

TOWN OF GROTON FINANCE COMMITTEE

Minutes of Regular Meeting Held February 1st, 2014

173 Main St., Groton Town Hall, 9:00 a.m.

Selectmen's Meeting Room

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

Absent: None

Guests: Mr. Don Palma (Groton Police Chief), Mr. Jim Cullen (Groton Police Lieutenant), Mr. Joe Bosselait (Groton Fire Chief), Members of the Fire Department, Mr. Mark Haddad (Town Manager), Mr. Mike Hartnett (Town Tax Collector/Treasurer), Ms. Anna Eliot (Selectwoman), Mr. Jack Petropoulos (Selectman), Mr. Mark Gerath (Chair of the Library Trustees), Members of the Library Trustees, Ms. Vanessa Abraham (Library Director), Mr. Tom Delaney (DPW Director), Mr. Robert Whalen (General Manager Groton Pool & Golf Center), Ms. Gineane Haberlin (Parks Department), Members of the Press

Documents available at the meeting: FY2015 Proposed Town Budget
Police Department Budget Presentation
Budget to Actual Summary as of 01/31/2014
Revised GP&GC FY15 Budget Proposal

Mr. Prager called the meeting to order at 9:00 a.m.

Police Department FY15 Budget – Chief Palma characterized his budget as adequate to provide safe levels of shift coverage based on trend analyses done focusing on the last three to four years. Some notable expense increases for FY14 include investigation expenses, and cruiser maintenance. Gasoline usage has been fairly consistent over the years, averaging around \$4,000 per month or \$50,000 per year. Chief Palma said he was confident he could operate within the bounds of the proposed 7% increase for FY15. Mr. Webber was skeptical as the Finance Committee was already anticipating a Reserve Fund Transfer request to support Police Department wages for FY14. Mr. Haddad noted that an extra \$40,000 was included in the FY15 budget calculations for overtime; apart from union obligations, the budget was level-funded. Mr. Prager questioned uniform cleaning expenses; Chief Palma confirmed that this was a contractual obligation. Mr. Prager asked about the motorcycle lease expense of \$4,000. Chief Palma replied that this is a very successful and useful piece of equipment for the department. It is the only way to access the Rail Trail, helps with traffic enforcement and keeps gasoline expenses down. Currently, there are six or seven officers licensed to operate it, and the hours and seasons of operation are very closely controlled by the Police Chief.

