

TOWN OF GROTON FINANCE COMMITTEE

Minutes of Public Hearing (Joint with the BOS) Held March 24th, 2014

173 Main St., Town Hall, 7:00 p.m.

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

Absent: J. Prager (Chair)

Board of Selectmen: Peter Cunningham (Chair), Anna Eliot, Josh Degen, Jack Petropoulos, Mark Haddad (Town Manager)

Absent: Stuart Schulman

Guests: Jason Kauppi (Town Moderator), Tom Orcutt (Water Superintendent/Sewer Commissioner)

Documents available at the meeting: FY2015 Proposed Town Budget – Draft of 3/24/14
DOR Bulletin of July 2009 “Local Option Excises”
Memo – Summary of Money Articles (Dated 3/18/14)
2014 Spring Town Meeting Warrant – DRAFT of 3/24/14

Mr. Green called the Finance Committee meeting to order at 7:00 p.m.

Town Manager’s Report – Mr. Haddad asked the BOS to reconsider their position on the local meals tax option that they had decided against adopting several years ago. According to information available on the DOR website, the Town of Groton could realize more than \$100,000 in revenue annually from this tax. Mr. Degen and Mr. Petropoulos felt that it would be best to take the opportunity to fully research the implications of this tax before bringing it to Town Meeting. They suggested targeting it for the next Fall Town Meeting rather than the upcoming Spring Town Meeting. Mr. Robertson expressed concern over the impact to the local restaurateurs; the tax itself is relatively low (.75%), but implementation could be troublesome for businesses. Mr. Cunningham requested that this issue be discussed on a subsequent agenda. Then, after a public hearing with local restaurant owners, perhaps it could be brought forward for the Fall Town Meeting warrant.

Public Hearing for Spring Town Meeting Warrant Review – Mr. Haddad presented a summary of each article and entertained comments and questions from the Selectmen, Finance Committee and the audience members. Discussion highlights were as follows:

- Mr. Haddad requested that the Selectmen re-open the warrant to add two additional articles:
 - For the purpose of appropriating the reimbursement received from Western Surety to fund additional construction costs for the new Center Fire Station. This

will increase the budget for the Center Fire Station by approximately \$248,000. (The BOS re-opened the warrant and voted in favor of adding this article : 4-0-0)

- For the purpose of authorizing a Tax Increment Financing plan for the re-development of the Prescott School building (discussed and voted with Article 22).
- Article 4: Wage & Classification Schedule – Mr. Haddad noted that a change must be made to this article to preserve parity between the Bylaw employees and those in the AFSCME union (as was previously agreed). The wage adjustment for FY15 should be 4%. (2% on 6/30/14 & 2% on 7/1/14). In response to a question by Mr. Degen, Mr. Haddad said that Call Firefighters are not considered Bylaw Employees.
- Article 5: Rescind Mosquito Control Project - Mr. Haddad stressed the importance of rescinding the vote taken at the Fall Town Meeting to authorize membership in the Central Mass. Mosquito Control Project. Successful passage of Article 5 will rescind that vote thereby reducing state cherry sheet charges by approximately \$73,000 for FY15. If this article fails, Unexpended Tax Capacity will be reduced by \$73,000 in order to re-balance the FY15 Budget. The pesticide treatments that should take place in April have been postponed, and the State has assured the Town that the cherry sheets for FY15 can still be adjusted pending the outcome of this vote.
- Article 6: Annual Operating Budget: The proposed budget is included in the Town Meeting Warrant document as Appendix A. Mr. Haddad cautioned that this budget assumes successful passage of the Debt Exclusion at the Special Election to take place on April 1st. Should that vote fail, he suggested that the BOS and the FinCom schedule a joint meeting for April 2nd to discuss re-balancing the FY15 Town Budget. Mr. Haddad asked whether the Finance Committee has voted to support the FY15 budget as drafted. Mr. Green said that while an official vote has not yet been taken, the committee is generally in favor of the current budget plan. The Finance Committee will be taking an official position on each of the warrant articles (including the budget) at its next meeting, scheduled for April 1st.
- Article 7: FY15 Capital Budget – Mr. Haddad said that the only change recently made to the capital plan has been to remove the Triplex Mower for the Pool & Golf Center. All other items will be funded through a transfer from the Capital Stabilization Fund with the exception of the new Ambulance which will be funded with a transfer from EMS Receipts Reserved.
- Article 8: Line Item Transfers for FY14 – Mr. Haddad summarized the current list of transfer requests as outlined in the “Summary of Money Articles Memo” dated 3/18/14. Mr. Degen noted that the Police Department was looking for additional funding beyond the \$80,000 advanced at the Fall Town Meeting. Mr. Haddad reminded him that it had been anticipated that the Police Wage account would require an additional transfer to support FY14 needs. At this time, he sees no need to adjust the FY15 budget. The transfer requested to support the Police Expense line reflects gasoline costs due to increased mileage (rather than increased price per gallon). Mr. Haddad drew attention to the fact that the Fire Wage transfer request would be partially funded by re-purposing the special training encumbrance that has been carried for a number of years but never used by the Department. The total amount to be transferred between line items is currently \$234,521; the funding line items are Communication Wages, Highway Wages and the Fire Expense Training Encumbrance. Mr. Hargraves asked whether sufficient funding will still exist to provide training for the call firefighters; Mr. Haddad assured him that all regularly scheduled training will still take place. In response to a question from Mr. Robertson, Mr. Haddad explained that the Communications Wage budget receives a great deal of grant support each year. The full amount

