

TOWN OF GROTON FINANCE COMMITTEE

Minutes of Regular Meeting & Public Hearing Held September 15th, 2014

(Public Hearing Held Jointly with the Board of Selectmen)

Groton Town Hall, 173 Main St. Groton, MA, 7:15p.m.

Present for Finance Committee: R. Hargraves (Vice Chair), B. Robertson, D. Manugian, G. Green (Chair), Barry Pease, Mark Bacon, Art Prest, P. DuFresne (Town Accountant, Recording)

Absent: None

Documents available at the meeting: 9/12/14 Draft Fall Town Meeting Warrant
9/10/14 Draft FY15 Levy Limit Calculation
Revised 9/2/14 Budget Memo from Town Manager
Warrant Article Spending Plan Revised 9/11/14

Mr. Green called the Finance Committee meeting to order at 7:15 p.m.

Public Hearing for Fall Town Meeting Warrant – Mr. Haddad explained that the Town’s Free Cash position had been certified by the Department of Revenue at \$1,181,587. He noted that he and the Town Accountant feel it is in the best interests of the Town to retain between \$250,000 and \$300,000 of Free Cash annually to address unanticipated needs that may come up as the year progresses. At this point, the balance of Free Cash is sufficient to fund those items already identified in the warrant, as well as to allow spending of up to \$150,000 to offset the FY15 tax rate. The pending sale of the old fire station will offset the excluded debt balance thereby further stabilizing the tax rate. He stressed that even though the Free Cash balance (once certified) is a funding source for the Town, it must be appropriated by Town Meeting before it can be spent. He drew the group’s attention to the Warrant Article Expenditure Plan document (available as a supplement to these minutes); assuming \$455,538 of Free Cash is spent at the Fall Town Meeting and an additional \$150,000 of Free Cash is used to offset the FY15 tax rate, a comfortable reserve of \$305,538 will remain. Mr. Petropoulos noted that slightly more funding was being transferred to the Stabilization accounts than was strictly called for by the Town’s financial policies. He thought this money could be put to better use. Mr. Degen suggested reducing the transfer into those reserve accounts and increasing the amount to be set aside for offsetting the tax rate. Mr. Petropoulos questioned the wisdom of establishing a reserve goal of 6.5% if the goal was going to be disregarded. Mr. Haddad replied that he did not see a problem with exceeding the goal in years when such a surplus is available. He reminded the group of the importance of having sufficient reserves on hand to be able to respond to a financial crisis; in his opinion this is more fiscally prudent than the practice of offsetting the tax rate with these relatively nominal sums that may only serve to create tax rate spikes in subsequent years. He added that the Town has a ladder truck that will require refurbishing in the near future. This is an example of an opportunity where the Town can choose to put away some savings against that need and avoid borrowing.

Mr. Haddad presented a summary of each warrant article (a draft copy of the Fall Town Meeting Warrant is available as a supplement to these minutes) and answered questions from the Board of Selectmen, the Finance Committee, and audience members. Highlights of the discussion are as follows:

Article 2: Amendments to the FY15 Operating Budget – Mr. Haddad summarized his updated Budget Memo (revised 9/10/14 and available as a supplement to these minutes). Groton’s charter mandates that a balanced budget be delivered to the Finance Committee by December 31st of each year. This forces town management to forecast revenue and expense trends 18 months in advance of the budget year to which they pertain. This very often results in the need to revise certain categories of the current operating budget at the Fall Town Meeting. Revenue for FY15 is already more robust than what was originally predicted (largely due to increases in State Aid and Departmental Reimbursements), and new growth is now estimated at \$20 million rather than \$15 million. As a result, it will be possible to increase operating expenses in categories where expenditures are likely to be higher than predicted:

