

TOWN OF GROTON FINANCE COMMITTEE

Tuesday, March 3, 2015, Selectmen's Meeting Rm

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

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

Absent: None

Also Present: M. Hartnett (Town Treasurer), T. Orcutt (Water Superintendent), R. Harris (Groton Herald), M. Haddad (Town Manager), J. Degen Chair Board of Selectmen), Andrew Davis (Chair Sargisson Beach Committee), John Giger, R. Swezey (Principal Assessor), P. Cunningham (Member Board of Selectmen) K. Lindemer (GELD Commissioner), and members of the press and public.

Documents available at the meeting: FY16 Town Operating & Capital Budget Proposals
Town of Groton Budget & Benchmark Analysis
Finance Committee Review Policies – Notes for Discussion
2/26/15 Treasurer's Memo Projected Debt Service Options
Four Corners Sewer Project Estimated Costs Draft Document
2015 Spring Town Meeting Warrant – Draft of 3/2/15

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

FinCom Review Policies – Mr. Manugian presented his thoughts regarding the role of the Finance Committee during the budget cycle and with respect to Town Meeting. (Please reference the "Finance Committee Review Policies – Notes for Discussion" document attached). He stressed the importance of being supportive of the process as a whole. He suggested that, as Town Meeting is essentially a visual experience, majority reports could continue to be delivered from the stage, while minority positions could be addressed from a microphone on the main floor of Town Meeting. This will aid the public in understanding how the Finance Committee as a whole feels about a particular article. Ideally, the Finance Committee should build as much of a consensus regarding the issues prior to Town Meeting. Mr. Robertson agreed that dissenting opinions should be voiced (and these opinions are often directly requested by the public), but feels that any opinion could be given from the stage. Mr. Green felt it would be useful to assign both majority and minority speakers, but the minority opinion should only be given if there is a specific request from the audience. Mr. Pease noted that the FinCom should avoid changing positions on an article if at all possible, especially once the warrant has been printed. He added that if a member elects to give a formal presentation on an issue, content and facts should be reviewed by the committee prior to Town Meeting. Mr. Robertson agreed saying that there are usually only a few articles that end up being controversial. Mr. Hargraves said that FinCom should be able to voice any concerns it has regarding particular articles, but he noted that in recent years, the Finance Committee has

been able to support the Town Manager's budget with few if any material changes. Mr. Pease felt it would be better to avoid giving minority reports unless absolutely necessary. He noted that special articles for projects can be both expensive and very contentious. He would like to revisit this discussion at a later time. The Finance Committee agreed to remove the last two bullet points from the FinCom Review Policies document.

FinCom Designee to the Charter Review Committee- Mr. Green thanked Mr. Pease for his efforts at widely publicizing the Charter Review Committee designee qualifications document. At this point, the Finance Committee has received one letter of interest. Mr. Green would like to add a deadline to the posting. After a brief discussion, the Finance Committee members agreed on a deadline of 3/30/15.

On a motion by Mr. Prest, seconded by Mr. Pease, the Finance Committee voted in the majority to accept applications for the Charter Review Committee through the deadline date of March 30, 2015. The Vote: 6-0-1. (Mr. Manugian abstained)

Town Manager Budget Update-Mr. Haddad said that he had no additional budget adjustments for FY16 at this time. He is still waiting for Nashoba Valley Technical High School to release their assessment figures, which should be available next week. He added that the Governor is expected to increase Local Aid and Chapter 70 funding. If so, he recommends that the Town carry that additional revenue as unexpended tax capacity. He noted that the GDRSD recently settled their teachers' union contract; the impact of this is not expected to increase the requested assessment for Groton.

Mr. Haddad provided an update on the status of the Country Club. He said that the search for a new Golf Pro/General Manager has ended successfully with the hiring of Mr. Shawn Campbell. A single bid was received for the lease on the Function Hall, and negotiations are underway. Provided a lease agreement can be signed soon, there may be a budget savings for FY15 (mostly due to the savings from alcohol purchases and utility expenses). Before the start of the season, the Town plans to make some long-needed improvements to the locker rooms, the pro shop and the pool furnishings. Mr. Robertson wondered how viable the Country Club budget is given the updates just presented. Mr. Haddad replied that he is more confident than ever that the Country Club will be able to operate within its requested budget for FY16. The Administrative Assistant for the Country Club will now be splitting her time between that facility and the DPW Department, further relieving the Country Club's operating budget. Mr. Hargraves asked about the liquor licenses at the facility. Mr. Haddad replied that the Town currently owns both licenses, but will be transferring one full license to the new lessee.

Sargisson Beach FY16 Budget- Mr. Davis explained that there are two main cost drivers with respect to the FY16 budget (reference Sargisson Beach Budget spreadsheet attached). First, the budget provides for YMCA lifeguards from Memorial Day to Labor Day at a cost to the Town of \$21,561. Second, the Town has made a significant financial investment in restoring the beach, and the FY16 budget requests funds specifically to maintain the property in its restored condition. This additional \$9,000 of required maintenance will also help with insurance and liability issues. While Eagle Scouts can help with some of this work, it will be necessary to retain a park ranger on a part-time basis. Because the goal is to open the beach for this coming season, there may be a need for a line item transfer (approximately \$15,000) to support operations in the spring of FY15. Mr. Robertson wondered how busy the beach is expected to be during the summer months. Mr. Davis replied that it is hard to gauge how many users would be drawn

by the presence of lifeguards. The crowds tend not to be overwhelming anyway, however, fishing and kayaking interests have increased as have lap swimming. The hours will be limited while school is still in session, but would expand (to 11:00 to 5:00 on weekdays and 11:00 to 7:00 on weekends) once school is out. Mr. Davis added that mosquito control is problematic and should be prioritized, however since Town Meeting voted this down, it will have to be considered for another year. Mr. Robertson asked whether the Beach would be restricted to residents only. Mr. Davis said that this restriction is not practical to enforce. Also, the Town is indemnified from liability if it offers free recreational services; therefore, there is no great benefit to charging for parking stickers. Mr. Green asked if the YMCA has an inclement weather policy. Mr. Davis said that if the weather is such that the beach is closed, then the lifeguards leave and no further hours will be billed to the Town. Any residents who use the beach when lifeguards are not present agree to "swim at their own risk." Mr. Green asked whether there were any revenue opportunities to be explored by offering swim lessons at the beach. Mr. Davis replied that this could be considered at some point in the future, but it is difficult to compete with public pool facilities for this service. Mr. Hargraves suggested that the Finance Committee consider approving this budget as the beach has historically been very popular and has the potential to be a great community resource once again. Mr. Prest agreed saying that the Sargisson Beach Committee should consider some marketing efforts and possibly a public opening event. Mr. Davis agreed but cautioned that the beach is still a MA DEP construction site, and cannot be officially opened until the contractor is finished working. Hopefully, that work can be completed as soon as the snow melts. He stressed that should the Finance Committee cut the lifeguard funding, it is essential that the \$9,000 for minimal property maintenance be retained in the FY16 budget.

At this time, Mr. Degen called the meeting of the Board of Selectmen to order (8:05 p.m.).

Groton Budget & Benchmark Analysis-Mr. Lindemer presented the Budget & Benchmark Analysis project he completed in collaboration with Mr. Petropoulos and Mr. Robertson. (Reference Town of Groton Budget and Benchmark Analysis document attached). He stressed that this material is a work-in progress and was being presented as a tool for long-term planning only. The public should not jump to conclusions based on any of the data included. The key question being addressed is whether Groton's current trends in budget growth were sustainable. The data included were gathered from three sets of publicly available sources: DOR statistics, the FY16 preliminary budget documents and Town of Groton historical data. The data collected suggest the following conclusions:

- Groton household income is growing 1.5% faster than Massachusetts as a whole.
- Groton's population is aging and may reach 20% over age 65 within 10 years. Mr. Green noted that the School Administration feels that enrollment is trending upwards. Mr. Lindemer welcomed any additional information that would enrich his results.
- The average Groton income is up 7%, however tax bills have risen 12% (2012-2016).
- Municipal employee benefit expenses are rising more quickly than education expenses.
- General Government expenses are rising as quickly as employee benefits.
- Wages & Salaries have risen 20%, while inflation has risen only about 10%. Wage expenditures have risen faster than household median income in Groton.
- The number of benefitted employees has remained steady or declined.
- Pension and benefit growth are trending upward, though this effect nets out somewhat when compared to other communities.

- The rate of increase in taxation is higher in Groton than in other towns. Mr. Green pointed out that Groton is still average when compared to actual tax bills in comparable towns. Mr. Lindemer agreed but repeated that the tax rate is increasing faster than inflation. Ms. Swezey suggested that a comparison using property values may be more valid than tax bills.
- Groton has doubled its rate of expenditure per capita over the last 14 years.
- While Groton's education spending in 2012 & 2013 declined, many towns show similar patterns in education. Mr. Haddad noted that education spending shows a marked increase for 2015 (and is proposed to increase again for 2016); he hopes that the data set presented will be expanded to include this information.
- The information presented here must be further analyzed to identify particular cost drivers and is offered solely for the purpose of initiating a discussion regarding trend patterns.

Mr. Green thanked Mr. Lindemer for undertaking to compile this very comprehensive data set for the Finance Committee and Selectmen. Mr. Prest noted that none of the data presented suggest any obvious solutions. Many of the towns offered as comparisons to Groton enjoy a more diverse tax base; encouraging commercial development should be part of a long-term solution. Mr. Robertson noted that the data set most certainly contain some unusual anomalies (i.e. pension cost spike for 2016, front-loaded wage adjustments in the police union contract), but even after these are factored in, the residents of Groton may vote budgets as they do because they want this town to be different. Now that the growth trends are known, the town can consider what kinds of changes it wants to make going forward. Mr. Hargraves offered the example of the large number of tax exempt properties in Groton. Ms. Swezey said that 42% of property in Groton is considered "protected land." Mr. Lindemer agreed that protecting open space is costly and all those expenditures were approved at Town Meeting. Mr. Degen noted that debt service for commercial development is more profitable than that incurred for open space. While it is nice to have open space and to host private schools like Lawrence Academy and Groton School, even when PILOTS are collected, the trade-off is not favorable. Mr. Pease stated that this was largely a quantitative analysis; he asked Mr. Lindemer if any type of qualitative analysis was done. Mr. Lindemer replied that that was something that the Finance Committee could accomplish by asking other towns how they do things. Mr. Manugian wondered if it would be useful to extend the time frame of this analysis. Mr. Lindemer said that the extent of the analysis is only limited by the amount of information available from DOR and other sources. He noted that Groton showed a sharp increase in spending in 2000 to 2003; it would be interesting to research that finding. Mr. Manugian asked whether Mr. Lindemer had a definition of "sustainability." Mr. Lindemer replied that it was subjective and that he would leave that to the Finance Committee to decide. Mr. Degen wondered if it would be useful to include a portion of this presentation in the Town Meeting Warrant. Mr. Haddad and Mr. Hargraves felt that this information was overly complex for inclusion in the warrant. Mr. Green said that this information will help the Finance Committee communicate budget information and growth trends to the Town, however, without context it is only raw data and can be interpreted a myriad of ways.

Mr. Lindemer and other GELD attendees left at this time (8:40 p.m.).

Lost Lake Fire Protection- No discussion took place on this topic.

Four Corners Economic Development Initiative-Mr. Haddad informed the group that a meeting will be held on Thursday of this week with representatives of Shaw's Supermarkets to discuss TIF offsets for the proposed project. He is planning to investigate the question of whether currently vacant buildings are eligible for TIF agreements. The engineering costs are still estimated less than \$300,000 (\$252,000 to \$285,000). The Town received four bids from reputable firms who consistently put construction costs in the \$2 million to \$2.5 million range. It is possible that Mass Works Grant funds may be available; the deadline for applying is in August. He noted that grant funding would make this an extremely cost-effective economic development initiative for Groton. It is possible that TIF agreements will not be necessary if grant funding is received. Mr. Orcutt confirmed for Mr. Green that this would be a reimbursable-type grant. Mr. Haddad reminded the group that construction prices are escalating. He estimates a 17-week construction time frame once the project is permitted, and 12 to 15 months for design and construction. Mr. Green asked whether the businesses to be impacted will still be in favor of the project if the grant is not awarded. Mr. Haddad replied that the TIF agreements would then help keep the costs down for the property owners. TIF agreements can only be offered to properties that are not completely built-out or for vacant properties.

The group briefly discussed the estimated betterment costs for the Four Corners businesses (reference the Four Corners Sewer Costs spreadsheet attached). Mr. Robertson asked whether properties with no buildings would have to pay betterments. Mr. Orcutt confirmed that they would. Mr. Robertson would like to know how to encourage new businesses to move in. Mr. Haddad cautioned that once the betterment charges are assigned they cannot be adjusted upwards based on a different kind of business moving in. Mr. Prest said that he had made a map of all the properties to be included in this economic development project, along with a narrative description. He is convinced that commercial development in that area has been suppressed due to the lack of sewer infrastructure. He feels that successfully sewerage that area could double the assessed valuations which will in turn boost tax revenue. The costs are not extreme and would be recovered quickly through betterment assessment. Residents in the area are rightly concerned about blight. Mr. Haddad agreed saying that no progress will be made at Four Corners if nothing is done. Mr. Green would like to see this information refined to include calculations for the potential tax impact of the project once it is successfully completed. Mr. Giger concurred saying that a best and worst case scenario analysis of tax rate impact would be helpful. Mr. Haddad reminded the group that it would be counterproductive to offer firm numbers prematurely. Mr. Hargraves asked whether this project will be used as a future wedge to encourage sewerage at Lost Lake. Mr. Haddad reminded the Finance Committee that sewer hook-ups cannot be offered to area residents at Four Corners due to the Inter-Basin Transfer Permit already in place. This project must focus on the economic development initiative (creating jobs and encouraging commercial interests). Sewerage Four Corners is not a prelude for sewerage Lost Lake, this is a stand-alone project. Mr. Orcutt agreed that adding properties that were not part of the initial scope of the project would be extremely expensive requiring a new Environmental Impact Report as well as an expansion of the permit and district.

Mr. Degen said that he supports this project but would like to see buy-in from the property owners to be impacted. He is concerned that the new Market Basket in Littleton will undermine the viability of Shaw's and lead to blight at Four Corners. Four Corners was designated for exactly this type of development, and Town Meeting is likely to support this to bring niche businesses into Town to serve the needs of Groton residents. Mr. Giger asked for confirmation that only Four Corners businesses could connect to the

proposed sewer. Mr. Haddad said that there is one residential parcel at that site which could connect but only if it is re-zoned at Town Meeting and then added to the district. Mr. Hargraves asked for confirmation that this project would in no way burden the tax payers. Mr. Degen replied that all the construction costs would be borne by the businesses through betterment assessments; the engineering costs may be funded through taxation. Mr. Hargraves reminded the group that the taxpayers ended up paying for 50% of the Center Sewer District project, contrary to the original agreement. Mr. Harris said that this is a very complicated project and the Town should hire a real estate professional to do an in-depth analysis. Mr. Bacon disagreed saying that vacant buildings are fairly stark evidence that a lack of sewer infrastructure is curtailing development. Mr. Robertson would like to see some idea of what the payback will be for the Town when this is finished. Mr. Green felt that if this project allows the businesses at Four Corners to be profitable then they will be willing to commit, and therefore the Town should have confidence that this is the right thing to do. Mr. Cunningham said that this project is still evolving and that there are a lot of moving parts at this point. Mr. Robertson worried that a perceived lack of information could kill the proposal at Town Meeting. Mr. Pease wondered if the Mill Run development could be considered comparable. Mr. Degen said that project was more weighted to condos; Four Corners is not really comparable. He added that further quantification of the project should be provided as soon as possible. Mr. Giger agreed with Mr. Harris and would like to see professional realtors brought in to get a true measure of what the Town can expect from this.

School Resource Officer Legal Considerations-Mr. Giger read portions of Section 11 of Chapter 284 of the Acts of 2014. He believes this indicates that the Police Chief must hire an SRO. Mr. Haddad replied that this is suggested, not mandated, as the language goes on to state that the hiring was subject to appropriation. He added that the Police Chief agrees that this is an important safety priority for the Town, but the Town does have a choice. Mr. Robertson would like to see the Police Chief provide a proposed job description for the SRO.