Chief Palma was asked to justify his request for an additional Dispatch Officer for FY15. He explained that he had not in fact added a true full-time officer in FY14, but had merely increased the hours of a part-time officer to full-time. Dispatch continues to be very busy, even though the Administrative Assistants for both the Fire and Police Chiefs have been trained to take calls when the department is overwhelmed. He reminded the group that the State has mandated that a dispatcher taking an emergency medical call must remain committed to that call until responders have physically arrived on the scene. The department is currently doing its best to manage the risk, but Chief Palma feels that he needs two officers on duty 24/7 to ensure proper safety standards and to maintain the current very substantial level of grant funding. Call volume is increasing, not decreasing and he feels the addition to staff is warranted. A single significant incident will quickly overwhelm the department; a traffic accident on Route 119 can generate up to thirty 911 calls. Chief Palma noted that as part of the Regional Dispatch agreement, the Town of Dunstable reimburses Groton \$65,000 annually for services rendered. This amount is currently under negotiation and may in fact increase. The Electric Light Department reimburses \$5,000 per year for Dispatch services as part of its yearly PILOT payment, but Water and Sewer are not asked to make a reimbursement. Mr. Prager asked how overflow 911 calls were handled. Chief Palma said that while "rollover calls" were fairly rare, they are forwarded to surrounding towns (Pepperell or Westford). Much of the increased call volume relates to quality of life issues (barking dogs, etc.). An audience member (Scott Harker) asked whether some of that increase could be attributed to private security firms directing activity to our Dispatch center. Chief Palma agreed that some calls were received from those sources but not a significant number. Ms. Eliot (Selectwoman) asked about the volume of cell phone calls. The Police Chief agreed that the volume of cell phone calls had increased tremendously, and very few were what he would categorize as nuisance calls. He stressed that all 911 calls require some affirmative action on the part of the Dispatch officers, even those categorized as "abandoned". Mr. Green suggested that it might be worth educating the public about when it is appropriate to call the Police Department and when not. Mr. Prager wondered whether the public safety issue was moot as the number of 911 medical calls per year is relatively low at around 2,000. Chief Palma disagreed saying that a single occurrence of two equally urgent medical calls being received simultaneously will overwhelm Dispatch. Such conflicts occur a couple of times per month. The group discussed the current staffing structure in Dispatch. Two officers are scheduled duty during the busiest times, only one is scheduled overnight. Providing coverage for vacations and sick time is problematic. Some per diem support is available for the department; however, this introduces complications around training issues. He understands that routine 24/7 coverage may not be sustainable or necessary, but some effort should be made to fill the gaps in coverage for safety reasons and to maintain grant funding. He added that there are some towns in the Commonwealth that are currently on "probation" and in jeopardy of losing their grant funding. He tries to keep Groton's quality of service and training in place to avoid this kind of outcome. While the state allows some margin for error, if they received complaints about our service or felt that the Town was ignoring mandates, we could suffer financial consequences. Thus far, our State audit results have been excellent. Ideally, Chief Palma would like to schedule two officers for 16 to 20 hours per day, and a single officer during the hours of 3:00 a.m. to 7:00 a.m. Mr. Manugian asked about staffing levels in surrounding Towns that offer dispatch services. Chief Palma replied that Westford is very well-staffed at the moment, but he is unsure of the levels in Townsend. However there is talk of asking Groton to expand its service region to include

Pepperell and Tyngsboro. The impetus for this is the extreme expense of the technology required to provide these services; there are clear economies of scale to realize. Mr. Hargraves asked whether the Town can expect a further increase to the level of grant funding it receives. Chief Palma replied that grant funding increases are based on call volume not staffing levels, so any increase would be minimal.

Mr. Prager asked about the Police Department's request for three cruisers in FY15. Chief Palma explained that he should have requested three cruisers at the FY13 Fall Town Meeting. At that time, two fleet vehicles were unreliable and unsafe due to very high mileage; subsequently a third vehicle was lost due to a serious accident. Mr. Harker asked whether the department had any plans to purchase hybrid vehicles in the future. Chief Palma replied perhaps three or four years from now when manufacturers offer appropriate packages for SUV-type vehicles.

Fire Department FY15 Budget – Mr. Prager noted that the Fire Department was requesting an increase of \$27,000 over its FY14 budget. Ms. Dufresne said that the Department was expected to overspend its FY14 budget for wages by around \$35,000 and its general expenses by around \$12,000 (due to turn-out gear purchased). Chief Bosselait explained that due to updated NFPA standards, all the turn-out gear had to be replaced this year. Because of the unusually large size of the recruit class this year, this expense was more than expected. Mr. Haddad noted that he would like to try to relieve the FY15 Fire Department capital and minor capital line items by purchasing as much as possible in FY14. Chief Bosselait said that the hose replacement was a priority and that the high visibility jackets are standard safety requirements and must also be replaced. The current jackets are thirteen years old. In response to a question from Mr. Prager, Chief Bosselait confirmed that \$52,492 was necessary to fund overtime for shift coverage. Mr. Petropoulos asked whether the increased number of new call-firefighter recruits would in fact lead to increased availability for call response. Chief Bosselait answered that he was already seeing a 2% increase in call wages expensed; he expects an increase of around 9% in call volume next year. He explained that full-time fire fighters who respond to calls when off-duty are paid at overtime rates, call fire-fighters are paid at straight time unless they also work full-time for another department in town. During an emergency all department members are expected to respond, it is not current practice to limit the call response. A minimum of 1 hour is paid to all members who respond to a call.