of the projected wage expenses are always budgeted, however, in the event that the grant is not awarded in a particular year.

- Articles 9 & 10: Transfers from Water & Sewer E&D – Mr. Orcutt explained that these are routine articles placed on the warrant to cover any unanticipated costs which may occur before year end. Specifically, the Sewer Department is conducting an I & I study which is likely to cost more than expected, and the Water Department is expecting higher than usual costs related to plant repair and overtime expenses. The overtime in question relates to the Water Department hiring for a Monday through Friday shift which had been previously filled by an employee working Tuesday through Saturday. Mr. Degen wondered if that was an appropriate use of ratepayer money, and felt this should be addressed with the Water Commissioners. Mr. Orcutt replied that the Water Commissioners are entirely confident that this outcome represents the best possible use of ratepayer money.
- Article 13: Appropriating from Receipts Reserved – Mr. Haddad informed the group that a Highway truck had been repaired using insurance proceeds. Since the final insurance claim had exceeded \$20,000, the Town is required to appropriate those funds at Town Meeting in order to reimburse the expense account charged for those repairs.

At this point in the meeting (7:55 p.m.), the Public Hearing was suspended in order to conduct School Committee business. The Public Hearing was re-opened at 8:00 p.m.

- Article 15: Installation of Accessible Doors at Library – Mr. Haddad said that this modification was going to be made for the convenience of patrons as well as to improve handicap accessibility. Mr. Robertson wondered whether a number of bids would be sought before a vendor was chosen. Mr. Haddad replied that while procurement rules do not require it, the Town plans to obtain several bids before starting the project.
- Article 16: NVTHS Accelerated Roof Repair - The purpose of this article is to obtain authorization for the school to bond this project. Mr. Robertson wondered whether increased debt service would impact the FY15 Town budget. Ms. Dufresne said she believed that the FY15 assessment was final and therefore there would be no impact to next year's Town budget. However, she offered to confirm the time frame for the potential bond issue with the NVTHS Business Manager.
- Article 18: CPC Funding Recommendations - Mr. Haddad noted that this article currently contains all the applications that the CPC is considering for advancement to Town Meeting. The Community Preservation Committee will be meeting on March 31st to decide which particular projects will appear in the final draft of the article.
- Article 20: To Amend Chapter 215 (Wetlands Bylaw) – Mr. Cunningham informed the group that the only recent update to this Bylaw change involved the addition of a notification provision for both the Water Department and the West Groton Water Department. A brief discussion ensued regarding set-back details.
- Article 21: To Amend Chapter 205 (Unregistered Vehicles) – Mr. Haddad explained that this by-law was being updated in an effort to clarify some definitions contained therein, and to allow for some measure of enforcement when the code was violated. The Police Chief has provided input during this process and it is believed that the code can now be enforced by the Police Department working together with the Building Commissioner. Ms. Sartini (Groton Herald) asked whether the new amended code would apply to trailers; Mr. Cunningham replied that it would.
- Article 22: Sale or Lease of Prescott School – The Town has received a proposal that would involve converting the building to business use. The applicant is also seeking a TIF (Tax Increment

