

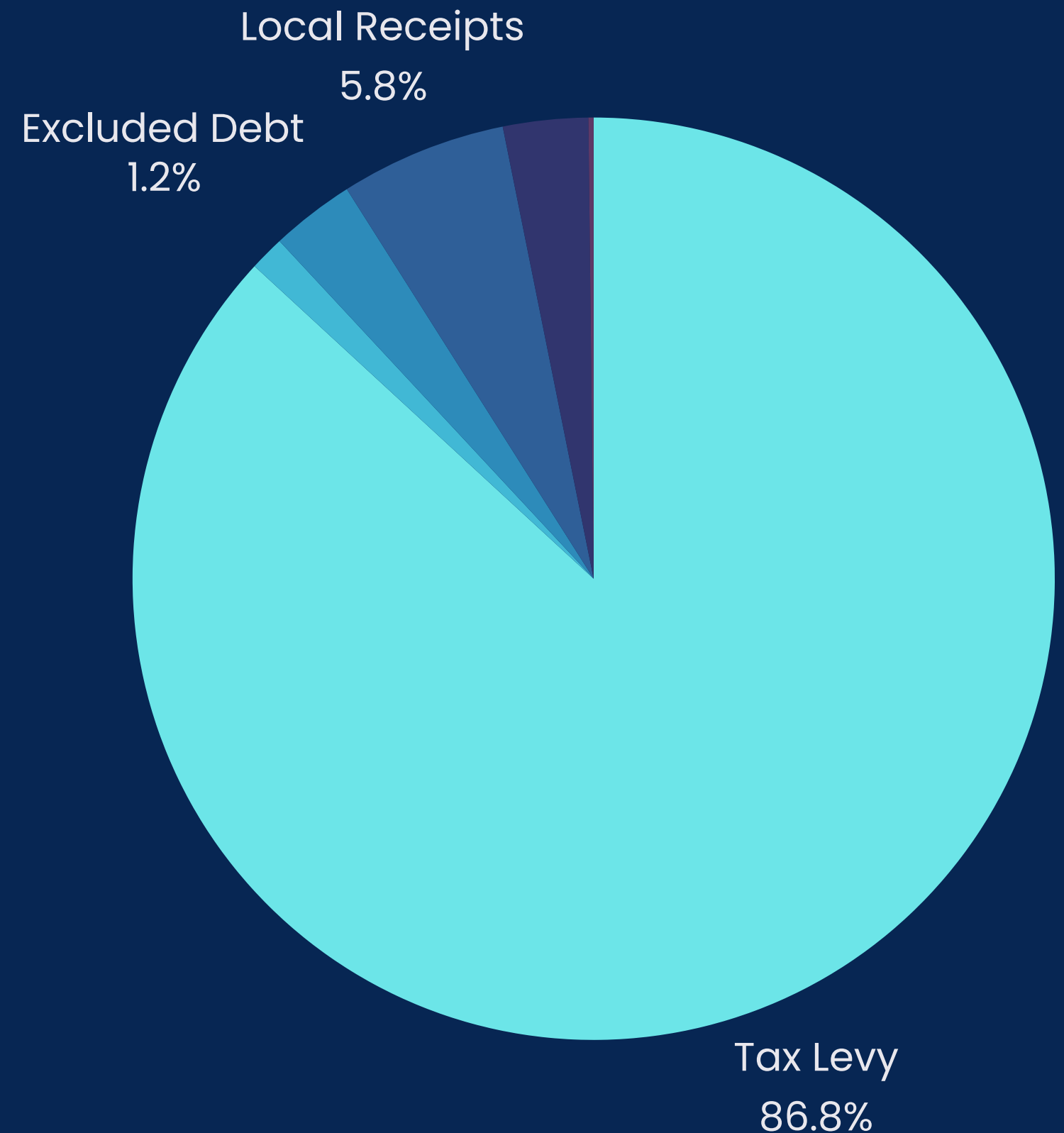
TOWN OF DUNSTABLE

FY26 OPERATING BUDGET

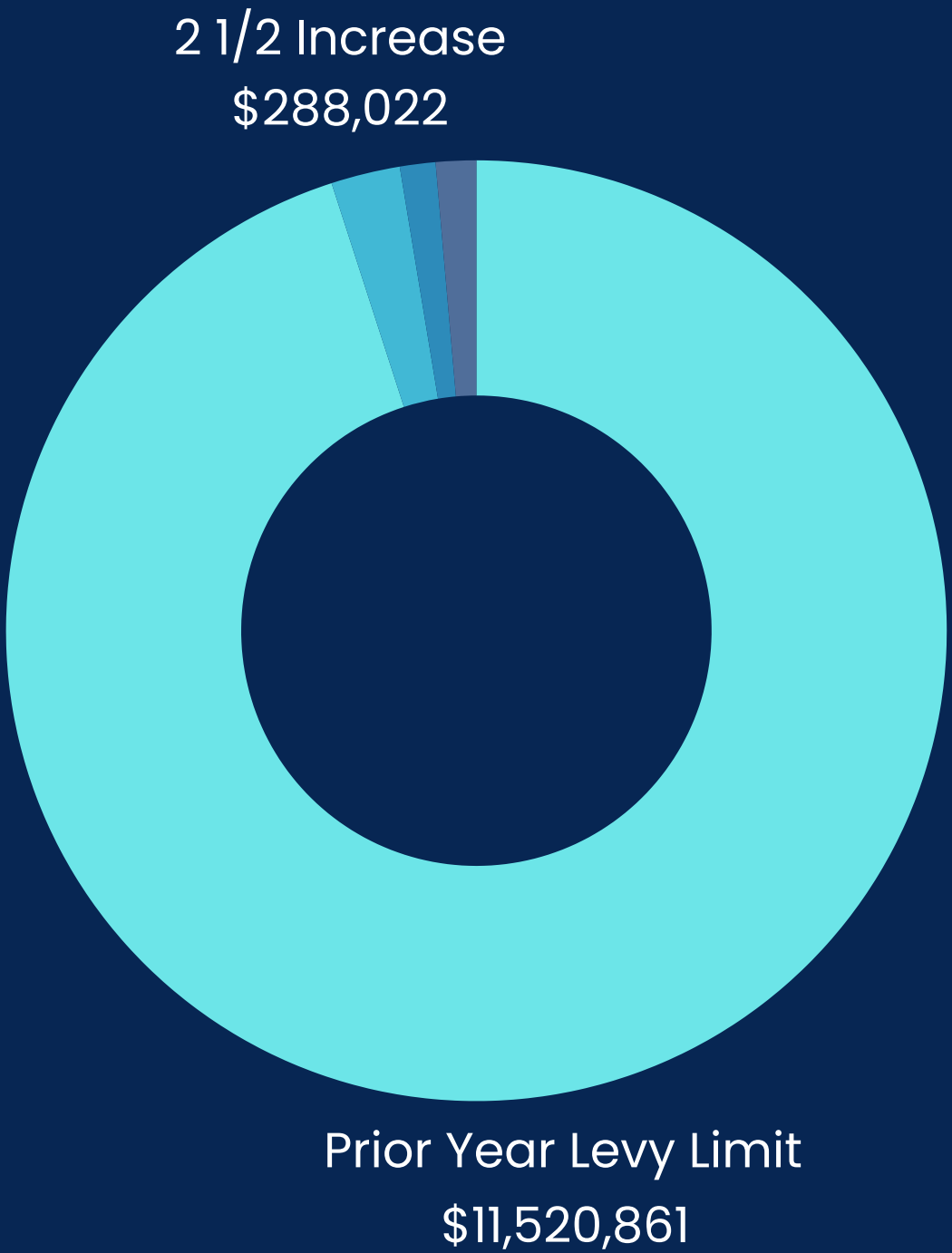
Budget Forum
April 16, 2025

FY26 REVENUE OVERVIEW

Revenue	Amount
Tax Levy	11,928,883
Excluded Debt	\$167,853
Cherry Sheet	\$403,149
Local Receipts	\$800,000
Free Cash	\$408,724
Overlay Surplus	\$25,000
Total	\$13,733,609



