

TOWN OF GROTON FINANCE COMMITTEE

Minutes of Regular Meeting Held February 15th, 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. Mark Haddad (Town Manager), Mr. Mike Hartnett (Town Tax Collector/Treasurer), Ms. Anna Eliot (Selectwoman), Mr. Jack Petropoulos (Selectman), Stewart Schulman (Selectman), Josh Degen (Selectman), Peter Cunningham (Selectman), Mr. Mark Gerath (Library Trustee), Ms. Vanessa Abraham (Library Director), Mr. Barry Pease, Ms. Michelle Collette (Land Use Director/Town Planner) Members of the Groton Fire Department, Members of the Press

Documents available at the meeting: Proposed Reductions to Municipal Budget Matrix
Municipal Spending and Revenue Analysis
IT Director Memo

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

Mr. Prager informed the committee members that the agenda for this morning would focus on finding ways to make significant cuts to the municipal operating budget (in order to support the school district) without adversely impacting services provided to residents. Mr. Haddad distributed and explained the matrix he had prepared which summarizes the cuts most widely favored by the members of the Finance Committee. Additionally, he distributed a document analyzing expense and revenue trends for the Town categorized by function of government. He explained that this analysis indicates that, after normalizing for anomalous activity, municipal spending has not in fact grown faster than revenues over the last several years.

The committee members discussed each of the proposed reductions on the summary matrix, coding them as to how drastically the cut would negatively impact services to, tax payers. It was generally felt that cuts to those items that represented new spending for FY15 should be addressed first. The members discussed the value of not filling the currently vacant Human Resource position. Mr. Haddad said that while it is always preferable to reduce staffing through attrition rather than through laying off of active employees, this is a key position on the management team that would have a much greater impact than the other staff cuts being considered. The duties usually performed by the Human Resources Director would have to be assigned to other staff members (who would expect to be paid for these extra responsibilities). He

added that there are several excellent candidates who have interviewed for this position. Mr. Cunningham mentioned that this kind of fractured approach would likely result in less than optimal delivery of services to employees and others. It was also noted that the Human Resource position does not represent "new spending." Several compromise solutions were discussed including sharing the position with another local municipality or possibly with the school district, changing the status to part-time, outsourcing the function to a private contractor, and allowing Department Heads to have responsibility for some human resource functions that affect their own departments (such as recruitment). A decision on this position will be deferred until after further research can be done regarding the feasibility of some of these options.

The group briefly discussed the Employee Performance Incentive Program. The Finance Committee expressed concern that this program was not implemented as they had expected it would be. Mr. Haddad reminded the group that changes to the program could not be made at this point without re-negotiating union contracts. The Police, Fire and Dispatch unions chose not to participate in the program. He added that the cost of the program for the upcoming year will be less than the cost for the current year, indicating that the managers are becoming more sophisticated in their use of the evaluation process.

The possibility of cutting hours at the Library was discussed at length. Mr. Mark Gerath requested that the Finance Committee limit reductions of the Library budget to \$18,500 for FY15. He understands the need to cut back on the planned increase in hours for the custodian and the new Library Assistant position, but strongly urged the FinCom to retain all the Summer Reading Program and Sunday hours budgeted. These are two of the Library's most popular and successful programs. He mentioned that the Library will probably not approach the Trust Fund Commissioners for budget support as the Trust Funds will be tapped for some capital budget needs instead. A brief discussion ensued regarding changing the hours or days on which the Library is open to the public. Both Mr. Gerath and Ms. Abraham were reluctant to make this kind of change to a schedule that has been in place and has worked for the general public for such a long time. Mr. Gerath maintained that there is truly no way to cut hours at the Library without impacting services to residents.