Approval of Meeting Minutes –

On a motion by Mr. Pease, seconded by Mr. Robertson, the Finance Committee unanimously approved the meeting minutes of February 7, 2015. The Vote: 7-0-0

On a motion by Mr. Pease, seconded by Mr. Manugian, the Finance Committee unanimously approved the meeting minutes of February 17, 2015. The Vote: 7-0-0

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

Respectfully submitted,

Patricia Dufresne, Recording Secretary

Finance Committee Review Policies – Notes for Discussion

March 2, 2015

The role of the Groton Finance Committee is to

- Consider any or all municipal questions for the purpose of making reports or recommendations to the town (MGL c 39 §16)
- Submit a budget at the annual town meeting (MGL c 39 §16)
- Receive copies of warrant articles (Town charter §2-6(b))
- Provide a written report to the voters on all monetary articles for town meeting that includes findings, conclusions, and recommendations (Town charter § 2-11)
- Receive by December 31 a proposed balanced operating budget for the following fiscal year with a budget message and supporting documents (Town charter § 6-2)
- Upon receipt of the proposed budget, consider detailed expenditures for each department in public meetings (Town charter § 6-5)
- After review of the proposed budget, file its report on the budget to the town clerk at least 14 days prior to spring town meeting (Town charter § 6-5)
- Present the annual town budget to town meeting via motions made by the finance committee (Town charter § 6-5)
- Receive a capital improvement plan from the town manager at least six months prior to the start of the fiscal year (Town charter § 6-6)
- Designate two people to any committee for periodic charter review (Town charter § 7-6)

The finance committee has statutory authority to make transfers from the town's reserve fund to departmental budgets for "extraordinary or unforeseen occurrences" (MGL c40 §6).

The finance committee can also approve, in conjunction with the selectmen, some budget transfers during the last two months of a fiscal year and the first 15 days of the next fiscal year in order to close out the town's financial records. Transfers are by majority vote and cannot exceed \$5,000 or 3% of the department budget, whichever is greater (Young v. Westport, 302 Mass. 597; Illig v. Plymouth, 337 Mass. 239; 2011 FinCom Handbook 3-3).

The finance committee can under certain conditions approve, in conjunction with the selectmen or town manager, emergency winter related expenditures in excess of appropriations (MGL c44 §31D).

At town meeting the Finance Committee will present budget-related articles as a committee. Those at the table represent a majority that supported the article. Any action taken from the stage represents the finance committee as a whole.

- Any member who abstained from an article due to a conflict of interest would leave the stage
- Any member wishing to speak against an article would leave the stage and speak from the floor



TOWN OF GROTON

TREASURER'S OFFICE
173 MAIN STREET
GROTON, MASSACHUSETTS 01450

Memo To: Mark Haddad
Cc: Patricia Dufresne (& Finance Committee)
From : Michael Hartnett, Treasurer-Collector
Date: February 26, 2015
Re: Follow-Up- Borrowing Scenarios- Spring Town Meeting
Enclosure: Borrowing Options to Consider

Hi Mark,

As discussed with the Finance Committee, BOS and Finance Team at the recent joint meeting, we were asked to provide possible borrowing alternatives with respect to the three (3) proposed Spring Town Meeting borrowing authorizations;

1. Police/Fire Radio Project:	\$ 650,000
2. Lost Lake Fire Protection:	\$1,900,000
3. 4-Corners Commercial Sewer:	<u>\$3,000,000</u>
	\$5,500,000

The Debt Service Budget for FY16, as currently proposed, includes interest-only payments, as shown following, under the assumption that a \$5,500,000 bond issue would be coordinated in FY16. Full principal and interest amortization would commence in FY17 and following years.

1. Police/Fire Radio Project:	\$ 14,625
2. Lost Lake Fire Protection:	\$ 42,750
3. 4-Corners Commercial Sewer;	<u>\$ 67,625</u>
	\$125,000

The FY16 interest cost attributed the 4-Corners Commercial Sewer project is being assigned to the General Fund, until such time as the project is completed and special sewer betterment assessments are established; and the total debt service for this component will be transferred to the Sewer Fund and offset by the betterments. The possible borrowing alternatives as shown in the attached schedule make the assumption that this will occur in FY18. Therefore any debt service for this component will remain with the General Fund for both FY16 and FY17.

Continued-

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(Follow Up- 2015 Spring TM Borrowing Options)

The attached-debt service optional borrowing scenarios are predicated as follows:

Scenario-1.

Assumes a FY16 \$5.5 million bond issue for the three proposed projects. \$125,000 in assigned General Fund interest expense; full amortization increases to \$399,750 in FY17, which includes year-2 of General Fund absorption of the 4-Corners Commercial Sewer (\$185,000); Under this scenario, the 4-Corners Commercial Sewer debt service is transferred to the Sewer Fund in FY18 and beyond, to be further offset by betterments.

Scenario-2.

Assumes a progressive short-term borrowing schedule for FY16 (BAN starts) and FY17, with a permanent bond issue to commence in FY18.

As shown, this significantly reduces the General Fund debt-service in FY16 (none) and FY17 (approx.. \$57,000)....with full amortization beginning in FY18. *Our bond advisor did indicate an optional interest payment could be made in FY16. Maybe we plug that in?*

Scenario-3.

Assumes, as discussed at the joint meeting, that the Lost Lake Fire Protection and the 4-Corners Commercial Sewer projects are not approved at the Spring Town Meeting. In this scenario, the Police/Fire Radio Project would proceed with a 6-year series of allowed short-term Bond Anticipation Notes (BAN's), which include a principal pay down each year, ending in FY21.

As you can see, there are many borrowing possibilities with respect to these three projects and the timing assumptions can be discussed and revised as needed.

I thought it also important to note that our 5-year capital plan (summary attached) is proposing a \$920,000 Fire/EMS (general fund) ladder replacement in FY18....which we should keep in mind as the borrowing alternatives are reviewed.

Our bond advisor, UniBank, has reviewed and provided Scenario-1. details, and reviewed scenarios 2. & 3. and confirmed our #'s, certainly contingent on the credit and lending market at the respective times.

I can discuss this at any time, and we will closely monitor what to ultimately do after the Spring 2015 TM.

MH

Debt Service Scenarios
Proposed Borrowing Authorizations- Spring 2015 Town Meeting

<u>Scenario- 1</u>			<u>Combined Bond Issue- FY16</u>								<u>Projected GENERAL FUND Debt Service</u> (Assuming Combined Bond Issue in mid-FY 2016)											
<u>Spring 2015 Town Meeting</u>						<u>Fiscal 16</u>		<u>Fiscal 17</u>		<u>Fiscal 18</u>		<u>Fiscal 19</u>		<u>Fiscal 20</u>		<u>Fiscal 21</u>		<u>Fiscal 22</u>		<u>Fiscal 23</u>		
<u>Proposed Project</u>			<u>Amount</u>			<u>Bond Starts</u>		<u>Bond</u>		<u>Bond</u>		<u>Bond</u>		<u>Bond</u>		<u>Bond</u>		<u>Bond</u>		<u>Bond</u>		
Police/Fire Radio Program			650,000	(10-Years)		14,625		94,250		91,325		88,400		85,475		82,550		79,625		76,700		
Lost Lake Fire Protection			1,900,000	(29 Years)		42,750		120,500		118,925		117,350		115,775		119,200		117,400		120,600		
4-Corners Commercial Sewer			3,000,000	(29 Years)		67,500		185,000		-		-		-		-		-		-		
			5,550,000			124,875		399,750		210,250		205,750		201,250		201,750		197,025		197,300		
			(A)																			
(A)- 4-Corners Sewer Debt is transferred/offset by betterments in FY18.																						
Interest-Only Payment in FY16; P&I Beginning FY17																						

Scenario- 2			Projected <u>GENERAL FUND</u> Debt Service								
Short-Term Borrowing- FY16; and FY17											
Bond Issue Beginning in FY18-			Fiscal 16	Fiscal 17	Fiscal 18	Fiscal 19	Fiscal 20	Fiscal 21	Fiscal 22	Fiscal 23	
			BAN Starts	BAN	Bond Starts	Bond	Bond	Bond	Bond	Bond	
Spring 2015 Town Meeting											
Proposed Project	Amount										
Police/Fire Radio Program	650,000	(10-Years)	n/a	7,000	94,250	91,325	88,400	85,475	82,550	79,625	
Lost Lake Fire Protection	1,900,000	(29 Years)	n/a	19,500	120,500	118,925	117,350	115,775	119,200	117,400	
4-Corners Commercial Sewer	3,000,000	(29 Years)	n/a	30,500	-	-	-	-	-	-	
	5,550,000		-	57,000	214,750	210,250	205,750	201,250	201,750	197,025	
			(B)	Int. Only	(A)						
(B)- No Int. Pay Due in Fiscal Year BAN starts-											
BAN (1/2 amount) in FY16											
BAN (full amount) in FY17											
Bond Issue (P&I)- Beginning in FY18											
(A)- 4-Corners Sewer Debt is transferred/offset by betterments in FY18.											

Scenario- 3			Projected <u>GENERAL FUND</u> Debt Service							
Radio Program- BAN- FY16-FY21; w/Paydowns (6 Yr)			Fiscal 16	Fiscal 17	Fiscal 18	Fiscal 19	Fiscal 20	Fiscal 21	Fiscal 22	Fiscal 23
No Lost Lake Fire Protection Project			Ban	Ban	Ban	Ban	Ban	Ban		
No 4-Corners Commercial Sewer Project										
Spring 2015 Town Meeting Proposed Project	Amount									
Police/Fire Radio Program	650,000	{6- Years}	114,750	113,000	112,500	111,500	110,750	110,000	-	-
Lost Lake Fire Protection	not applicable		114,750	113,000	112,500	111,500	110,750	110,000	-	-
4-Corners Commercial Sewer	not applicable		Int. Only							

NOTE: Fire Truck Replacement of \$920,000 now scheduled for Fiscal 2018 (see Capital Plan).....this could be incorporated into Scenario 1. and 2. above.....or added to Scenario 3. as a BAN.....with a 6-yr allowed paydown.....for projection purposes.....with a permanent bond to be kept in mind, etc..

Town of Groton, Massachusetts
CAPITAL PLAN
2015 - 2019

FUNDING SUMMARY						
	2016	2017	2018	2019	2020	Five Year Total
GENERAL FUND	\$ -	\$ 85,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 205,000
BOND	\$ 2,550,000	\$ -	\$ 920,000	\$ -	\$ -	\$ 3,470,000
CAPITAL ASSET**	\$ 679,145	\$ 764,625	\$ 436,019	\$ 594,333	\$ 763,166	\$ 3,237,288
WATER REVENUE	\$ -	\$ 115,000	\$ -	\$ 700,000	\$ -	\$ 815,000
SEWER REVENUE	\$ 3,010,000	\$ -	\$ 14,500,000	\$ -	\$ -	\$ 17,510,000
AMBULANCE FUND	\$ 96,900	\$ -	\$ -	\$ -	\$ -	\$ 96,900
TOTAL	\$ 6,336,045	\$ 964,625	\$ 16,896,019	\$ 1,334,333	\$ 803,166	\$ 25,334,188

** The Proposed FY 2016 Capital Plan will request that funding come from the following accounts under Capital Asset:

Capital Asset	\$ 404,145
Fire Station Const.	\$ 165,000
Previous Year Cap.	\$ 50,000
Surplus Revenue	\$ 60,000
Total	\$ 679,145

Town of Groton, Massachusetts
CAPITAL PLAN
2016 - 2020

LISTING OF PROJECTS BY FUNDING SOURCE

GENERAL FUND

Page	Program	Description	Cost 2016	Cost 2017	Cost 2018	Cost 2019	Cost 2020	Funding Source
13	Town Facilities	IT Infrastructure/Computer Purchase		\$ 35,000	\$ 40,000	\$ 40,000	\$ 40,000	General Fund
27	Police	Boat		\$ 25,000				General Fund
28	Police	ATV		\$ 25,000				General Fund
Subtotal			\$ -	\$ 85,000	\$ 40,000	\$ 40,000	\$ 40,000	

BOND

Page	Program	Description	Cost 2016	Cost 2017	Cost 2018	Cost 2019	Cost 2020	Funding Source
41	Town Manager/Water	Lost Lake Water System Improvements	\$ 1,900,000					Bond
3	Fire and EMS	Joint Radio Project/Back Up Console	\$ 650,000					Bond
4	Fire and EMS	Ladder 1 Replacement			\$ 920,000			Bond
Subtotal			\$ 2,550,000	\$ -	\$ 920,000	\$ -	\$ -	

**REQUEST FOR PROPOSALS
TOWN MANAGER**

TOWN OF GROTON, MASSACHUSETTS

PROFESSIONAL ENGINEERING SERVICES

The Town of Groton through its Town Manager is seeking Professional Engineering Services for the Preliminary Design, Final Design, Permitting, Bidding and Construction Management Oversight for the Four Corners Sewer Initiative. All interested parties shall submit six (6) copies of the firm's Qualification Statements no later than Thursday, February 26, 2015 at 10:00 A.M. at the Offices of the Town Manager, 173 Main Street, Town Hall, Groton, MA 01450. The Town of Groton shall not be responsible for proposals arriving late due to courier services, the postal service express mailing, deliveries lost or delivered to the wrong location or offices etc. or any other reason whatsoever. Postmarks will not be considered. Electronic submissions shall not be considered as responsive.

Scope of Services:

1. Preliminary Design Services
2. Field Survey and Data Collection
3. Local, State and Federal Permitting Requirements
4. Assistance in Preparing and Negotiating Inter-municipal Agreements
5. Assistance in the Allocation of Betterments
6. Final Design Services
7. Bidding Services
8. Construction Administration and Construction Oversight
9. Contract Close-out Services

Qualifications:

The Town is seeking an Engineer with extensive experience in engineering design, planning, permitting and bidding of Wastewater Collection Systems.

Federal, State, and Local Requirements:

This work may be carried out with various federal, state and local funds, and as such, may be subject to any provisions thereof.

Request for Proposals Format:

Each applicant submitting proposals shall be limited to twenty (20) pages in total of text on 8.5 x 11-inch sheets, printed on one side in no less than 10 pt. type. Resumes and fee schedules shall be excluded from this page count. All Proposals shall have the following sections in the following order:

- Identification:
- Registered Company Name
- Legal Entity form (corporation, partnership, etc.)
- Names of Partners and/or Directors and % of Ownership
- Address of Company Headquarters
- Address of local office facility
- Principal contact and telephone number and e-mail address
- Year founded
- Federal Identification #
- Professional Liability Insurance company, policy number and expiration date
- Key persons and specialists by name, MA registration if applicable and discipline
- Subcontractors and specialists by name, MA registration if applicable and discipline
- Certificate of Payment of Taxes (attached)
- Designer Selection Form (attached)

Project Approach:

Describe the firm's approach in completing the following

Project Team:

Describe how the prospective consultant's project team will be structured by indicating how the work will be performed (i.e. independent company, partnership, joint venture or a combination of a lead project team with sub-contractors, etc.). The role of each entity shall be described. An assignment of responsibility is also to be detailed. The project teams should be identified by name and by technical credentials.

Qualifications of the Prospective Consultant's Team and Personnel:

Include summary resumes of key personnel proposed to staff this project team and describe comparable assignments for that staff. For each such key employee, indicate whether that person is to be assigned on a full-time or part-time basis. Identify their precise roles in accomplishing the work on this project. Also include a level of effort matrix, which clearly indicates the personnel category, and level of effort. This would include designated staff for first contact to the Town Manager on this project, the hand-off to management for resource assignment, and ownership of the fulfillment process.

Relevant Experience:

List the most recent projects (limited to five), having the nature and complexity of engineering and management issues similar to those anticipated for the Town of Groton. Provide the names, addresses, phone numbers and e-mail addresses of these last five clients for whom your firm performed this work so that the town of Groton may contact them as a reference. These references should be municipal in nature and preferably from Massachusetts.

