

TOWN OF GROTON FINANCE COMMITTEE

Saturday, February 13th, 2016, Selectmen's Meeting Rm

Groton Town Hall, 173 Main St. Groton, MA, 9:00 a.m.

Meeting held jointly with the Board of Selectmen

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

Present for the Board of Selectmen: J. Degen, A. Eliot, J. Petropoulos (Chair), and P. Cunningham

Absent: D. Manugian, S. Schulman

Also Present: M. Haddad (Town Manager), Dawn Dunbar (Executive Assistant), Department Heads as requested, Members of the Finance Team, Members of the Public, Members of the Press

Documents available at the meeting: Updated FY17 Town Operating Budget as of 2/8/16
Letter from Mr. Kolak to FinCom/BOS
Budget Reduction Proposal from Mr. Degen
Original FY17 Budgetary Goals Document

Mr. Green called the meeting of the Finance Committee to order at 9:01 a.m.

Mr. Petropoulos called the meeting of the Board of Selectmen to order at 9:01 a.m.

Mr. Petropoulos moved that the meeting be adjourned until such time as the Town Manager could return a proposed budget that complied with the 2.2% growth guidelines as originally requested by the FinCom and the BOS.

Mr. Petropoulos explained that he was very disappointed in the budget as proposed. This budget shows personnel growth at double the 2.2% guidance provided to the Town Manager. Mr. Cunningham disagreed saying that the Town Manager did in fact follow the guidance given. Also, it would be a shame to waste the time of everyone who was in attendance ready to participate in a substantive discussion regarding operational issues. Mr. Pease said that although the budget as proposed is not what was expected, this document is a good first step and this meeting should be used to discuss possible changes. Mr. Prest felt that the meeting should continue, and perhaps some progress toward saving money could be made before it's over. After additional discussion, during which time Mr. Degen seconded the motion and Ms. Eliot moved the question, Mr. Petropoulos withdrew his original motion to adjourn the meeting.

Mr. Green asked for any new updates to the FY17 Operating Budget. Mr. Haddad distributed the revision dated 2/8/16 which includes amounts for the new Land Use Director and Land Use Assistant, a preliminary budget for the Nashoba Tech. District, and minor changes to BOH, MRPC, and State Aid. He also provided

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a copy of the Tax Recap Calculation. He noted that the revisions result in a higher unexpended tax capacity (\$73,000 as opposed to \$25,000). Mr. Haddad added that the GDRSD Superintendent's budget requires an increase that the Town cannot support within the levy limit. The \$776,100 provided in the revised budget is the current carryover figure that the district felt was the minimum required to meet their needs. He explained that should the School Committee certify the current district budget proposal, a Proposition 2 ½ Override of \$2,213,411 would be necessary for the Town of Groton.

Mr. Green said that he hoped that the focus of this meeting would be on gaining a fuller understanding of the proposed department needs, so that any changes made are done from a position of knowledge. Mr. Pease asked why the 2/8/16 budget documents had not been electronically provided to the Finance Committee before this time. Ms. Dufresne apologized for not sending them out in advance of this session. Mr. Pease would also like to see the minutes of the Tri-Board Committee. Mr. Degen said that the Tri-Board is a private meeting, and does not have to conform to Open Meeting Law, therefore minutes will not be made available. It is up to the members to provide updates to other boards and committees that they may belong to. However, he offered to speak to the School Superintendent to change the format of those meetings in order to make minutes available to those who want them.

Police Department Budget - Chief Palma warned the public to be vigilant regarding the exceptionally cold weather occurring this weekend. He noted that his department would be opening warming stations should there be any need for them, for instance if power were lost to any part of town for an appreciable time. Mr. Robertson asked why the salary and wage lines are up over 3% given that the associated labor unions did not get wage increases. Mr. Haddad replied that the salaried individuals that are included in this budget are not part of the patrolmen's or superior officer's unions. The wage line is up largely due to funding for overtime added to the budget to cover SUV driver training and additional traffic enforcement. Also, there are some contractual obligations that do increase in FY17 that are independent of wages such as Quinn Bill amounts, Education incentive, stipends, shift differentials, longevity, health insurance buy-back, and FLSA adjustments. Also the costs involved with manning events have been reviewed leading to some increases in those categories. Chief Palma noted that as officers advance through the ranks, vacation time goes up leading to overtime increases for shift coverage. Mr. Petropoulos was concerned about the future trend of this budget given the growth in FY17 which was expected to be flat. Mr. Degen informed the group that he had a previous discussion with Chief Palma regarding the additions to this budget. Driver training is necessary as the officers are no longer driving Crown Vic's, but have transitioned over to SUV's. This is an important and valid safety issue. While there is also a need to fund additional traffic enforcement given the various projects underway in Town, Mr. Degen suggested funding this in a subsequent year. Chief Palma noted three areas of vulnerability: negligence, training and supervision, and he reminded the group that it takes a full year to get a new officer up to speed. He currently receives many complaints from residents regarding traffic issues, and traffic flow patterns will be changing dramatically in the near future. Indian hill events alone may add 800 cars to the streets over the span of a couple of hours. Traffic must be managed both arriving and leaving these events. The budget that was submitted is a needs budget, and what is needed is an officer who is dedicated to and focused on traffic issues alone. The traffic overtime provision was a compromise effected to avoid adding an additional officer. Mr. Green asked whether it was possible to hire officers who are already academy-trained. Chief Palma said this was possible but fraught with peril. Additionally, the department already has strong reserve officers who know the Town and who are themselves a known commodity. It is more effective all around to promote those already in-house. Mr. Green suggested offering to academy train a "bull-pen."