The group discussed the idea of cutting hours in the IT Department (specifically the Web Developer position). Mr. Haddad cautioned that cutting IT salaries would put a great deal of pressure on our IT volunteers (a problem only recently corrected) and would slow implementation of new programming. The IT Department is currently running efficiently and productively. The Town recently completed a DLS review during which the IT function was praised. Mr. Schulman noted that the residents typically request more website interface, not less. The website is very visible and is the residents' "window" into their Town. Mr. Prager wished that the IT efforts would aid efficiency at Town Hall in such a way as to help shrink headcount. Mr. Cunningham felt that the Town has been able to provide more services to residents while holding down headcount. Ms. Collette agreed that the website has been a huge support to the Land Use Department; it reduces foot traffic and provides necessary services to outside professionals. Mr. Haddad distributed a memo from the IT Director detailing the importance of the Web Developer position to IT operations. Mr. Webber felt it would be poor planning to cut IT services at this time. IT provides for immediate delivery of accurate data both to users at Town Hall and to Town residents. Ms. Swezey

mentioned that the IT Department had provided crucial support to the Assessor's Department this year, without which it would have been very difficult to certify a tax rate. It was agreed that the IT Department has a great impact on services and therefore the Web Developer position should not be eliminated. Similarly, the GIS Department expenses were largely due to maintenance and host fees. This would have a very high impact on services and should not be cut at this time.

Ms. Swezey discussed the impact of cutting hours in the Assessor's Department. She reminded the group that cutting a position would leave only two employees to cover the office, both of whom spend a great deal of time in the field. This cut would also affect the Treasurer's Office, as that office receives 12 hours of support per week from this position. Ms. Swezey felt that while there would definitely be some impact, if the other Assistant's hours were increased from 33 to 40 per week, the affect would be mitigated. Mr. Hartnett felt comfortable that the Treasurer's Office could cover the loss of 12 hours of support, but would suggest increasing the Payroll Coordinator's hours to a full 40 per week. Mr. Webber reminded the group that cutting other positions in Town Hall causes even more reliance on the IT Department.

The Finance Committee members wondered whether it was appropriate to be offering a salary increase to the Town Clerk, especially as that is an elected position. Mr. Haddad replied that it is important to establish parity with the other management positions at Town Hall. The current Town Clerk is a very high performing official who is active on many committees and in every way conducts himself like an appointed Department Head. Mr. Haddad strongly urged that this salary not be cut. It was ultimately felt that the salary should not be cut at this time, although some members felt that the position should be appointed rather than elected. A charter change could be considered at some future date.

Ms. Collette spoke in support of retaining the Zoning Board of Appeals Assistant. This position deals with a variety of complicated issues, and the potential exists for costly litigation should they be handled incorrectly, or untimely. The person currently holding this position is a long-time employee, and in this function experience matters. This is a critical position and would be very burdensome to the remaining staff should it be cut back any farther. The Committee members generally felt that the impact of cutting this position would be very high.

Mr. Haddad explained that while the Building Department continues to be very busy, reducing the Local Inspector's hours may be easier to absorb as the Town has a very competent full-time inspector now. The value of this position is that it provides backup for that full time position (for vacations and sick time, etc.). Ms. Collette interjected that the Local Inspector knows the Town and the zoning. He does annual inspections for the schools and liquor licenses. He is an invaluable member of the staff, and cutting this position would be very burdensome given the variety of new projects on the horizon. The Finance Committee felt that cutting this position would have a medium impact on services.

Mr. Haddad said he would categorize cuts to the Police Department budget as having a high impact to services. The Town has made a concerted effort to fully fund the FY15 Police budget; it would be unfortunate to undermine that now. The group deliberated cutting the proposed Accounting/Payroll Clerk (\$20,000) and \$50,000 in overtime spending (\$25,000 for specials and Reserve Officers and \$25,000

