

Town of Groton Finance Committee

Minutes of Public Hearing on the FY 10 Budget, as Amended, and Warrant for Fall ATM

9-21-09

(Note to Minutes: The Public Hearing was held jointly with the Board of Selectmen. These minutes document general public discussion and specific participation of Finance Committee members. For the details of Board of Selectmen participation refer to the minutes of that Board.)

Present: J. Prager (Chair), M. Flynn, R. Hughson, J. Crowley, P. DiFranco, V. Jenkins (Town Accountant & Recording Secretary).

The Finance Committee's Public Hearing was convened by the Chair at 7:46 PM. The Town Manager reviewed all articles of the warrant, in order of presentation, for the public, the Board of Selectmen and the Finance Committee. Several articles generated comment or questions from the public or the FinCom:

Article 2: Fiscal Year 10 Budget, as amended. It was noted that the budget contains several adjustments, notably among wages and salaries, due to State Aid reductions, and funding for one new position for an IT Director, to begin on 1-1-2010. There were no comments from the public.

Article 4: Deposit to Capital Stabilization fund. There was some discussion of the recommended balance in the fund as a percentage of total budget. The article replaces the amount spent during the Spring ATM. Ms. Jenkins will find the governing language for the FinCom. Mr. Haddad plans an overall review of the Capital Plan in conjunction with the FY 2011 budget. There were no comments from the public.

Article 5: Deposit to General Stabilization fund. There was discussion of the balance that should be kept in the Fund, with general agreement of 5-10% per the Town's Financial Management Policy and expectations of bond rating organizations. This article is likely to be withdrawn, as the overall funding plan for the Fall ATM does not include deposit to this fund. Town Treasurer, Christine Collins, noted that the bonding agencies will consider both the Capital Stabilization fund and the General Stabilization fund in rating the Town, and that with the deposit planned in Article 4, the total balance on deposit exceeds 5%.

Articles 6,7 & 8: Country Club budget, funding for salaries, and appraisal of land and buildings. There was no discussion of the CC budget, as it is not yet available. There was general agreement that money should not be spent for an appraisal due to the current economic climate and the lack of understanding of the preferred use of the land and buildings. Finally, there were comments from the public regarding town funding in the absence of a complete financial/business plan. Mr. Manugian asked that the financial plan cover more than just the next year's budget, and draw a conclusion about the ability of the Club to sustain itself without taxpayer contribution. It was confirmed by the Town Manager that the funding allows the Club's General Manager and minimal staff to maintain reduced operations while developing a plan over the course of a few months and is not meant to indicate the level of "regular" or repeated taxpayer funding.

Articles 12 & 13: Original Sewer Construction funding and reimbursement of General Fund. Ms. Jenkins reviewed the original cost share plan and the intention of the Sewer Commission to repay taxpayer costs

in excess of the original cost-split. She noted that the plan involved repaying a portion of this reimbursement after the debt was paid off. It was not realized when the plan was developed that delaying reimbursement into the future did not meet Department of Revenue guidelines. One of the two articles on this warrant allows the ratepayers to absorb all the debt service due this year, rather than splitting the cost with the taxpayers. This is allowable under DOR guidelines and the Sewer Commissioners are in agreement. The other article allows the Selectmen to seek special legislation to recover the remaining reimbursement in future years, in spite of DOR guidelines. There were no comments from the public. Mr. Gmeiner of the Sewer Commissioners confirmed that Board's agreement with the plan.

Article 24: Planning Board Master Plan. There was significant discussion of the associated cost to update the Master Plan. Mr. Prager summarized the FinCom's concerns that the \$100,000 cost seemed excessive in view of the fact that some expertise should exist among municipal staff to prepare a portion of the update, that the project is an update, not an original generation of a plan so some past work should still be relevant, and that some of the work to meet housing components of the plan had been done through several Community Preservation funded projects. Several members of the Planning Board and Ms. Collette, the Town Planner, spoke to the value of a master plan, the number of hours required to produce a good plan, and the importance of public input, a component that takes a great deal of time and significant effort to encourage participation, and is best done by professionals. Mr. Haddad and others noted that original bids were higher and to lower the overall cost, both the Town Planner's abilities and the work already done by CPC projects was taken into consideration. Mr. Prager reminded the meeting that no one questioned the value of a Master Plan, the concern is the proposed cost. He called attention to the difficult economic times, which should result in more cost effective proposals than those received and expressed his opinion that we should not expect "outside professionals" to be more knowledgeable than our own Boards and professionals about public input.

While other articles on the warrant generated discussion among the Board of Selectmen or members of the public, none involved the Finance Committee. The Public Hearing adjourned at 9:45 PM.

The Committee will meet at 7:00 PM on Tuesday, September 22, 2009 to discuss the financial articles and take positions.

Respectfully submitted,

Valerie Jenkins
Recording Secretary.