Chief Palma replied that there are very few people for whom this is an option, as it requires working for 24 weeks without pay and without a guaranteed job at the end. Mr. Green felt that it would be difficult to justify leaving the additional overtime funding of \$41,000 in the budget.

Mr. Pease asked about the decrease to expenses of \$38,000. Chief Palma replied that this was largely due to equipment maintenance and fuel. Mr. Haddad reminded the group that the Public Safety Building improvement costs from FY16 would not be back in the budget for FY17. Mr. Petropoulos stressed that discussions about the level of expense in the public safety budgets do not reflect a lack of appreciation for the work done. He asked if there was an increase in events of 40% to justify the increase in that line. Mr. Haddad replied that the Sherriff's Office is no longer available to help as they used to. Chief Palma added that it is impossible to forecast the number of emergencies the department will be faced with. In crafting the budget, historical actuals were used and an additional contingency built in. Mr. Pease said that he was proud of the additions made to this department in FY16; the SRO can support the mental health of the students, which is of much concern to the school district this year. He would like to consider contingent funding to the school district specific to assisting with emotional support for the students. Mr. Green thought this would be a good topic for the Board of Selectmen to take up at a subsequent meeting. Mr. Hargraves was concerned that Groton would go to the trouble of academy-training an officer only to have that employee hired away by another Town. Chief Palma said they deal with that problem by striving to foster a culture in which everyone is valued, and the staff will not consider this a "stepping-stone" Town. He stressed again the 4 new building projects currently underway in Groton, and added that progress brings people who bring problems. He reminded the group that he requires one full year of lead time in order to address and manage these issues. Mr. Degen said that he was surprised at the increases in this budget as he had been led to believe that the labor union contracts were more favorable to the Town than they turned out to be.

The Dispatch budget was discussed briefly. Mr. Degen wondered why this budget is not decreasing given that call volume has decreased. Chief Palma explained that call volume can be difficult to predict. Lately, those trends seem to be increasing again. Also, calls for service are not necessarily always an emergency, but still must be handled properly. He said he is unlikely to reduce this line item unless the change in call volume is drastic. He added that he is constantly re-evaluating needs, and will never ask for something he does not need. Mr. Pease agreed that 7 data points are required for a valid trend line; therefore it would be premature to cut the budget at this point. Mr. Cunningham wondered if Dunstable would be willing to increase the fee they pay for the regional dispatch service. Chief Palma said that given the generous grant funding Groton receives each year, it would not be worth attempting to negotiate an increase with Dunstable. If they decide to consolidate with a different region, we would lose their revenue and also our regional grant funding. Mr. Degen pointed out the intangible benefits that accrue from this relationship. Sharing of responsibilities across Town lines is an important goal, therefore this arrangement should be kept as is. Mr. Cunningham felt it would be good to explore adding overtime funding in a future year. Mr. Green asked whether the funding for Tasers is crucial. Chief Palma said that the current Tasers are obsolete; it would be imprudent not to update to supported equipment.

Fire Department Budget - Mr. Haddad described the need to purchase a boat to be shared by both Police and Fire. This item has been requested and delayed for many years, but it is possible to purchase this jointly using ambulance receipts once the two Chiefs agree on what model would be best suited to the needs of both departments. Chief McCurdy explained that the Police Department wants to be able to

patrol the lakes, and the Fire Department wants to perform rescue operations in the lakes and rivers, as well as helping to mitigate fuel leaks. Chief Palma added that the Sherriff's Department and the Environmental Police used to be able to help with lake patrols several times per year, but they are no longer able to do so. The Lakes Association consistently requests a law enforcement presence on Lost Lake. According to Chief Palma, there would be a minor impact to the budget for training, although it is possible that it could simply be absorbed through careful management of funds. Some Fire Department staff are already trained to operate a rescue boat, and that training will continue. (Only one staff member is currently trained in swift-water boat rescue). Chief McCurdy said that while the Fire Department does currently have a boat, it is inadequate for rescues as it only holds 4 people, and being made of metal, tends to injure people if they are pulled over the side. Ms. Swezey (Assessor), as a former Lake resident, urged the FinCom and BOS to support this valuable asset purchase. Mr. Prest agreed that instances of unfortunate behavior are going unchecked because the police cannot intervene without a boat. Mr. Pease asked whether the Public Safety departments currently have equipment useful for transporting the proposed boat. Chief McCurdy replied that the Town owns several vehicles that could tow the boat. Mr. Petropoulos wondered if current services would suffer if officers are pulled into a rotation to patrol lakes. Chief Palma replied that an analysis of the shift impact will be ongoing as these sorts of patrols are phased in; it may be possible that the extra patrols could be funded from the overtime budget.