Mr. Prager noted that the Ambulance Receipts account balance was healthy; perhaps the funding for the high visibility jackets could be found in this account. Mr. Haddad cautioned that transfers out of this account to support operations had been aggressive for the last few years. As revenue was expected to remain flat for the foreseeable future, the account is expected to run into a deficit in FY22. Mr. Prager maintained that a \$7,000 expense could still be considered in the short-term. The group briefly discussed the variance in cost estimates for different models of ambulance. Chief Bosselait is planning to seek bids for the new ambulance soon, and is confident that the price will end up around \$280,000. In response to a question from Mr. Green, Chief Bosselait explained the process of converting an ambulance to a forestry truck; this has been a successful way of holding down vehicle costs in the department. Mr. Hargraves asked about the average yearly mileage expected for an ambulance. Chief Bosselait replied that much of the mileage was related to engine idling rather than actual road mileage, but that 18,000 miles per year is about average. Mr. Harker wondered whether the cost of training in the department would be impacted

by the construction of the new Fire Station. Chief Bosselait felt that the amount and frequency of training would not change, however, more training could be done in Groton which would have the effect of keeping our firefighters centrally located and available in emergencies. The department plans to be able to host larger training classes for multiple towns as well. Mr. Hargraves asked whether there was any truth to the recent rumor that broken equipment had been found at the Lost Lake Fire Station. Chief Bosselait replied that this was false information.

Library FY15 Budget - Mr. Gerath explained that the FY15 budget looks very much like the budgets submitted in recent years. The Robbins Trust would cover about \$60,000 of the books and materials needs again this year. He noted that two of the HVAC units had already failed this year creating an emergency situation for the Library building. It should be assumed that the remaining units are also at risk for failure at any time. Therefore, he is recommending that these be replaced in FY15. Most of the other budgetary increases in salaries, wages and materials are reflective of changes in the types and level of services offered by the Library. The migration to the new Library network (MVLC) has been very successful, although there has been a resultant increase to wear and tear on the building itself. This explains the request for additional custodial hours. The Library expects an increase of \$2,050 for programming materials and custodial supplies, and \$1,000 for staff meetings obligated by the new regional membership. Mr. Gerath added that an expansion of hours planned for FY14 will carry over to FY15. A position that is currently budgeted for 18 hours will be split into 2 separate positions to provide scheduling flexibility. However, an additional hour per week is necessary to provide for coverage on sick and vacation days. The Library is currently struggling with the fact that the Reference Librarian is also required to spend a great deal of time on IT support. They would like additional hours for this function. The Library is offering more electronic services and the general public is responding favorably but does need education in this area. Mr. Webber asked whether the IT Department at Town Hall could help fill this gap. Mr. Gerath agreed that the Town's IT staff has offered support to the Library whenever they could, however, the kind of IT support needed at the Library involves intermittent interaction with the public and requires an employee to be on site at the Library. The Library has undergone a significant expansion in IT over the last year and is running completely independent systems from those at Town Hall, which adds to the difficulty of sharing department staff. Mr. Webber wondered whether server information should be stored in "the cloud." Mr. Gerath agreed that this was worth looking into although he feels that this approach will only address some of the issues they are currently facing.

Mr. Manugian asked whether an effort has been made to capture the costs for the Inter-Library Loan Program. Ms. Abraham replied that the new network has helped to automate the circulation process, and the added staff workload is manageable at this point, therefore there have been no added labor costs to date. The addition of electronic books has been a drain on staff time due to the inevitable public education factor. This impact is expected to lessen as patrons become more expert and the software itself improves. She added that the Library pays \$36,000 annually to belong to the MVLC Network, however the State pays for most of the delivery costs. Mr. Gerath noted that Inter-Library Loan requests are up 10% since Groton joined the new network. Program use and meeting room use are also trending upward. Mr. Prager asked about the potential impact if the Library should decide not to expand its hours. Mr.