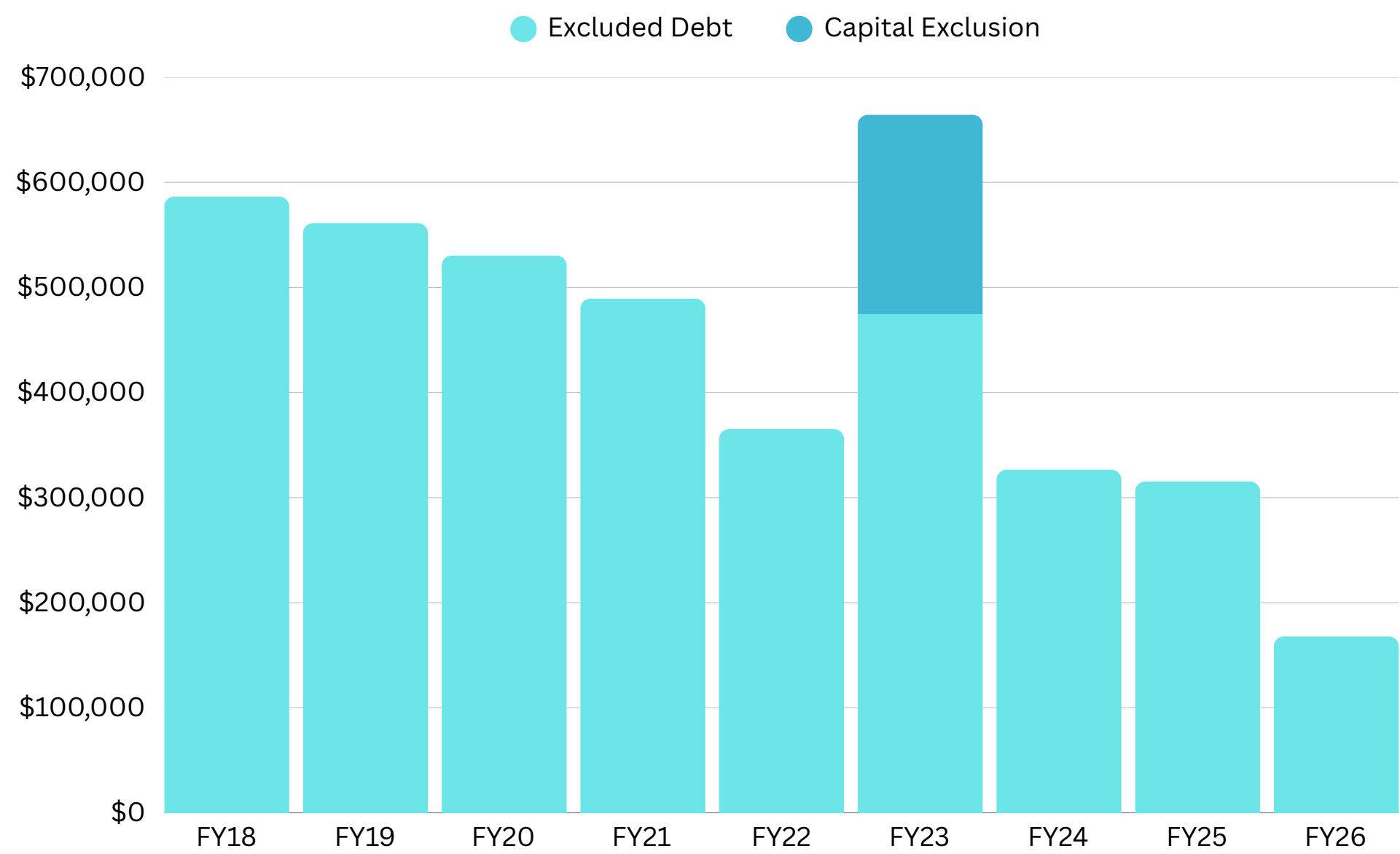
REAL ESTATE TAXES



	FY25 Actuals	FY26	\$ Increase	% Increase
Prior Year Levy Limit	\$11,095,321	\$11,520,861	\$425,540	3.84%
2 1/2 % Allowed Increase	\$277,383	\$288,022	\$10,639	3.84%
New & Amended Growth	\$148,157	\$120,000	-\$28,157	-19.00%
Excluded Debt	\$315,217	\$167,853	-\$147,364	-46.75%
