

**TOWN OF GROTON FINANCE COMMITTEE
MINUTES OF MEETING HELD 11-23-2010
(7:00 PM First Floor Conference Room, Town Hall)**

PRESENT: Jay Prager (Chair) Steve Webber, Robert Hargraves, Mike Flynn, Peter DiFranco, Joe Crowley, Tom Sangiolo. Valerie Jenkins (Town Accountant, Recording)

GUESTS: Mark Haddad, Town Manager, Patricia Dufresne (Accountant-in Training)

Documents available: Preliminary revenue and expense estimates, FY 2012 budget
Schedule of Departmental Reviews for FY 2012 budget
Reserve Fund Transfer Request, Accounting Department
Standard & Poor's Financial Review & Press Release, Town of Groton
Credit Rating

Mr. Prager called the meeting to order at 7:02 PM

Approval of Minutes: Approval of the minutes of the meetings held on Sept 23rd and Oct 18th were deferred until the end of the meeting. At that time, Mr. Sangiolo moved, and Mr. Hargraves seconded approval of the minutes of September 23, 2010 as submitted. The motion carried with a vote of 4 in favor, none opposed, and 3 abstentions. Mr. Hargraves moved, and Mr. DiFranco seconded approval of the minutes of October 18, 2010 as submitted. The motion carried with a vote of 5 in favor, none opposed, and 2 abstentions.

Introduction of Accountant-in-Training: Mr. Haddad reviewed the new Accountant-in-Training (AIT) program. Since Ms. Jenkins plans to retire in about 2 years, and given that the position of Accountant is both highly technical and critical to municipal financial health, the training program was developed to allow the opportunity for someone to obtain structured training and to follow the Accountant's duties through two full annual cycles. Patricia Dufresne (Trisha) was the successful applicant from a pool of four who applied for consideration. The training program has begun, although slowly, as of the first of November. Ms. Dufresne continues in her current position of Business Manager for the Water and Sewer Enterprises, while at the same time absorbing her future duties as Town Accountant. Ms. Dufresne was introduced to and welcomed by the FinCom.

Reserve Fund Transfer: Ms. Jenkins requested additional funds for the Accountant's expense line item in order to obtain some structured training for the AIT, beginning after the first of the year. She suggested training in municipal law, payroll and labor law, and procurement to take place between January and June, at a total cost not to exceed \$1000. Mr. Hargraves moved, and Mr. Sangiolo seconded approval of the transfer; the motion carried with a unanimous vote.

Fiscal Year 2012 Budget: Mr. Haddad reviewed his preliminary estimates for the FY 2012 budget. Key points include the fact that State revenue is expected to be down for the third year in a row; local receipts are the same in total to FY 2011, although there are changes upward or downward in some individual categories, and new growth is estimated to be lower than FY 2012. Mr. Haddad further noted that retirement and health insurance assessments are estimated at increases of 5% and 13.5% respectively and that mandated union contracted steps have been included in the labor line items. Other expenses in general have been estimated at no increase from FY 2011. He reminded the FinCom that several unions are scheduled to negotiate labor contracts with an effective date of 7-1-2012. Also,

he has had initial meetings with the Groton Dunstable District school officials, confirming that he is unable to exceed a 2-1/2% increase over last year's operational assessment to the District. He will participate in the District's union negotiations for the teachers' contract. He expects a more transparent process of budget development with the District than has been seen in the past, given that there is a new superintendent and a new business manager, both of whom are committed to open dialog. In summary, with general revenue and expense estimates, the current bottom line for the FY 2012 budget, before any meetings with department managers and without the results of union negotiations, is approximately \$28,000 in deficit.

Mr. Haddad also drew the FinCom's attention to the schedule for meetings with Department Managers. He asked that FinCom members attend those meetings that are of interest to each of them, but noted that the meetings would need to be posted if more than 3 members attended at any one time due to a quorum of the FinCom being present. Mr. Hargraves asked for a schedule of School Committee budget meetings, as he is the FinCom's representative to the District. Ms. Jenkins will obtain the schedule and forward to the members.

Finally, Mr. Haddad noted that, as an aid to reducing costs in the future, he has begun meeting with several area administrative officers or town managers to explore sharing of services. There is nothing yet to report, but he will keep the FinCom informed. Mr. Haddad thanked the FinCom and left the meeting at this point.

Finance Committee Line Item Budget for FY 2012: After discussion, the Finance Committee voted to maintain a budget of \$150,000 in the Reserve Fund for FY 2012 (motion: Mr. Webber, second: Mr. Hargraves, unanimous vote). The Committee also agreed by consensus that no additional money need be requested for general expenditures of the Committee. During general discussion, some Committee members noted that they would like to see copies of the Town Meeting warrant as soon as possible, because articles that have a cost sometimes come to their attention too late to review adequately. The Committee also believes it is preferable to have all "money articles" appear together at the beginning of the warrant, rather than scattered throughout the warrant. Mr. Prager took the action item to speak to the Town Manager about the warrant.

Next Meetings: The next meetings will be on Tuesday, December 7, 2010 at 7:00 PM and, Tuesday, January 4, 2011 at 7:30 PM. Locations will be advised. There are no agenda items at present; however the Town Manager's Fiscal Year 12 budget will be presented at a public hearing at the January 4th meeting, which will be held in conjunction with the Board of Selectmen's meeting that night.

Respectfully submitted,

Valerie Jenkins
Recording Secretary