Consultant Office and Staffing Plan:

Indicate the intent of the prospective consultant relative to office location, functions and work to be performed there and the anticipated resident staff. Final details are not required at this time. However, a staffing schedule indicating present headcount and incremental headcount proposed for the Town of Groton workload should be included. Also necessary is a schedule indicating what technical specialties are represented by staff at the office location, versus technical qualifications of the staff from other office locations. The intent is to learn what resources are physically close at hand and readily available for project escalation.

Authentication of Contents:

This statement, signature and title of corporate officer of record: I hereby certify that this firm is a "Designer" as defined in Chapter 7, Section 38A.5 of the General Laws of the Commonwealth of Massachusetts, unless the design services required are limited to the preparation of studies, surveys, soil testing, cost estimates or programs. The foregoing is a statement of facts sworn to by the undersigned under the penalties of perjury.

Response:

Interested firms should send a letter of interest and six copies of their Proposals and related experience no later than February 26, 2015 by 10:00 A.M. to the Offices of the Town Manager, 173 Main Street, Town Hall, First Floor, Groton, MA 01450, and Attention: Mark Haddad, Town Manager. Interested firms shall submit, in a separately sealed envelope and clearly marked as such, the firm's "Scope and Fee Schedule" for said project. All questions with respect to the content of the Request for Proposals shall be e-mailed to mhaddad@townofgroton.org and a response will be made in a timely manner and shared with any and all the firms seeking clarification or requesting additional information up until February 20, 2015 at 11:00 A.M. Interviews of one or more firms may be conducted at the sole discretion of the Town Manager. The Town Manager reserves the right to reject any or all of the Proposals; waive informalities; and to make an award considered to be in the best interest of the Town of Groton.

The Town of Groton shall not be responsible for the cost to produce any of the documents required under the Request for Proposals

The Town of Groton is an Equal Opportunity Affirmative
Action Employer

Town of Groton Budget and Benchmark Analysis

Prepared by Kevin Lindemer and Jack
Petrooulos with support from Bud
Robertson

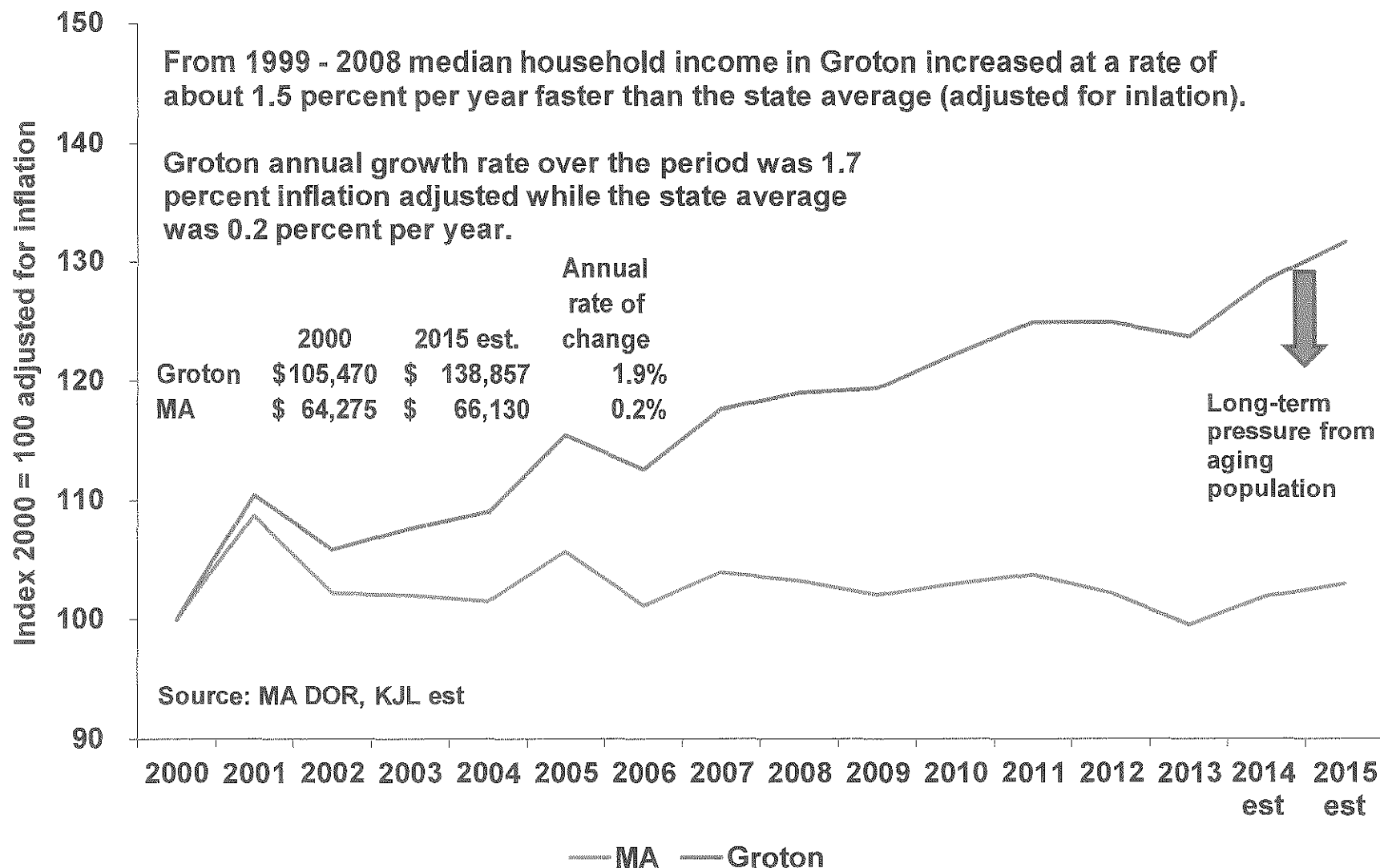
Key Questions:

- How does our historic taxing and spending compare with relevant measures such as inflation, income growth and other towns?
- What is affecting spending growth?
- What are we prioritizing in terms of spending?
- Is our current rate of spending sustainable?
 - How are incomes growing and what will affect future growth?
 - How is tax growth rate comparing to income?

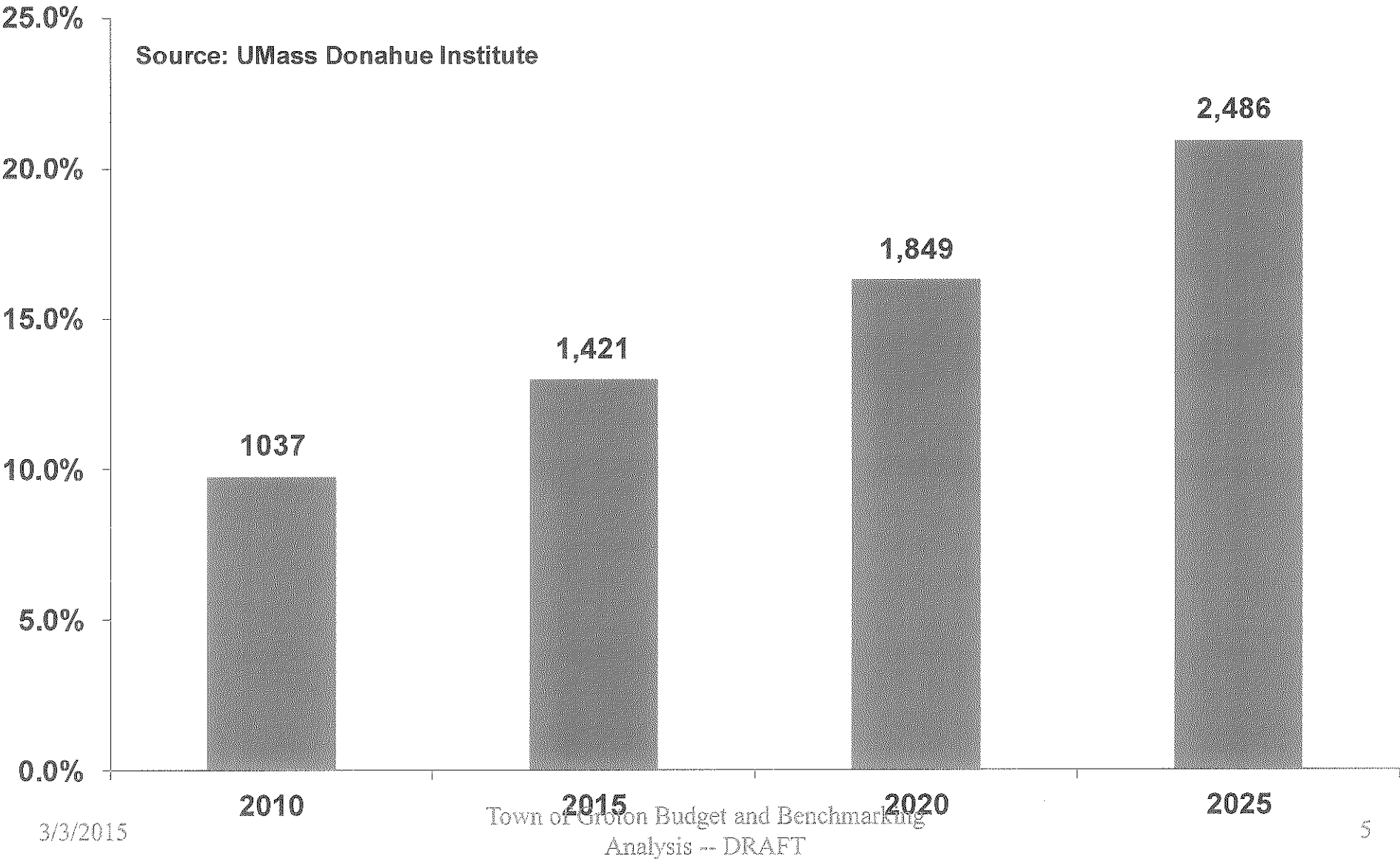
Process

- Define Key Questions and Identify Required Information
- Data Acquisition:
 - Query Massachusetts DOR database to get a normalized data set including demographic data to establish comparable communities
 - Demographic data to establish comparable communities
 - Population
 - Median Household Income
 - % Revenue from Residential Levy
 - Municipal spend data to establish macro trends
 - Not used for individual line items such as # of employees or departmental trends
 - Historic Departmental spending and employee count (from FY 04) from Groton Town Manager.
 - Income growth data from the US Census, MA DOR, and KJL est.
 - Inflation data from US Bureau of Economic Analysis
- Analysis
 - Run various standard economic formulas
 - Index against:
 - Inflation for cost based metrics
 - Common starting base for comparison metrics

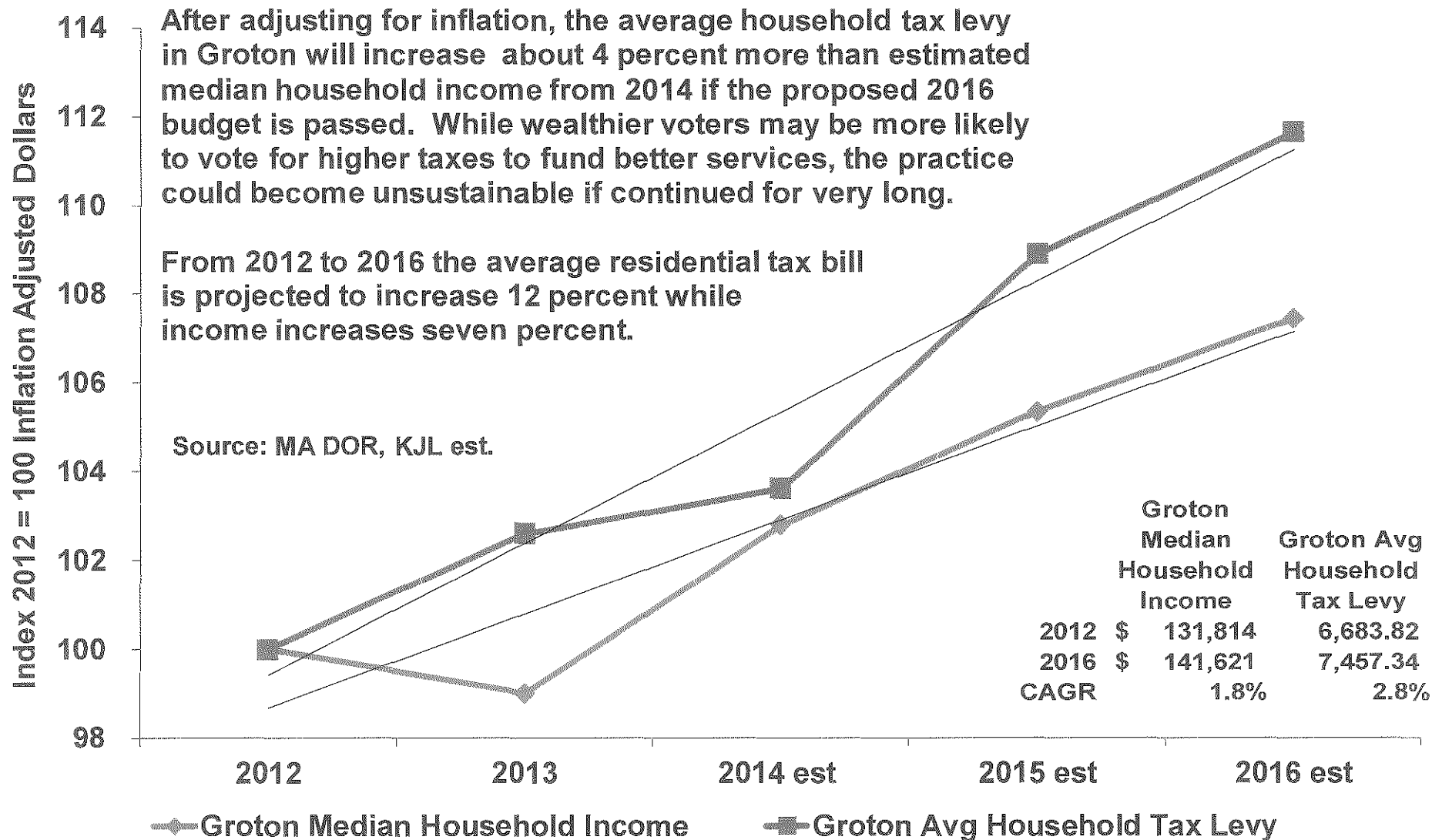
Groton Median Household Income Compared to MA Average