Gerath replied that the demand for meeting room space is partially driving the decision to expand the building hours. Ms. Abraham cautioned that the building must be staffed even for “meeting” types of activities. The Library building is a community resource now, and not just a warehouse for books. Mr. Gerath specifically stressed the need to extend the summer reading program by one week per year; summer reading is one of their most successful programs.

DPW FY15 Budget – Mr. Delaney provided a brief summary of his budget requests for the various DPW Departments. He specifically noted that Highway wages are decreasing for FY15, while Road Maintenance and Gasoline expenses are expected to be level. He also provided a summary of the various labor union obligations which impact the FY15 proposed budget. He explained that the Miscellaneous Minor Equipment category reflects expenses for items such as lawn mowers and weed whackers. He added that he is redistributing some labor hours from General Highway to the Transfer Station. This will help to fill shifts on Saturdays when the Transfer Station is particularly busy. Mr. Prager asked whether the DPW has supported the needs of the Pool & Golf Center. Mr. Delaney replied that his staff painted the swimming pool this year and also replaced the garage doors. He stressed the excellent work performed by Mr. Quentin Shea on a variety of municipal building maintenance projects.

The group briefly discussed the status of the Regional Recycling effort. The Town has realized revenue of \$10,000 so far this year; the revenue projection was \$15,000 to \$20,000. Program revenue has already covered the cost of the large baler. Currently, our agreement allows the Town of Groton to keep 70% of all recycling revenues (after we deduct our costs). Mr. Delaney stressed that this program incurs no overtime costs. The Town has been able to collect recyclables from some local businesses as well. This does not cost the Town anything and is a benefit to the community. Mr. Manugian asked whether the Town will be able to comply with the new food waste mandates from the State. Mr. Delaney replied that his operations are not set up to handle food waste, however, DPW can provide containers for businesses who wish to compost this waste.

Parks Department FY15 Budget – Mr. Webber asked Ms. Haberlin to provide a summary of the Parks Department’s plans for Groton’s playing fields. Ms. Haberlin replied that the Town was not awarded the PARC Grant for the Ledge Rock Project, however they will re-apply next year. They would like to spend \$40,000 for an engineering study which together with some input from the Planning Board, may provide the extra points needed to be successful in this grant application. She added that the Patierno land is still being discussed as a potential location for additional field space. The golf course land has been deemed prohibitively expensive in terms of engineering and water management to be a viable alternative. Surrenden Farms was also considered but dismissed due to land use restrictions currently in place. The Fairgrounds land was considered, however the space was not felt to be optimal and there is a potential lease agreement pending by another user group. Ms. Haberlin mentioned that Groton sports teams may be willing to pay the schools for use of those fields; this option is being actively researched. Ms. Haberlin informed the group that Groton has only one playground currently which received only a “fair” rating during a recent inspection. The Parks Department would like to focus on correcting this in the near future. Also, some research is being done around relocating the abandoned playground behind the Prescott School to the Cutler Field in West Groton. The Parks Department plans to find and hire a single contractor

who can maintain all the Town fields to a higher standard than has been the case in the past. They hope this effort will help bring the field maintenance expenses down. In response to a question from Ms. Eliot, Ms. Haberlin explained that the Town of Groton receives no income from user groups at the moment. User group fees are used to cover incidentals such as well maintenance and “snack shack” expenses. The Parks Commission has been surprised to discover that a large portion of their current budget is spent on electricity. Mr. Green asked for an update on the \$50,000 special article voted at the Fall Town Meeting for Parks property improvements. Ms. Haberlin replied that all the projects earmarked for those funds are being improved as originally planned. She mentioned that an “Adopt – a – Field” initiative may be put into place in the near future to further ease budgetary constraints.

