

REPORT OF THE TOWN MANAGER TO THE 2026 FALL TOWN MEETING

The 2026 Fall Town Meeting Warrant contains several warrant articles that seek appropriations, some of which will affect the Tax Rate and some of which will have no further impact on taxes. The purpose of this report is to provide the residents and taxpayers with a summary of these articles and what impact they will have on the Fiscal Year 2027 Tax Rate. In preparing for the Fall Town Meeting, the Select Board and Finance Committee reviewed the balances in the various reserve accounts. These accounts will either be used to fund the various articles, or money will be added to them to comply with the Town's Financial Policies. The balances as of September, 2026, are as follows:

FY 2026 Levy Capacity:	\$37,714
Certified Free Cash:	\$2,066,320
Stabilization Fund:	\$2,873,587
Capital Stabilization Fund:	\$144,028
GDRSD Capital Stabilization Fund:	\$26,593
Winter Recovery Assistance Program (WRAP) Funds*	\$275,893

**The Town of Groton has received \$275,893 from the Commonwealth through the Winter Recovery Assistance Program (WRAP) to assist with the extraordinary snow and ice costs incurred during Fiscal Year 2026. The Town's FY 2026 Snow and Ice Deficit was funded using a combination of \$180,000 from the Capital Stabilization Fund and \$165,000 from Free Cash. In accordance with guidance issued by the Massachusetts Department of Revenue, Division of Local Services, the Town will use \$180,000 of the WRAP reimbursement to restore the amount previously withdrawn from the Capital Stabilization Fund. The remaining \$95,893 will be deposited into a Special Revenue Fund and will be available to help fund the FY 2027 appropriation for the Groton Dunstable Regional School District Capital Stabilization Fund. Please see the further explanation in the summaries of Articles 3 and 5 on page 33 of this Report.*

The following is a summary of Warrant Articles requesting funding:

Article 1: Unpaid Bills Requested Amount: \$430

Currently, we have one unpaid bill from Service Tire Truck Centers in the amount of \$430. The bill came in after the Fiscal Year was closed. I recommend that this bill be paid from Free Cash as it is a one-time expenditure.

Article 2: Amend Fiscal Year 2027 Budget Requested Amount: \$134,071

This Article will request the following adjustments in the Operating Budget:

Line Item 1022 – Select Board Expenses Request: \$25,000

The Town is seeking a one-time appropriation of \$25,000 in Fiscal Year 2027 to hire a part-time Economic Development Director/Media Consultant to assist the Select Board and Town Manager in identifying opportunities to generate additional revenue and strengthen Groton's economic

future. One of the Select Board's goals for Fiscal Year 2027 is to work collaboratively with Town boards, committees, property owners, businesses, developers, and community stakeholders to strengthen Groton's economic future. The consultant will play a key role in advancing this goal by promoting economic development opportunities, improving outreach and communication, supporting existing businesses, and identifying opportunities to expand and diversify the Town's revenue base. This appropriation is intended as a pilot program. Over the next nine months, the Select Board and Town Manager will evaluate the effectiveness of the position, the results achieved, and its potential financial and community benefits. Based on that evaluation, the Town will determine whether this position warrants continued or permanent funding in future fiscal years. This funding, since it is a one-time expense, will come from the Excess and Deficiency Fund (Free Cash).

Select Board: *Recommended Unanimously*
Finance Committee: *Recommended Unanimously*

Line Item 1032 – Town Manager Expenses

Request: \$20,500

When the Cow Pond Brook Field Project was defeated at the Spring Town Meeting, the Park Commission and Town Manager made the decision to reevaluate the project, with the goal of bringing a revised proposal back before voters at the Fall Town Meeting. At that time, no budget was available to compensate Activitas, the Town's consulting firm, for the additional work required to make the necessary adjustments to the Plan. Recognizing the project's importance, the consultant graciously agreed to move forward with the work and accept payment after Town Meeting, rather than delay progress. This work included redesigning key elements of the project, updating the necessary permitting, and rebidding the revised project. Without the consultant's willingness to proceed under these terms, the Town would not have been able to complete this work in time for the Fall Town Meeting. This funding, since it is a one-time expense, will come from the Excess and Deficiency Fund (Free Cash).

Select Board: *Recommended Unanimously*
Finance Committee: *Recommended Unanimously*

Line Item 1062 – Board of Assessors Expenses

Request: \$10,000

This request is to fund the cost of the personal property valuation work required for the Town's Fiscal Year 2027 State mandated certification. The additional funding will allow the Town's Personal Property Consultant, RRC, to complete the required valuation and review of personal property accurately and in accordance with Massachusetts Department of Revenue requirements. This funding, since it is a one-time expense, will come from the Excess and Deficiency Fund (Free Cash).