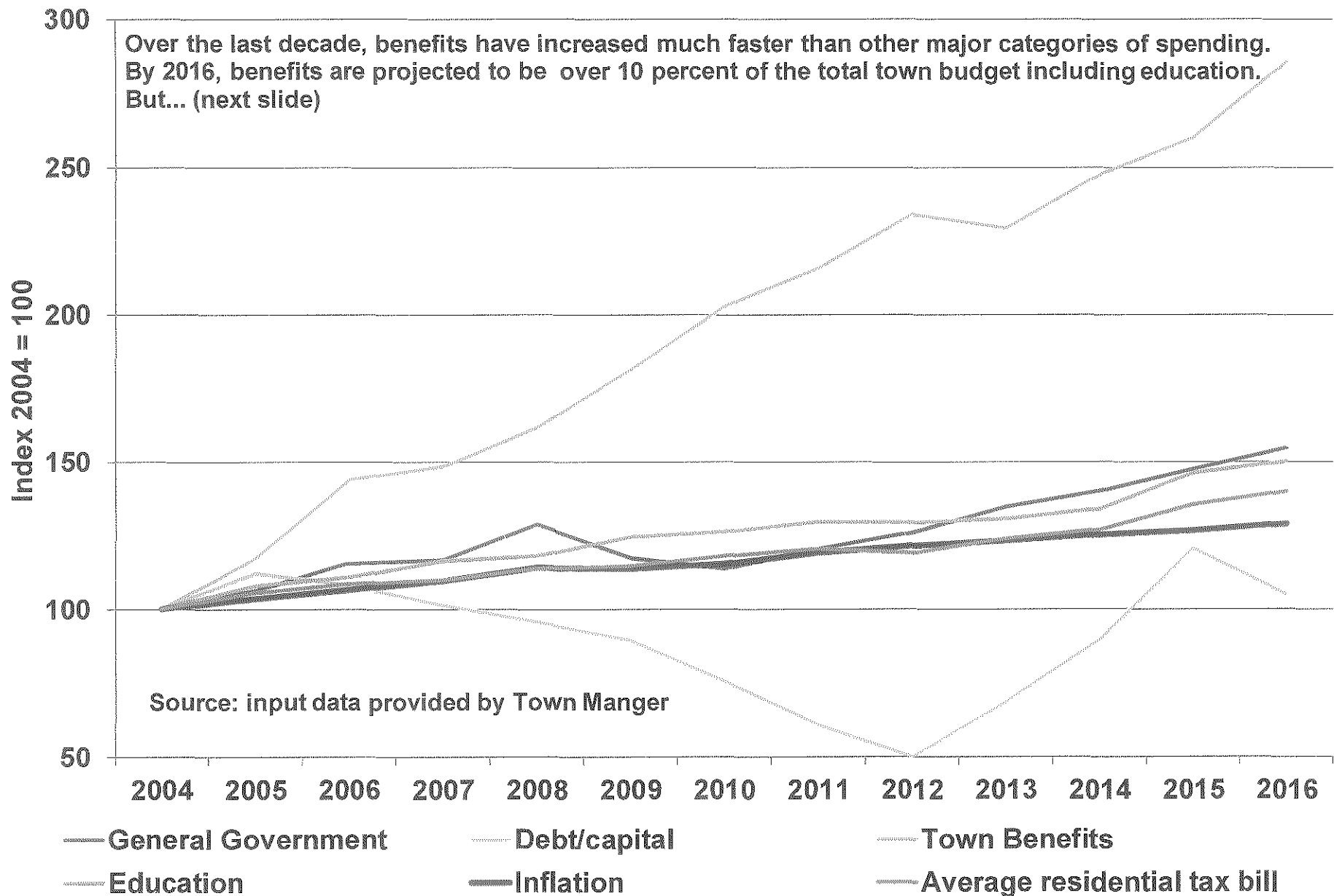
Groton's over 65 population could double by 2025 implying as many as 20 percent of residents may be on fixed incomes in 10 years



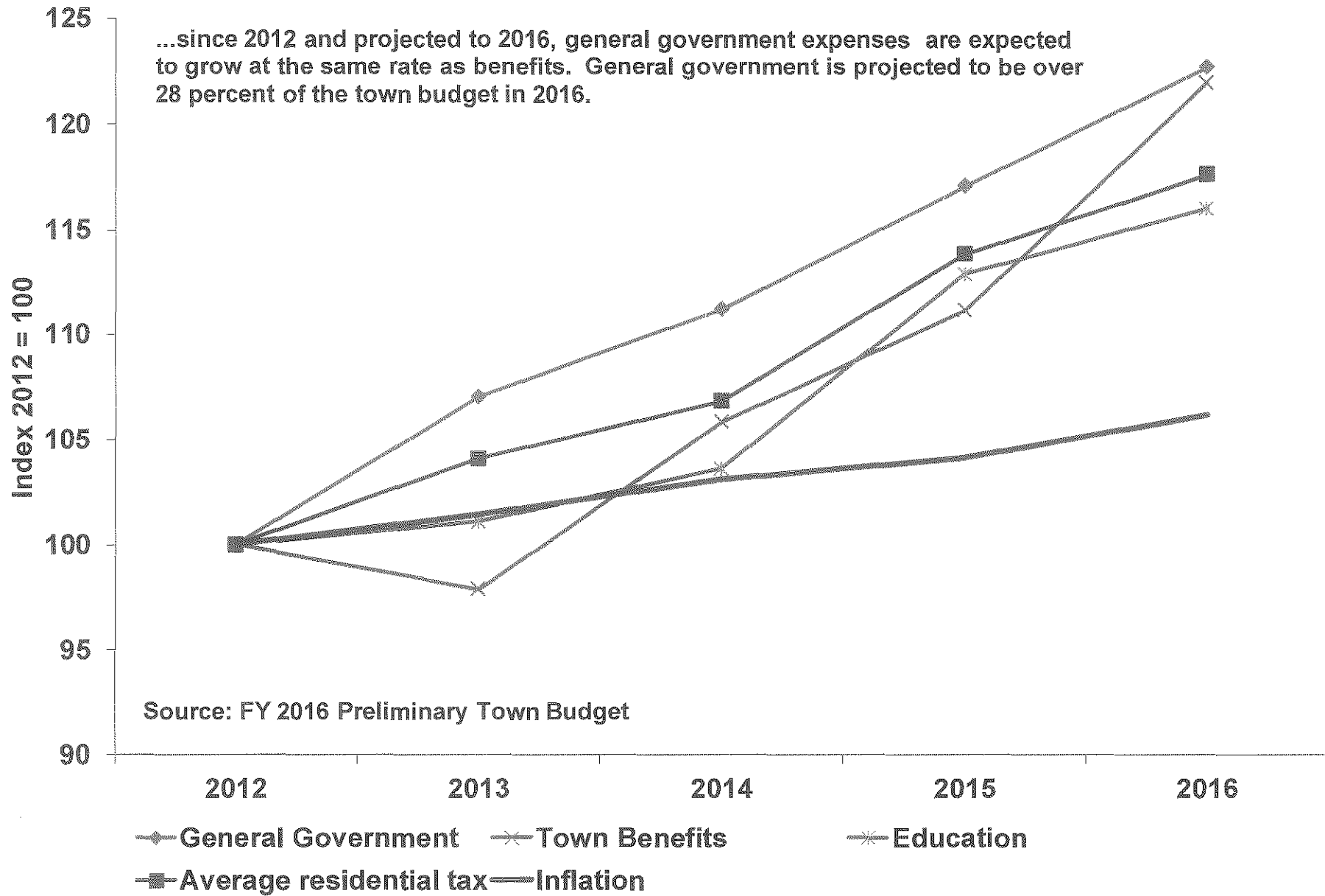
Groton's average household tax levy is set to increase 4 percent faster than income in 2015 and 2016



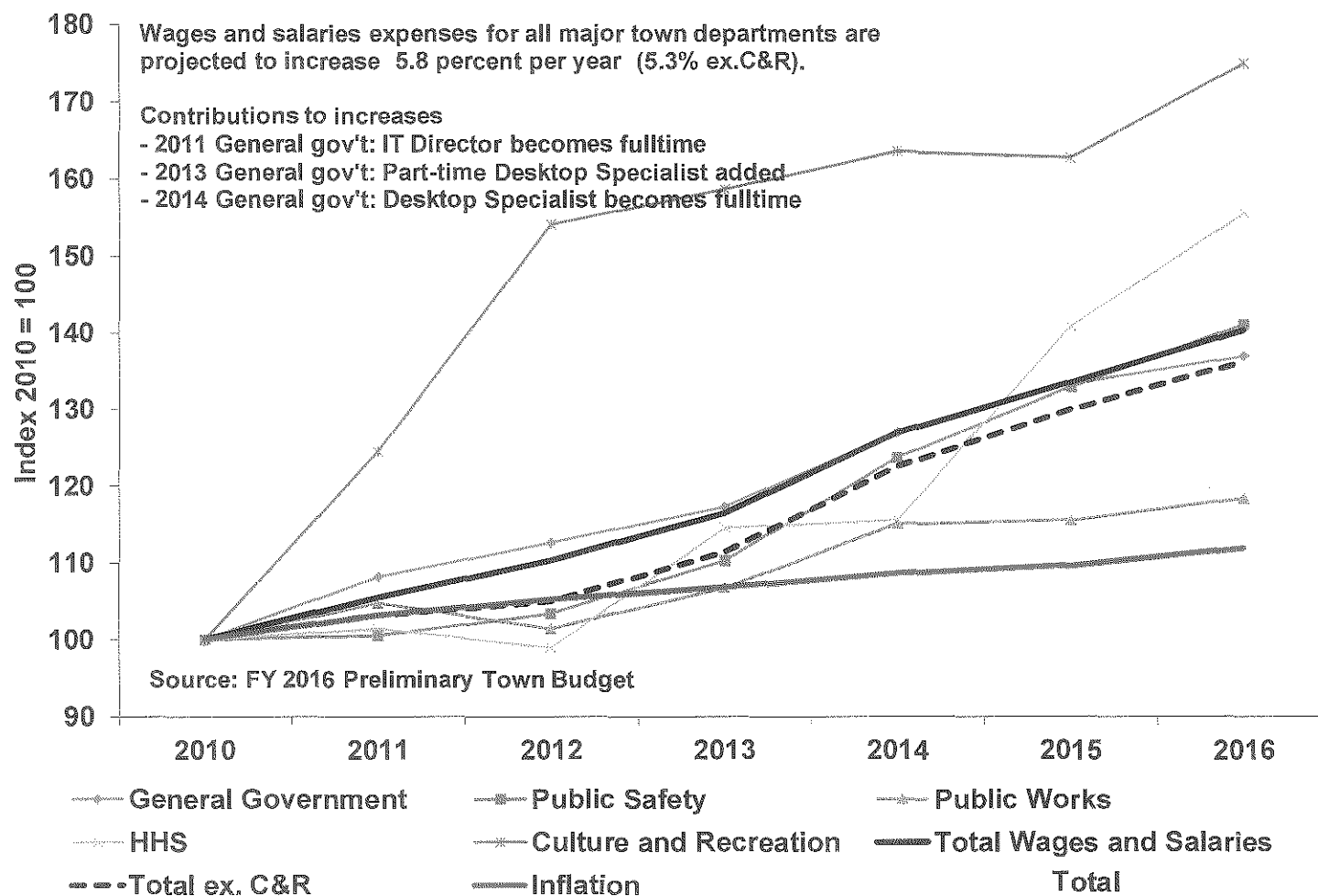
Groton Expenditures



Groton Expenditures

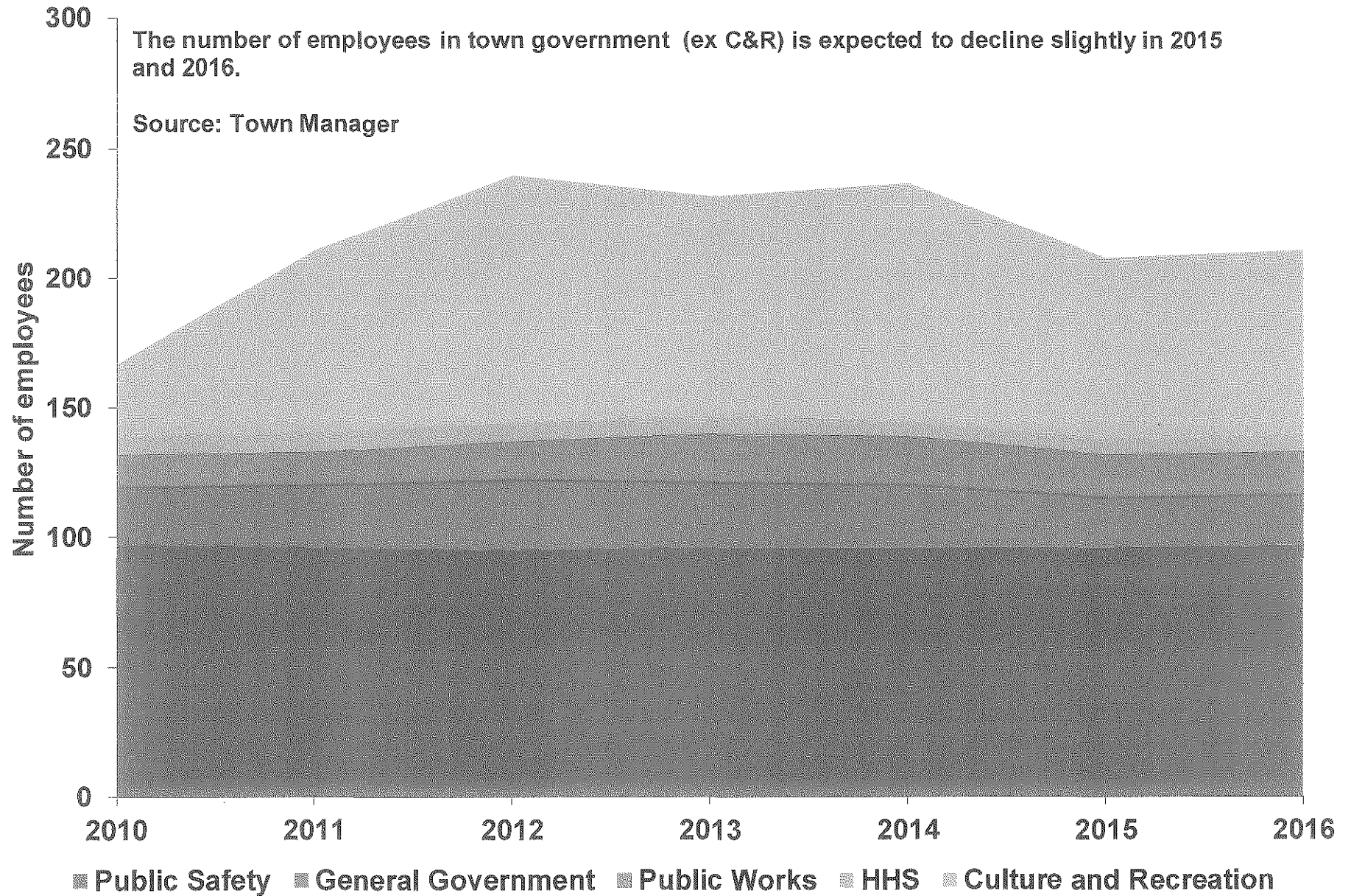


Town of Groton Wages and Salaries Expenses

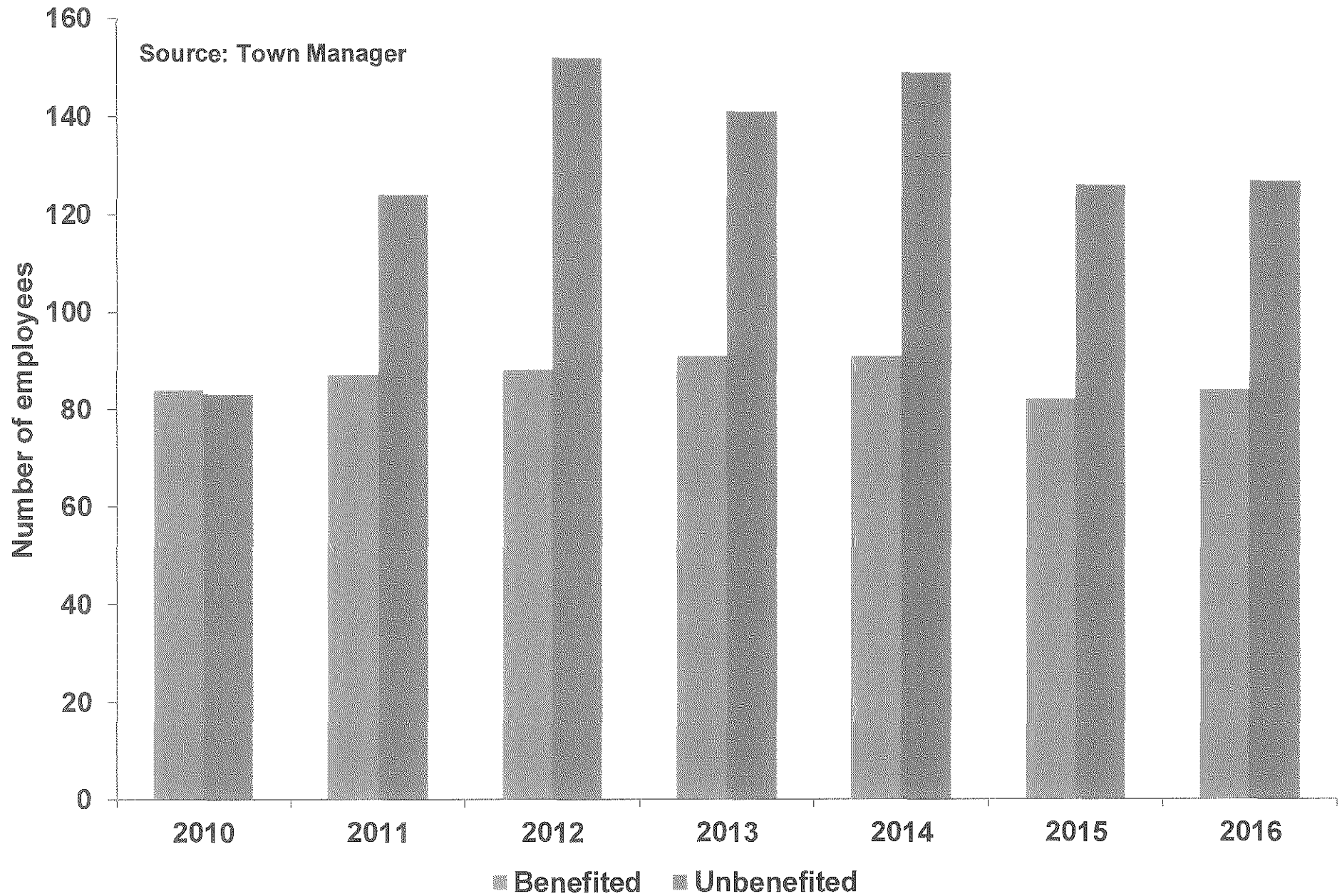


	General Government	Public Safety	Public Works	HHS	Culture and Recreation	Total Wages and Salaries	Total ex. C&R	Inflation
CAGR	5.4%	5.9%	2.9%	7.7%	9.8%	5.8%	5.3%	1.9%
CAGR 10 - 13	5.5%	3.3%	2.2%	4.6%	16.6%	5.2%	3.6%	2.2%
CAGR 14 - 16	3.9%	6.8%	1.4%	16.1%	3.4%	5.1%	5.4%	1.5%
CAGR 12 - 16	5.0%	8.1%	4.0%	12.0%	3.2%	6.2%	6.7%	1.5%

