

TOWN OF GROTON FINANCE COMMITTEE

Minutes of Regular Meeting Held September 10, 2013

Town Hall, 1st Floor Meeting Room

Present: R. Hargraves, J. Crowley, S. Webber, G. Green, J. Prager (Chair), P. DuFresne (Town Accountant, Recording),

Absent: P. DiFranco

Guests: Joe Bosselait, Fire Chief; Mark Haddad, Town Manager; Members of the Board of Selectmen; David Manugian; Mike Bouchard, Town Clerk; Tom Orcutt and Val Prest, Lost Lake Fire Protection Study Committee

Documents available at the meeting: Lost Lake Fire Protection Study
Police Dept memo requesting additional cruisers
Town Manager's FY14 Budget Adjustment Memo
Fall Town Meeting Warrant – First Draft

Mr. Prager called the meeting to order at 7:00 p.m.

Summary Report of Lost Lake Fire Protection Study Committee: Mr. Orcutt explained that this committee had been put into place after the fire which occurred on Boathouse Road in May of this year. They were charged with determining the adequacy of the fire protection services available in the Lost Lake area, and to suggest options for improving those services where appropriate. The Committee has since determined that fire protection is only available at limited locations there now; adequate service is restricted to only those streets served by town water. Some protection is available outside of these areas through the use of remote hydrants and tanker trucks, but this is not deemed adequate. These neighborhoods are heavily populated, the structures are very densely situated and the streets are narrow and difficult to maneuver through with emergency equipment. The Committee suggested a three-part resolution to this problem: a single dry hydrant can be installed (non-potable), 2 cisterns can be built (non-potable), and municipal water can be extended in certain places (potable).

Mr. Green asked how this section of town had been chosen for this study. Mr. Prest replied that it makes sense to address the most densely settled neighborhoods first.

Mr. Bosselait remarked that many residents feel that there is no need to improve fire protection in Lost Lake because of all the water that is obviously available right there in Lost Lake and Knopps Pond. Unfortunately, this is a misconception because the water level is too shallow to support dry hydrants in most cases, and the potential draft sites are too steep to provide access for a tanker truck. Currently, when water is needed to fight a fire in Lost Lake, it is trucked in. This is inefficient as it takes a great deal of time and only provides a couple of minutes of water. A large volume of water is needed to initially

put down a structure fire. Mr. Prest explained that there is really only one acceptable site for a dry hydrant, that being at the bridge at Knopps Pond where it crosses to the island.

Mr. Prager wondered whether a rough cost estimate was available for this project. Mr. Haddad replied the three engineering articles on the warrant that relate to this effort total \$103,000. The subsequent construction is expected to cost between \$1.2 and \$1.3 million dollars. Mr. Haddad said this would be funded through long term bonding (probably 10 years) with debt service at between \$105,000 and \$110,000 approximately per year. The group discussed the possibility of offsetting some of the taxpayer costs with betterment charges. There would be some challenges in determining exactly which residents were receiving the fire protection benefit and to what degree in order to calculate and defend a betterment assessment. Mr. Degen cautioned that any betterment collected by the Water Enterprise Fund would be unavailable to offset debt service paid by the taxpayers. It was agreed that this issue should be considered more carefully as the project progresses. Mr. Prager would like more information as to how the funding for this project will be structured. Mr. Webber asked whether the committee had studied the use of above-ground tanks. Mr. Prest replied that this had not been considered because it would be a more expensive alternative and it is unlikely that a suitable piece of land would be found. Mr. Orcutt noted that a circulator would be required to keep the water from freezing.

Mr. Webber mentioned that going forward, when new water mains are installed, the Town should consider installing dual piping: one for potable water and one for irrigation or fire protection water. This is a solution that will soon be standard for future infrastructure design, and the Town should begin to plan more proactively toward this goal. Mr. Prest cautioned that while dual water mains have their benefits, it is also true that maintaining additional separate elements of underground infrastructure would add a new set of concerns. Also, fires occur relatively infrequently, therefore it is generally considered acceptable to use potable water for firefighting.