Town Manager’s FY15 Budget Summary – Mr. Prager explained that the School District budget will be especially problematic for FY15, and the municipal budget will be expected to compensate in some ways. Every operational increase on the municipal budget will have to be validated. Mr. Haddad noted that the Nashoba Valley Technical High School budget is also up by more than \$100,000 from FY14, but he expects to be able to cover that shortfall with the projected increase in State Aid. He explained that with the current 2.5% increase already budgeted for GDRSD along with the available Unexpended Tax Capacity, the Town of Groton can earmark about \$800,000 to help the school district meet its FY15 budget shortfall. An additional \$448,000 could be set aside for that purpose if the Town votes to exclude the Center Fire Station debt. This can be accomplished with a ballot vote; it does not require a Town Meeting vote. The Town Manager stressed his commitment to work with the School Committee to help them resolve this crisis, and he reminded the group that for those years when the school district level-funded their budget (electing not to take the full 2.5% increase set aside for them by the Town), the Town did not spend that money on its own operations. Those funds were kept aside as part of Unexpended Tax Capacity and contributed to holding down the Town’s tax rate. Mr. Prager agreed but added that now, the tax rate will adjust upwards, and the Town has a responsibility to ameliorate that effect as much as possible. Mr. Webber noted that given the size of the school district’s shortfall, the most efficient way to cut the Town budget significantly is through laying off staff. Mr. Robertson likened the process to an elaborate “balancing act.” The Town will have to determine where it can trade off services while still being comfortable that risk is being managed and services are being adequately provided. He felt that in the end, a proposition 2 ½ override will probably be necessary. Mr. Green noted that the school district has already made some cuts to services; Town residents will want to see the Town follow that lead. Mr. Prager agreed that it would be difficult to consider any new hiring for FY15, and perhaps some layoffs will be necessary as well. He went on to say that the proposed budget as presented was a good one; it is unfortunate that this new dilemma will force some additional cuts. Mr. Haddad suggested that the group take a second look at the level of funding provided for Police Department overtime. He also felt that the Town should consider rescinding the vote to participate in the Mosquito Control Program, and perhaps halt progress on the Lost Lake Fire Protection project.

Mr. Hargraves asked whether it would be possible to defer the purchase of the new ambulance to a subsequent year. Mr. Haddad explained that the funding for the new ambulance would be taken from

EMS receipts. While these funds can technically be used for any municipal purpose, past practice has limited their use to Fire Department and EMS needs.

The committee members briefly discussed the need for the Finance Committee to keep a closer watch on the school district's budget going forward. Mr. Prager felt that it might be useful if a representative from the Town arranged to sit in on those budget and finance meetings in the future, as well as assigning an individual to regularly review budget performance reports. It was generally agreed that the process could be improved if the school district started working on their budget earlier in the year. Mr. Prager said that he feels it is counterproductive at this point to focus on assigning blame; the forensic audit currently in process should provide sufficient information to ensure that we do not ever again find ourselves in the same difficulty. It is crucial now to devise a plan that will allow us to move forward. Mr. Petropoulos mentioned that at a recent informational session that he had attended, most of the residents supported the idea of raising taxes rather than cutting educational programs. He thought it would be helpful if Mr. Haddad provided an explanation for growth in municipal spending categories for the last several years. Mr. Haddad agreed to provide this information. Mr. Prager hoped that in future, significant discretionary changes to the municipal budget could be undertaken at the Spring Town Meeting rather than making changes in the fall as was done in FY2014. All decisions regarding Town finances should be considered as part of the budget package as a whole. Mr. Webber suggested that the Town Manager should create a list highlighting \$500,000 in potential cuts to the municipal budget. Each member of the Finance Committee should complete the same exercise. All of these individual lists will then be analyzed at a future meeting in order to ascertain if there may be some areas of agreement on where the budget can be trimmed. These results will be discussed at a meeting to take place on February 11, 2014.