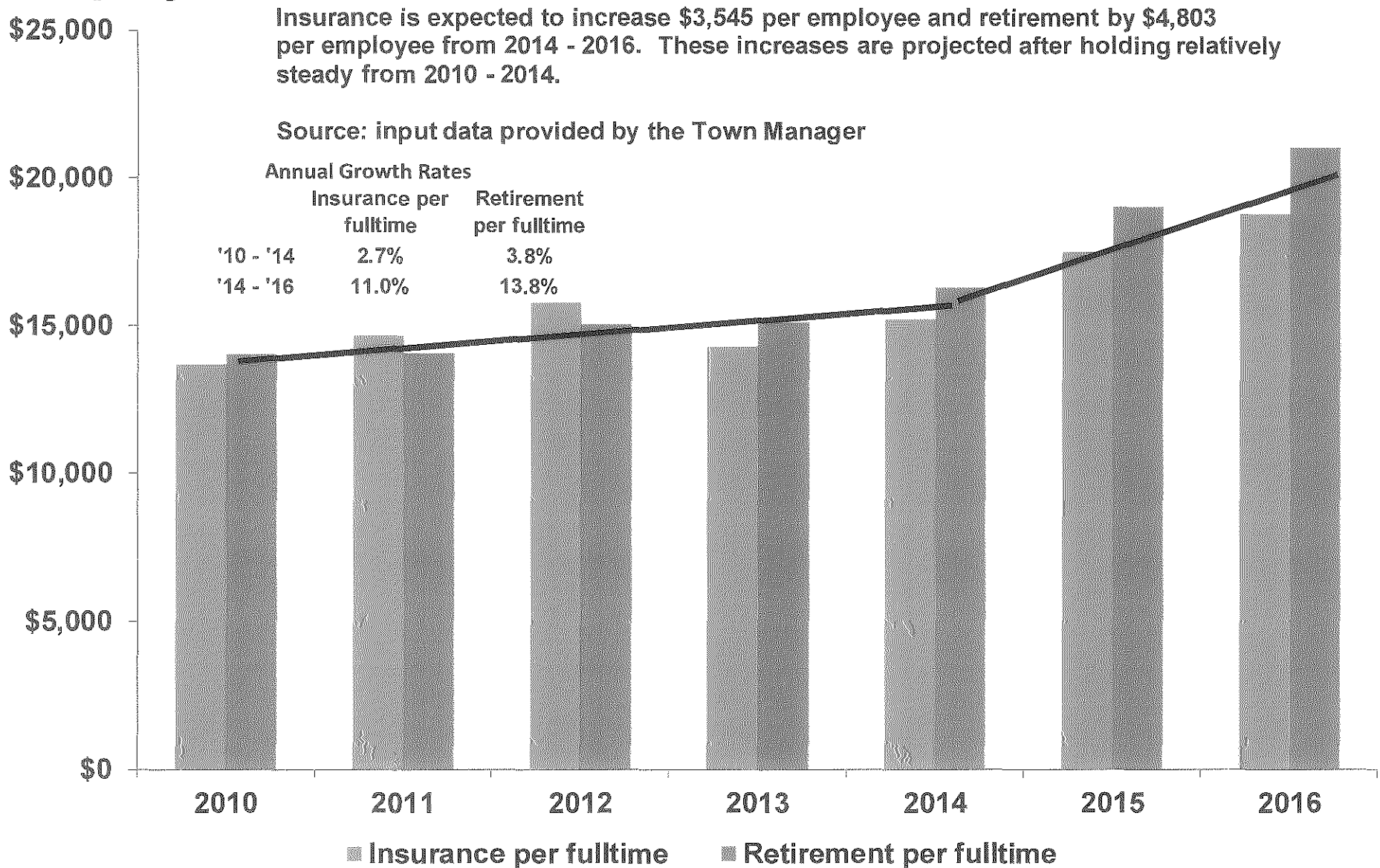
Groton Town Government Employees



Groton Town Employees



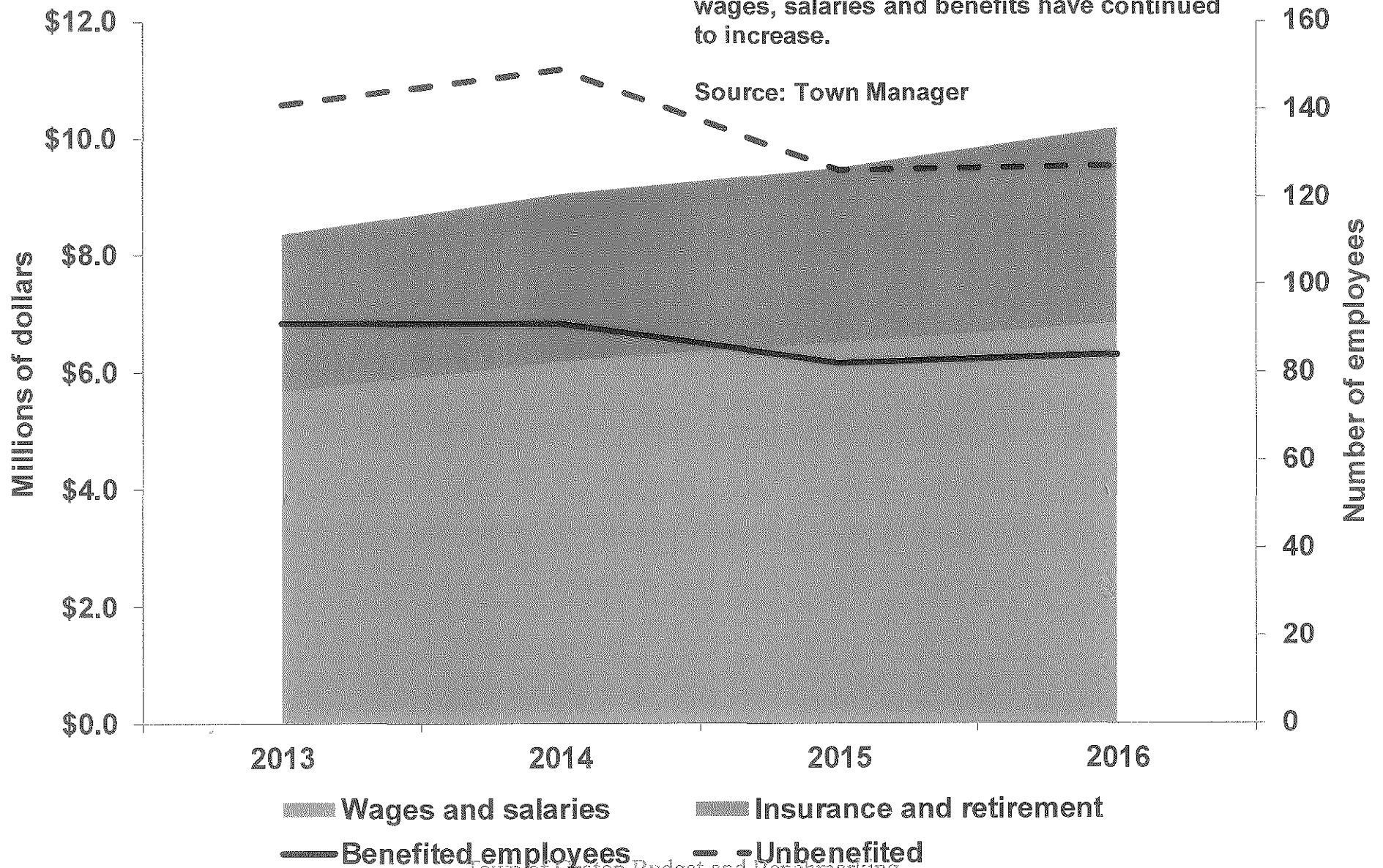
Town of Groton benefits per benefited employee



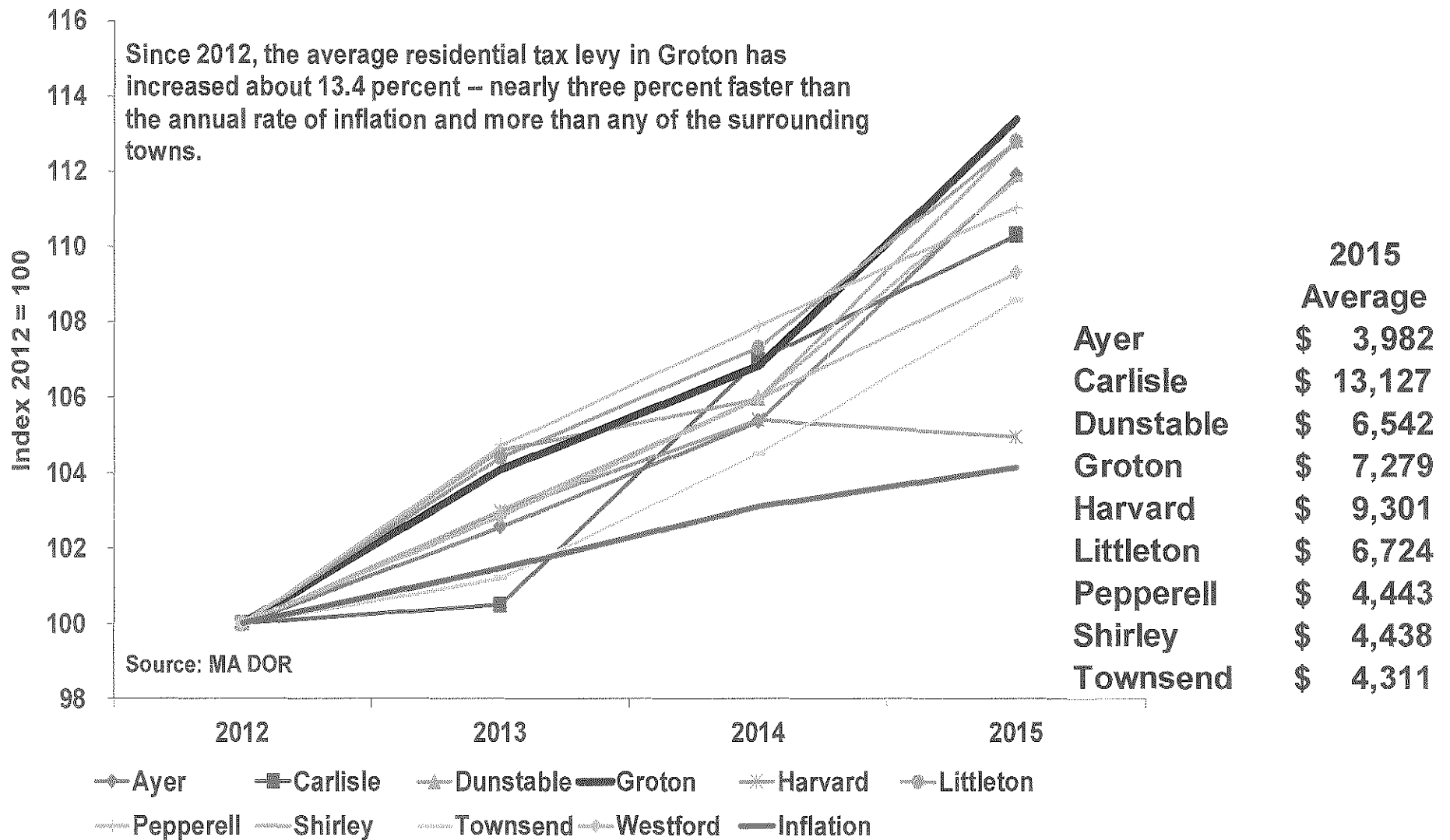
Groton Wages, Salaries, Benefits and Employees

The number of employees has declined and wages, salaries and benefits have continued to increase.