In response to a question from the Finance Committee, Mr. Orcutt explained that the cost of construction for water main extensions in this area is estimated between \$125 and \$175 per linear foot. Most of this is labor costs. A dry hydrant would cost between \$5,000 and \$10,000. Mr. Bosselait added that building underground cisterns of between 50,000 to 60,000 gallons would help the Town preserve or improve its ISO rating.

Mr. Webber asked Mr. Haddad to consider combining the three separate articles relating to this project into a single warrant article. This would allow the engineer (potentially Wright-Pierce) more flexibility in researching and designing solutions. Mr. Hargraves stressed the need to outline the various components of the project carefully when it comes time to present at Town Meeting. Mr. Webber wondered how best to phase in the construction of each of these solutions. Mr. Orcutt replied that all three solutions would be undertaken simultaneously next year.

Mr. Orcutt, Mr. Prest and Mr. Bosselait left the meeting at this time (8:00 pm).

Interview with Mr. Manugian: Mr. Manugian explained his interest in becoming a member of the Finance Committee. He is a long time resident of Groton; was educated as a civil engineer and has worked both as a Town Planner and as DPW Director in Ashland, MA. He successfully manages a \$10,000,000 budget, and feels he could contribute some technical engineering expertise to the

committee. Mr. Haddad said that he has worked with Mr. Manugian in the past and has been impressed with his dedication and level of effort. Mr. Hargraves added that Mr. Manugian did an outstanding job of presenting the Fitch's Bridge project to the residents last year.

FY2014 Budget Amendments – Mr. Haddad summarized each of the proposed amendments as set forth in his Budget Amendments memo dated August 12, 2013 (please see attached document for itemized listing and explanations). Highlights of this discussion are noted as follows:

- Mr. Prager wondered why automation of land use functions (permitting) has not led to budget reductions in the associated wage budget. Mr. Haddad replied that software upgrades have improved efficiency in that department allowing the Town to deliver more services and add responsibilities to the staff members.
- The Finance Committee expressed concern that the total estimated budget increase of \$236,000 was concentrated mostly in wages. Mr. Haddad reminded the group that the Town must negotiate with seven (7) labor unions. \$120,000 of this total has been earmarked to adjust the police wage budget which is currently being analyzed, but has been consistently under-budgeted for a number of years. \$58,000 of the total adjustment represents the appropriation necessary to fund the brand new Firefighter's union contract for FY13 and FY14. Also, \$18,000 relates to the previously approved training program for the new Assistant Treasurer/Collector.
- Mr. Haddad explained that the addition of one (1) hour to the Assistant Town Clerk position was necessary to create parity in the Department. He feels that it is unfair that these two positions are budgeted at 19 and 20 hours respectively, although they perform identical functions. While both employees do an exemplary job and there has never been a complaint from that office, the potential for morale problems exists because one position is eligible for benefits while the other is not. Mr. Prager argued that he could not justify exposing the Town to the expense of two (2) benefits packages when it is not necessary. The employee accepted the job at 19 hours per week and understood that no benefits would be offered. Benefits packages are currently being reduced in the private sector; the Town should be moving to reduce benefits not increase them.
- Construction of the new center fire station is expected to be completed later this year, at which time additional costs for custodial maintenance will be incurred. Mr. Haddad would like to increase the hours of one of the part time custodians from 17 hours per week to 35 hours per week to address this need. Mr. Prager would prefer to hire another part-time custodian in order to avoid paying benefits to the current employee. The long-term costs of paying these benefits are significant. Mr. Webber and Mr. Degen believe that the costs of offering such benefits are justified when the employee is known to be an exemplary worker.
- Mr. Haddad informed the group that the operation of Sargisson Beach will be a priority for next year. The General Manager of the Pool & Golf Center has offered to help provide services such as life guards and water related recreational programs. Mr. Haddad noted that it will be necessary to increase the budget to cover June operations only for FY14 (approximately \$15,000) as the remainder of the season will be funded in FY15. The current plan is to fund operations without charging residents a user fee. Mr. Degen mentioned that this will have to be structured carefully so that these free programs do not interfere with the revenue stream for the Pool & Golf Center.
- The Police Department is typically granted significant Reserve Fund transfers at year end. Because this happens after the Spring Town Meeting when the next year's budget is voted, that