Chief McCurdy explained that his operating budget is zero-based and line items are averaged over a 4-year period. He is not proposing any significant changes for FY17, although some equipment maintenance increases will be necessary. He chose not to adjust the fuel expense line as it would be difficult to confidently predict that trend. Mr. Green asked whether the increases in this budget were all related to contractual obligations. Chief McCurdy said that was true, but that the on call rates were up about 2% as well. Mr. Petropoulos wondered for how long the salary & wage budgets could continue to increase while the expense line remains flat. Chief McCurdy replied that the extra expense appropriation in FY16 should carry the department for a couple of years with the exception of updating safety equipment and emergency gear. Chief McCurdy added that the increase implemented this year in EMS rates is paying off, as there has been an increase on average of 3% in ambulance receipts even though call volume has dropped off somewhat. He is expecting to be able to bring in an extra \$50,000 in revenue by March of this year. Mr. Degen asked for clarification regarding the minor capital requests. Chief McCurdy explained that turn-out gear must be replaced every 10 years per NFPA regulations; \$18,000 can purchase 9 or 10 sets. Also, the patient load system (that will be mandated equipment on all ambulances in the near future) will automatically lift patients into the vehicle without risking back injuries to EMT's. This will cost \$25,000 and will be funded from ambulance receipts, as will the cost of the thermal imaging camera and the rescue boat. Mr. Hargraves suggested asking the non-profit entities in town to support these efforts as they stand to reap the same benefits from emergency services as taxpayers do. Chief McCurdy agreed to approach the non-profits if the BOS agrees that they should be engaged in this way. Mr. Cunningham mentioned that some of these conversations have already taken place. Mr. Petropoulos noted that using this opportunity to develop a better relationship between the Town and the non-profits would be mutually beneficial. Mr. Degen described the Swap Loader vehicle as a particularly flexible apparatus that can perform many tasks. Mr. Green hopes that a tour of the new vehicles can be arranged in the near future. Regarding his capital plan, Chief McCurdy said that he believes he can take a potential investment of \$3 million and pare it down to \$1.4 million, making this plan particularly effective and efficient. Mr. Green thanked both the Fire Chief and the Police Chief for participating in this discussion.

Library Budget – Mr. Mark Gerath and Ms. Vanessa Abraham presented the highlights of the Library budget for FY17. Mr. Gerath said that the excellent response received to the library survey confirmed the need for continued growth in books & materials, as well as programming and an investment in space needs. The Library Trust funds will be contributing \$60,000 for books & materials as per usual, and will also cover approximately \$121,000 for re-orienting the space needs in the building (the focus of this will be on teens and programming). Additionally, the library will be submitting a warrant article to Town Meeting to fix the fractured retaining wall, which will require at least \$20,000 in repairs. The fall Sunday hours, which were previously funded through the use of State Aid, adds approximately \$10,000 to the budget. Ms. Abraham suggested increasing spring and fall Sunday hours to the extent that the next tier cost requirement is met (that of \$15,000 and over). This plan will allow the library to drop the books and materials local contribution from 16% to 15%, which saves the Town money. While the overall budget is showing a 2.87% increase, she noted that this clearly reflects an increase in services that patrons want (based on the survey results). Mr. Gerath stressed the importance of protecting the library's certification status as this alone permits an additional \$18,000 in revenue annually from the State and allows Groton patrons access to other area libraries. Mr. Robertson expressed concern about driving up wages and salaries in FY17. Mr. Gerath replied that the new hours proposed would be filled by part-time employees who would work without benefits. Mr. Robertson said that this might still be problematic given revenue growth to the Town estimated at only about 3%. Mr. Gerath said that the budget presented represents a compromise, but reflects the desires of the public as revealed in the most recent survey. Mr. Petropoulos commended Mr. Gerath and Ms. Abraham on the clarity and layout of the presentation. Mr. Pease said that the Library is an incredible asset for the Town, and he is pleased that its needs are being recognized and addressed pro-actively. He wondered whether any synergies could be explored between library programs and the activities of the school district. Ms. Abraham said that this is being done, however the schools are curriculum-bound and limited by time constraints as well. In this regard, the library is pleased to be able to support early literacy efforts, and provides a safe environment for students after school hours. Also, the library aids students with school projects and provides summer reading programs to support overall academic excellence. Mr. Hargraves asked whether the schools do their part to promote the Town library. Ms. Abraham said that they do so through their own librarians, as well as teachers who provide the Groton Library with advance notice of classroom assignments. The Library Endowment also pays for bus service between the school buildings and the library. Mr. Cunningham asked whether Lawrence Academy could be more supportive through monetary gifts to the library. Ms. Abraham said that the library has not sought such gifts recently, but the library certainly does support collaboration between itself and the private schools. Mr. Gerath said he could commit to reaching out to the private schools in this regard. The group briefly discussed the strategic plan for making Groton more of a walkable community. Dovetailing this plan with the Planning Board's "safe streets" initiative may be useful. Mr. Pease wondered if CPC funding could be tapped for the library's capital purchases. Mr. Haddad said it would depend on the project brought to the table, and the age of the portion of the building being improved. Mr. Pease was particularly interested in using CPC funds to repair the retaining wall. Mr. Gerath added that there is a potentially expensive gutter problem that must be addressed at some point. He reminded the group that the Trusts have been very generous over the last few years and will be even more so in FY17.

