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

Library Reserve Fund Request — Mr. Gerath explained that the Library is requesting a transfer of $12,700 to their minor capital budget line for the purpose of purchasing custom, insulated interior storm windows for the historic space located at the front of the building. This space, which has been underutilized in the past, will be called upon to house the teen programs and to provide conference rooms and offices as part of the planned re-design of the library interior space. Currently, this area is not useable due to excessive street noise and temperature fluctuations due to the deteriorating windows. The Robbins Trust will be funding most of the construction, however, because of the financial drain related to the loss of heat in that space, there is a pressing need to fix the windows immediately. Mr. Manugian mentioned that if this request were approved, he would like to see the library reduce its minor capital request for FY16. Mr. Gerath did not think that would be a problem. Mr. Bacon asked whether the trustees had considered simply replacing the windows in question. Mr. Gerath replied that replacement windows would in fact be more costly, and would seriously undermine the historic nature of that portion of the library building.

On a motion by Mr. Robertson, seconded by Mr. Prest, the Finance Committee unanimously approved a transfer of $12,700 from the Reserve Fund to the Library Minor Capital budget for FY15.

The Vote: 7-0-0

Fire Dept. Reserve Fund Request — Mr. Haddad informed the Finance Committee that he was withdrawing his request for a Reserve Fund transfer for the Fire Department at this time. He will bring this back later in the year if it proves necessary.
AFSCME Contract (Supervisor’s Union) – Mr. Haddad summarized the major terms of the contract. This is a three-year agreement, offering a 6% salary increase over the term. The maximum vacation accrual was increased by one week, a clothing allowance was added for the Conservation Administrator, eyeglass replacement language was modified, the HRA benefit was renewed, and an FSA benefit was offered (conditional upon 30% employee enrollment). The FY16 financial impact of this agreement is $13,383; and the three year cost is $40,962. Mr. Pease felt it would be more prudent to pay out these types of accruals yearly to avoid future dollar index increases. Mr. Green felt that vacation accruals were trending too high; he would like to see a spreadsheet comparing current benefits across all union groups. Mr. Haddad agreed to provide that information. The group discussed the relative expense of this type of benefit. Mr. Manugian wondered if this is ever used as short-term disability. Mr. Haddad replied that it is sometimes used during FMLA leave (which would otherwise be unpaid).

Police Superior Officer’s Contract – Mr. Haddad explained that the most notable change to this contract is an increase in paid working hours from 37.5 to 40 hours per week. This was done to bring the department in line with how surrounding communities compensate their police officers. Additionally, although an average workday of 7.5 hours per day was being paid, all accruals were calculated for 8-hour days. Currently, the officers are working more than 37.5 hours per week (working through meal breaks and staying for shift overlap) for which the Town is not being charged. The Officers have chosen to forego any rate increases for the next three years in order to standardize on 40 hours of pay per week. This will effectively front-load a slightly greater than 6% increase for this three-year agreement. Mr. Haddad stressed the benefit to the Town of freezing the overtime rate for three years. The new agreement will also increase the clothing allowance $100 per year, add a stipend for special assignments, provide a box of ammunition per officer per month for training purposes, and increase the rate for private details worked from $45 to $48 per hour. The financial impact of this agreement is $20,856 in year one, and $3,400 in years two and three. The HRA and FSA benefits apply as with the AFSCME contract.

Fire Fighters Contract – This contract is also a three-year agreement, with a 6% rate increase over three years (plus a minor differential adjustment for the Captain and Lieutenant). The agreement provides for academy training for all new firefighters, and overtime rates paid for training after 42 hours are worked in one week. The clothing allowance was increased by $200, and a new five year level was added to the longevity benefit ($250). Additionally, longevity paid after ten years was increased by $50. As with the other contracts, the HRA benefit was renewed and the FSA offered provided 30% of all employees enroll. The group discussed the structure of this union as compared to the patrolmen’s union. Mr. Haddad noted that it is common for all full-time fire department personnel to be members of the same union (officers do not have their own bargaining unit). The Fire Chief and the call members are not part of the union. Mr. Pease asked whether fire department training opportunities can be scheduled so as to minimize the impact of overtime pay. Mr. Haddad assured him that this is being done.

Patrolmen’s Contract – The patrolmen negotiated for the same 40-hour work week benefit that was agreed to for the superior officers. They were also given a three-year agreement, an increase to their clothing allowance ($100 in years two and three), an increase to detail pay from $45 to $48 per hour, split shift differential pay, and an increase of $1,000 to the stipend pool for special assignments, additional ammunition for training, and a bonus for meeting the Cooper Fitness Standard. Additionally, the maximum accumulation for compensatory time was doubled. This benefit offers an alternative to paying overtime rates. Mr. Haddad stressed that this is a current year liability; if it is not taken during the year it is paid out at year end. Mr. Robertson noted that paying the 6% upfront is technically more expensive for
the Town than paying a 2% increase each year over the term of the contract. Mr. Haddad agreed, but
reminded the group that the offset to overtime would be significant.

Communications Officers Contract – The Dispatchers also negotiated for a three-year agreement with a
6% rate increase over those three years. The holiday stipend is increasing by $25, clothing and cleaning
allowances will increase $50 and $25 per year respectively, shift differentials will be paid to employees
filling in for an undesirable shift, and longevity language has been clarified. A new stipend has been added
which will pay $25 per week to any dispatcher who is assigned to train a new employee.

Other Union Contracts – Mr. Haddad explained that the SEIU Town Hall/Library and DPW contracts are
still being negotiated, although similar terms are being sought.

Town Accountant’s Contract – This is Ms. Dufresne’s second contract with the Town. This is a three-year
agreement with the salary set at $80,000 for year one and 2% increases (plus merit adjustments if
warranted) in years two and three. A vacation buy back provision has been added as the requirements of
this position make scheduling time off difficult. The salary level is in line with the other members of the
Finance Team.

