

FY24 Proposition 2 1/2 Override Proposal



Introduction

The Select and Advisory Boards are recommending an override in the amount of \$301,162 to support the municipal functions of the town. This override will be used to fund police, fire, highway, and several other areas of town that ensure smooth operations for our residents.

For more information on the budget and Town Meeting, please visit the Town's website.

What is a Proposition 2 1/2 Override?

Under Proposition 2 1/2, a community's levy limit increases automatically by two factors: an incremental increase of 2.5% of the prior year's levy limit and a dollar amount derived from the value of new construction and other growth in the local tax base since the previous year. The 2.5% increase and the new growth number are both added to the prior year's levy limit to reach the current year's levy limit. A community can exceed its levy limit with majority voter approval. An override results in a permanent increase in the levy limit of a community. These funds can be used for both operating and capital expenses.

Why is an Override Needed?

The Town of Dunstable operates with a small, dedicated municipal staff. Most employees at the Town Hall are part-time. Nonetheless, the Town faces financial challenges caused by price increases on most products and services, cost of living salary increases, inflationary pressures on items such as electricity and utilities, and increases in education, most of which have repeatedly exceeded 2.5%. An override is needed to maintain the Town's current level of core services in the areas of emergency response, highway, parks, and in the treasurer/collector's office.

What are we voting for?

You are voting to allow the Town to raise property taxes \$301,162 above the ceiling imposed by Massachusetts' Proposition 2 1/2 to fund the Town's FY24 Annual Budget.

What is the Town's long-term financial strategy?

The Select and Advisory Boards have worked with the Town Administrator to begin a more comprehensive financial forecast for the Town. It demonstrates a long-term funding gap between projected revenues and expenditures. This year's Override request will close the FY24 budget gap but it does not address the longer-term financial issues the Town faces. Town officials plan to propose budget recommendations and options at a future Town Meeting to address these long-term issues.

What is the Town doing to stretch every tax dollar?

The Town maintains low staffing ratios, debt levels, and capital costs. Each year, the Town makes difficult decisions to reduce department budget requests to meet town needs, based on available revenues. The Town has also consistently used its free cash to subsidize its operating budget to avoid Override requests.

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How much will the override increase taxes?

	No Override	Override
Override Amount		\$301,162.00
Tax Rate	\$15.12	\$15.52
Average Tax Bill	\$8,951.04	\$9,187.84
Increase		\$236.80

Estimated Breakdown: Cost to Taxpayers

Cost to Taxpayer	Per Year	Per Month	Per Day
1 Year Override	\$236.80	\$19.73	\$0.65

What will happen if the Override does not pass?

If the override request fails, budget reductions to public safety, highway, and other areas of municipal government will occur. The budget cuts are outlined below.

Department	Budget Reductions
Police	\$84,874.04
Fire	\$52,824.00
Highway	\$73,464.00
Treasurer/Collector	\$5,000.00
Selectmen	\$5,000.00
Parks	\$5,000.00

These department reductions will result in the following:

- Eliminating a police officer position and reducing spending in police department supplies
- Reducing fire station coverage from 2 per diem firefighters during days to 1 per diem firefighter and eliminating spending for firefighter supplies and training
- Eliminating an additional Highway Department employee, and reducing funds to improve Highway communication systems and for stormwater management to comply with the Town's federal permit
- Eliminating funds for landscaping and irrigation system maintenance in the Parks Department
- Cutting training for the Town Administrator and reducing part-time support for the Treasurer/Collector's Office

In addition, if the override is unsuccessful, the town will use additional free cash (excess revenue) to balance the budget, resulting in less available funds in the case of unanticipated expenses or an emergency, which could result in further budgetary reductions in other departments.