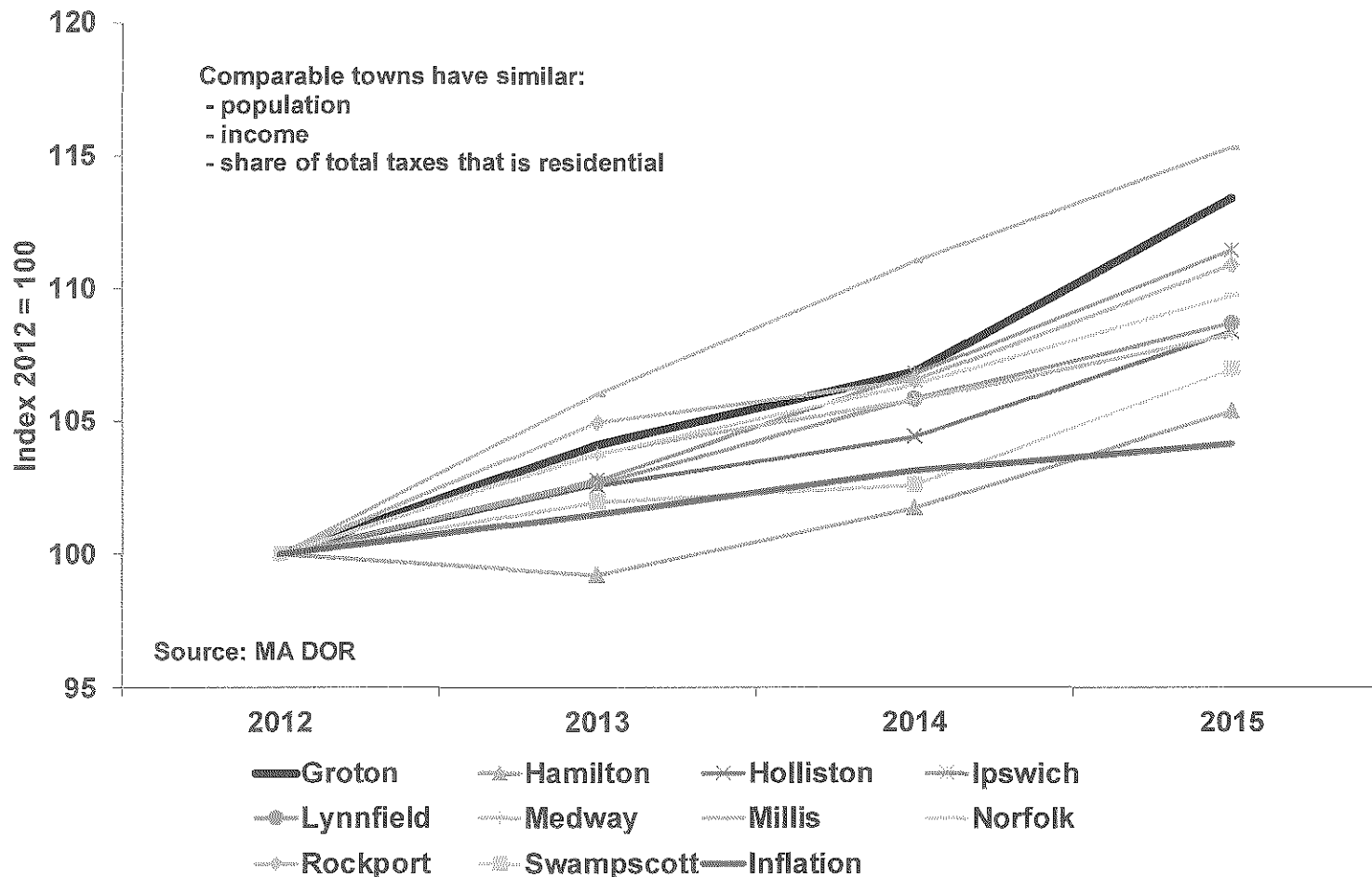
Source: Town Manager



Groton's residential tax levy has increased more than surrounding towns since 2012

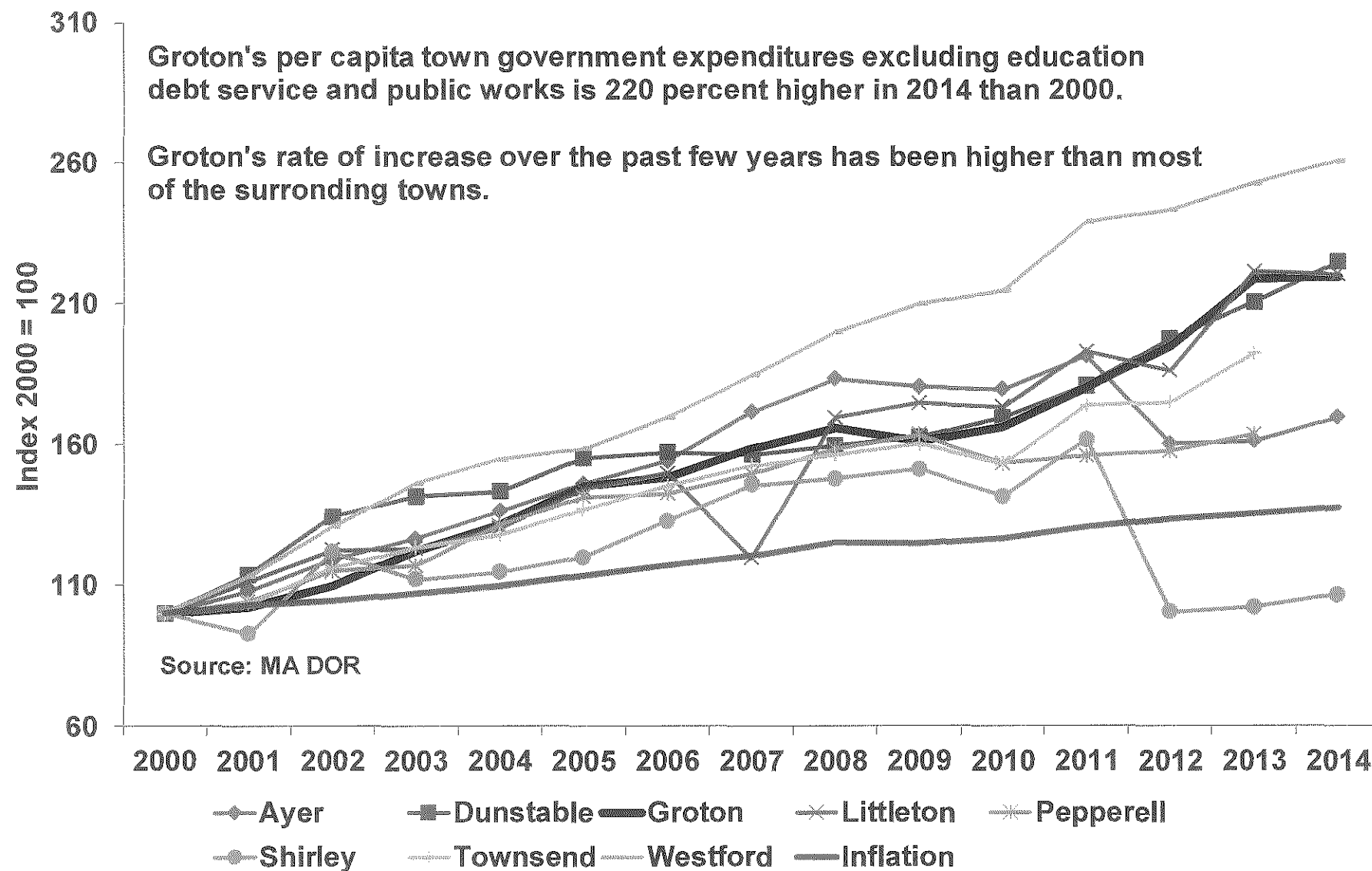


Average Single Family Tax Bill: Groton and Comparable Towns

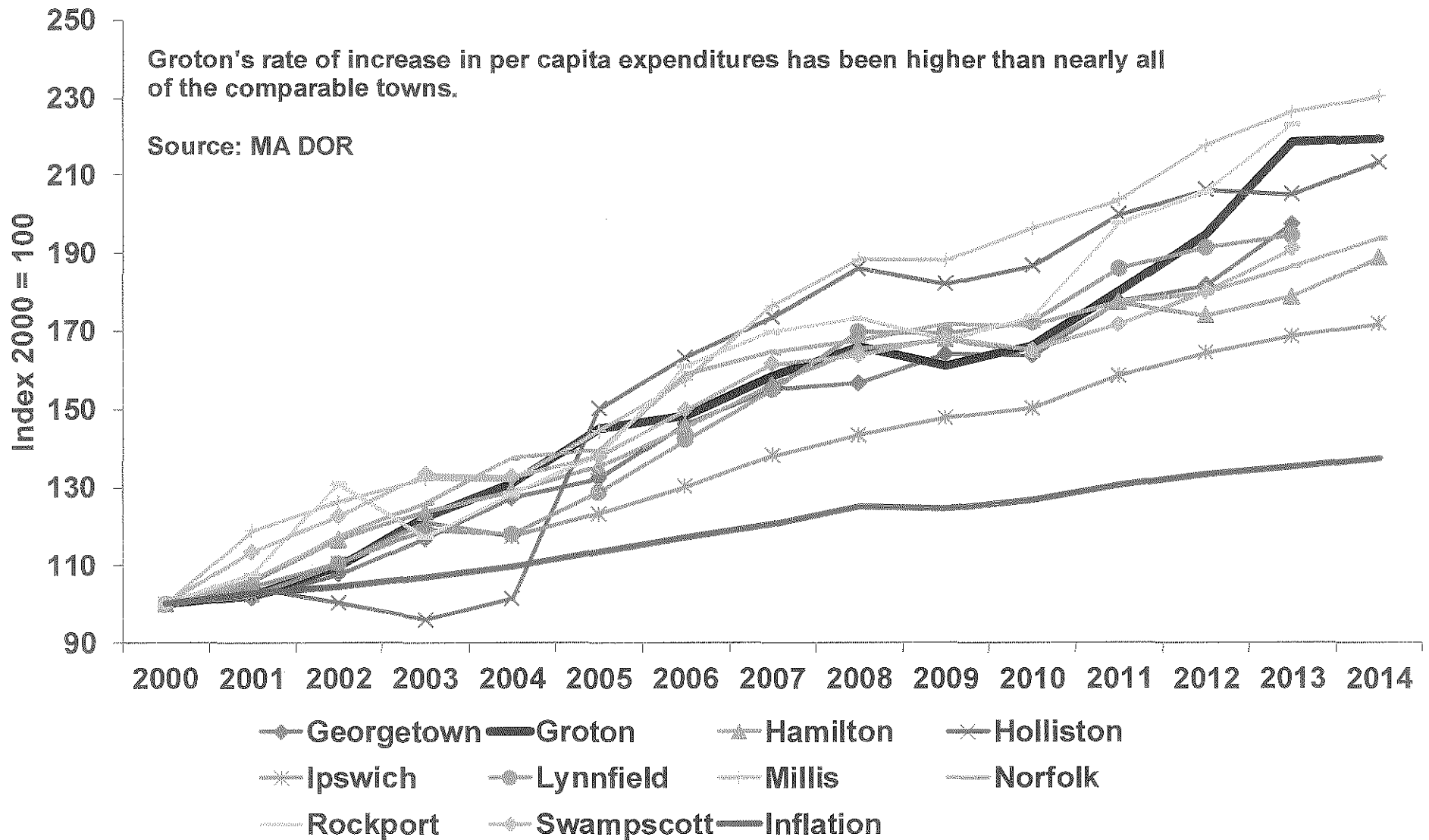


	2015 Average
Georgetown	\$ 6,080
Groton	\$ 7,279
Hamilton	\$ 8,417
Holliston	\$ 7,495
Ipswich	\$ 6,179
Lynnfield	\$ 8,021
Medway	\$ 6,610
Millis	\$ 6,027
Norfolk	\$ 7,603
Rockport	\$ 5,707
Swampscott	\$ 8,961

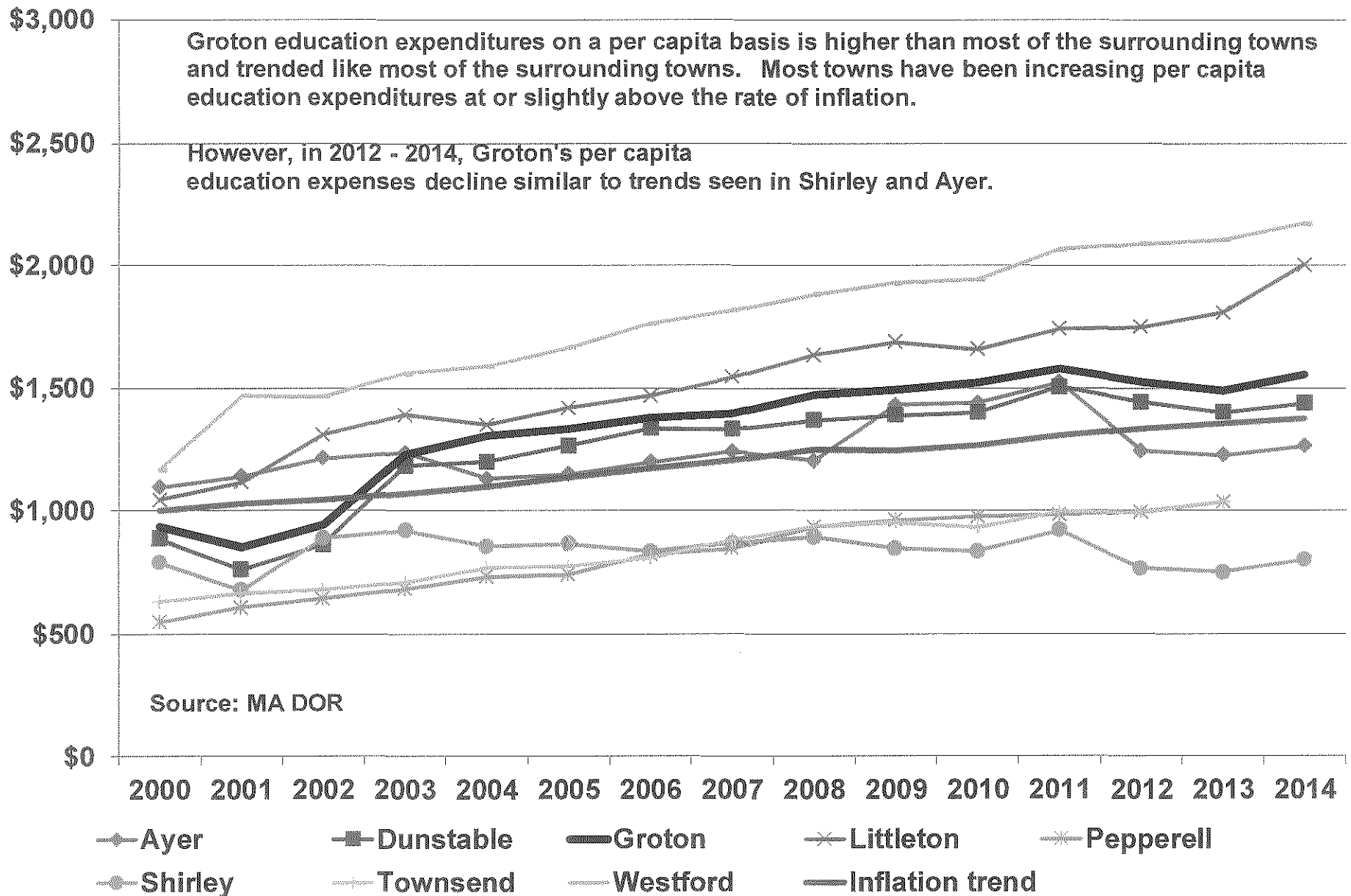
Groton per Capita Government Expenditures ex. Debt, public works, education



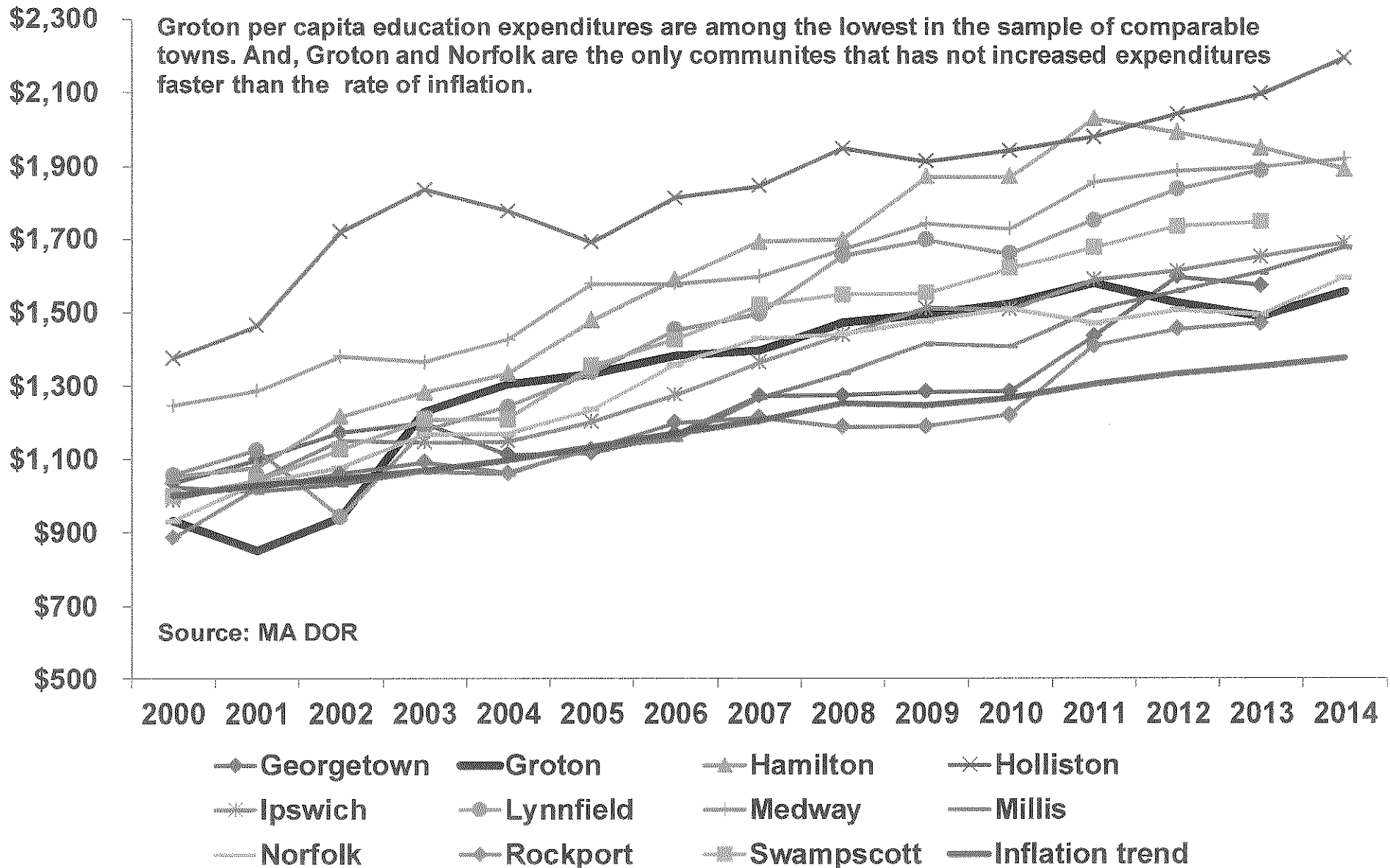
Groton Compared to Similar Towns: per capita total expenditures ex. debt, education, and public works



