

TOWN OF GROTON FINANCE COMMITTEE

Minutes of Regular Meeting Held March 11th, 2014

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

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

Absent: D. Manugian, G. Green

Guests: None

Documents available at the meeting: FY2015 Proposed Town Budget
School Committee FY15 Budget & Reduction Scenarios
GDRSD Special Audit by Melanson & Heath
2014 Spring Town Meeting Warrant – DRAFT
DLS FY14 Financial Management Review

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

GDRSD FY15 Budget – Mr. Prager summed up the school district budget shortfall by saying that the school administration simply did not take certain financial events into account when they crafted their FY13 budget. It is apparent that the major cost drivers are wages, salaries and benefits plus some unexpected SPED expenses. Some of the SPED services have been brought back in-house which will result in a significant savings going forward. While he feels that there are still some cuts that could be made to the district budget, it may not be worth the effort it would take to achieve. The district has made the following adjustments to its FY15 Budget which will save approximately \$740,000: moving central office staff out of Prescott (\$40,000), increasing student lunch fees (\$50,000), transportation cuts (\$150,000), reducing contingency requests (\$250,000), reducing custodial salaries (\$100,000), cutting supplies (\$100,000), and reclassing athletic costs (\$50,713). The committee discussed the implications of closing active school buildings. The School Committee has indicated that closing an active school building requires a more thorough analysis than can be accomplished in the relatively short time available. Additionally, they feel that the idea of closing schools creates chaos among the parents and is very divisive in the community. Mr. Prager pointed out that the Towns would have a difficult time enforcing such a change anyway. He expressed concern over the continued lack of budget projection data.

Mr. Prager asked whether the committee members were prepared to recommend the FY15 GDRSD budget to Town Meeting as currently presented. Mr. Webber felt that if it can be funded according to the current plan (with a debt exclusion but no general override), it is probably justifiable. Mr. Prager replied that if the residents do not understand the concept of a debt exclusion, it might fail at the ballot, and a subsequent general override could pass instead. Mr. Robertson said that Mr. Petropoulos (Selectman) and Mr. Bouchard (Town Clerk) have offered to make several presentations around Town in an effort to

educate the public on various relevant aspects of municipal finance. Mr. Roberson, Mr. Crowley and Mr. Hargraves said that they would support the school budget as currently presented. Mr. Prager said that while he is not completely satisfied with what has been presented, but as time is running short, he would be willing to support the school budget. He added that the special audit report does a good job of breaking down the various issues; he is not convinced that any additional information will be forthcoming from the School Committee. Mr. Prager noted that the Finance Committee could always seek an adjustment during next year's budget deliberations should it turn out that the Town was too generous for FY15. Mr. Robertson stressed the importance of conducting monthly reviews of budget performance in order to avoid surprises at the end of the year. Mr. Prager added that the line item autonomy enjoyed by regional school districts makes it more challenging to determine whether they actually spend in a way that correlates to the budget as presented. Mr. Hargraves agreed saying it would be useful to see a report of all budget line item transfers at least annually. Mr. Prager offered to contact the Dunstable Finance Committee to get an update on Dunstable's plans for funding the school district for FY15.

Mr. Webber wondered whether the Town truly needed a full-time Human Resources Director. He reminded the group that this is a relatively new position. Mr. Robertson noted that the same could be said for the full-time firefighters. Ms. Dufresne spoke in support of filling this position, noting the significant amounts of time spent daily responding to questions and problems for employees and retirees. The group briefly discussed the complex nature of firefighter shift coverage.

COA Van Request – Ms. Dufresne explained that the Town of Groton pays an assessment to the state of \$95,000 for transportation services. Part of that assessment was in support of the Road Runner van service which was discontinued last year. Our representative at LRTA (Dave Bradley) has informed us that Groton will most likely not receive a credit for that portion of the assessment; rather, the state will simply reclass the charge as an MBTA assessment instead. Ms. Dufresne said that this was disappointing as the Town gets very little in return for the MBTA charge. However, the COA Director, Kathy Shelp, has requested and been approved to receive a second senior van through the LRTA. Ms. Shelp would like to use this van specifically to take senior citizens to medical appointments in Boston, Concord, etc. She feels that this will provide a much needed service to seniors in Groton, and could possibly even fill a need in other nearby communities. The van itself would be provided free of charge by the LRTA, but the Town would have to increase its COA Van budget by approximately \$23,000 to cover wages and expenses related to operating the van. The LRTA would then reimburse the Town for the costs of operating both vans (The COA submits monthly van expense reports to LRTA during the fiscal year). Ms. Dufresne stressed that this budget adjustment would not result in a tax impact as the projected expense would be directly offset by an increase to local receipts. The Finance Committee unanimously supported the request to obtain and operate a second senior van for FY15. Mr. Prager mentioned that he would be interested in receiving additional information regarding the efficiency of current senior van operations.

Approval of Meeting Minutes –

On a motion by Mr. Crowley, seconded by Mr. Hargraves, the Finance Committee voted to approve the regular meeting minutes of March 4th, 2014 as drafted. The Vote: 4-0-1 (Mr. Webber abstained).

On a motion by Mr. Hargraves, seconded by Mr. Crowley, the Finance Committee voted to approve the regular meeting minutes of February 22nd, 2014 as drafted. The Vote: 4-0-1 (Mr. Webber abstained).

On a motion by Mr. Crowley, seconded by Mr. Hargraves, the Finance Committee voted to approve the meeting minutes of February 15th, 2014 as drafted. The Vote: 5-0-0.

Mr. Prager officially adjourned the meeting at 8:20 p.m.

Respectfully submitted,

Patricia Dufresne, Recording Secretary