Pool & Golf Center FY15 Budget – Mr. Whalen explained that he is requesting a Triplex Greens Mower as part of his capital budget for FY15. He is suggesting that this purchase of \$25,500 be made as part of a 5 year capital lease (\$5,100 per year). The current mower is 13 years old, and could fail at any time. As this kind of equipment is generally built to specifications, there would be some lead time involved in procuring a new one. However, if pressed, Mr. Whalen felt that this acquisition could be put off for one year. Mr. Robertson wondered if it would be possible to borrow this mower from another club if it became necessary. Mr. Whalen said it was possible to do so, but that he would have no means of transporting it. He added that given the current financial uncertainty surrounding the regional school district, he would be willing to defer any FY15 plans for repairing cart paths and tee boxes. He noted that the pool heater status is tenuous. Mr. Prager asked about the status of FY14 revenue year to date. Mr. Whalen replied that the club is currently about \$20,000 ahead of where they were this time last year, and expects to bring in more than \$550,000. The pool in Groton compares favorably to that in Shirley due to the fact that it is heated and open more hours. He cannot raise pool membership rates however, because the club is already charging rates on the competitively high side. Mr. Whalen plans to improve products and services offered at the club while holding the line on expenses, and therefore, be able to increase prices in some instances. Mr. Crowley asked whether he had any thoughts on membership trends. Mr. Whalen replied that overall memberships have increased from last year. Specifically, pool memberships have increased while golf membership has declined somewhat. He expects that the new golf pro will bring some

innovations and a focus on customer service. This in turn should spur an improvement in golf membership revenue. Mr. Prager asked for a summary of the event business. Mr. Whalen said that he expects the event business unit to break even for FY15. He reminded the group that overhead costs for the function hall building tend to consume all event profits. Each individual event, however, covers all of its direct costs. Mr. Prager wondered whether it would be informative to allocate all the general overhead expenses to each business unit in order to determine profitability for each section. Mr. Whalen agreed that this could be looked into. He stressed that he could not break even with a budget of \$550,000; a more reasonable budget would be \$575,000. Mr. Whalen said that customers expect small price increases year over year commensurate with increased value of the products and services provided. The club needs new players and friendly staffers committed to making customers feel welcome. Leagues must be catered to and new customers “wooded”. Currently only 14,000 golf rounds are sold yearly; this number should be closer to 18,000 for this type of facility. The golf business is continually hampered by drainage problems on the course, and poor visibility and signage. Mr. Webber asked whether any cost savings could be realized from shutting down operations in October each year. Mr. Whalen replied that it is possible that there could be some savings, however golf maintenance operations must continue to take place during the winter season. He would be in favor of shutting down the event business entirely, however, he suspects that the residents would disapprove of this. Mr. Prager noted the difficulty of doing capital expenditures at the club in such a piecemeal fashion. Improvements need to be done all at once in order to bring in more memberships and subsequently more profits. Unfortunately, there is no retained earnings available for this kind of strategic plan.

Approval of Meeting Minutes – On a motion made by Mr. Webber and seconded by Mr. Hargraves, the Finance Committee voted unanimously to approve the regular meeting minutes of January 27th, 2014 as drafted. The Vote: 7-0-0

Deficit Spending for Snow & Ice in FY14 - Ms. Dufresne informed the Finance Committee that the Snow & Ice budget had spent all but about \$17,000 of its voted appropriation. As it was still fairly early in the season, it would seem prudent to vote to deficit spend for the remainder of the year. She added that she had previously spoken to Mr. Tom Delaney (Highway Superintendent) regarding this issue, and he agrees that this vote will be necessary.

On a motion made by Mr. Webber and seconded by Mr. Hargraves, the Finance Committee voted unanimously to approve deficit spending of the FY2014 Snow and Ice Budget. The Vote: 7-0-0.

Mr. Prager officially adjourned the meeting at 1:20 p.m.

Respectfully submitted,

Patricia Dufresne, Recording Secretary