

TOWN OF GROTON FINANCE COMMITTEE

Minutes of Regular Meeting Held January 7, 2014

75 Hollis St, Legion Hall, 7:00 p.m.

Present for Finance Committee: R. Hargraves, S. Webber, D. Manugian, J. Prager (Chair), Joe Crowley, P. DuFresne (Town Accountant, Recording)

Absent: G. Green

Guests: Candidates for Finance Committee vacancy: Mark Bacon and Bud Robertson

Documents available at the meeting: FY2015 Proposed Town Budget
Candidates' Committee Interest Forms
FinCom Department Liaison Listing

Mr. Prager called the meeting to order at 7:05 p.m.

Summary of Candidate Interviews for Committee Vacancy: Mr. Prager invited the candidates to present their background qualifications and talk about their interest in serving on this committee. Mr. Bacon explained that he has worked for the Air Force for approximately 36 years. He holds an MBA from Boston University and a Project Management Certification. He is interested in the process of local government and would like an opportunity to gain some experience in this area. Mr. Robertson said that as a long-time resident of Groton, he has a vested interest in this town. He appreciates its virtues (schools, open space, safety, and aesthetic qualities). He respects the challenge of balancing prudent fiscal practices with working to attract new residents. He stressed his strong financial background and familiarity with Town structure gleaned through his participation on various other boards and committees.

Mr. Webber asked both candidates to comment on what they felt was the most challenging financial issue that the Town is currently facing. Mr. Bacon replied that the education budget and meeting the increasing demands of the school system are certainly a formidable challenge. Additionally, he feels there is always room for the Town to improve its approach to budget management. He would like to help the Town serve its taxpayers by exploring how to deliver effective government in the most fiscally responsible way. Mr. Robertson said that the school district's needs must always be a major focus as they represent approximately 50% of the Town's budget. He wondered if the Finance Committee could find a way to play a larger role in the education segment of the budget. Mr. Prager mentioned that the schools prefer to maintain some autonomy with respect to town government. Mr. Robertson would also recommend exploring the notion of funding for Other Post-Employment Benefits as part of a more forward-looking plan for the Town.

Mr. Webber and Mr. Prager discussed the idea that the Town's current level of unexpended tax capacity is largely a product of several years of flat assessments from the school districts (which may be a

contributing factor to their current budget dilemma). Instability in the superintendent's office may also have played a part. Mr. Prager noted that the current budgeting approach used by the Town (adding 2.5% to the previous year's budget and then spending it) may not be the most creative way to manage priorities. Mr. Robertson agreed saying that past inefficiencies are repeatedly built in to subsequent budgets. A "zero-based" budgeting process may be worth considering for the future.

Mr. Bacon and Mr. Robertson left the meeting at this time.

After a brief discussion of the merits of both candidates, the Finance Committee agreed to recommend Mr. Robertson to fill the vacant position on the Finance Committee. Mr. Prager noted that both candidates were very well-qualified, however, Mr. Robertson presented a stronger financial background.

Department Head Liaison Assignments: The committee members were polled as to which departments they would each prefer to take responsibility for during the FY15 budgeting process. All the members preferred to keep their current assignments. Those departments for which Mr. Flynn had previously taken responsibility, were assigned to Mr. Manugian. (See the updated Liaison Listing attached).

Schedule for Finance Committee Budget Review Meetings: The committee members scheduled a meeting for January 27th at 7:00 p.m. Mr. Prager hopes that the FinCom liaisons will have had a chance to meet with their assigned department heads before that time. The Department Heads will be asked to meet with the Finance Committee on Saturday, February 1st beginning at 9:00 a.m. to answer questions regarding their FY15 budget requests. If a second meeting is required to address these issues, that meeting will occur on February 8th.

Discussion of Police and Fire FY14 Budget Performance: Ms. Dufresne informed the Finance Committee members that at this point in the FY14 budget year, both Police and Fire wage budgets were expected to exceed their appropriations. She further explained that she and the Town Manager had met with both Chiefs to make them aware of the situation. At that meeting, Police Chief Don Palma said that his department was entering the slowest part of their year. While he does expect to require an additional Reserve Fund Transfer before the close of FY14, he hopes to be able to limit that transfer amount to around \$45,000. The Fire Chief had reported that he has curtailed overtime to the furthest extent possible. He believes that it was inevitable that we should see this kind of budget variance as provisions in the new union contract begin to impact the payroll. Mr. Prager was very concerned that these budgets were once again in difficulty. He would like to discuss these FY14 wage budgets in more detail at a subsequent meeting with both the Police and Fire Chief.

Approval of Meeting Minutes –

The Finance Committee voted to approve the following meeting minutes as drafted:

<u>Date</u>	<u>Moved</u>	<u>Seconded</u>	<u>Vote</u>
09/16/13	Mr. Webber	Mr. Hargraves	3-0-2
09/26/13	Mr. Webber	Mr. Hargraves	4-0-1
10/21/13	Mr. Webber	Mr. Hargraves	3-0-2
10/29/13	Mr. Webber	Mr. Hargraves	4-0-1

Mr. Prager officially adjourned the meeting at 8:00 p.m.

Respectfully submitted,

Patricia Dufresne, Recording Secretary