



TOWN OF GROTON

173 Main Street
Groton, Massachusetts 01450-1237
Tel: (978) 448-1111
Fax: (978) 448-1115

Select Board

Peter S. Cunningham, *Chair*
Rebecca H. Pine, *Vice Chair*
Nicholas J. Degaitas, Jr., *Clerk*
John F. Reilly, *Member*
Matthew F. Pisani, *Member*

Town Manager
Mark W. Haddad

To: *Select Board
Finance Committee*

From: *Mark W. Haddad – Town Manager*

Subject: *Country Club Irrigation Project – Paying for the Project*

Date: *September 23, 2026*

We have received several questions from members of the Public on how the Debt Service for the Country Club Irrigation Project will be paid. I want to clarify what I believe has become a point of confusion regarding how the debt service for the proposed Country Club Irrigation Project will be funded and, specifically, how the Town can undertake this project without raising taxes.

While the Groton Country Club is not formally established as an enterprise fund, from a budgetary standpoint we have historically treated it in much the same manner. The expectation is that the Club's revenues support its operating expenses and contribute toward its capital needs. Based on the Club's historical financial performance, current revenues, and our projections for the coming years, we strongly believe that the Country Club will generate sufficient revenue to support both its ongoing operations and its current and future capital obligations, including the debt service associated with the irrigation project.

As operating costs increase, we anticipate implementing modest and measured rate increases over the next several years. These increases will be structured to generate the revenue necessary to meet the Club's expenses while keeping its rates competitive with comparable golf facilities in the area. It is also important to understand how the Town has historically funded capital improvements at the Country Club. Since the Country Club became a Town department in 2010, its capital expenses have been included in the Town's Capital Budget. The proposed irrigation project does not change that practice. The annual debt service for the project will be incorporated into the Capital Budget just as other Country Club capital expenditures have been.

The Town's Capital Budget is funded primarily through Free Cash. The Country Club's revenues, to the extent they exceed its annual expenditures, contribute to the Town's year-end financial position and ultimately to Free Cash. In other words, although there is not a separate Country Club enterprise account from which a debt payment is made, the Club generates revenues that support the financial resources the Town uses to fund its capital program.

That distinction is important. We are not proposing to increase the tax levy to pay the debt service on this project. We are proposing to continue the same financial model the Town has used for the Country Club's capital needs since 2010. The Club generates sufficient operating revenue to support its expenses and capital requirements, while the associated capital appropriations are funded through the Town's Capital Budget.

The financial projections below demonstrate how this works. They show projected Country Club revenues and operating expenses over the next several years, including the anticipated impact of reasonable rate adjustments, together with the annual debt service for the irrigation project. The projections demonstrate that the Club's operating revenues are expected to be sufficient to absorb the cost of the debt service while continuing to meet its operating obligations.

	FY27	FY28	FY29	FY30	FY31	FY32
Country Club Salaries	\$ 213,401	\$ 219,803	\$ 226,397	\$ 233,189	\$ 240,185	\$ 247,390
Country Club Wages	\$ 326,509	\$ 336,304	\$ 346,393	\$ 356,785	\$ 367,489	\$ 378,513
Country Club Expenses	\$ 238,067	\$ 245,209	\$ 252,565	\$ 260,142	\$ 267,947	\$ 275,985
Capital Purchases (See Below)	\$ 118,921	\$ 161,219	\$ 252,297	\$ 246,166	\$ 241,666	\$ 193,500
Health Insurance	\$ 26,000	\$ 26,780	\$ 27,583	\$ 28,411	\$ 29,263	\$ 30,141
Payroll Taxes (Medicare 1.45%)	\$ 7,829	\$ 8,064	\$ 8,305	\$ 8,555	\$ 8,811	\$ 9,076
Insurance	\$ 25,000	\$ 27,500	\$ 28,325	\$ 29,175	\$ 30,050	\$ 30,951
Sub-Total Expense	\$ 955,727	\$ 1,024,879	\$ 1,141,867	\$ 1,162,423	\$ 1,185,411	\$ 1,165,557
Anticipated Revenue	\$ 1,055,726	\$ 1,108,512	\$ 1,163,938	\$ 1,198,856	\$ 1,234,822	\$ 1,271,866
Profit	\$ 99,999	\$ 83,633	\$ 22,071	\$ 36,433	\$ 49,411	\$ 106,310
Capital Plan						
Carts	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000
Ventrac	\$ 10,918	\$ -	\$ -	\$ -	\$ -	\$ -
Truckster	\$ 14,736	\$ 14,736	\$ 7,035	\$ -	\$ -	\$ -
Greens Mower	\$ 12,067	\$ 12,067	\$ 8,596	\$ 14,000	\$ 14,000	\$ 14,000
Fairway Mower	\$ 20,000	\$ 22,077	\$ 22,077	\$ 22,077	\$ 22,077	\$ -
Rough Mower	\$ 20,000	\$ 21,590	\$ 21,590	\$ 21,590	\$ 21,590	\$ -
Roof for Pavilion	\$ 14,200	\$ -	\$ -	\$ -	\$ -	\$ -
Irrigation	\$ -	\$ 63,750	\$ 166,000	\$ 161,500	\$ 157,000	\$ 152,500
	\$ 118,921	\$ 161,219	\$ 252,297	\$ 246,166	\$ 241,666	\$ 193,500
3% growth every year except for FY28 + FY29 revenue where is it projected at 5% growth due to rate increases						

I recognize that the mechanics of municipal budgeting can make this more complicated than simply saying that "Country Club revenues will make the bond payment." Technically, the debt service will be paid through the Town's Capital Budget. Financially, however, the important question is whether the Country Club can generate sufficient revenue to support both its operations and the additional capital burden created by this project. Based on the historical performance of the Club and the projections presented above, we believe the answer is yes.

The Country Club has been expected to account for its capital requirements since becoming a Town department, and this project should be viewed in exactly the same manner. The irrigation system is a significant capital investment, but the financing structure does not require a corresponding increase in property taxes.

I hope this provides greater clarity regarding the proposed financing and the relationship between Country Club revenues, Free Cash, the Capital Budget, and the project's debt service. I believe it is important that both Boards and the Public have a clear understanding of this structure as we continue discussing the project and its financial implications.

Please let me know if you have any additional questions or concerns.

MWH/rjb

cc: Patricia DuFresne – Assistant Director of Finance/Town Accountant
Katie Kazanjian – Treasurer/Tax Collector
Tammi Mickel – Principal Assessor
Melisa Doig – Human Resources Director
Kara Cruikshank – Executive Assistant
Shawn Campbell – Country Club General Manager/Head Professional
Groton Herald