- The Trails Committee requires \$4,500 in matching funds for a grant that will allow them to create an accessible trail on the Nashua River. CPC declined to consider an out of cycle application.
- The Assistant Town Accountant position has been reclassified from a grade 7 to a grade 9, and a request for 3 additional hours per week has been received. Mr. Petropoulos asked what would happen should that request be denied. Mr. Haddad replied that the department would simply **continue on as it is currently doing**. The Payroll Coordinator position has been reclassified from a grade 6 to a grade 7 (no additional hours have been requested by the Treasurer). The Desk Top Specialist position has been reclassified from a grade 5 to a grade 6, and 5 additional hours per week have been requested. The total wage impact is \$19,622 for FY15.
- The Fire Chief has requested \$13,000 for management training for the officers on the Fire Department payroll (2 Captains, 4 Lieutenants and 1 Deputy). Mr. Robertson asked whether this would become a permanent line item in the Fire Department’s budget. Mr. Haddad replied that this funding may become part of the strategic plan for the Department going forward. Mr. Degen stressed that this funding is not automatic and would always be subject to yearly appropriation. Mr. Petropoulos asked that Chief McCurdy come before the BOS and personally explain the merits of this training plan.
- Mr. Haddad has proposed restoring the Dispatch Officer that was previously cut from the FY15 budget during the GDRSD financial crisis last year. This decision directly impacts public safety in Groton, and now that the funding is available and the need still clearly present, there is no reason not to restore it. Mr. Degen suggested comparing the salary request with the overtime expenses associated with hiring relief dispatchers on a per diem basis. Mr. Haddad reminded the group that the base salary for this position is covered entirely by state grant funding; the Town is liable only for the associated benefits. Mr. Petropoulos expressed concern regarding the high volume of non-emergency calls being routed through 911 Dispatchers. He would like to see a plan put in place (perhaps an educational effort) to reduce this call volume. Mr. Green agreed that a call analysis be made available to the Board of Selectmen and the Finance Committee. Mr. Pease remarked that he is aware of advertising campaigns that have been undertaken in other communities to address non-emergency dispatch calls.

Article 5: Local Meals Tax – Several Selectmen have observed that as business owners are becoming more educated regarding the meals tax, they are feeling less threatened by it. Mr. Degen felt it should be left on the warrant for the voters to decide. Mr. Schulman noted that Groton residents are paying this tax already when they eat out in other nearby towns; it is only fair that some of that revenue should come to

Groton when non-residents enjoy our local eateries. He added that this can be thought of as a “use tax” which taxes are inherently seen as being levied more fairly. Mr. Green objected to the addition of any kind of additional taxation in Groton.

Article 7: Police Data Conversion – Mr. Haddad explained that this will safeguard and modernize the effort of record-keeping in the Police Department. The quote that the Town is working from (\$41,000) is from the state bid list. Mr. Degen suggested that efforts be made to look into off-site storage for the future.

Article 8: - Public Safety Building Improvements – Mr. Haddad said that now that the Fire Department has moved out of the Public Safety Building, repair work is needed before the Police Department can expand into those areas. These repairs include paint, dry wall, IT upgrades, upgrades to cell security/monitoring, replacement of cell block fixtures, and replacement of worn dispatch fixtures. He reminded the group that as the building dates back to 1992, most of these repairs are to be expected. Mr. Schulman wondered if some of the surplus fire station construction appropriation can be repurposed for this project. Mr. Haddad agreed that this could be done, but is not ready to release fire station construction funds yet. Because the Town is acting as its own General Contractor, it must provide its own warranty of the building.