for filling open shifts). He reminded the group that due to union obligations, the police payroll is very complicated to process and requires competent and consistent handling. Mr. Degen agreed saying that the expense associated with this support position will be more than made up for if money can be saved in coordination of shift coverage. Thanks to the payroll analysis recently completed by Hannah Moller, we have a better understanding of the issues involved; daily oversight will certainly pay off in the long run. Mr. Petropoulos agreed that while this may be true, it will be very difficult to quantify the amount of savings to be expected. Mr. Manugian expressed concern over the amount of paid time off included in the Police Wage budget. He wondered if it would be more cost effective to hire another officer. Mr. Webber replied that this was tried two years ago; much of this expense is union-driven. Mr. Haddad remarked that the Police Chief decides how best to cover shifts and maintain public safety standards. Occasionally, it is necessary to fill shifts above the minimum manning policy in the interests of public safety. This naturally leads to higher overtime expenses; this is much the same issue that is occurring in the Fire Department. Mr. Prager wondered whether the Town is actually in a better position as regards public safety than in past years. Mr. Haddad replied that the Police Department is certainly busier now. Mr. Robertson said that it seems obvious that a complicated organization with a budget of this size requires more than just a payroll clerk. The Police Department needs an individual capable of pro-actively managing and scheduling shifts. Mr. Prager agreed that work shifts must be managed more efficiently in both the Police and Fire Departments. Mr. Hargraves expressed concern that the excessive amount of overtime worked by some officers could hardly be considered safe. Perhaps the procedures for back-filling shifts should be re-addressed in the future. Mr. Prager replied that certain shifts should probably not be back-filled. Mr. Haddad said that this is already being done, and no complaints have been received thus far. Mr. Manugian estimated that \$60,000 to \$80,000 could be saved through better shift management practices. Ms. Sartini (Groton Herald) noted that cuts to Police, Fire, DPW, Water and Sewer represent potential compromises to public safety for our residents. She urged the Finance Committee to tread carefully here and, if necessary, err on the side of public safety. Mr. Prager felt that the budgeting process could be improved without impacting public safety; it's not illegitimate to take a look at shift coverage issues. Mr. Webber noted that cutting two full time fire fighters would cut overtime costs by forcing shift coverage by call personnel rather than full-timers. Mr. Haddad offered to discuss shift coverage at greater length with the Police and Fire Chiefs.

The Finance Committee members agreed that it would not be prudent to hire a new Dispatch Officer this year. This represents new spending and would therefore a cut here would result in little or no impact on services. Mr. Haddad felt the Police Chief can fill this need with reserve dispatchers without incurring overtime costs.

Mr. Prager suggested cutting the temporary summer workers for the DPW. Mr. Haddad explained that this would have a major impact on the Parks Department. They rely on the DPW for mowing of their playing fields. It was agreed to leave the summer help in the budget for the time being. The group discussed the request for additional coverage at the Transfer Station on Saturdays. Mr. Prager said that the costs of providing extra coverage on Saturdays probably would outweigh the benefit of having constant monitoring of bag drop-offs. Mr. Haddad noted that some of the overtime budgeted must

remain due to a recently settled union grievance (\$12,000 must remain in the budget; \$10,000 can be cut). Mr. Manugian wondered if the Nashoba Valley Technical High School could be tapped to help with some of the Town's DPW projects. Mr. Haddad replied that they do offer a great deal of support some years, but the school rotates its services among its member towns, and FY15 is not our year. He added that although the DPW budget is up 7%, this includes provision for new duties. This is a very lean budget that includes \$50,000 for maintenance of the new fire station. It may be possible to defer repairs of \$28,000 to municipal buildings: \$10,000 for interior painting, \$8,000 for water treatment for the fire station, and \$10,000 for carpeting at Town Hall.

It was noted that if both the proposed new Dispatch Officer and the Board of Assessor Assistant positions are cut from the budget, this would allow the Town to reduce the Health Insurance line item by \$32,000. Also, the Mosquito Control Program, as newly voted spending (\$73,000), would not have an impact on current services and so should probably be reduced from the budget. The group briefly discussed spending on Travel and Conferences. Mr. Haddad argued that cuts to this line have a major impact on the level of professional competence and training amongst Town Hall staff. The committee felt that this expense should be carefully monitored by the Town Manager. Mr. Prager wondered whether Town Counsel expenses should be reduced. Mr. Haddad cautioned that FY15 was likely to be an expensive year in terms of legal fees. It was decided that a cut of \$15,000 to this line would be conservative. Mr. Prager would like to see the Reserve Fund reduced significantly for FY15. Mr. Green was concerned that many of the budget changes being made now could cause unforeseen impacts for which the Reserve Fund may be needed.

