Presentation is based on a \$50,000 reduction.



## Schools

GLTVHS estimated at 5% increase. Final number from GDRSD.

# Tax Impacts of Override Requests Equal to Deficits

*Based on FY25 Tax Rate: 13.75*

## Groton Assessment **\$261,600**

Proposed Tax Rate Impact Per \$1,000:	0.30
Proposed New Tax Rate Per \$1,000 (Estimated New):	14.05
FY 2025 Average Single Family Assessed Value (Current):	\$685,358
FY 2025 Average Single Family Tax Bill (Current):	\$9,424
FY 2025 Average Single Family Tax Bill Impact (Estimated New):	\$205.61

## Level Service Budget **\$561,629**

Proposed Tax Rate Impact Per \$1,000:	0.65
Proposed New Tax Rate Per \$1,000 (Estimated New):	14.40
FY 2025 Average Single Family Assessed Value (Current):	\$685,358
FY 2025 Average Single Family Tax Bill (Current):	\$9,424
FY 2025 Average Single Family Tax Bill Impact (Estimated New):	\$445.48

# FY26 Tax Increase without Override

*Based on FY25 Tax Rate: 13.75*

**2 1/2 Increase Plus New  
Growth**

**\$315.26  
Estimated**

**Excluded Debt**

**FY25**

**\$315,217**

**FY26**

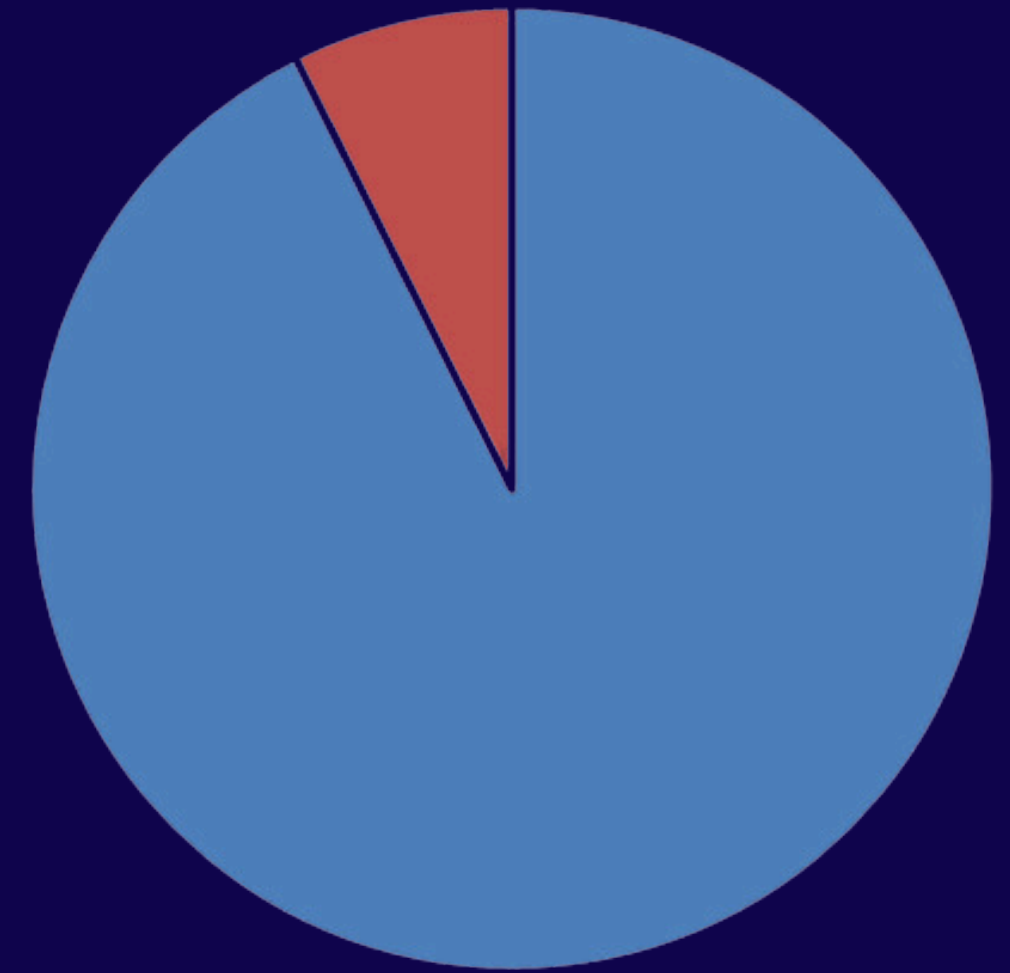
**\$197,357**

**less \$117,860**

**Total Estimated Tax Increase without Override    \$226.17**

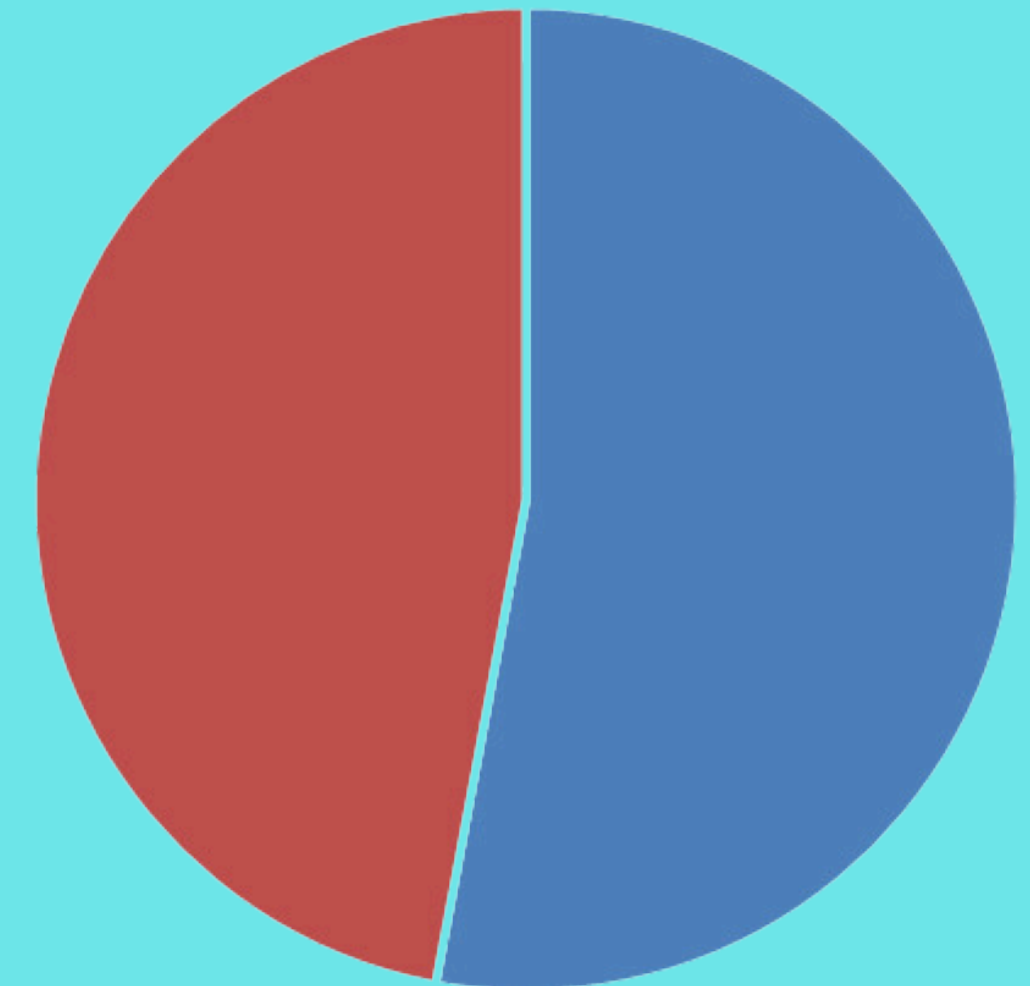
# Debt Exclusion Override Elections

**Wins: 24**  
**Losses: 2**



# General Fund Override Elections

**Wins: 9**  
**Losses: 8**



# In the Headlines

THE  SUN

Pepperell,  
Townsend voters  
reject overrides

Athol Daily News

Firefighter override passes  
by narrow margin at Athol  
Town Election

westford



2024 Spring election  
results: Proposition 2  
1/2 override fails

Local Headline News

VOTERS REJECT \$7.7M  
OVERRIDE OF  
PROPOSITION 2 1/2

WINTHROP TRANSCRIPT

Town Council  
Approves Putting  
\$4.95 Million School  
Override on November  
Ballot