Charter Review Committee – Mr. Haddad informed the Finance Committee that one of the newly set
goals of the Board of Selectmen is to perform a Charter review. Based on the procedural language in that
document, Town Counsel has advised the BOS to delay convening that committee until after the Spring
Town Meeting. Mr. Haddad suggested that the Finance Committee use the next few months to choose
two designees. Mr. Harker mentioned that the process of narrowing down the choices may prove tricky
based on the previous FinCom meeting at which this issue was discussed. He would hope that the Finance
Committee will work closely with the Board of Selectmen before making their final choices.

Interdepartmental Legal Action – Mr. Haddad said that the ZBA granted a zoning variance on a property
that may fit the definition of “abandoned” as understood by the Planning Board. There is apparently some
room for uncertainty regarding under what circumstances a property can be considered abandoned. The
Board of Selectmen are concerned about the impact to the legal expense budget. Therefore, the BOS has
asked that the two Town departments attempt to work together to resolve this issue, and has capped the
legal expense for this matter at $5,000 for the time being.

Prescott Building Committee – The Board of Selectmen would like to charge a new committee to resolve
the future use of the Prescott School building. The committee will be comprised of seven members, and
the Finance Committee should be represented. A poll of the committee members indicated that Mr.
Green was the most interested in serving in this capacity, therefore he will be the representative from the
Finance Committee.

Foundation Budget Review Committee – Mr. Haddad explained that the foundation budget formula sets
the minimum school budget for each community in the Commonwealth. This formula is currently quite
complicated and is poorly understood by most stakeholders. The law was recently amended to appoint a
panel to recommend changes to this formula. The MMA is asking for Town comments and Mr. Haddad
would like Groton to send a representative to the meeting scheduled for January.

Mr. Haddad left the meeting at this time (8:25 p.m.)
**General Discussion: Procedures/Charter Review** - The Finance Committee members briefly discussed their impressions of those union contracts which were presented this evening. The group was generally concerned that most of the contracts had already been ratified before the specific terms were presented to the Finance Committee. They felt that they would like to be involved in the negotiations at an earlier point in the process. Mr. Robertson agreed saying that the negotiation process could benefit from having people who are more focused on the numbers. Perhaps a recommendation could be made to the Charter Review Committee that the Finance Committee should play a larger role in union negotiations. Mr. Hargraves pointed out that the Finance Committee used to be responsible for formulating the Town budget; now that job is done by the Town Manager. Mr. Robertson replied that as the Town Manager is closer to the operational elements of the Town, he is probably better suited to prepare the budget than is the Finance Committee. Mr. Pease noted that the designee assigned to the Charter Review Committee from the FinCom could be used to re-align the checks and balances and help drive the changes that the Finance Committee wants to see. Mr. Green mentioned that there has been some discussion in Town of electing Finance Committee members rather than an appointing them. Mr. Robertson felt that this would not necessarily improve the skill set on the committee. Mr. Hargraves felt that the moderator might be charged with making the appointments. Mr. Robertson felt that as the process stands, the FinCom has adequate opportunity to influence and recommend changes to the Town budget. As regards the Charter Review designees, Mr. Pease would like to see someone who is data driven and will do the research necessary to improve the process. He would prefer a candidate who can influence and work with others in a non-political way. Mr. Hargraves noted that it will be difficult to eliminate the political component. Mr. Robertson suggested studying other available municipal charters, and comparing those to the best practices of several $30 million businesses. It is only necessary to find the best people for the job, those who can read and make sense of the data; they do not necessarily have to be a member of the Finance Committee. He reminded the group that finance issues are only a piece of the puzzle, a full charter review will involve a much broader perspective. Mr. Bacon added that the charter should more definitively outline the Finance Committee’s role in Town government. Mr. Robertson suggested that an interview process be undertaken to help select the FinCom designees. Mr. Green agreed, and asked that Mr. Robertson craft a job description and define goals. Then candidates can submit letters of interest and be interviewed. Mr. Hargraves would like to see one designee chosen from within the Finance Committee members and one from outside. He said that he would like to withdraw his name from consideration, although he had previously expressed an interest in participating. Mr. Prest added that he would like to withdraw his name from consideration as well. The group briefly discussed some possible candidates and the time commitment that will be necessary to effectively serve on this committee.

**FinCom Liaisons to Town Departments** – Mr. Green briefly outlined the duties of the FinCom Liaisons. The members selected those Departments for which they would be willing to liaise during the upcoming budget cycle. Ms. Dufresne will update the list and forward it out to the members for final approval. (See Attached FinCom Liaisons FY-2015)

**BOS Financial Policy Review** – The Finance Committee agreed to table this discussion for a subsequent meeting. However, it was suggested that each member carefully review the policy and bring suggestions or questions to the next meeting.

**FinCom Policy Review** – Mr. Manugian distributed his Notes for Discussion document outlining suggested activities of the Groton Finance Committee. The listed activities are tied to specific MA general laws or to the Town charter. He feels that the role of the Finance Committee should be more carefully defined so that Town residents will have realistic expectations and a clearer understanding of what this committee
should be accomplishing on their behalf. Mr. Green agreed that this topic should be discussed at greater length, and perhaps the outcome could be updated to the Finance Committee’s web page. This discussion will be included on the next meeting agenda.

**Approval of Meeting Minutes**

On a motion by Mr. Hargraves, seconded by Mr. Bacon, the Finance Committee voted in the majority to approve and release the meeting minutes of November 17th, 2014. The Vote: 5-0-2

*Mr. Green officially adjourned the meeting at 9:30 p.m.*

Respectfully submitted,

Patricia Dufresne, Recording Secretary