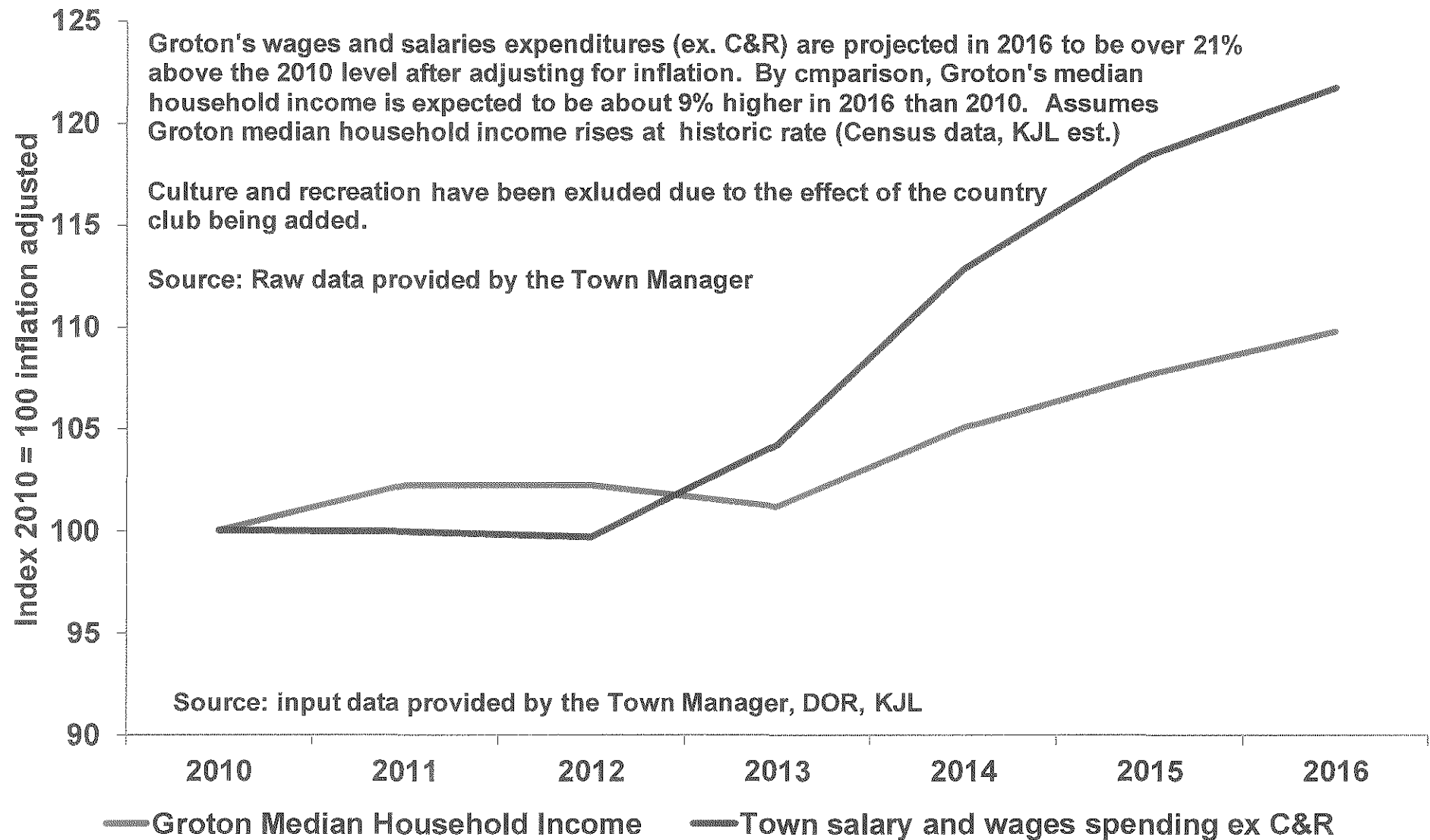
Education Expenditures per Capita



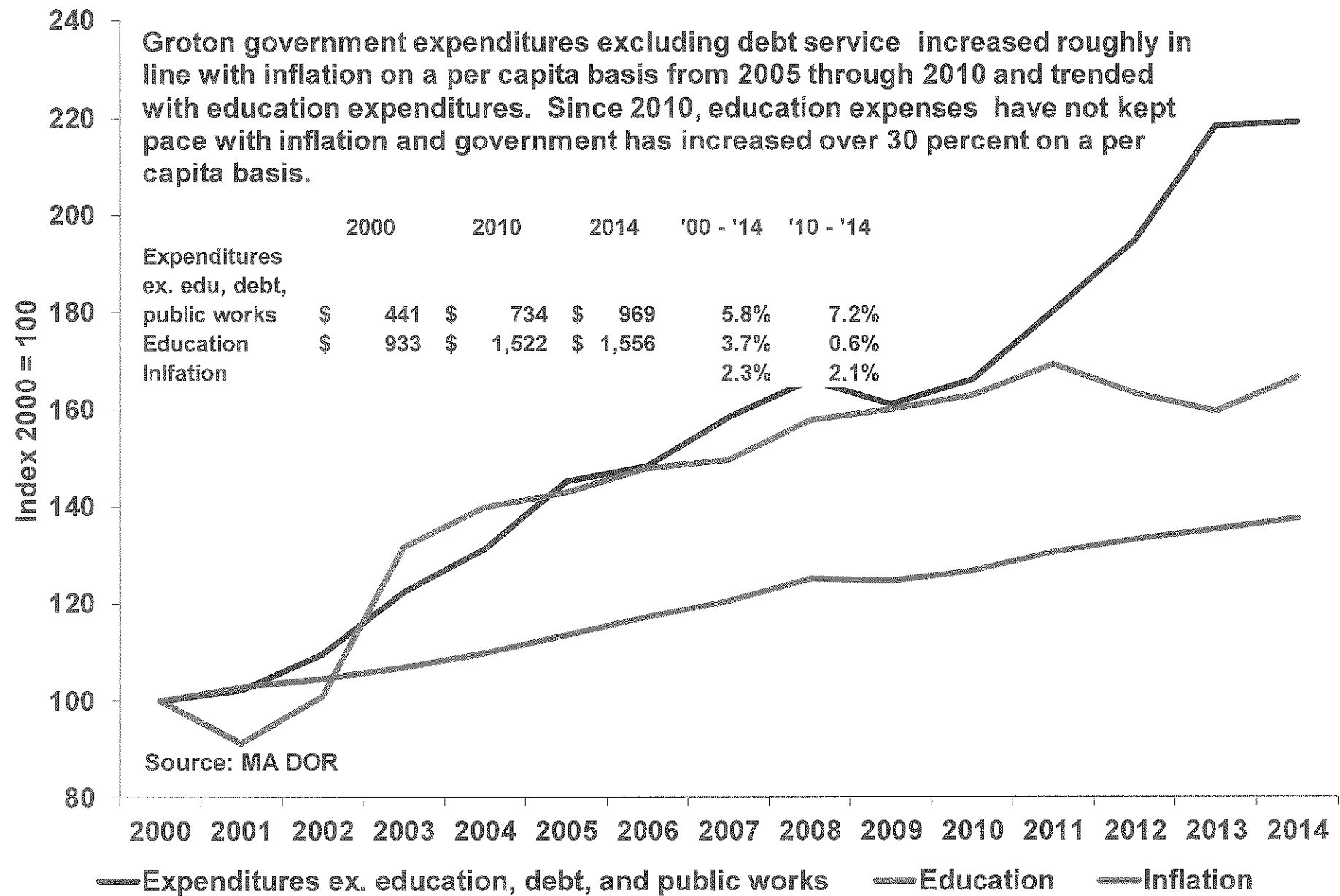
Groton per capita education expenditures compared to similar towns



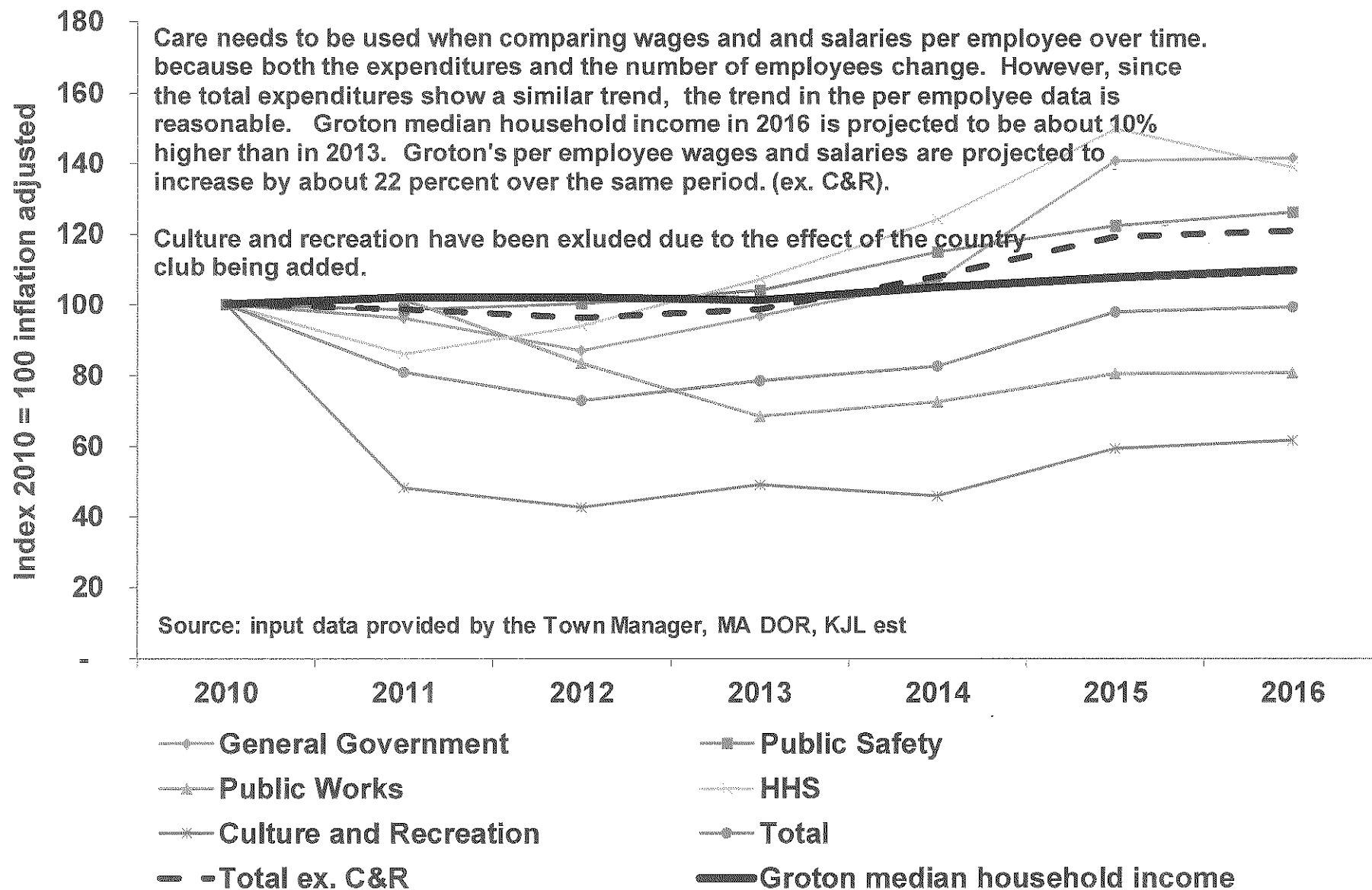
Groton estimated median household income compared to the town wages and salary expenditures



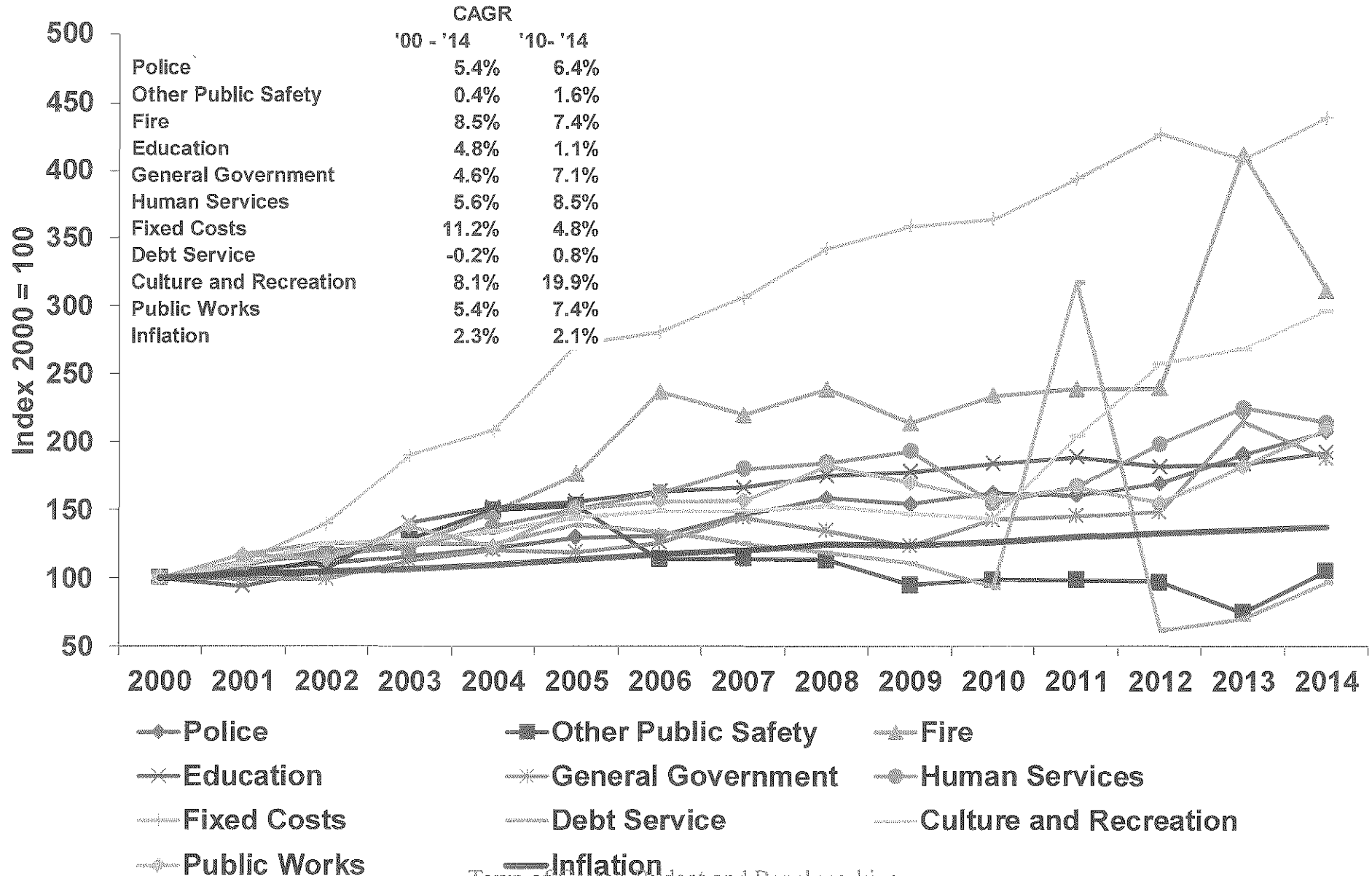
Groton tax revenue disposition per capita