Financing) arrangement which would phase in property taxes of \$36,000 over 10 years. In response to a question from the Finance Committee, Mr. Haddad explained that business development allows for use of TIF agreements while residential development does not (the Squannacook Hall development plan was ineligible for this kind of incentive). The proposal as written includes approximately \$1.7 million of improvements, including the addition of an elevator. There is also the possibility that the back parcel may be retained for use by the municipality as a parking lot. Ms. Eliot stressed that the Prescott Re-Use Committee should be allowed to express their opinion on this proposal before it is acted upon. Mr. Hargraves and Mr. Petropoulos requested that the committees chosen to make the final selection of the successful RFP (for both Prescott and the old Fire Station) should include more than one non-employee of the Town. This will help eliminate any appearance of partiality in the selection process. Mr. Cunningham assured the group that the selection process in both cases will be properly conducted and the needs of the community put foremost at all times. The BOS voted in favor of adding Article 22: 4-0-0 and then re-closed the warrant.

- Article 23: Sale or Lease of Center Fire Station – Mr. Haddad informed the group that 5 bids have been received by the Town in response to the most recent RFP issued. The bids range from \$5,000 to \$100,000. He recommended that a committee be assigned the task of reviewing these proposals. Mr. Degen wondered if a single committee could make a recommendation for both Prescott and the Fire Station. Mr. Cunningham felt that as they were somewhat divergent issues, it might be best to utilize two separate committees.
- Article 24 – 27: Sale or Lease of Squannacook Hall – Mr. Cunningham stated that the Church has worked out most of their engineering concerns (related to the planned parking lot and the septic system upgrade) and the Town can now move forward with this article.
- Article 29: Amendment to the Mandatory Sewer Hookup Bylaw – Mr. Haddad stated that a public hearing on this matter is scheduled for Thursday evening. The Sewer Commissioners are working closely with the Board of Health at the moment. An update will be presented to the Selectmen as soon as possible.
- Articles 30 through 33: These are standard housekeeping articles for which the Moderator may establish a consent agenda. Mr. Kauppi explained that a “Consent Agenda” is a time-saving procedure used in several towns; it is a way to take care of several routine articles all at once with a single vote. Those articles unlikely to generate any discussion are identified in advance by the Moderator (with the agreement of the Board of Selectmen and the Finance Committee). A list of these is provided with the warrant and again at Town Meeting. Any voter who has a question on one of those articles can simply request a “Hold” be placed on it. That article will then be removed from the consent agenda and voted individually in the normal manner. Mr. Kauppi recommended designing the warrant to place all of the consent agenda articles together at the end. Only those articles that are decided by a majority vote should be included with the consent agenda; changes to Bylaws or sales of property cannot be included. Mr. Haddad estimated that half an hour could be saved if this procedure is used at Town Meeting. Mr. Hargraves expressed concern that Article 33 (Accepting the Law Increasing the Real Estate Exemption) could generate some controversy relating to the number of occupants and makeup of a specific household. Mr. Haddad said that he has never experienced any discussion regarding this issue. Mr. Cunningham felt that the Assessor’s Office could be relied upon to resolve such concerns. Mr. Degen agreed saying that any resident who wishes to place a “hold” on the article can certainly do so.

At this point in the meeting (8:45 p.m.) the Finance Committee re-located their meeting to the small conference room on the 1st Floor of Town Hall. After a brief discussion, Mr. Green suggested that the Finance Committee should post meetings for both April 1st and April 2nd. He felt that the process of taking positions on each warrant article was likely to be time consuming and should be started on April 1st. If the debt exclusion vote fails, then the meeting with the BOS on April 2nd should be devoted solely to re-balancing the budget as it would likely leave little time for other business.

Mr. Hargraves reiterated his position that Article 33 could generate controversy at Town Meeting and should not be included as part of the Consent Agenda plan.

The committee members briefly discussed the Local Option Meals Tax proposal. Mr. Hargraves felt this would be an unfair burden on local businesses. Mr. Webber suggested that the business tax rate should be lower than the residential tax rate. The members agreed that a public hearing for restaurant owners should be planned if the Board of Selectmen is going to consider adopting this tax.

Approval of Meeting Minutes – None approved at this meeting.

Mr. Green officially adjourned the meeting at 8:55 p.m.

Respectfully submitted,

Patricia Dufresne, Recording Secretary