department tends to be under budgeted each year. The Town Accountant did an analysis that suggested an additional \$120,000 should be appropriated for Police wages and salaries. Since that time, Mr. Haddad met with Mr. Prager and members of the Board of Selectmen where it was decided to do an in-depth analysis of each police payroll for the last two (2) fiscal years. Mr. Haddad feels that with the help of the Payroll Clerk, we can track every single earnings type as well as identifying overtime for various categories of shift coverage. Mr. Webber mentioned that he might have a spreadsheet already designed that could be helpful in this process. This will allow us to identify trends that will be immensely helpful in creating an accurate budget for FY14 and the future. Mr. Prager agreed saying that once an accurate budget is in place that everyone is comfortable with, the Police Chief can manage to a specific and detailed budget plan rather than a budget line that is non-specific and possibly arbitrary. During the aforementioned meeting, Mr. Degen had suggested hiring a part-time (15 hours per week) accountant to work with the Police Department to help them track their budget performance and also process their bi-weekly payroll. He believes that the projected \$19,000 that will be spent on this effort will be more than made up by the benefit of having a closer eye on this very significant portion of the Town's budget. Mr. Haddad very much supported this idea, and has received interest from the current Assistant Treasurer. She is retiring in April of 2014, and would like the opportunity to work in this capacity on a part-time basis. She is more than qualified for the position, and Mr. Haddad feels this would be a good fit. The group discussed the possibility of approving an adjustment of \$80,000 to the Police budget now, and allowing a transfer from the Reserve Fund later in the year if it proves necessary. No final decision was made at this time.

- Mr. Haddad explained that due to the extended delivery times on newly purchased cruisers, the older line vehicles were in use too long and were incurring extensive maintenance and repair costs. In an effort to avoid this and get back on schedule with fleet replacement, Mr. Palma has requested that his budget be adjusted to allow for the purchase of an additional unmarked cruiser, as well as the replacement for the cruiser that had recently been totaled. He would like to purchase one marked and one unmarked now (\$48,000), and then purchase one marked and one unmarked as usual in the spring (\$68,000).
- Mr. Haddad summarized the proposed Mosquito Control Program. This effort would cost the Town \$73,000 yearly for three years, and would be funded through an assessment against our State Aid receipts. The Board of Health supports this program, and it is considered environmentally safe and specifically targets mosquito nesting areas.

At 8:56 pm, Mr. Hargraves moved pursuant to M.G.L. Chapter 39, S. 23B that the Finance Committee adjourn their regular session and convene in executive session for the following purposes:

- Discussing strategy with respect to collective bargaining
- Consideration of a potential real estate transaction.

Mr. Green seconded, and the motion carried unanimously. The Roll Call Vote: Mr. Hargraves – Aye, Mr. Green – Aye; Mr. Crowley – Aye; Mr. Webber – Aye; Mr. Prager – Aye. (5-0-0)

At 9:15 p.m., Mr. Hargraves moved to adjourn the executive session and re-convene in open session. Mr. Green seconded and the motion carried by unanimous vote. The Roll Call Vote: Mr. Hargraves – Aye, Mr. Green – Aye; Mr. Crowley – Aye; Mr. Webber – Aye; Mr. Prager – Aye. (5-0-0).

Approval of Meeting Minutes –

On a motion by Mr. Green, seconded by Mr. Webber, the Finance Committee voted unanimously to approve the meeting minutes of June 11, 2013 as drafted. The Vote: 5-0-0

On a motion by Mr. Green, seconded by Mr. Webber, the Finance Committee voted unanimously to approve the meeting minutes of July 8, 2013 as drafted. The Vote: 5-0-0

Discussion of Filling Committee Vacancy – Mr. Hargraves and Mr. Webber both stated that they would be in favor of recommending Mr. Manugian to fill the open seat on the Finance Committee. Mr. Prager agreed adding that it would be helpful to have a member with engineering and technical expertise.

Mr. Hargraves moved to adjourn the meeting at 9:25 p.m. Mr. Green seconded and the motion carried by unanimous vote. The Vote: 5-0-0.