Articles 9 through 11: Prescott School – Mr. Haddad informed the group that no additional bids have been received for Prescott, however, the previously received bid is still on the table. Recently, the Regional School District has expressed an interest in retaining its administrative offices at that site. It was suggested that members of the Board of Selectmen work with the school committee and the interested bidder to come to some agreement before bringing these same three articles to Town Meeting again. A lengthy discussion ensued regarding the wisdom of offering Article 11 which would amend the Town Center Overlay District to include the Prescott School building. Some members of the Board of Selectmen worried that this could provide a mechanism for promoting a future housing use of this building which has been judged to be in opposition to the wishes of the Town. The members discussed various options for zoning the building that could be presented at the Fall Town Meeting. Ms. Collette (Town Planner) cautioned that making a change to the zoning plan at this late date may not provide enough time for advertising and holding a public hearing on this matter. Mr. Petropoulos was concerned that altering articles immediately prior to a Town Meeting does not give residents enough time to educate themselves on the issue. Mr. Haddad felt that the article should be left as is; the property can be re-zoned again at the Spring Town Meeting if necessary. Ms. Collette explained that the use of the overlay district is limited to special permits granted by the Planning Board. These permits are very specific and may not be transferrable. Uses in the overlay district are not “by right” but only by special permit. This provides a measure of protection to the Town. Mr. Schulman added that in a few years’ time, the argument in favor of a housing option at Prescott may be a strong viable alternative.

Article 12 & 13: Tarbell Sale/Zoning Amendment – Mr. Haddad said that a bid of \$30,000 has been received from Mr. Brooks Lyman. Mr. Lyman has not yet offered his proposal for use. The Zoning will be amended from Public Use to Residential. Mr. Degen expressed reservations about accepting a bid without knowing the proposal for use.

Article 14: Engineering Funds for Lost Lake Watershed – The Lost Lake Sewer Advisory Committee is seeking funding against retention of additional engineering resources to make a determination regarding water quality in the Lost Lake area. Mr. Prest explained that while there is currently no engineering proposal, the committee would like to be ready to move ahead once the engineering needs are known. He went on to say that they feel comfortable requesting only \$15,000 at this time. With the \$17,000

already available (encumbered from the previous budget year) they will have \$32,000 to begin the work they need to do to fulfill their charge. Ms. Eliot said she believes that most of the information they are seeking can be found in previously completed studies. She would like more details on what additional data they hope to glean. Mr. Prest replied that the committee was given a new charge by the Board of Selectmen with a very specific objective: they will quantitatively determine if there is a problem with the water quality at Lost Lake, and if so, they will discover the source. Mr. Degen agreed that some constraints should be placed on any subsequent funding to make sure that the engineers are not just covering the same ground again.

Article 18: Extension of Groton Center Sewer – Mr. Orcutt explained that one of the two extensions will be for service to a Lawrence Academy property on Fairway Drive. The second extension is for the property at 96 Mill Street; this request may be withdrawn.

Articles 21 through 23 – Zoning Bylaw Amendments – Mr. Haddad requested that the Board of Selectmen defer taking action on these until the Planning Board holds its hearing on Thursday.

Article 26: Electronic Voting Study – Mr. Harker presented the citizens petition to create a committee specifically to study the merits and feasibility of electronic voting in Groton. If approved at the Fall Town Meeting, they would like to present a recommendation to the Spring Town Meeting. Mr. Schulman wondered if participation by Town Counsel on this committee would increase legal expenses. Mr. Haddad replied that any expenses incurred would be covered by their monthly retainer.

Mr. Petropoulos inquired as to the status of the Lost Lake Fire Protection project. Mr. Haddad said that a request for bonding authorization would likely be brought forward in the spring.

Mosquito Control Program – Mr. Degen would like Town Meeting to have the opportunity to vote to restore participation in the Mosquito Control Program. It is necessary to notify the agency now in order for treatment to begin in the spring. He would be in favor of re-opening the warrant to insert an article to that effect. Mr. Haddad reminded Mr. Degen that this is a three year commitment of \$75,000 annually. At this point, collective bargaining needs are not known, and the stability of the school budget with the new superintendent is also uncertain. He would recommend delaying this vote for a year. Mr. Schulman agreed that it would be very unfortunate to bring it back to Town Meeting only to have to retract it again. He would like to see a long-range vision for the school district prior to voting to re-establish mosquito control. The Board of Selectmen discussed the relative importance of mosquito versus tick control. Mr. Degen said that priority should be given to restoring funding for previously authorized projects that were subsequently cut during the school crisis last year.

The Board of Selectmen voted to continue this public hearing until Monday, 9/22/14 at 7:30 p.m.