Total	\$11,836,078	\$12,096,736	\$260,658	2.20%

Excluded

Debt Service



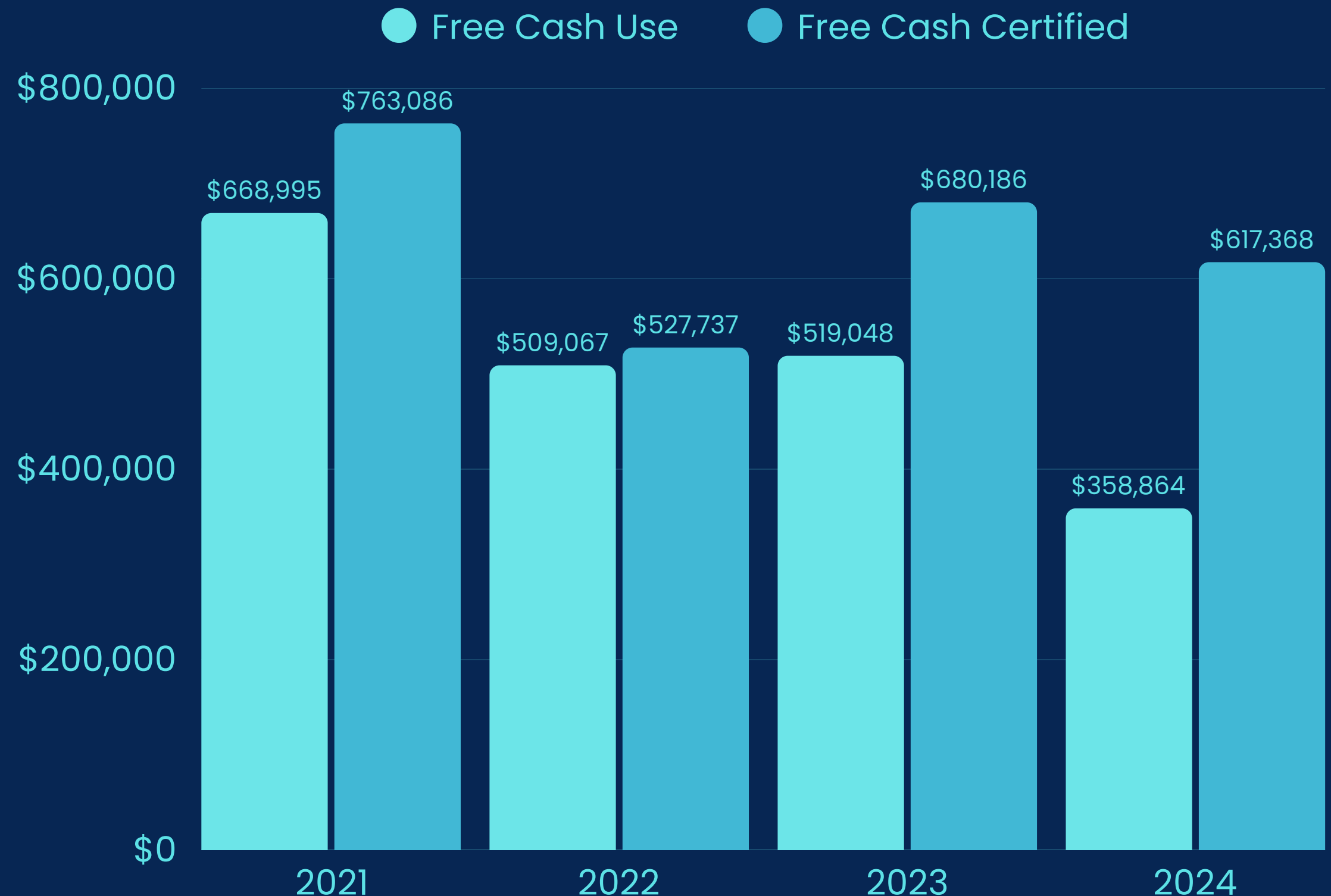
	Excluded Debt	Capital Exclusion
FY18	\$586,446	
FY19	\$561,136	
FY20	\$530,275	
FY21	\$489,288	
FY22	\$365,120	
FY23	\$475,253	\$188,974
FY24	\$326,394	
FY25	\$315,217	
FY26	\$167,853	