DPW Budget – Mr. Tom Delaney (DPW Director) explained that the only increase to the DPW budgets involves the proposed new custodial position; all other lines have been level-funded. The reduction in Municipal Building expenses is directly related to the proposed new custodial position. This position will

have hours as a custodian and also as a checker at the Transfer Station. Revenues at that facility have doubled, while employee hours have been reduced over the years. Adding a part-time checker will help reduce overtime at the Transfer Station. Currently, there are only two custodians serving the Town's many buildings, sometimes several times per day. It is simply not possible to cover all the compensated absences provided for in the union contracts. Also, an employee was taken from the Highway budget several years ago to become the full-time handy man for Municipal Buildings. Where once there were 12 full time employees, there are now only 10. Mr. Delaney stressed that he is simply pointing out where the greatest need is in his operation. He added that GELD has agreed to reimburse a portion of the new custodian's hours in return for some hours of cleaning services in their new building. Mr. Robertson wondered why there is not a net savings to the Town given the expected decrease in expenses. Mr. Haddad explained that \$9,600 that would have been saved, must be spent at the Country Club for painting updates. Also, some building expenses which had been delayed in previous years, must be attended to now. These include repointing at Legion Hall and Town Hall. Mr. Delaney explained that waiting until these jobs can be scheduled in-house saves money on prevailing wages. However, it is necessary to have enough full-time employees to provide the flexibility required to take on these projects. Mr. Degen said that while Mr. Delaney does a great job with the resources he has, this amounts to increasing head count. The reduction in the work force seen over the years does not justify hiring a new employee; attrition is not a bad thing. Mr. Degen suggested simply hiring a 15-hour per week checker at the Transfer Station which will reduce overtime and allow the other employees there to focus on tasks such as baling, etc. He can't support a full time position that partially benefits GELD and which will add to the Town's Health Insurance costs and OPEB liabilities. Also, the cost of this position was calculated using an individual health insurance plan; should the position be filled by an employee who takes a family insurance plan the cost will be much greater. Mr. Degen therefore recommends that this new custodial position not be funded, and that GELD should hire its own custodians. Mr. Delaney noted that Mr. Degen's plan will not address the increased daily custodial needs for the upkeep of all the municipal buildings. He cautioned that unaddressed maintenance needs can cause buildings to deteriorate quickly. Mr. Pease suggested collecting data on how expenditures over time can be offset by productivity increases. Mr. Delaney mentioned that finding this kind of data from the 1980's may not be possible. Also, his is a mostly reactionary operation, it is difficult for them to measure productivity against pro-active strategies. Mr. Cunningham said that it is clear that the DPW has been under stress for a while. They are doing much more with the same number of people. Perhaps the Planning Department can help provide data on new roads etc. that can be used to support this analysis. Mr. Kolak spoke up saying that new positions should not be filled on the municipal side; this funding should be given to the school district instead. Mr. Petropoulos said that while he is impressed with the amount of work accomplished within these budget constraints, he is still unwilling to add a position given the ongoing benefit implications. Mr. Delaney replied that the GELD contribution would most likely cover the benefits. He stressed that this plan provides a great opportunity for the Town, otherwise he would not have presented it. Mr. Hartnett noted that under the current retirement regulations, new employees completely fund their own pensions (11% deduction applies). Mr. Pease suggested that the Town seek to re-negotiate the reimbursement amount with GELD should the associated benefit costs increase substantially. Mr. Robertson countered that GELD is not paying for benefits, they are paying per hour for cleaning services. He suggested that the Town ask for a per hour adjustment. Mr. Delaney reminded the group that this plan will offer an intangible benefit of fostering increased cooperation between departments. Mr. Degen was concerned that GELD could pull out of the plan at any time, therefore the funding dynamic is too risky. Mr. Petropoulos asked for confirmation that no fuel cost reductions were used to bring the budget in under 2%. Mr. Delaney said

that fuel and equipment maintenance are his largest budget drivers. He added that the Town consistently supports the DPW with sufficient investment in equipment.

Snow and Ice Budget – Mr. Delaney explained that he started the year with an empty salt and sand shed. Now he has about \$75,000 left in the Snow & Ice budget, but it wouldn't take much to push spending into deficit territory. Mr. Hargraves noted that deficit spending of this category is allowed by law, and is done almost every year.

On a motion by Mr. Hargraves, seconded by Mr. Pease, the Finance Committee voted unanimously to allow deficit spending of the FY16 Snow and Ice budget. The Vote: 6-0-0

Debt Service Budget – Mr. Green asked the Town Manager to explain the FY17 debt service plan. Mr. Haddad explained that the original FY16 operating budget (developed 18 months in advance of the start of the fiscal year) had included \$125,000 for short-term interest. As time progressed, additional capital needs were identified and it became apparent that the original financing plan would be inefficient and costly. The Treasurer and the Town's bond advisor agreed that it would be more prudent to roll the short-term note until FY19, at which time a permanent bond could be issued that would encompass the current capital items plus a new ladder truck. This will save the Town money on issuance costs, as each bond issue can cost \$50,000. Also, larger bond issues tend to result in more favorable interest rates to the Town. For those reasons, only about \$8,000 of the original \$125,000 appropriated to short-term interest will be expended in FY16. FY17 carries an increase to debt service (\$56,000 in interest costs), therefore debt service has not been deferred to balance the budget as has been suggested. In FY20, the Town will realize a reduction in the County Retirement assessment of approximately \$190,000 which can be used to offset the increased debt service payment that will result from permanently bonding the aforementioned capital items. Budgeting the debt in this fashion offers the opportunity to protect the tax rate, and is simply prudent financial management. Mr. Hartnett added that choosing to fund the debt service in this way adds flexibility to the process. Also, short-term bonds do not preclude principal payments, in fact a principal payment is planned for FY17 for the Lost Lake Fire Protection project, even though that is not yet permanently bonded. He stressed the main benefit of short-term financing is its low cost to municipalities. Mr. Robertson said that he is not opposed to the current debt service plan, but reducing wages & salaries in the proposed FY17 budget would just be a smart economic move. He would rather preserve the future County Retirement savings instead of allowing it to be absorbed into wages. If wages are brought in under 2.2%, then there will be \$140,000 available for other needs. Mr. Prest agreed that the debt financing plan makes sense, but would also like to see the savings preserved rather than spent on increased personnel costs. Mr. Pease reminded the group that Free Cash amounts certified each year can be utilized to relieve stressed budgets if needed. Mr. Petropoulos expressed concern that the County Retirement budget reduction anticipated for FY20 was already earmarked for OPEB. There is an opportunity cost associated with abandoning this plan, and perhaps the decision should not be left up to the Town Manager. Mr. Haddad disagreed saying that his job was to propose a budget, and it was the job of the FinCom and BOS to suggest changes. Mr. Haddad briefly described OPEB as the liability the Town has for providing other post-employment benefits (most notably health insurance) into the future for retired employees and their dependents. Currently, GASB 45 requires that the extent of the liability be disclosed on the Town's financial statements for potential investors. Mr. Degen noted that funding of the OPEB liability is not yet required, and the Town should not do so until it that funding is mandated.

