

## TOWN OF GROTON FINANCE COMMITTEE

### Minutes of Meeting Held 2/2/10

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

**Guests:** M. Haddad (Town Manager) and members of Board of Selectmen: P. Cunningham, F. Dillon, A. Elliot, S. Shulman.

The meeting convened at 7:04 PM with the Chair presiding. Mr. Haddad presented changes to his draft budget as follows:

- Information Technology Manager's Salary is fully funded in FY 11 budget, with the contribution from Groton Electric Light (20%) taken in as revenue. This makes payroll processing easier. There is also a request on this agenda to increase the appropriation for FY 2010 using a Reserve Fund Transfer for the same payroll convenience (see below).
- Board of Health assessments for nursing services and health district consultation have been reduced because the Nashoba Board of Health could not justify the requested increases.
- Nashoba Valley Regional Technical School assessment has increased approximately \$51,000 above the initial budget estimate due to a greater number of students attending.
- Cherry Sheet revenue has been corrected to reflect the Governor's budget published the last week in January. The major increase involves Lottery Aid which has been held level to last year; the draft budget had projected a decrease. Mark has not included about \$30,000 of the increase, expecting that the Conference Committee will not ratify the Governor's request.
- Motor vehicle revenue has been decreased by about \$50,000 due to concerns about timing of future commitments and to correct for a late commitment in FY 09 which artificially increased that year's actual revenue and, as a result, inflated the FY 10 revenue estimate.

Mr. Haddad also presented his five year revenue and expense projections. These are in draft form and will be adjusted as needed. Revenue and most expenses are escalated at 2-1/2% each year; benefits and retirement costs are escalated at 10%. The projection indicates a deficit budget in the fifth year of approximately \$250,000. The FinCom questioned the escalation of labor costs and some utility costs at only 2-1/2%. Mr. Haddad noted that most employees are at the top of the range and COLAs are being held at 2%, so he feels the labor escalation is reasonable.

(Note: The recording secretary left at this point – 7:35 PM -- to attend another meeting, and returned at 8:10 PM. During the absence of the secretary one vote was taken. Mr. Flynn moved, and Mr. Crowley seconded the FinCom's authorization, in conjunction with the Town Manager, to exceed the snow and ice budget for FY 2011. The motion carried unanimously.)

The FinCom discussed the FY 2011 budget "drivers", chiefly labor and benefits and there was recognition that labor contracts can defeat good management practices. There is general agreement among the FinCom members that labor costs must come under control in spite of difficult union negotiations to accomplish this. Mr. Prager noted that he has begun to examine the individual line items in the budget and, in addition to rising labor costs, he has found more the \$23,000 in travel and conference costs, and a significant amount of money described as "professional development". Other FinCom members offered observations regarding the Parks Department which charges no fees to private groups that comprised more than 4000 users of town fields; the continuing question of a new police officer with no equal cuts in labor elsewhere; significant increases for the Town Manager and the Highway Surveyor in

difficult economic times; paying people to take minutes at meetings; and the fact that fire suppression (hydrant fees) are still included as cost to the tax payers when most taxpayers do not get the benefit of the assessment.

The FinCom will continue to review the draft budget with a goal of reaching decisions on their own budget submission.

The minutes of the meetings held 12/29/09; 1/4/10, and 1/19/10 were approved unanimously after moved by Mr. Crowley and seconded by Ms. Cochran.

Ms. Jenkins presented a reserve fund transfer request for \$1960.18 to increase the appropriation for the newly-hired Information Technology Manager. This will allow smoother payroll processing. The 20% appropriation to be paid by the Electric Light Department will be received in as revenue. Mr. DiFranco moved, and Mr. Flynn seconded approval of the transfer. The motion passed unanimously.

The Committee was reminded that there is a joint meeting with the Selectmen scheduled for February 27, 2010 to discuss the FY 2011 budget. If there is a FinCom meeting prior to that date, the Committee will be notified.

The meeting adjourned at 9:55 PM.

Respectfully submitted,

Valerie Jenkins

Recording Secretary.