Historic Trends

FREE CASH

The FY26 budget continues the Town's past practice of utilizing its free cash to balance its operating budget. The FY26 operating budget relies on a total of \$105,117. The Town is also using free cash for the following purposes:

- \$83,607 for GDRSD Capital Improvements
- \$120,000 for Town Capital Improvements
- \$50,000 to transfer to the Town's General Stabilization Fund
- \$50,000 to transfer to the Town's Capital Improvement Stabilization Fund



FREE CASH

Next year, the Town is using \$408,724 or 51.61% of its available free cash. The Town's Certified Free Cash available for use in FY26 is \$791,942.

	2021	2022	2023	2024
Budget	\$11,537,330	\$12,265,143	\$13,010,740	\$13,114,504
Free Cash	\$763,086	\$527,737	\$680,186	\$617,368
Free Cash % Budget	6.6%	4.3%	5.2%	4.7%
Free Cash Use	\$668,995	\$509,067	\$519,048	\$358,864
Free Cash % Use	87.7%	96.5%	76.3%	58.1%

REVENUE CHANGES

FY26 VERSUS FY25

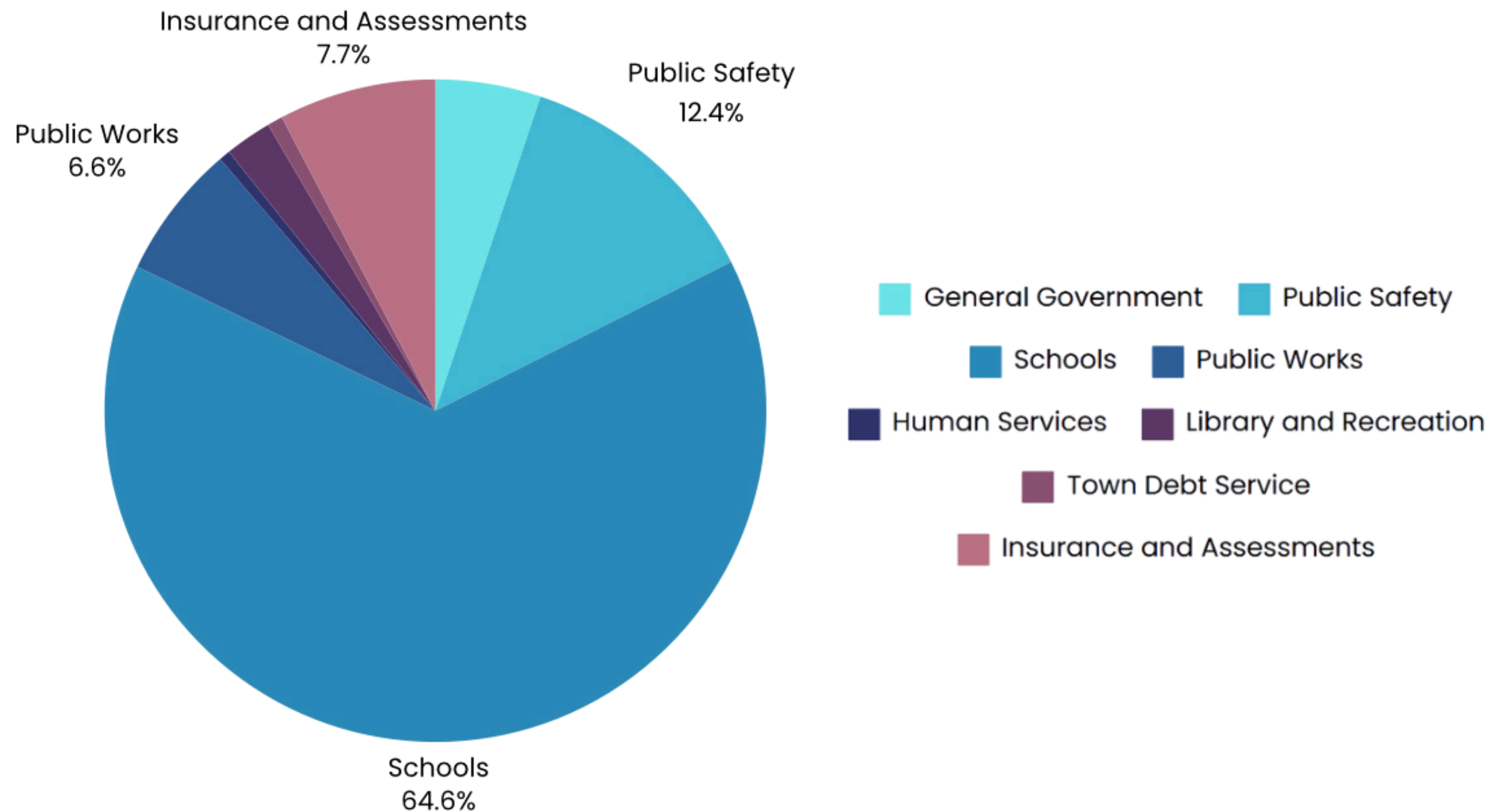
- The statutory 2.5% increase on the Town's tax levy.
- Projected new growth of \$120,000; in FY25 the Town projected \$110,00 in new growth revenue.
- Local receipts projected to increase from \$750,000 to \$800,000.
- State aid based on the Governor's proposed budget.
- Decrease in free cash from budget revenue from \$358,724 to \$308,724.
- A reduction in excluded debt tax proceeds from \$315,217 in FY25 to \$167,853 in FY26 to fund previously approved excluded debt payments.
- \$25,000 from overlay surplus.

FY26 EXPENDITURES OVERVIEW

The Regional School Districts'

Assessments amount to approximately 64% of the Town's overall budget totaling \$9,020,968

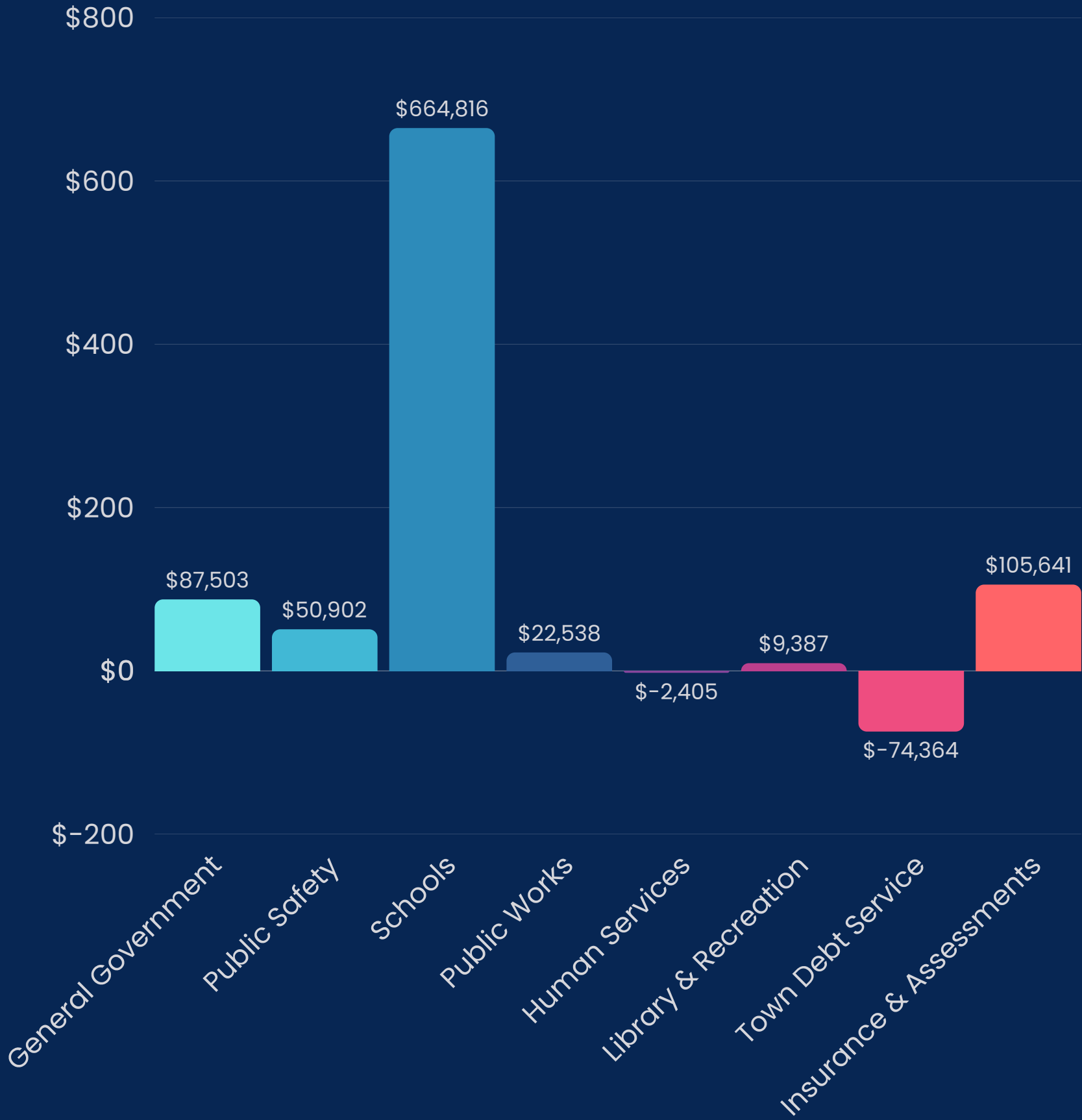
Town operations, debt, and capital makeup the remaining 36% at a total of \$5,070,797.