Country Club Budget – Mr. Shawn Campbell provided an update on the operations of the Country Club. He noted that recent improvements were made to the retaining wall, the locker rooms and signage. The results have been positive and an attractive investment of funds to the building and grounds of the club. Revenues are up slightly and expenses have stabilized to a manageable level. He noted that some large liabilities have been taken off the books related to food and alcohol service. He said that his goal was to eventually reduce the current taxpayer subsidy (estimated at \$136,000) to zero. He plans to grow revenue at an ambitious 23% through encouraging more patronage and tweaking daily rates. He reminded the group that the capital lease for the golf carts was coming off the books after FY17 leaving some room in the budget for other improvements. Mr. Robertson said that a 3-year break-even plan is a worthy target. He cautioned against cutting back expenses too sharply, he would not like to see the operation starved. He said he was pleased with the improvements made so far and that it is now a pleasant place to bring guests. Mr. Prest would like to see an effort made to generate revenue during the off-season; he suggested that cross country ski trails could be successful on the site. Mr. Degen asked whether all the intangible costs associated with operating the Country Club were currently being captured in order to accurately measure the taxpayer subsidy. Mr. Haddad assured him that they were. Mr. Pease expressed concern that growing revenue at 23% may be too aggressive a target. He would like the warrant article to fund the Country Club to be presented separately at Town Meeting and the tax payer subsidy amount fully detailed for the voters. He would also like to see an updated revenue analysis so as to measure the success of the current business model. Mr. Haddad said that analysis will be more meaningful once the Country Club has completed a full business cycle under the new plan. Mr. Green suggested obtaining current usage metrics and comparing that data to maximum usage models. It will then be easier to visualize what a plan for 23% growth will look like, and a determination can be made as to whether that goal is in fact reasonable. He supports the goal of bringing the tax subsidy down to zero, as long as the Town can determine the proper level of investment to maintain.

Mr. Degen suggested experimenting with different fee structures as well as creative new revenue streams. Mr. Petropoulos wondered whether revenue growth can be successful if marketing expenses remain flat. Mr. Campbell replied that his own marketing plan will be completely different than what had been done at the Club previously. The Course Trends website hosting was not performing as had been expected and as a result, has been discontinued. A great deal of advertising is now being done over the internet via expanded email campaigns. This is a very robust tool and is basically cost-free. Direct marketing is also being targeted to previous members, and pamphlets will continue to be made available to schools and other local establishments. Mr. Petropoulos was worried that the budget was increasing while expenses are coming down. What will the future look like given this pattern? Mr. Campbell replied that the current gasoline powered carts will last 8 to 10 years. Additionally, 9-hole courses result in less wear and tear on carts. Also, the Club has a mechanic on staff that will result in cost-savings to the Town. He expects expenses to continue to trend downward, and doesn't envision any drastic surprises on the horizon. Mr. Petropoulos would like to see a plan to realize the depreciation cost of the carts in subsequent years so the Town is not faced with having to replace them all in 10 years. Mr. Prest wondered if the Country Club hosts benefits to gain publicity. He noted that the local media outlets would likely be willing to cover these kinds of events. Mr. Campbell replied that fundraisers and similar events are planned regularly. Mr. Hargraves asked whether the Function Hall is utilized to capacity. Mr. Campbell replied that the current lessees do book events, and the Town receives monthly rent payments; however he could not confirm whether it is booked to capacity. Mr. Haddad noted that the Town no longer purchases or sells liquor at that facility; the alcohol licenses will be transferred to the lessees on June 1st.

The lease agreement allows the Town to hold 4 free events annually in the Function Hall and also grants use of it occasionally for summer camp students and for senior programs. Mr. Degen pointed out that the cost of those liquor licenses will add \$4,500 of additional revenue to the Town per year.

