



**Override Statement to the Residents of Shrewsbury
Board of Selectmen & School Committee
March 16, 2021**



PURPOSE

The Board of Selectmen and School Committee, the elected leaders of the Town of Shrewsbury, have developed this document to convey context on, and their respective commitments with respect to, the May 4, 2021 override ballot question and how the funds will be managed. The commitments below will come into effect upon the passage of the override.

CONCISE GOAL FOR THE OVERRIDE

To ensure that the Town of Shrewsbury has sufficient revenue to maintain or improve quality municipal and educational services to a level that Shrewsbury residents expect for at least the next 4 years.

BACKGROUND IN BRIEF

The Town of Shrewsbury is limited in its ability to raise revenue through the General Laws of the Commonwealth of Massachusetts. The largest source of Town revenue is property taxes. Property taxes provide almost 60% of the Town's total annual revenue. The property tax levy, the amount of money raised by the property tax rate, can only increase by 2 1/2% per year under state law unless voters allow it to be increased greater than that.

Over the years it has been well documented that although Shrewsbury budgets and spends conservatively, the costs of both municipal and educational services desired by the residents of Shrewsbury increase by more than the new revenue that is received by the Town. The last override approved by Shrewsbury residents was seven years ago, June of 2014. The coronavirus pandemic has further reduced revenues available to provide quality services, accelerating the need for another override.

All appropriations remain subject to Town Meeting approval.

MAY 4, 2021 OVERRIDE COMMITMENTS

1. Exercise fiscal discipline, and provide quality services
 - a. Commit to no Proposition 2 1/2 override questions for at least 4 years enabled by the use of an override stabilization fund which will be subject to Town Meeting appropriation
 - b. Manage general educational operating budget increases up to 4.25% annually
 - c. Manage general municipal operating budget increases up to 3.50% annually
 - d. Manage shared operating expenses¹ budget increases up to 6.15% annually
 - i. Operating increase caps defined in b., c., and d. may be proposed and exceeded by up to 0.50%² if recurring revenues exceed the Town Manager's forecast so as long as there is no impact on the 4 year commitment
 - e. Provide complete transparency to the residents annually on all revenues and expenditures through public meetings and information posted on the Town website and on ClearGov

2. Minimize impact on taxpayers, particularly seniors and others with income challenges
 - a. Publicize and conduct outreach to residents about existing tax relief programs available to residents
 - b. The Board of Selectmen will explore options for additional tax relief programs to

¹ includes expenses like health insurance, liability insurance, unemployment and FICA

² estimated value of 0.50% on the proposed FY22 Education Budget is \$378,401; Municipal is \$152,493

- the extent permissible by law
 - c. Pursue new revenue sources to the extent permissible by law
 - d. Develop more thorough long-term planning documents which identify potential opportunities for a expanded commercial tax revenues
- 3. Specific Commitments for Municipal Operations by the Board of Selectmen
 - a. Increase community engagement to ensure resources are prioritized consistent with the desires of our residents
 - b. Refinance existing bonds to take advantage of our AAA bond rating to provide savings to the taxpayers
- 4. Specific Commitments for Educational Operations by the School Committee
 - a. Open the new Beal School as planned for the 2021-2022 school year in order to relieve overcrowding at the K-4 level, and provide equitable instructional spaces, and tuition-free, full-day kindergarten for all students
 - b. Phase in restoration of the cuts made in FY21 where possible within this 4 year funding framework, prioritizing teacher positions that affect class size or program offerings and support positions that address student learning needs
 - c. Refer to existing strategic priorities and goals to plan improvements and adjusting to address student needs that emerge due to the effects of the pandemic
- 5. Maintain Strong Financial Position
 - a. Continuous review and improvement of financial practices, policies and reserves to ensure sustainability of municipal and educational services
 - b. Maintain AAA Bond Rating to take advantage of favorable interest rates when borrowing to produce an overall benefit to the taxpayer