Select Board: *Recommended Unanimously*
Finance Committee: *Recommended Unanimously*

Line Item 1080 – Town Counsel Expenses

Request \$20,000

The Town is seeking additional legal funding for Fiscal Year 2027 to ensure that sufficient funds are available to address two specific matters that are expected to require significant legal representation. The first matter involves the Zoning Board of Appeals' recent denial of a variance

associated with the proposed installation of a cell tower on the Groton-Dunstable Regional High School property. The Town has been advised that the applicant intends to appeal the ZBA's decision. Defending the Board's decision through the appeals process could require substantial legal work and result in costs well beyond those anticipated in the Town's Fiscal Year 2027 Town Counsel Budget. The second matter involves an easement/right-of-way previously granted to the Town on Paquawket Path to provide access to the rail trail. Certain neighboring property owners are contesting the Town's interpretation of the easement and dispute whether it provides the Town and the general public with the right to cross the property to access the rail trail. Because the parties have differing interpretations of the rights granted by the easement, it may be necessary for a court to determine the respective legal rights of the Town and the affected property owners. Both matters have the potential to require significant legal expense. The FY 2027 Budget did not expect, nor contemplate these two issues. Absorbing these costs within the current appropriation could leave insufficient funding to address the Town's routine legal needs throughout the remainder of the fiscal year. This funding, since it is a one-time expense, will come from the Excess and Deficiency Fund (Free Cash).

Select Board: *Recommended Unanimously*
Finance Committee: *Recommended Unanimously*

Line Item 1541 – Municipal Building Expenses

Request: \$25,000

The Town is requesting a one-time appropriation of \$25,000 to fund unanticipated repairs to the HVAC system at the Fire Station. The system, which is approximately 12 years old, was not operating properly and required immediate attention. Due to the complexity of the system, the Town needed to engage the manufacturer's recommended consultant to diagnose the problems and perform the necessary repairs. This is an unanticipated expense that was not included in the Fiscal Year 2027 Budget. While this expense could be covered by a Reserve Fund Transfer, the Town Manager and Town Accountant were concerned about taking such a significant amount from the Reserve Fund this early in the Fiscal Year. Based on this, it was determined that seeking a Town Meeting appropriation was the better choice. This funding, since it is a one-time expense, will come from the Excess and Deficiency Fund (Free Cash).

Select Board: *Recommended Unanimously*
Finance Committee: *Recommended Unanimously*

Line Item 1620 – Veteran's Service Officer Salary

Request: \$33,571

The Town is seeking additional funding to support the regionalization of the Veterans' Services Officer (VSO) position with the Towns of Pepperell and Littleton. The proposed regional model is intended to provide Groton's veterans with a higher and more consistent level of service while addressing the Town's long-term staffing obligations in a fiscally responsible manner. The Town Manager had previously recommended increasing the number of hours allocated to Groton's VSO position in recognition of the workload and level of service required. The Select Board did not support that request. As a result, the Town Manager explored alternative approaches that would improve veterans' services without requiring Groton to assume the cost of a full-time position on its own. Regionalization provides such an opportunity. Under Massachusetts Law, when a community with a population greater than 12,000 appoints a new Veterans' Services Officer, the position is required to be full-time unless veterans' services are provided through an approved regional arrangement. With Groton's population approaching 12,000, it is prudent to address this

issue now rather than wait until a future vacancy or population threshold requires the Town to hire a full-time position on its own. The proposed regional arrangement with Pepperell and Littleton would establish a full-time regional VSO operation with the required administrative support, with the participating communities sharing the cost of providing these services. The following chart shows the anticipated cost for FY 2027:

	Regional Budget	Pepperell	Groton	Littleton
Population	32448	11695	10733	10020
	100.00%	33.30%	33.30%	33.40%
Salary of Director	\$ 62,786.16	\$ 20,907.79	\$ 20,907.79	\$ 20,970.58
Salary of admin	\$ 53,724.24	\$ 17,890.17	\$ 17,890.17	\$ 17,943.90
Empl. Benefits	\$ 30,926.40	\$ 10,298.49	\$ 10,298.49	\$ 10,329.42
Indirect costs	\$ 5,100.00	\$ 1,698.30	\$ 1,698.30	\$ 1,703.40
Expenses	\$ 4,500.00	\$ 1,498.50	\$ 1,498.50	\$ 1,503.00
Total Administrative	\$ 157,036.80	\$ 52,293.25	\$ 52,293.25	\$ 52,450.29
Vet. Benefits / Service	\$ 189,000.00	\$ 65,000.00	\$ 14,000.00	\$ 110,000.00
Total	\$ 346,036.80	\$ 117,293.25	\$ 66,293.25	\$ 162,450.29
FY2027 Budget		\$ 100,152.00	\$ 32,722.00	\$ 153,652.00
Net need		\$ 17,141.25	\$ 33,571.25	\$ 8,798.29