Additional Budget Issues – Mr. Degen distributed a memo outlining several of his own ideas for reducing the Town budget. He feels that all vacancies should be removed from the Health Insurance budget. This could save approximately \$55,000. He also suggested eliminating the newly requested hours for the Treasurer’s Office, reducing the Police Department overtime by \$35,000 (earmarked for traffic enforcement), reducing the hours for one of the Assistants in the Town Clerk’s office (in order to change the status to non-benefitted) while increasing the hours of the other Assistant to make up the difference, reducing the place-holder for the Town Manager’s salary negotiation by \$6,018 (a 3% salary increase), and to implement changes to the Employee Merit Program such that the increases do not accrue to base salary year over year. He would also like to consider reducing the hours that Town Hall is open. Since the Town is looking at a need of \$2.2 million for the school district which will permanently raise the levy limit, it is important to cut deeply on the municipal side. He would advocate to close Town Hall on Fridays and reduce all employees to 36 hours per week. This will not change health insurance or vacation accruals and will give employees the benefit of a three day weekend. He added that this plan should not be applied to public safety departments. Mr. Hargraves was concerned about those employees who were close to retirement as this would impact pensions. Mr. Haddad mentioned that salaried employees do not work on an hourly basis and would therefore simply be receiving a pay cut. Mr. Pease advised that this kind of lever can only be used with those employees who are paid on an hourly basis; it is not an effective method for adjusting true salaries. Mr. Petropoulos said that protecting employee retirement is not a valid argument against this idea. Additionally, he believes that Town employees can perform the same jobs they are doing now in less time. Mr. Degen said that his last two ideas are drastic and likely unpopular solutions, and will have both positive and negative impacts to the Town.

Mr. Pease informed the group that a letter had been sent by a resident (Mr. Kevin Forsmo) to the Finance Committee and the Board of Selectmen. The letter explained that he had analyzed historical expense trends and felt that school district spending has lagged behind municipal spending during the period from 2009 through 2017. Mr. Forsmo is concerned over the growth in personnel costs in the municipal budget. He feels that there is no excuse for apathy and that deep cuts to municipal spending are necessary in order to hold down the impact of the proposed tax override. He proposed level-funded personnel costs on the municipal side. Mr. Prest asked how he would propose to hold those costs to zero growth. Mr. Forsmo replied that he trusts in the elected officials to do their best with his tax dollars. He added that employees should be eliminated on the municipal side and services cut in order to see what happens.

Mr. Petropoulos said that he has heard good arguments for every penny proposed in the FY17 budget. The question remains whether the proposals are affordable. He feels that personnel growth is not in line with the guidance given to the Town Manager. He would like the 2.2% growth target to be realized on operations alone. Mr. Haddad said that if given specific new guidance, he would provide a revised FY17 budget with whatever target the FinCom and BOS agree is best. He added that he feels he did meet the original budget guidance of 2.2% growth, and would like to mention that the Town has always funded the school district at whatever assessment level they have requested. Mr. Bacon noted that given the heavy pressure on reducing the municipal budget, similar scrutiny should be paid to the school budget. Mr. Green felt that although the FinCom will meet with the School Superintendent, it is not appropriate to

scrutinize the school budget to the same level as is done with the municipal budget. Mr. Petropoulos and Mr. Forsmo agreed that sustainability metrics should be furnished by the school district. Mr. Hargraves mentioned that Mr. Haddad has had great success with communicating with the school district and in creating and maintaining a stable relationship between the Town and the district.

Mr. Haddad said that as Town Meeting is set for April 25th, the warrant must go to the printer on April 1st if it is to be mailed to residents on April 11th. Mr. Degen noted that this is a very narrow window, therefore the FinCom should start scrutinizing the school budget very soon. Mr. Haddad said that he would like a final budget by April 4th. The school district must have their budget certified 45 days prior to Groton's Town Meeting. The Finance Committee members agreed to meet jointly with the Board of Selectmen on Thursday, February 18th in order to help develop new budget guidance. They agreed to meet on Tuesday, February 23rd for the same purpose as well as to discuss the school budget and other areas of concern. Mr. Petropoulos said that it would be impossible to look as closely at the school budget as was done for the municipal budget. Mr. Green replied that the meeting on Tuesday would be solely to get some questions answered and not to do a "deep dive." He added that the FinCom cannot recommend an assessment at Town Meeting until the members have had a chance to do a thorough analysis. Mr. Degen said that he still believes that a staged, tiered override is the best approach. This could be done by increasing the levy limit and voting the full override this year, but appropriating the assessment over a period of three years. Mr. Haddad agreed that this could be done; a ballot vote would be needed to increase the levy limit by the full amount of the override, but then Town Meeting could appropriate one third of that new limit each year for three years. The risk is that Town Meeting may act in an unpredictable way. Mr. Green asked that the Town Manager arrange for a meeting between the School Committee, the School Superintendent, the Board of Selectmen and Finance Committee on an upcoming weekend day.

Mr. Green officially adjourned the meeting of the Finance Committee at 1:40 p.m.

Mr. Petropoulos officially adjourned the meeting of the Board of Selectmen at 1:40 p.m.

Respectfully submitted,

Patricia Dufresne, Recording Secretary

TOWN OF GROTON Budgetary Goals for FY 2017

The town budget should be formulated with the following goals in mind.

General Budgetary Goals

- Ensure the town's sound financial condition
 - Cash Solvency - the ability to pay bills in a timely fashion.
 - Budgetary Solvency - the ability to balance the budget annually.
 - Long-Term Solvency - the ability to pay future costs.
 - Service Level Solvency - the ability to provide needed and desired services.
 - Public Confidence - the ability to garner public support for decisions that promote financial stability.
- Maintain flexibility to ensure the town is in a position to react and respond to changes in economic conditions or required services without under going financial stress.
- Ongoing operating costs will be funded by ongoing operating revenue sources.
- Avoid budgetary procedures that balance current expenditures at the expense of meeting future budgetary needs.