THE  SUN

Dracut deficit  
deepens to \$3.6M

## FY25 Budget We are not alone

General Fund Override requests

**42** communities

22 WINS  
28 LOSSES

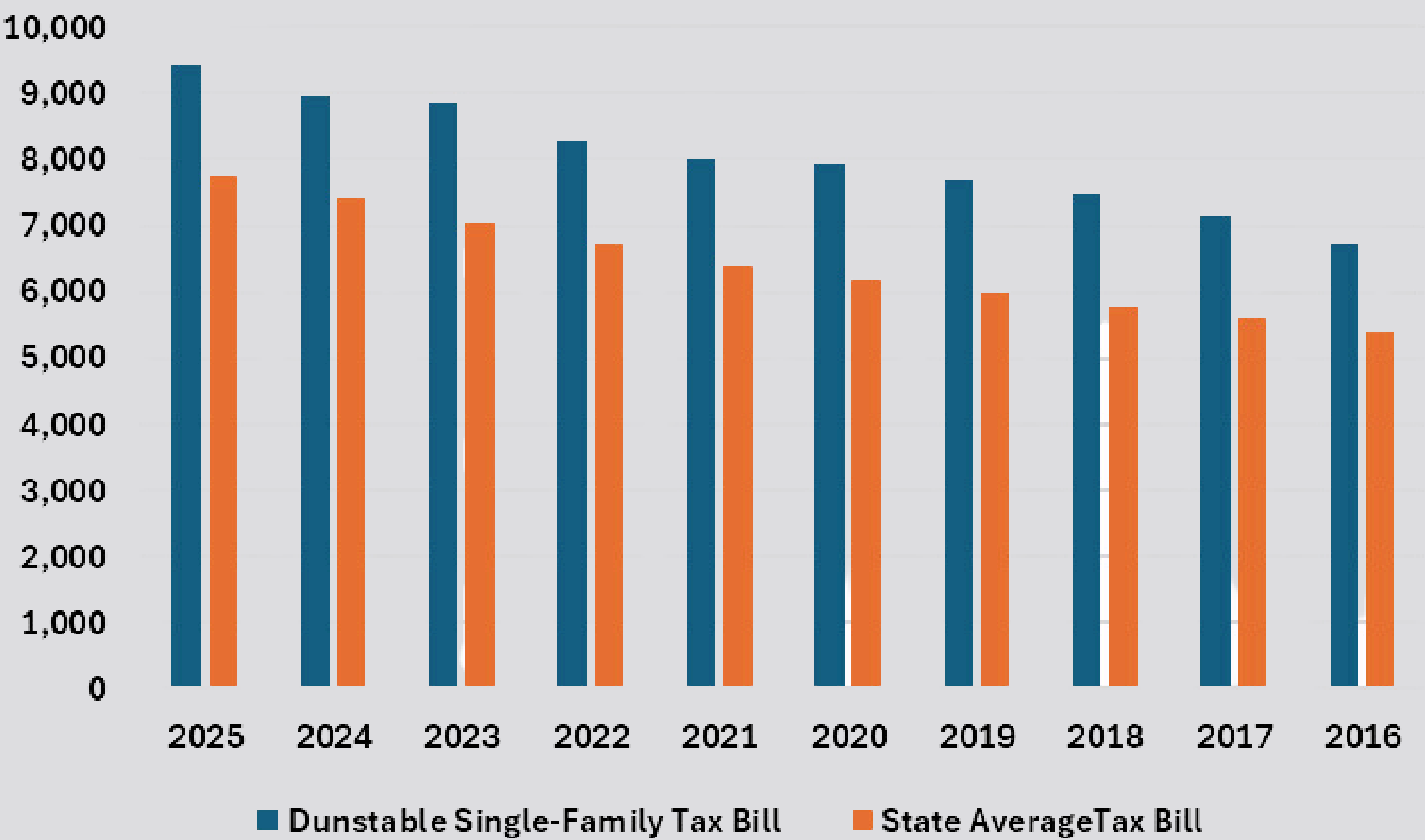
