

FINANCE BOARD



2022

ANNUAL TOWN MEETING

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Finance Board recommendations on CPA Articles

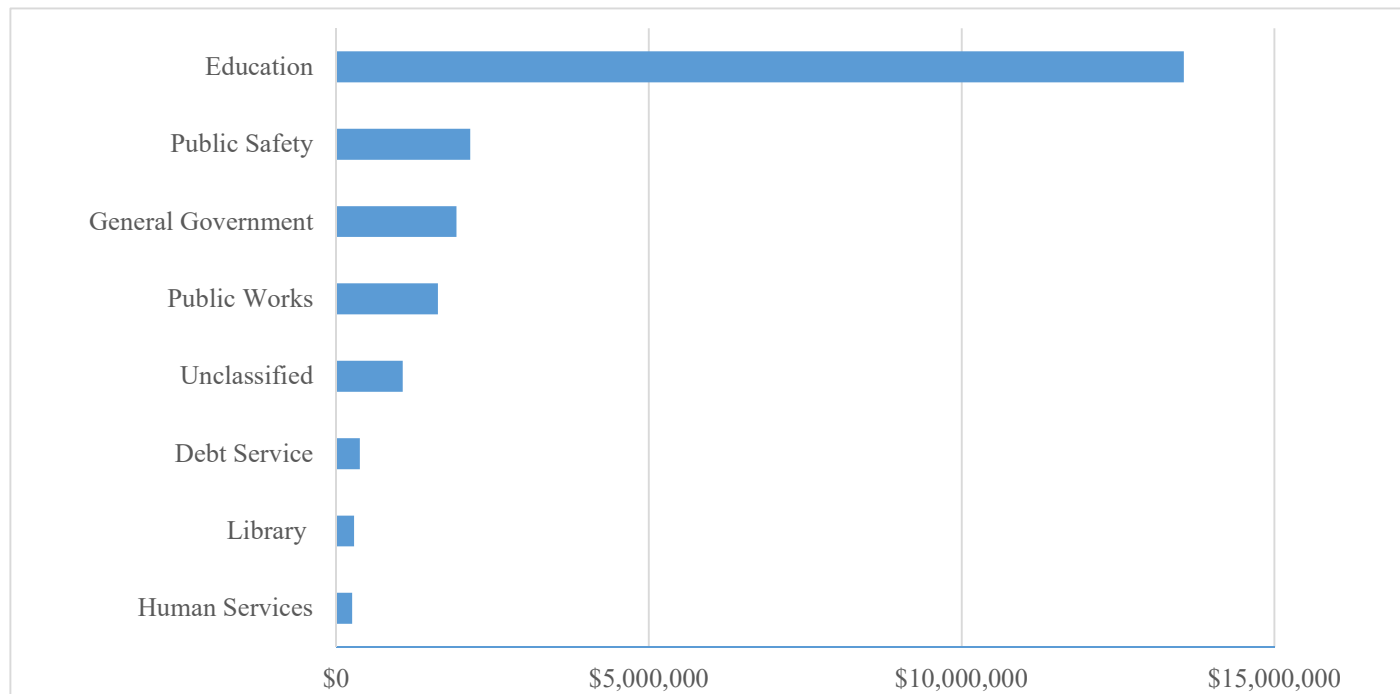
As part of the budget review, the Finance Board carefully reviewed all proposals being submitted to the Annual Town Meeting for funding by the **Community Preservation Act (CPA)** funds. CPA funds are collected as a surcharge on the tax rate on an annual basis. The State provides matching funds to the amount collected from taxpayers. These funds may only be spent for specific purposes. The table below summarizes the Finance Board's recommendations on these articles.

Article	Description	Requested Amount (\$)	Finance Board Recommendation	Explanation
16	Establish a Walking Trail Entrance at the Pines	\$88,000	Favorable Action	This would create a safe walking/biking access to the Pines Recreation Area. Project to be managed by Town Planner and Town Administrator.
17	To fund an accessible lift at Veasey Memorial Park	\$ 214,000	Favorable Action	The funding would provide completion of the accessible lift in the main building of the park
18	To fund a feasibility study for Lucile's cottage	\$17,500	Favorable Action	The study would develop design and usage plans for the historic cottage at Veasey Park.
	TOTAL RECOMMENDED	\$319,500		

How Tax Dollars Are Spent

Budget Category	Recommended Fiscal 2023	Percentage of Operating Budget
General Government	\$1,923,027	9.05%
Public Safety	\$2,143,282	10.09%
Education	\$13,552,405	63.80%
Public Works	\$1,627,855	7.66%
Human Services	\$259,669	1.22%
Library	\$286,172	1.35%
Debt Service	\$382,374	1.80%
Unclassified	\$1,068,309	5.03%
Total Recommended Budget*	\$21,243,093	100.00%

**As appears in warrant*



Finance Board Recommendations Contributions to Town Reserve Accounts

The table below summarizes our town's progress towards strengthening its fiscal position by increasing reserves in the town's Stabilization Funds. The overall goal is moving towards maintaining reserves of at least 10% of our operating budget to ensure the town's ability to maintain town services in the event of unforeseen financial costs. Assuming the recommended \$100,000 contribution, our Stabilization Funds (Stabilization and Capital Stabilization) would equal 9.3% of our operating budget, exclusive of the PRSD capital assessment.