Operating Budget Goals

- *In FY2017, municipal spending should grow by 2.2% or less over 2016 Municipal Budget levels.*
- Stabilization Fund should maintain a balance of at least 5% of current annual budget, exclusive of Enterprise and Community Preservation Funds.
- Capital Stabilization Fund should maintain a balance of at least 1.5% of current annual budget, exclusive of Enterprise and Community Preservation Funds.
- Reserve Fund should be funded at an amount equal to approximately 1% of total general fund appropriations less the assessments to the district schools.
- OPEB Trust Fund should be funded at an amount equal to current liabilities with all such funds then used to pay for current year liabilities.
 - Town enterprises should work towards funding their Annual Required Contributions by incorporating such expenses into their rate structures.

Debt Budget Goals

- Town will not bond projects or aggregate funding of multiple projects/purchases that fall within the funding ability of the Capital Stabilization Fund.
- The town shall strive to maintain a debt service of between 3% and 5% of the town's current annual budget, exclusive of Enterprise funded debt, Community Preservation funded debt and debt service excluded from Proposition 2 1/2.
 - If debt service is projected to fall below 3%, the amount below shall be expended on one-time capital projects or appropriated to the Capital Stabilization Fund.
- Any lease-to-purchase agreements or similar financing activities shall be considered the same as debt.
- Massachusetts General Laws, Chapter 44, Section 10, specifies that the debt limit for towns is 5% of Equalized Valuation.

Other Budget Goals

- Conservation Fund should maintain a balance of at least 2% of current annual budget, exclusive of Enterprise and the Community Preservation Funds (to the extent possible, funding to come from Community Preservation fund).
- It is the towns desire that the Community Preservation Fund be managed in a manner that guarantees payment of current debt service prior to approving new projects.
 - Borrowing against the Community Preservation Fund shall be managed in order to assure that no more than a total of 75% of CPA receipts, not including annual contributions to the fund by the Commonwealth, are dedicated to debt service in compliance with Massachusetts Department of Revenue IGR 00-209 and File #2004-464.
- The town shall not enter into contracts for reimbursable and/or matching grant liabilities whose aggregate total exceeds 1.5% of the town's current annual budget exclusive of Enterprise and the Community Preservation funds.
- It is the desire of the town that special funds (Gifts, Grants, and Trusts) and Enterprise funds be managed to assure fund solvency and avoid undue stress on the general fund.

Patricia DuFresne

From: Mark Haddad
Sent: Thursday, February 18, 2016 7:08 AM
To: Jack Petropoulos (jack.petropoulos@gmail.com); Anna Eliot; Stuart Schulman home; Peter Cunningham-home; Josh Degen-Home
Cc: Dawn Dunbar; Patricia DuFresne; Gary Green (ggreen@freetobegreen.com); Bud Robertson; repbobh1@verizon.net; David Manugian (dmanugian@gmail.com); Barry Pease; markjodybacon@verizon.net; Arthur L. Prest (prest@prest.biz); Michael Hartnett; Rena Swezey; Melisa Doig
Subject: FW: Thursday Board of Selectmen meeting, public comment

FYI

-----Original Message-----

From: Frank Kolak [mailto:frankkolak@yahoo.com]
Sent: Thursday, February 18, 2016 6:57 AM
To: Selectmen
Subject: Thursday Board of Selectmen meeting, public comment

----- Original Message -----

Subject: Thursday BOS meeting public comment
From: Frank Kolak <frankkolak@yahoo.com>
Sent: 7:18pm, Wednesday, February 17, 2016
To: frankkolak@yahoo.com
CC: Groton Board of Selectmen,

At a recent board of selectmen meeting you requested comments or feedback from the public wrt current issues. These comments would be read at the beginning of the bos meeting.

I am writing to urge you to support the upcoming discussions constraining municipal personnel costs in a revised budget. I support level funding the 2017 municipal budget.

While this funding constraint may seem severe, it may be one of the few options available that could lessen the financial burden to the tax payer caused by a potential override

In summary I ask you to support an initiative to level fund the municipal budget to help fund the school assessment.

Thank you for your time and consideration to this matter.

Frank Kolak

The purpose of this document is to foster discussion on proposed budget reductions to the FY17 budget. In order to create long term financial stability we must look at maximizing our existing resources whether labor or benefits. Creation of new positions and expanded hours is not currently sustainable given the approximate yearly average new growth rate. Current escalation of direct payroll costs and 8% plus average increases in health insurance is a major factor in our inability to keep pace. Now is the time to wrangle in these exploding costs. The Finance Committee, Selectman and the Town Manager must work collectively to create a sound and financially prudent FY17 budget that better meets the needs of our taxpayers. The following reductions are only my suggestions and not the result of any collaboration with any one else. All numbers used are approximate unless specifically stated.

A) Accounting: Page 70 states that we are holding 6 vacancies for health insurance. The current updated actual number of open slots is now 4.7. At approximately \$16,000.00 per slot for the town's 80% share of the total cost this equals \$75,200.00. Past history shows without any new job creations that no more than two vacancies have been used since FY09. We may be able to save additional money should the assessment come in lower than the anticipated 9% increase. In addition it is unknown to me if the retiring individual from the Assessor's Office is taking health insurance. If so additional money can be cut from the overall health insurance line item. Therefore if we keep two slots open and eliminate 2.7 slots we can save a minimum \$43,200.00.