Debt exclusion requests

**77** communities

121 WINS  
21 LOSSES

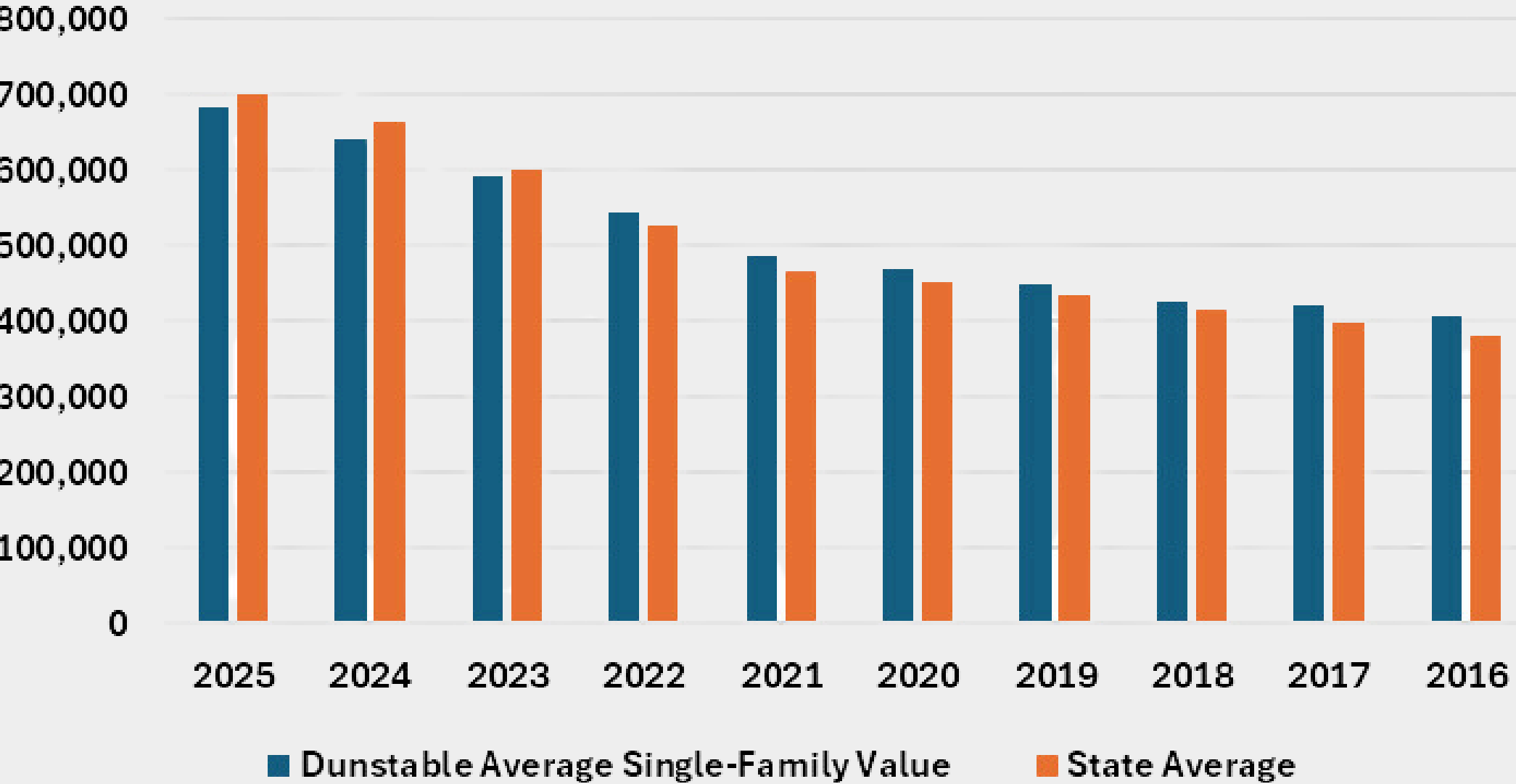
Several communities had more than one election and/or question on the ballot

