

TOWN OF GROTON FINANCE COMMITTEE

MINUTES OF MEETING HELD 3/8/2011

Present: J. Prager (Chair), M. Flynn, G. Green, J. Crowley, S. Webber, R. Hargraves, V. Jenkins (Town Accountant, recording), P. Dufresne

Absent but participating by phone: P. DiFranco

Guests: Representatives from: the Board of Selectmen, the Planning Board, Community Preservation Committee, Town Planner, Town Manager.

Documents Available: Certified Assessments from Groton Dunstable Regional School District and Nashoba Valley Regional Technical
Portions of contract from Community Opportunities Group regarding Phase II of Master Plan
Accountant's Sources and Uses Document for CPC Funding for FY 2012
Chapter 479 of the Acts of 2008 regarding Post Employment Benefits other than Pension and funding requirements per last actuarial report.

Mr. Prager called the meeting to order at 7:02 PM. It was noted that Mr. DiFranco would be participating via phone from California. The Committee was reminded that he may participate in the meeting if recognized by the Chair, but may not cast votes.

The minutes of the meeting held 3/1/2011 were approved by a vote of 5 in favor and 1 abstaining upon a motion from Mr. Webber and second from Mr. Hargraves.

Mr. Haddad provided an update to the FY 2012 budget. He explained that both district schools had provided assessments lower than estimated; and that one capital item had been increased by \$10,000 after reviewing costs on the state bid list. After these changes had been made, the budget shows approximately \$440,000 of unexpended tax capacity. The Selectmen have discussed the disposition of unexpended funds and offer a plan that uses approximately \$360,000 for FY2012 capital requests, thereby preserving the current balance in the capital stabilization fund, and to leave the remainder of the UTC unspent to help the tax rate. The Finance Committee will consider this option. Mr. Haddad also explained that he had arranged the warrant articles according to the Finance Committee's request that all financial articles would be grouped together, with one exception. The CPC articles are placed after zoning article related to 134 Main Street because the result of the vote on this article will control whether the CPC funding for 134 Main will move forward. The FinCom concurs with this plan.

Ms. Jenkins provided information regarding the establishment of an irrevocable trust for Post Employment Benefits. The trust would help reduce the long term liability associated with funding health insurance for Town retirees. The State and the Town's audit firm encourage funding the trust. The

Finance Committee had asked that research be done in this area in order to determine if establishing and funding this trust could be a use of the above noted unexpended tax capacity and had asked the Selectmen to provide a “placeholder” article on the spring town meeting warrant.. Ms. Jenkins explained that the trust does need to be established by town meeting vote and the language of the vote needs to contain a specific funding plan acceptable to the State. The plan does not need to require 100% funding of the liability and funding can be accomplished over the long term. The Town’s actuary has provided numbers that estimate 100% funding of the liability over 30 years, which results in annual funding amounts in excess of \$600,000 for the general fund alone, (enterprises are treated separately) and has offered to provide other funding plans. Because the establishment and funding of the trust is more involved than originally thought, Mr. Webber moved and Mr. Crowley seconded a recommendation to the Board of Selectmen to remove the trust article from the warrant for now. The motion carried unanimously. (The Selectmen were present in quorum and duly posted, and immediately voted to remove the article.)

Ms. Collette (Town Planner) and several members of the Planning Board provided additional information about phase II of the Master Plan. It was explained that phase II covers the implementation of the objectives developed under phase I, including action plans, rationale for actions, various methods for undertaking actions and cost proposals for plans as needed. The consultants also proposed to review legal and local by-law requirements and would propose amendments to local by-laws as needed. Members of FinCom question whether management of the town could perform some of these functions in order to reduce the cost of implementation. Mr. Capes of Planning Board indicated that some work can be done, and is planned to be done, in house, but that outside help is needed for more technical aspects of implementation; and that outside help also brings perspective so that the final document is not solely a Planning Board view.

Ms. Perkins of the Community Preservation Committee, along with proponents of several of the CPC applications reviewed requests for CPC funding. Ms. Perkins explained that the CPC had not yet taken positions on any of the applications. A funding plan for the applications, prepared by Ms. Jenkins, was also available. Ms. Perkins notes that there is competition this year for funding, especially within the “unallocated” portion of the fund, due to growing concern about the availability of State matching funds and the fact that a significant portion of the unallocated fund must be reserved for the Surrenden Farm debt. Most of the discussion centered on two articles. The Conservation Commission is seeking \$150,000 for deposit into its fund. The Conservation Fund, after receipt of some state land grant funds, will be approximately \$640,000. Mr. Neacy of the Commission notes that they prefer to have \$800,000 to \$1,000,000 to be able to “move quickly” as potential land tracts become available. Mr. Haddad noted that both he and the Board of Selectmen are opposed to any expenditure from the unallocated fund to preserve funding for debt service. Mr. Prager questions why \$640,000 is not enough to move forward with. Ms. Jenkins notes that that there appears to be no ConsComm plan that indicates either a maximum reasonable number of open space acres, or a target balance in the fund, that is based on some measurable criteria. The FinCom also discussed the Habitat for Humanity’s request for \$62,500 to build an affordable house in Groton. This represents 50% of the total cost of the construction. The Habitat will then provide a 0% mortgage to a qualifying family and use the payments to construct other

houses. The FinCom questions the fact that there is no requirement to spend the mortgage dollars in Groton, and that none of the money comes back to the CPC. This puts the town in the position of lending half the money with no return. Mr. Hargraves also questions using taxpayer dollars for this type of project.

The FinCom also heard from the proponents of the Prescott School Reuse Committee's request for professional help to cost out various options for the use of the building; from the Town Clerk regarding the next phase of his records preservation project, which preserves documents through 1850; and from the Groton Historical Society regarding major repairs to the Boutwell House. Finally, Mr. Haddad explained the request from the Housing Trust for \$412,000 of "seed" money for an affordable housing development project on Main Street. In this case, any return on the investment will be spent in Groton.

At 9:30 PM, Mr. Webber moved, and Mr. Hargraves seconded adjournment of the meeting. The motion carried unanimously.

The next meeting is scheduled for Sunday, March 13, at 9:00 AM in the first floor meeting room.

Respectfully submitted,

Valerie Jenkins
Town Accounting.