For Groton, the proposed Fiscal Year 2027 cost is approximately \$33,571. Regionalizing at this time makes good fiscal and operational sense. It allows Groton to obtain the benefits of a full-time veterans' services operation while sharing personnel and administrative costs. It also provides greater staffing capacity, improved continuity of service, broader office coverage, and greater flexibility in responding to veterans and their families. Most importantly, it allows the Town to proactively establish a sustainable service model before Groton's population growth or a future vacancy potentially requires a more costly solution. Because Groton's \$33,571 share represents an ongoing annual obligation rather than a one-time expense will be funded through the Town's unexpended tax capacity.

Select Board: *Recommended Unanimously*
Finance Committee: *Recommended Unanimously*

The Total Amounts Requested By Category:	Free Cash:	\$100,500
	Tax Levy:	<u>\$ 33,571</u>
	Total	\$134,071

Article 3: Capital Stabilization Fund**Requested Amount: \$691,000**

The current balance in the Capital Stabilization Fund is \$144,028. The Town's financial policies call for maintaining a balance in the fund equal to 1.5% of the total Operating Budget. If Article 2 passes as presented, the total Fiscal Year 2027 Operating Budget will be \$55,994,017, resulting in a target Capital Stabilization Fund balance of \$839,910. Meeting this target would require an appropriation of \$695,882. However, to provide sufficient funding for the anticipated FY 2028 Capital Budget, an additional \$175,118 would be required, bringing the total recommended appropriation to \$871,000. As explained previously in this memorandum, \$180,000 of this appropriation would be funded from the Town's WRAP proceeds, restoring the amount previously withdrawn from the Capital Stabilization Fund to address the FY 2026 snow and ice deficit. The remaining \$691,000 would be appropriated from the Free Cash.

Article 4: Stabilization Fund**Requested Amount: \$0**

The current balance in the Stabilization Fund is \$2,873,587. The Town's financial policies call for a balance in this fund of 5% of the total Operating Budget. Should Article 2 pass as presented, the total FY 2026 Operating Budget will be \$55,994,017, requiring a Stabilization Fund Balance of \$2,799,700. At this time, we do not need to add money to the Fund.

Article 5: GDRSD Capital Stabilization Fund**Requested Amount: \$377,514**

The anticipated Fiscal Year 2028 Capital Budget for the Groton-Dunstable Regional School District is \$500,000. The current balance in the GDRSD Capital Stabilization Fund is \$26,593, leaving a funding requirement of \$473,407. To fund this, I recommend that \$95,893 be provided from the Town's FY 2027 Winter Recovery Assistance Program (WRAP) funds as explained previously in this memorandum, and the remaining \$377,514 funded from Free Cash.

Article 6: Water Enterprise Fund**Requested Amount: \$0**

At this time, it is anticipated that this Article will be withdrawn from consideration at Town Meeting as the Water Department is not expecting any unforeseen expenses at this time. This Article is being left on the Warrant in the event a need arises. Should a need arise, an update will be provided at Town Meeting.

Article 7: Four Corner Sewer Enterprise Fund**Requested Amount: \$0**

At this time, it is anticipated that this Article will be withdrawn from consideration at Town Meeting as the Sewer Department is not expecting any unforeseen expenses at this time. This Article is being left on the Warrant in the event a need arises. Should a need arise, an update will be provided at Town Meeting.

Article 8: Stormwater Enterprise**Requested Amount: \$30,000**

The DPW is requesting a transfer of \$30,000 from the Stormwater Excess and Deficiency Fund to cover the cost of detention basin improvements throughout the Town to comply with the requirements of the Town's MS4 Permit.

Article 9: Town Forest Expenses**Requested Amount: \$30,000**

From the Summary in the Warrant: The Town Forest Committee is seeking to transfer funds from Receipts Reserved for the Town Forest to cover the costs of removing a stand of dead Red Pines that are creating a hazard, and for future forest maintenance projects. The transfer amount requested is \$30,000, with \$12,238 coming from a reimbursement already received from the Division of Conservation and Recreation for a 2026 Forest Stewardship Plan.