# Average Single-Family Tax Bill



Fiscal Year	Dunstable Single-Family Tax Bill	State Average	Variance
2025	9,424	7,734	1,690
2024	8,954	7,399	1,555
2023	8,855	7,056	1,799
2022	8,280	6,719	1,561
2021	8,010	6,372	1,638
2020	7,923	6,177	1,746
2019	7,692	5,993	1,699
2018	7,464	5,792	1,672
2017	7,144	5,587	1,557
2016	6,713	5,391	1,322

# Average Single-Family Value



Fiscal Year	Dunstable Average Single-Family Value	State Average
2025	685,358	700,753
2024	641,373	665,227
2023	591,545	600,855
2022	542,941	525,515
2021	488,109	467,629
2020	470,480	453,168
2019	450,855	434,659
2018	425,563	414,419
2017	419,728	397,434
2016	405,590	381,611

# Capital Planning

The draft FY25-FY30 Capital Improvement Plan is complete and has been shared with departments and, the Capital Planning Committee, Select Board, and Advisory Board. Below are capital projects in need of funding through the General Fund.

## FY26 Capital Needs

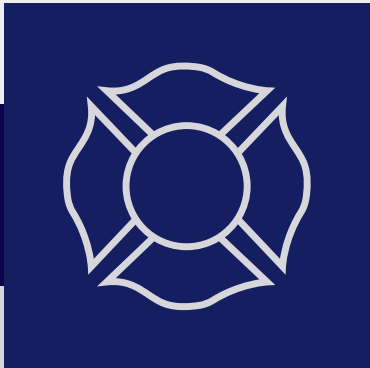


**Police Cruiser**

\$60,000

**Taser  
Replacements**

\$19,500



**Mobile Radios**

\$20,000

**PPE**

\$4,000



**Sander/Spreader**

\$50,100



**Exterior/Emergency  
Lighting**

\$5,500

# Future Planning



**Master Plan Implementation Committee, Land Use Committee, Economic Development Committee** continue their work



**LIP Projects** continue to move forward with the MUD proposal to file locally in the first quarter of this year; the state visited the Lowell Street site earlier this month.



Town continues to pursue **Municipal Electricity Aggregation Program** for its residents. Participated in the Division of Public Utilities Hearing last week.



The exterior restoration of the **Union Building** continues to move forward. Architects are onboard with the plan to have the work begin this summer.



NMCOG awarded the Town a technical assistance grant to conduct a **Route 113 Corridor Study**.



Town is organizing a meeting with the Affordable Housing Committee and Affordable Housing Trust to discuss future plans for the **Best Triangle parcels**.



Town continues to work with T-Mobile to advance their proposal to site **their telecommunications equipment** on the Town water tank.



Based on a fee survey of area communities the Town adjusted its **permit, license, and other fees** charged for town services. This will be an ongoing practice moving forward.

# Goals, Priorities, and Policies

## Select Board Goals and Priorities

- ✓ Revenue generation and cost efficiencies
- ✓ Development and adoption of financial policies
- ✓ Align budget process with GDRSD and Town of Groton
- ✓ Development of more comprehensive budget document
- ✓ Development and improve upon financial forecast
- ✓ Development of comprehensive Capital Improvement Plan

## Financial Policies

- One-time revenues should be appropriated to reserve funds and used to fund one-time budget or capital costs
- Free cash after supporting operating expenses will be distributed in the following manner: 5% to the General Stabilization Fund and no less than 30% used for short-term capital expenses
- No less than \$25,000 will be appropriated to the General Stabilization Fund with the goal of reaching a balance of 8-10% of the operating budget

# Seeking Input



## Town Operating Increase

The TA Recommended Budget increases the Town budget by 4.76% which includes some reductions. Maintain, increase, decrease?



## Budget Reductions

I would like to build consensus on budget reductions, if necessary, depending on budget scenario. Your thoughts and feedback would be appreciated.



## Free Cash

Current FY26 budget proposed includes a reduction in free cash use for operating expenses by \$50,000. Maintain, increase, decrease further?



## General Fund Override

Override request, budget reductions or combination of both?

**Any other comments, concerns, or questions**





**THANK YOU**