This table also shows our continued progress to make payments to offset the significant deficit in the town's retirement fund identified by town auditors. Projections show our town's OPEB (Other Post-Employment Benefits) obligation is \$5,267,621 (inclusive of the enterprise funds).

Town Reserve Accounts	Amount Contributed FY2022	Amount Withdrawn FY2022	Amount Recommended FY2023	Projected Balance with FY23 Contributions
Stabilization	0	\$240,167	\$100,000	\$1,427,797
Capital Stabilization	0	0	0	\$349,893
Total Stabilization	-	-	-	\$1,777,690
OPEB	\$85,000	0	\$85,000	\$810,328

FY 2023 Appropriations from Free Cash

Free Cash represents the funds remaining from the operations of the previous fiscal year, as certified by the DOR. Remaining funds include unexpended free cash from the previous year, receipts in excess of estimates shown on the tax recap sheet, and unspent amounts in budget line items. A community will typically attempt to maintain a free cash balance of between 3 and 5 percent of its total budget.

Begin

Balance:	FY22 Free Cash
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\$ 418,107

		Recommended
Article No.	Purpose	Amount
20	Capital Upgrades at Bagnall School	\$ 75,000
21	Municipal Building Improvements	\$ 50,000
27	OPEB in Omnibus	\$ 85,000
28	Stabilization	\$ 100,000
29	Firefighter Grant Account (regional grant)	\$ 22,759
30	Aerial Photography	\$ 2,404
31	MS4 Stormwater Permit	\$ 35,000
32	Personnel Buy Back	\$ 25,000
Total		\$ 395,163

Remaining Free Cash

\$ 22,944

We welcome and thank you for attending Groveland's Annual Town Meeting. We have prepared this booklet to provide you with additional information to consider as we vote on important town decisions. To make the recommendations presented to you tonight, the Finance Board interviewed all town departments over seven public meetings. We had discussions with employees, volunteers, the Board of Selectmen and our Town Administrator ('TA'). We thoroughly reviewed the Pentucket Regional School District's ('PRSD') education budget. We also listened carefully to you, our taxpayers. We hear that you are concerned about tax rates and we do our best to assist the town in making decisions that provide value for your tax dollars.

Just like many communities, we struggle to balance the dynamic of increasing requests for town services and the continued reality of moderately increasing revenues. This is further complicated by significant increases in education related costs. At 64% of our operating budget, education funding continues to be challenging. PRSD's three member towns (Groveland, Merrimac and West Newbury) aim to allocate a 3% annual increase to the operating budget. This year, Groveland's 3% increase left little funding for increases to other town services. In fact, we were forced to recommend several reductions. Part of that is because last year our PRSD assessment increased by 5.24% and we needed to take funds from our stabilization account to cover a portion of this increase. As a result, we are continuing to catch up this year.

The Finance Board, as well as the Board of Selectmen, voted unanimously to recommend an original as well as a revised budget this year. First, we voted a budget which assumed that the PRSD budget override would pass. After the failure of the override, we reconvened and voted a new budget that allocated a 3% increase to PRSD and, in turn, made some difficult town reductions. Ultimately, PRSD cut their budget by \$1.34 million, which lowered our assessment below the 3% target. With this lower assessment, we have sufficient funding to bring back the first voted budget which is \$105,000 over the budget that is presented to you in the posted warrant. We hope to entertain a motion and discussion at tonight's meeting that would allow us to revert to the first, and more reasonable, balanced budget.

The good news in Groveland? We hired our first Town Administrator in accordance with the vote at last year's Annual Town Meeting. We are pleased to welcome Rebecca Oldham to the role. Rebecca has worked tirelessly in her first six months as our TA and skillfully assembled this budget and warrant. We also have received just over \$2 million in ARPA (American Rescue Plan Act of 2021) funds. These funds have allowed us to make investments in capital equipment such as a new fire engine and a multi-use highway vehicle, while taking pressure off the annual budget to fund these expensive items. We have also deployed ARPA funds to complete a salary study. We plan to use this information to objectively guide us in the strategic planning to attract new and retain existing employees, while treating all staff fairly for the work they do.

We are working hard to balance the revenue increases confined to Proposition 2 ½ with the increasing demand and costs for goods and services. It is as important as ever to remain diligent and strategic in all planning and spending. *Every decision matters.* We, your Finance Board, believe in a collaborative and respectful process. We are committed to active listening and informed decision making, while making thoughtful and fair recommendations to you, the residents and taxpayers of Groveland. We thank you for the opportunity to serve you and encourage everyone to find their own way to similarly experience the rewards of volunteerism. Together, we make Groveland a great place to live.

The Finance Board's prime responsibility is to make recommendations on all financial matters, including the budget, to town meeting. The Board has oversight responsibility for all municipal financial matters, as well as other statutory authority granted to them by our town bylaws.

Representing you as members of the Finance Board, we are:

Ruth Rivard, Chairperson

Theresa Dunn

Jim Scanlon, Vice Chair

Sarah McGrath

Melissa Baker, Secretary

Susan Yaskell, Alternative Member



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