Article 10: Cow Pond Brook Fields Improvements**Requested Amount: \$3,900,000**

From the Summary in the Warrant: This article requests Community Preservation Act (CPA) funding for a revised improvement project at the Cow Pond Brook Fields recreational complex. A similar proposal was not approved at the 2026 Spring Town Meeting. In response, the Parks Commission and Town Manager worked with user groups, Town departments, consultants, and other stakeholders to reduce costs and refine the project while preserving the improvements most important to the long-term use of the facility. That effort has produced significant savings. The original project was estimated at approximately \$4.8 million. Following revisions to the project and competitive bidding, bids came in approximately \$300,000 below the revised estimate, lowering the funding request to \$3.9 million. In addition, the Groton Dunstable Youth Baseball League has committed \$20,000 toward the new field lighting. The revised project will rehabilitate and modernize one of the Town's most heavily used recreational facilities, including improvements to the access road, ADA accessibility, drainage, parking, traffic circulation, field lighting, and other supporting infrastructure. Importantly, approval will also preserve a \$1 million federal grant already awarded to the project. If the project does not proceed, the Town will lose these funds. The revised proposal directly responds to the concerns raised at the Spring Town Meeting: the scope has been refined, the cost has been substantially reduced, competitive bids have established the actual project cost, and more than \$1 million in outside funding has been secured. Approval will allow the Town to leverage these outside funds and make a long-term investment in an important recreational asset that serves residents, schools, youth organizations, and community groups.

Article 11: Irrigation/Course Improvements**Requested Amount: \$1,700,000**

From the Summary in the Warrant: This article requests funding to construct a new irrigation system and complete targeted course improvements at the Groton Country Club. The Club's existing irrigation system provides only limited coverage and requires manual operation, making it difficult to maintain consistent playing conditions, particularly during dry weather. The proposed irrigation system would be fully automated, allowing watering during non-playing hours, and would provide comprehensive coverage of all greens, tee boxes, fairways, and selected in-play rough areas. The project is intended to improve turf health, course conditions, water management, and the overall quality of the golf course. In addition to the irrigation system, the project includes targeted improvements to enhance playability and course infrastructure. These include redesigning portions of Holes 1 through 3 to improve playability and installing a drainage system on Hole 7 to address persistent drainage issues. Based on bids received prior to Town Meeting, the cost for the project is \$1.7 million. If approved, the project would be financed through borrowing. Annual debt service would be appropriated through the Town's Capital Budget and funded from Free Cash. The project is intended to protect the Town's investment in the municipal golf course, enhance the experience for residents and visitors, and support the Club's long-term operational and financial sustainability.

If all Articles are approved as presented to the 2026 Fall Town Meeting, each account will have the following balances:

<u>Account</u>	<u>Beginning Balance</u>	<u>Requested Amount</u>	<u>Final Balance</u>
Levy Capacity	\$ 37,714	\$ 33,571	\$ 4,143
Certified Free Cash	\$ 2,066,320	\$ 1,169,444	\$ 896,876
Stabilization Fund	\$ 2,873,587	\$ -	\$ 2,873,587
Capital Stabilization Fund*	\$ 324,028	\$ 691,000	\$ 1,015,028
GDRSD Capital Stabilization Fund**	\$ 122,486	\$ 377,514	\$ 500,000

*Beginning Balance Includes \$180,000 from WRAP Funds

**Beginning Balance Includes \$95,893 from WRAP Funds

As stated above, should the Town Meeting agree with these appropriations, \$1,169,444 will come from the Town's Free Cash Account, leaving a Free Cash balance of \$896,876. In the Spring of 2027, it is expected that \$400,000 in Free Cash will be required to cover Debt Service, OPEB Trust Fund and Department Head Performance Incentives, leaving a balance of \$496,876 in Free Cash. Based on final anticipated new Growth for FY 2027 and the Final Cherry Sheet Estimates received from the State, the Budget approved at the 2026 Spring Town Meeting is currently \$37,714 under the anticipated FY 2027 Levy Limit. For the line items that are reoccurring and will be funded through taxation, it is requested that \$33,571 come from this amount, which will leave the Town \$4,143 under the anticipated Levy Limit for Fiscal Year 2027. The following chart is a breakdown of the anticipated rate:

	<u>Actual FY 2026</u>	<u>Proposed FY 2027</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Levy Capacity Used	\$ 39,557,852	\$ 40,911,005	\$ 1,353,153	3.42%
Tax Rate on Levy Capacity Used	\$ 13.09	\$ 13.44	\$ 0.35	2.67%
Average Tax Bill	\$ 9,967	\$ 10,233	\$ 266	2.67%
Excluded Debt	\$ 5,115,092	\$ 6,161,035	\$ 1,045,943	20.45%
Tax Rate on Excluded Debt	\$ 1.69	\$ 2.02	\$ 0.33	19.53%
Average Tax Bill	\$ 1,287	\$ 1,538	\$ 251	19.53%
Final Levy Used	\$ 44,672,944	\$ 47,072,040	\$ 2,399,096	5.37%
Final Tax Rate	\$ 14.78	\$ 15.46	\$ 0.68	4.60%
Average Tax Bill	\$ 11,253	\$ 11,771	\$ 518	4.60%

Respectfully submitted,

Mark W. Haddad

Mark W. Haddad
Town Manager