Respectfully submitted,

Patricia Dufresne, Recording Secretary

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Absent: P. DiFranco

Guests: Mark Haddad, Town Manager; Members of the Board of Selectmen,

Documents available at the meeting: Summary of Collective Bargaining Agreement with Professional Firefighters Union of Groton – Summary dated 8/26/13

At 8:56 pm, Mr. Hargraves moved pursuant to M.G.L. Chapter 39, S. 23B that the Finance Committee convene in executive session for the following purposes:

- Discussing strategy with respect to collective bargaining
- Consideration of a potential real estate transaction.

Mr. Green seconded, and the motion carried unanimously. The Roll Call Vote: Mr. Hargraves – Aye, Mr. Green – Aye; Mr. Crowley – Aye; Mr. Webber – Aye; Mr. Prager – Aye. (5-0-0)

Squannacook Hall: Mr. Haddad explained that Halsey Platt (of Platt Builders in Groton) has made an offer to purchase Squannacook Hall. He would like to convert the building to residential living space. The purchase price would be \$100 and the terms would include an agreement for the Town to install a new septic system with an estimated cost of \$30,000. Additionally, the Highway Department will perform about \$10,000 worth of paving at the site. However, the completed project will result in approximately \$10,000 annually in additional tax revenue for the Town. Mr. Platt will have to negotiate with the West Groton Water Supply District for the 4" water line necessary to provide building sprinklers. He will construct a secondary egress and completely remodel the interior of the building. Mr. Platt is currently applying for a matching grant and may seek CPC funding as well. Mr. Haddad suggested that the new septic system could be funded through the use of Free Cash.

The executive session continued with a discussion of recent labor union negotiations (recorded as a separate document).

Respectfully submitted,

Patricia Dufresne, Recording Secretary

FinCom Exec Session Minutes 9/10/2013a

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Mr. Green seconded, and the motion carried unanimously. The Roll Call Vote: Mr. Hargraves – Aye, Mr. Green – Aye; Mr. Crowley – Aye; Mr. Webber – Aye; Mr. Prager – Aye. (5-0-0)

The executive session began with a discussion regarding a potential real estate transaction recorded as a separate document.

Firefighters Union Contract – Mr. Haddad provided a brief summary of the new Firefighters union contract as follows:

- ❖ 3-year agreement (consistent with other Town labor contracts)
- ❖ Wage adjustment for Firefighters will be 3-2-2 (consistent with other Town labor contracts).
- ❖ Lieutenant's salary will be 10% above Firefighter 5-year rate, and Captain's salary will be 12% above the Lieutenant's salary. These differentials are supported by salary surveys done for comparable towns, and will be phased in over three (3) years to avoid undue stress on the budget.

Mr. Prager noted that this is an extremely favorable contract for the Firefighters. Mr. Degen agreed adding that the overtime provisions were of some concern as this benefit would not be shared equitably among all the members. However, the members not only ratified the contract, but also took the extra step of signing a letter of understanding as regards this overtime provision.

Department Supervisors Union – The Town has reached a tentative agreement with the new Department Heads' Union (AFSCME). The highlights of this agreement are as follows:

- ❖ 2-year agreement (the contract will expire “on-cycle” with the other Town labor contracts).
- ❖ There is no salary increase negotiated for FY14, however the members asked for a 2% increase as of 6/30/2014 but declined to be paid for this. An additional 2% increase will take effect on 7/01/2014. This makes the effective rate of the increase for FY15 4%. The salary adjustment was structured in this way so as to make up for the lack of an increase in FY2011 (a year that unionized employees received a 2% wage/salary adjustment). Mr. Haddad cannot simply award a 4% salary increase for FY15 to this union, because the SEIU contract includes a provision that their own members are entitled to a wage increase equal to the highest percentage granted to any other Town labor union.

Mr. Haddad felt that these contract terms were fair and reasonable for both the union members and the Town.

Mr. Hargraves moved to adjourn the executive session at 9:15 p.m. and re-convene in open session. Mr. Green seconded and the motion carried by unanimous vote. Roll Call Vote: Mr. Hargraves – Aye, Mr. Green – Aye; Mr. Crowley – Aye; Mr. Webber – Aye; Mr. Prager – Aye. (5-0-0).

Respectfully submitted,

Patricia Dufresne, Recording Secretary