At this point in the meeting (9:00 p.m.) the Finance Committee relocated to the 2nd Floor lunch room to continue discussing the warrant articles.

Finance Committee Discussion of Warrant Articles – Mr. Green informed the other members that he would like to identify those particular articles on which topics the FinCom will require additional information before taking a position.

Article 2: FY15 Budget Adjustments – Mr. Manugian said that he would like to see a breakdown of the 911 call activity over the last couple of years. Ms. Dufresne will pass this request on to the Police Chief. Several of the members expressed concern that many of the calls being handled by 911 Dispatch are not in fact emergency calls. It was noted that Groton Electric Light Department reimburses the Town \$5,000 annually for after-hours calls covered by Dispatch. The group would like to ascertain whether this reimbursement is in fact enough to cover the cost of providing the service. Mr. Pease feels that it is possible to out-source non-emergency calls. Although a fee would be charged for this service, it would almost certainly be less expensive than allowing Dispatch to handle these calls. Mr. Prest believes he has a contact who can provide advice on how to manage this issue. Mr. Green mentioned that the Dispatch Officer position in question was originally part of the FY15 budget, but was cut last March as part of the effort to fund the school budget crisis.

Ms. Dufresne explained the need for additional hours in the Accounting Department resulted from the transfer in of the revenue posting function from the Treasury Department in FY2013. Mr. Pease wondered whether an examination of a new technology platform for the Municipality may help reduce or eliminate duplication of effort and subsequently hold down wage budgets.

Article 7: Police Data Conversion- Mr. Manugian thought this would be a worthwhile expenditure, especially if it results in more sophisticated reporting capabilities (allowing the Department to track and report crucial budget drivers such as overtime trends). He would like the Police Chief to answer some questions regarding the specific benefits to be realized from this conversion. Mr. Pease would like to see the breakdown of the vendor quote (labor versus hardware). This will help to determine how quickly the conversion itself will become obsolete.

Article 8: Public Safety Building Improvements – Mr. Green asked that a detailed cost estimate be obtained for this project. Ms. Dufresne will get this information from the Town Manager. Mr. Pease feels that there is an argument for delaying this until the Spring Town Meeting. At that time, the Fire Station Construction project will be complete, and a vote can be taken to re-purpose any surplus funds for the repairs needed at the Public Safety Building. The police officers are already doing some of the work themselves (painting, etc.), so the effort is not being ignored in the meantime.

Articles 9/10/11: Prescott School Sale or Lease – After a brief discussion, it was determined that the members were divided on whether or not the Town should retain ownership of this building. Mr. Green would like the Town Manager to meet with the Finance Committee to explain the details of the current agreement with the regional school district and to answer additional questions that may be posed.

Article 14: Engineering Funding for Lost Lake Watershed – As a member of the Lost Lake Watershed Advisory Committee, Mr. Prest shared some pertinent facts regarding this request. He noted that the studies completed in 2008 and 2013 were deeply flawed in both science and scope. The water quality testing done was completely insufficient. Also, it was assumed up front that public sewers were needed at Lost Lake, and therefore an engineering firm that specialized in building public sewers was hired to prove this theory. The results could not be other than biased.

Mr. Green suggested that the Finance Committee meet jointly once again with the Board of Selectmen to complete the public hearing on the Fall Town Meeting Warrant on 9/22/14. He requested that Chief Palma, and Mr. Haddad be available to meet with the Finance Committee immediately following that hearing in order to address some of the questions that were brought up this evening. Mr. Manugian informed the group that due to a prior commitment, he would be unable to attend the meeting on Monday.

Approval of Meeting Minutes – On a motion by Mr. Robertson, seconded by Mr. Prest, the Finance Committee voted unanimously to approve the regular meeting minutes of 9/2/14. The Vote: 7-0-0

Mr. Green officially adjourned the meeting at 9:40 p.m.

Respectfully submitted,

Patricia Dufresne, Recording Secretary