Some discussion ensued over whether the Fire Chief position (to be vacant at the end of FY14) should be filled. Mr. Degen noted that the responsibilities of this position would have to be performed by others who would have to be paid for this. Mr. Haddad felt strongly that it was necessary to fill the position of Fire Chief. Mr. Prager said that the Fire Department was undergoing a difficult time right now; it would hardly help matters to undermine their leadership structure. It was agreed to leave this position in the budget for the time being.

The group discussed cutting the Water Safety budget by \$35,570 which is largely related to the proposed opening of Sargisson Beach. Mr. Haddad explained that the Conservation Commission has a revolving fund for land management purposes that could be used to meet this need. A budget of \$2,500 will need to be retained for the Park Ranger. Mr. Prager cautioned that this cut may have to be revisited depending on what is finally decided regarding the Golf & Pool Center operations for FY15. He thought it might be less expensive to let the YMCA run Sargisson Beach. Mr. Degen disagreed, saying that the first year costs to replace ropes, buoys, life vests, chairs, etc. would be much higher. He did not think it would be useful to close both the beach and the Pool & Golf Center. He suggested eliminating the losing portions of the Pool & Golf Club business operation, and finding a hybrid model that would render it cash flow positive. Several of the Finance Committee members felt that the GP&GC would be more cost effective without the General Manager. Mr. Prager and Mr. Schulman reminded the group that this was tried in the past and led to the out-of-control situation that caused the Club's downfall to begin with. Mr. Degen maintained that the hybrid business model he suggested would allow the General Manager's hours to be

cut in half without impacting the remaining services. Mr. Haddad reminded the group that the budget for the GP&GC is directly offset by the local receipts revenue it brings in. Therefore, cutting the GP&GC budget will not necessarily provide tax capacity that can be used for the school deficit. Some of the members disagreed with this statement, feeling that some level of expense could be trimmed without adversely affecting the associated revenues. Mr. Degen thought it might be useful for the Board of Selectmen to take this on as a new goal. They might study various hybrid business models for the GP&GC and determine whether to cut back the management structure. Mr. Prager said that he would not recommend closing the facility if someone could figure out how to make it self-sustaining.

SUMMARY: The Finance Committee felt that the following budget cuts could be undertaken without adversely impacting services to residents:

Proposed Budget Cut	Estimated Savings
Board of Selectmen Wages	3,850
Board of Assessors Asst Wages	33,909
New Dispatch Officer Wages	44,098
Solid Waste OT Wages	10,000
Library Wages	18,500
Health Insurance	32,816
Mosquito Control Program	73,000
Town Counsel	15,000
Moderator Stipend	435
Finance Committee Expense	1,000
DPW Expenses	13,000
Municipal Bldg. Minor Capital	25,000
Fire Protection	3,249
TOTAL	\$273,857

Mr. Degen reminded the group that the school would still be working to tweak its own budget. However, it is problematic that they have not yet provided projections for the next several years. Mr. Schulman agreed, saying that he was concerned that the Town would be performing this same exercise again next

budget year. Mr. Prager felt that some accommodation must be made on both sides, but that a better trend analysis for future years would be helpful. He would also like another meeting with the Police and Fire Chiefs.

Approval of Meeting Minutes – On a motion made by Mr. Green and seconded by Mr. Hargraves, the Finance Committee voted unanimously to approve the regular meeting minutes of February 11th, 2014 as drafted. The Vote: 6-0-0

Mr. Prager officially adjourned the meeting at 1:00 p.m.

Respectfully submitted,

Patricia Dufresne, Recording Secretary