FY26 EXPENDITURES

Town

	FY25	FY26	Increase/Decrease	% Increase
General Government	\$631,255	\$718,758	\$87,503	13.86%
Public Safety	\$1,687,507	\$1,738,409	\$50,902	3.02%
Public Works	\$895,811	\$918,349	\$22,538	2.52%
Human Services	\$79,328	\$76,923	-\$2,405	-3.03%
Library & Recreation	\$310,494	\$319,881	\$9,387	3.02%
Town Debt Service	\$179,627	\$105,262	-\$74,364	-41.40%
Insurance & Assessments	\$967,574	\$1,073,215	\$105,641	10.92%
Total Town Budget	\$4,751,596	\$4,950,797	\$199,201	4.19%



Schools

GDRSD	\$8,177,586	\$8,822,894	\$645,308	7.89%
GLTHS	\$178,566	\$198,074	\$19,508	10.92%
Total Schools Budget	\$8,356,152	\$9,020,968	\$664,816	7.96%

Total

Total Town Budget	\$13,107,748	\$13,971,765	\$864,017	6.59%
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FY26 MAJOR BUDGET VARIANCES

Schools



Regional Schools Assessments: GDRSD overall assessment is increasing by 7.89% and the Greater Lowell Technical High School assessment is increasing by 10.92%

Town Employee Benefits



Health insurance rates increasing by 14.13%; only increased budget by 2%
Retirement assessment from the Middlesex County Retirement System is increasing by 24%

Town Salaries



Total municipal salaries are increasing by 4.93%
New contracts for the Town Administrator, Fire Chief, and Police Officers Union
Preparing for implementation of ongoing Compensation and Classification Study for administrative employees

FY26 MAJOR BUDGET VARIANCES

Debt Service



Debt service expenses are based on FY26 debt schedule. All debt service is excluded which means that it is outside of the normal 2.5% levy limitations as voted and approved by the Town residents. Excluded debt service tax revenue is projected to decrease by 46.75%

Decreasing Expenses



Veterans Affairs budget reduced by \$5,648 based on historic spending
Elections budget reduced by \$2,250 based on elections planned
Town Engineer budget reduced by \$2,000 based on historic spending
Town Reports budget decreased by \$700 based on historic spending