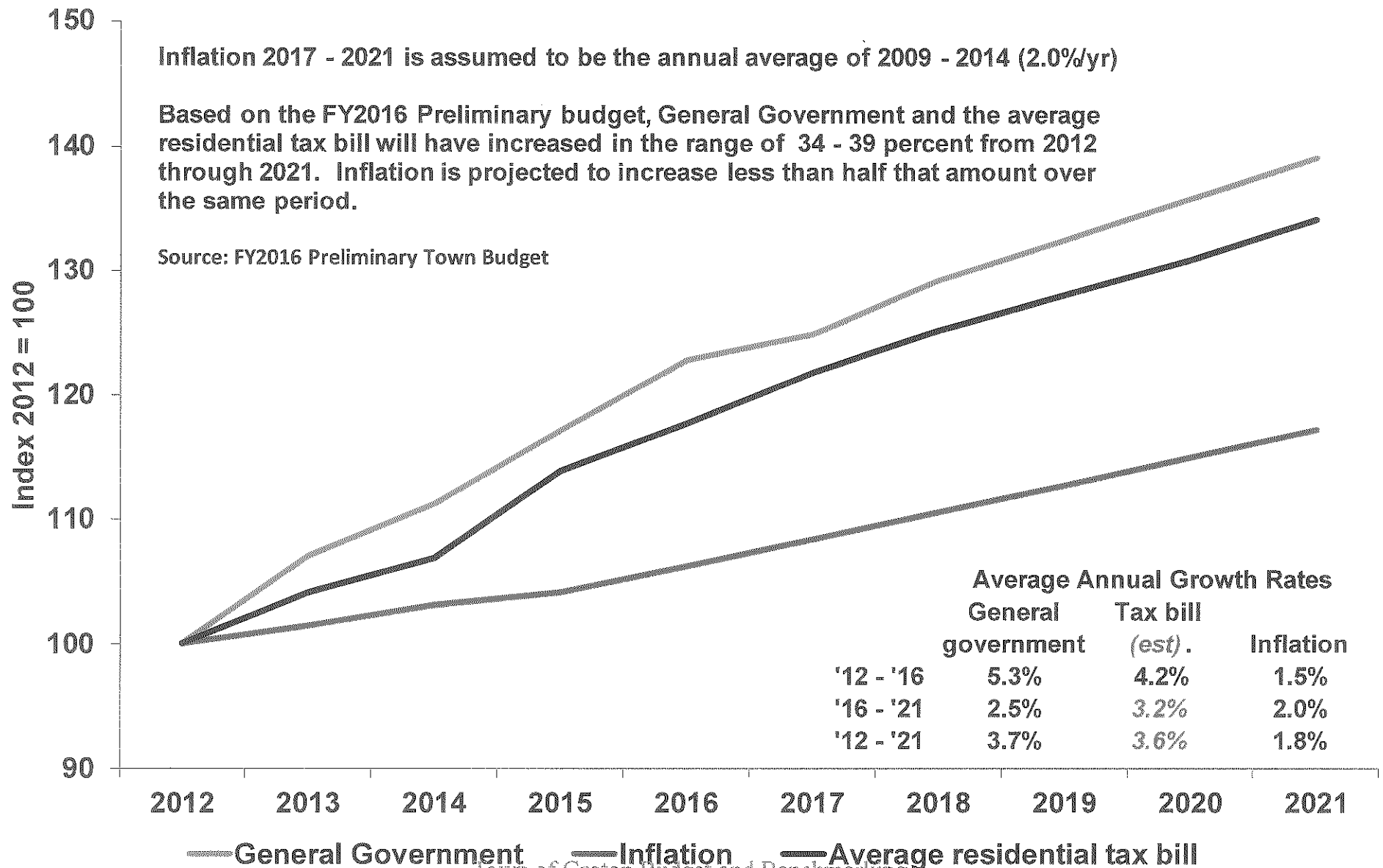
Groton Wages and Salaries per Employee Compared to Groton Median Household Income



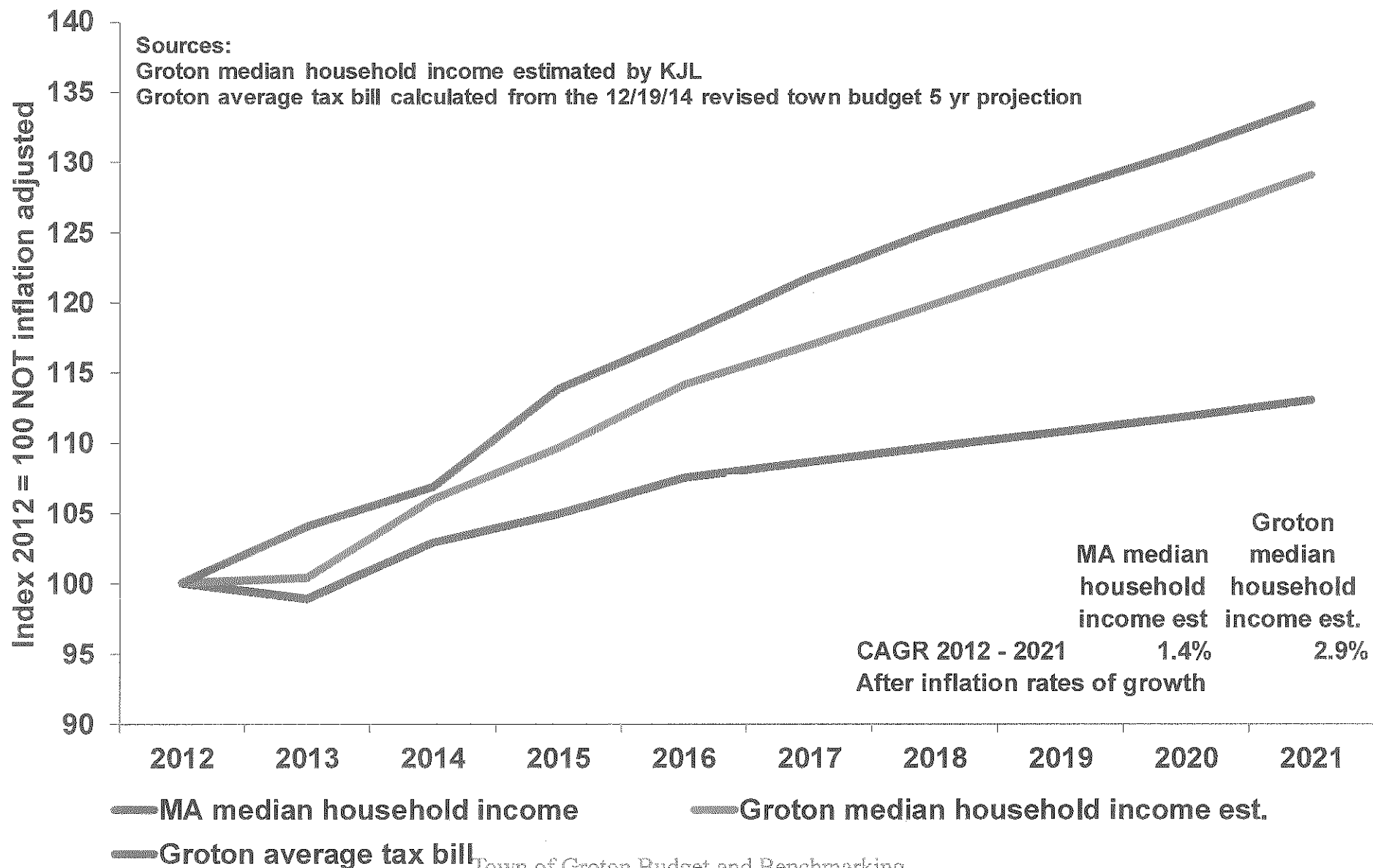
Groton Expenditures by Department Compared to the Rate of Inflation



Groton General Government Expenditures to 2021



Groton Projected Average Tax Bill and Median Household Income



Key points and observations

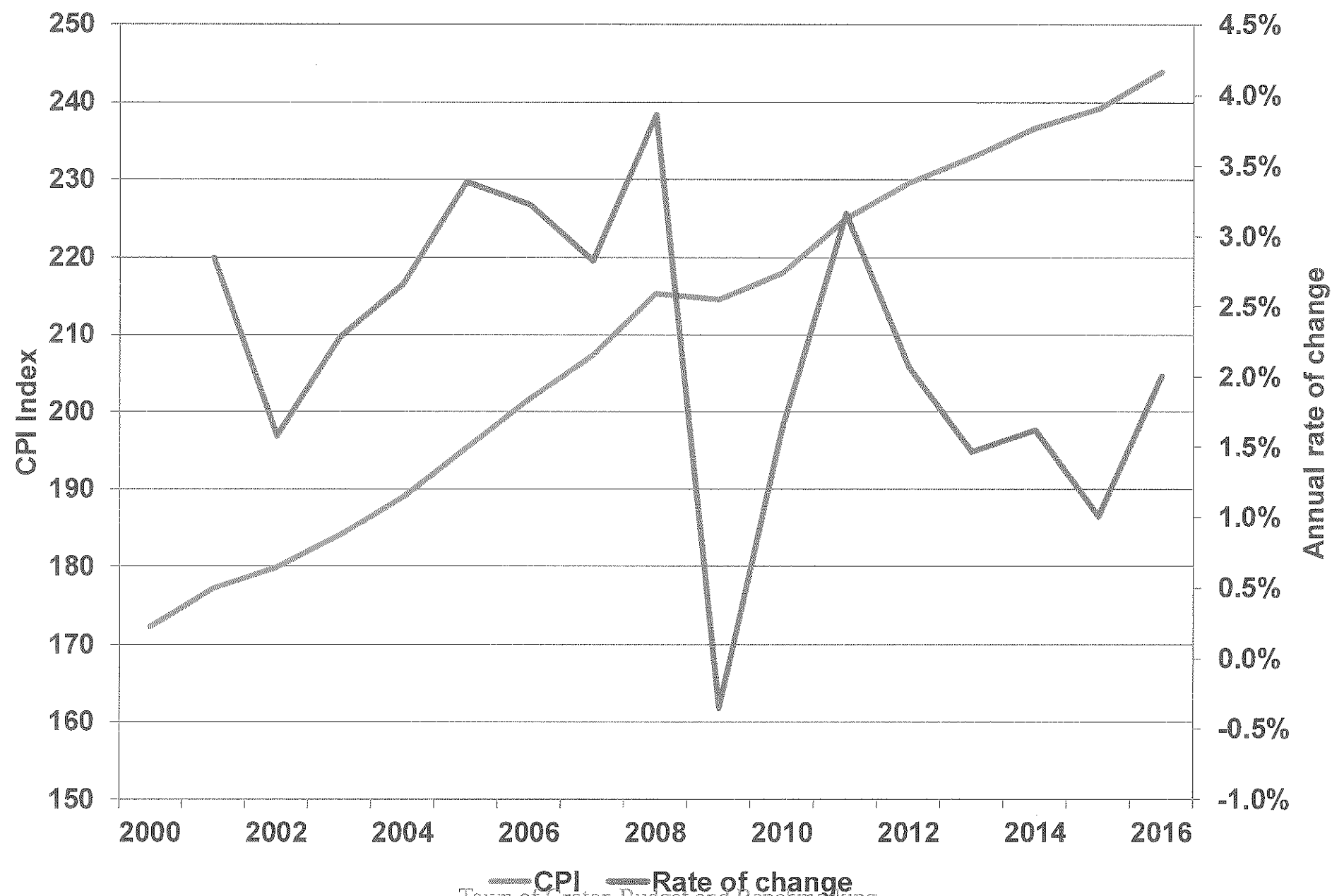
- Groton Median Household Income rising 1.5% faster than State
- Groton >65 population to more than double from 2010 to 2025
- Taxes as a % of income is projected to increase to 2021
- Wages and benefits are driving Town Spending
- Adjusted for inflation, municipal spending is growing 50% faster than education spending
 - Town: 3.5%
 - Education 2.2%
- Residential tax levy has grown faster (since 2012) than any other surrounding town and more than 89% of comparable towns
- Expenditures (less Education, Debt and Public Works) have grown:
 - Faster than any surrounding town (except Westford) since 2000.
 - Faster than any surrounding or comparable town (30%) since 2009

Key points and observations

- 2014 Education expenditures per capita are:
 - 5th highest of 7 surrounding towns
 - Trending lower with Ayer and Shirley.
 - Littleton and Westford spend more and are trending higher.
 - Lowest of 11 comparable towns *
- Since 2010 Salary and Wages per employee has grown twice as quickly as average household income.
- Since 2009 per capita spending on Town Government has grown 40% faster than spending on Education *
- Growing at twice the rate of Groton Median Household Income since 2010
- Annual growth of Total Wages and Salaries
 - From 2010: 3.9%
 - From 2013: 4.8%

*MA DOR data through 2014

Consumer Price Index



Wages, Salaries and Benefits

	General Government	Public Safety	Public Works	HHS	Culture and Recreation	Total Wages and Salaries	Total ex. C&R	Insurance	Retirement
2010	\$ 1,008,140	\$ 2,374,113	\$ 829,112	\$ 125,511	\$ 531,302	\$ 4,868,178	\$ 4,336,876	\$ 1,149,382	\$ 1,179,553
2011	\$ 1,090,710	\$ 2,385,729	\$ 868,329	\$ 127,278	\$ 661,444	\$ 5,133,490	\$ 4,472,046	\$ 1,277,387	\$ 1,226,334
2012	\$ 1,134,532	\$ 2,452,974	\$ 840,690	\$ 124,202	\$ 819,006	\$ 5,371,404	\$ 4,552,398	\$ 1,389,929	\$ 1,324,432
2013	\$ 1,182,594	\$ 2,616,434	\$ 885,399	\$ 143,787	\$ 843,151	\$ 5,671,365	\$ 4,828,214	\$ 1,301,537	\$ 1,377,437
2014	\$ 1,279,582	\$ 2,935,896	\$ 954,518	\$ 145,036	\$ 869,686	\$ 6,184,719	\$ 5,315,033	\$ 1,385,318	\$ 1,481,574
2015	\$ 1,344,305	\$ 3,155,855	\$ 958,220	\$ 176,999	\$ 865,512	\$ 6,500,891	\$ 5,635,379	\$ 1,433,701	\$ 1,560,704
2016	\$ 1,380,602	\$ 3,349,276	\$ 982,042	\$ 195,394	\$ 930,251	\$ 6,837,565	\$ 5,907,314	\$ 1,576,500	\$ 1,771,089
CAGR	5.4%	5.9%	2.9%	7.7%	9.8%	5.8%	5.3%	5.4%	7.0%

Benefited Employees

	General Government	Public Safety	Public Works	HHS	Culture and Recreation	Total	Total ex. C&R
2010	18	37	13	3	13	84	71
2011	20	36	13	3	15	87	72
2012	20	35	14	4	15	88	73
2013	20	36	15	4	16	91	75
2014	22	34	14	4	14	88	74
2015	17	35	14	3	13	82	69
2016	17	36	14	3	14	84	70

Unbenefited Employees

	General Government	Public Safety	Public Works	HHS	Culture and Recreation	Total	Total ex. C&R
2010	4	60	0	4	15	83	68
2011	4	60	0	5	55	124	69
2012	7	60	1	3	81	152	71
2013	5	60	4	3	69	141	72
2014	2	62	5	2	78	149	71
2015	2	61	3	3	57	126	69
2016	2	61	3	4	57	127	70