Increasing Expenses



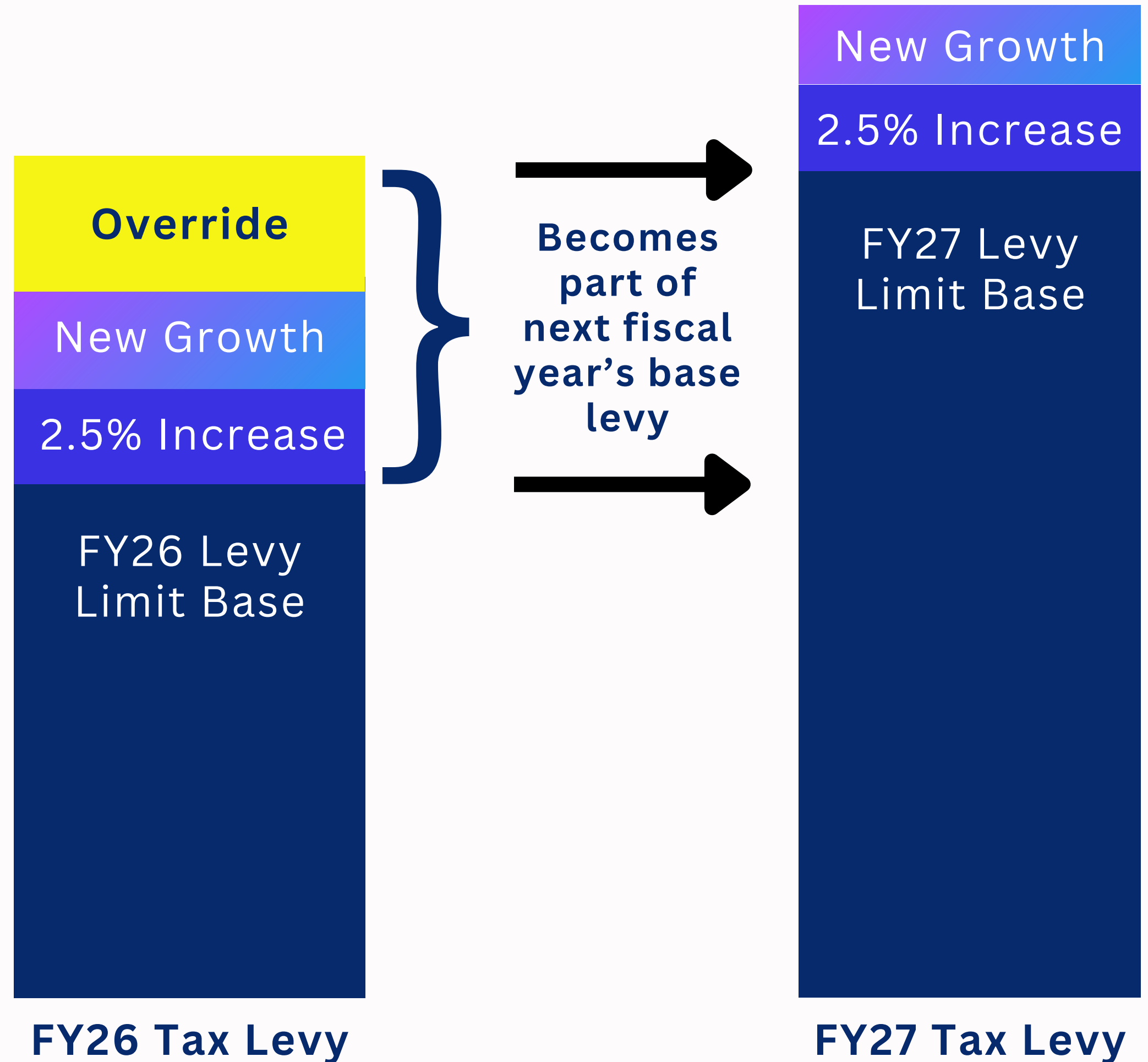
Liability insurance increased by 3.27%
Preparing for the Regional Dispatch Assessment in FY28 which equates to \$22,000
Vehicle, equipment and building repairs
Treasurer/Collector budget increased by \$23,921; offset with lower increase in health insurance
Technology budget increasing by \$2,500 to reflect actual costs

PROPOSITION 2 1/2

How it works

Permanent increases in the levy limit result from the following:

- Automatic 2.5 percent increase. Each year, a community's levy limit automatically increases by 2.5 percent over the previous year's levy limit. This does not require any action on the part of local officials; the Department of Revenue calculates this increase automatically.
- New Growth. A community is able to increase its levy limit each year to reflect new growth in the tax base. Assessors are required to submit information on growth in the tax base for approval by the Department of Revenue as part of the tax rate setting process.
- Overrides. A community can permanently increase its levy limit by successfully voting an override. The amount of the override becomes a permanent part of the levy limit base.



BUDGET SCENARIOS

There are two budget scenarios in Dunstable

Based on Groton Dunstable Regional School District level service budget, the Town of Dunstable's assessment (operating, capital, debt) will be \$8,822,894 or an increase of \$645,308.

This results in a total GDRSD FY26 budget increase of \$3,116,948 or 6.53%.

The level service GDRSD budget requires an override in both Towns of Dunstable and Groton.

Deficit Breakdown

Groton Dunstable Regional Deficit	-401,037
Town Deficit	-65,543
Greater Lowell Technical Deficit	-14,261

To fund the assessment to support the Groton Dunstable Regional School District level service budget, Dunstable requires an override in the amount of **\$480,841**

What does this mean ???

If the override to support a level service budget for Groton Dunstable Regional School District **passes**, the **Town will have a balanced budget.**

If the override to support a level service budget for GDRSD **fails**, the **Town will seek a smaller override.**

BUDGET SCENARIOS

The Town of Groton has committed to an increase of \$1.365 million to their Groton Dunstable Regional School District Assessment. Groton can fund this amount from their estimated tax levy without an override.

The regional school agreement stipulates that the member towns assessment is based on student enrollment on a 5-year rolling average.

Currently, the Town of Dunstable's assessment is based on 23% of the overall student enrollment. In recent years, Dunstable's proportional share has increased slightly year-over-year.

Based on Groton's commitment to a \$1.365 million increase in their assessment, the Town of Dunstable's proportional assessment (operating, capital, debt) will be \$8,620,884 or an increase of \$443,298.

To match the Groton Assessment proportionally, Dunstable requires an override in the amount of **\$278,831**

Deficit Breakdown

Groton Dunstable Regional Deficit	-201,053
Town Deficit	-63,592
Greater Lowell Technical Deficit	-14,185

**What does
this mean**



BUDGET SCENARIOS

If an override of \$278,831 **passes** in Dunstable to proportionally match the Town of Groton the results are as follows:

Budget Reductions

- Groton Dunstable Regional School District will need to reduce its requested budget by approximately **\$875,000**.
- Groton Dunstable Regional School District budget will increase by 4.7%

Reductions in Personnel

- Teachers
- Nurse
- Counselor
- Paraprofessionals
- Central Office

If an override of \$278,831 **fails** in Dunstable to proportionally match the Town of Groton the abovementioned reductions will be necessary and, additionally, **the Town of Dunstable will need to reduce the municipal budget by \$278,831 and call a Special Town Meeting before June 30 to pass a balanced budget before the new fiscal year.**

BUDGET SCENARIOS

The Town's Recommended FY26 Operating Budget is based on a **\$480,841** general override

If the override passes



The Town's budget will be balanced and will maintain current levels of services for municipal and schools.

Reminder

The Town is required to adopt a balanced budget for the next fiscal year. If the Town doesn't have a balanced budget following the results of these override requests, it will need to schedule a Special Town Meeting in advance of July 1 to propose a reduced and balanced budget.

If the override fails



But Groton passes the override



Town has a \$480,841 budget deficit in municipal budget



And override fails in Groton, too



Town still needs a \$278,831 general override for a balanced budget. This budget does not support a level service school budget and would require an \$875,000 school budget reduction requiring further personnel cuts.



If \$278,831 general override fails, Town has a deficit in the municipal budget in that amount.

Why?

Because Groton can afford a higher school assessment increase without an override than Dunstable and the Town is required to proportionally match Groton.

ESTIMATED FY26 TAX INCREASES

Based on FY25 Tax Rate: 13.75 on an Average Single Family Tax Bill

**2 1/2 Increase Plus New
Growth and Excluded
Debt**

\$205.61
Estimated

Overrides

**Level
Service
\$383.80
Estimated**

**Groton
Assessment
\$219.31
Estimated**

**Total FY26 Estimated
Tax Increase**

**Level Service
Groton Assessment**

**\$589.41
\$424.92**

MAGNITUDE OF DEFICIT

Groton Assessment
\$278,831 Deficit

Level Service Budget
\$480,841

	Library Budget \$204,935		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
	Parks Budget \$62,500		Council on Aging \$17,754

IN THE HEADLINES

THE  SUN

Pepperell,
Townsend voters
reject overrides

Athol Daily News

Firefighter override passes
by narrow margin at Athol
Town Election

westford

CAT

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

FY24 AND FY25 BUDGET

FY24 BUDGET REDUCTIONS



- Town requested a \$301,162 override which passed at Town Meeting but failed at the ballot by 6 votes
- In FY24, reductions were made to balance the budget after the failed override in Police, Fire, Highway, and Town Hall budgets

FY25 BUDGET REDUCTIONS



- The Groton Dunstable Regional School District laid off a total of 24 FTEs and cut approximately \$2.7 million from their requested FY25 budget
- These reductions resulted in a net increase of the GDRSD FY25 budget of under 1%

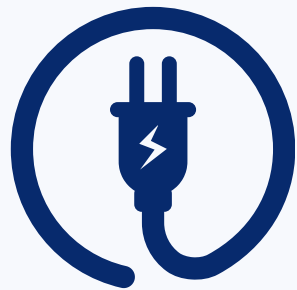
FUTURE PLANNING



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 this week; the state issued the project eligibility letter for the Lowell Street site.



Town is implementing the new **Municipal Electricity Aggregation Program** for its residents in June offering a lower basic service rate than National Grid.



The exterior restoration of the **Union Building** continues to move forward. The project was bid and the Town has received proposals. Work to begin this summer.



NMCOG awarded the Town a technical assistance grant to conduct a **Route 113 Land Use Study and Vision**.



The Affordable Housing Committee and Affordable Housing Trust are discussing and reviewing options for 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