B) Treasurer: This office has utilized staff from the Assessor's Office in the past. An employee from the Assessor's Office is retiring thus creating a labor void for this office. The Treasurer had a wage budget request of \$104,235.00 or an increase of \$3,493.00 over FY16 for additional hours along with a request for additional help from our senior work program to meet the departmental needs. The Town Manager increased this line item 1121 to \$110,849.00. This number is \$6,614.00 higher than the initial department head's request. I suggest elimination of the \$6,614.00 additional increase and cross train other employees and/or a higher utilization of the senior workers in peak seasonal situations thus saving \$6,614.00.

C) Police Department: I met with Chief Palma who explained that he initially wanted another officer to be added to the force for the purpose of both traffic control and additional SRO help. The full weighted cost of this would have been in the range of \$80,000.00 annually. After meeting with the Town Manger, Mark added approximately \$42,000.00 to the overtime budget to help rather create a new position. We have added officers in recent years and had assurances that this would bring prior overtime issues under control. The need for this new hire will not be required for at least two if not three years from now when the Groton Inn, two temples and the Indian Hill project come online but certainly not for FY17. Adding any new money other than for driver retraining is premature and not needed. This results in cutting approximately \$35,000.00

D) Municipal Buildings: This department is calling for the creation of a new custodial/transfer station checker. There is no question in my mind that the transfer station is in need of a part time non benefits eligible 12-15 hour/week position. However there is absolutely no need to bring on a new full time position. Part of this new hire would benefit G.E.L.D. By providing 8 hours/week to meet their needs. The rest of the time would be relief coverage for other vacationing custodial staff and hours at the country club currently served by an outsourced independent custodian. The projected FY17 additional taxpayer expense over what we currently pay is projected at \$18,623.00 above our current arrangements.

This also assumes the individual to take a single and not a family health insurance plan. Should the new hire decide to take a family plan then the number would increase by over \$8,000.00 for the town's current 80% share. This would bring the total cost to the taxpayer to over \$26,000.00 per year. I suggest not funding this position as proposed thus saving \$18,623.00. Should a subsequent part time checker be proposed for the transfer station I would support that hire. This would free up existing staff to better utilize their time on profitable recycling work rather than spending time as a checker.

E) Town Clerk: This is one of the busiest offices in town. It is currently served by an elected full time Town Clerk and two assistant Town Clerks. The two Assistant Clerks work 20 hours per week thus making both positions benefits eligible. While one of the 20 hours/week employees does not currently take town health insurance the potential for this exists. Both 20 hour employees are great hard working individuals and this proposal has no implications to the contrary. Other communities of similar population have only one full time Assistant Clerk. If we are to use the current office model then I suggest increasing one position to 25-30 hours and the other the difference of 10-15 hours per week. The only net savings is this proposal is potential future savings for health care benefits.

F) Town Manager: The line item for the Town Manager salary has been increased from \$130,080.00 to \$140,000.00 or 7%. Given the budget direction of a 2.2% increase I suggest we adjust this by 3% maximum. This allows the Selectman some wiggle room. Therefore a 3% increase translates into \$3,902.00 increase over the FY16 appropriation to \$133,982.00. Thus I recommend a reduction of \$6,018.00.

G) Performance incentives: The 7 current collective union contracts have a provision for up to 2% bonuses. These bonuses are budgeted in excess of \$50,000.00. Most of the contracts have an average 2% annual escalator built into the yearly increase per employee. The "bonus" if granted are not true bonuses. A bonus is actually a one time payout that is distributed annually and not added to the employees base pay. The way that this program currently works adds any "bonus" to the base pay. This is not a bonus but a raise. Under this program, Groton actually is providing average raises in the range of 3 1/2% per year. This is not a sustainable model nor does it hold to the 2.2% guidance that we provided. Under the provisions of the contracts the bonus as currently worded is subject to Town Meeting appropriation. I suggest that we lower the pool of money to \$10,000.00. Until we renegotiate the collective bargaining agreements to include a bonus that does not accrue to base salary the only way to control these distributions is to lower the value of the pool. Lowering the pool to \$10,000.00 saves \$40,221.00. It forces the Town Manager to lower these "bonuses" until said time that they truly reflect actual comparable salary growth tied to average Massachusetts salary growth indices.

Total Savings

- A) 43,200.00
- B) 6,614.00
- C) 35,000.00
- D) 18,623.00
- E) 0.00
- F) 6,018.00
- G) 40,221.00

\$ 149,676.00 total savings to the FY17 budget

LINE	DEPARTMENT/DESCRIPTION	FY 2014 ACTUAL	FY 2015 ACTUAL	FY 2016 APPROPRIATED	FY 2017 DEPARTMENT REQUEST	FY 2017 TOWN MANAGER BUDGET	PERCENT CHANGE	FY 2017 IMPACT ON AVERAGE TAX BILL
TOWN MANAGER								
1030	Salaries	\$ 180,663	\$ 183,649	\$ 188,596	\$ 200,880	\$ 200,880	6.51%	\$ 43.83
1031	Wages	\$ 78,622	\$ 84,452	\$ 96,327	\$ 102,646	\$ 102,646	6.56%	\$ 21.74
1032	Expenses	\$ 14,600	\$ 3,300	\$ 4,000	\$ 4,000	\$ 4,000	0.00%	\$ 0.87
1033	Engineering/Consultant	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
1034	Performance Evaluations	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
DEPARTMENTAL TOTAL		\$ 273,885	\$ 271,401	\$ 288,923	\$ 307,526	\$ 307,526	6.44%	\$ 66.44

TOWN MANAGER
124

<u>LINE ITEM</u>	<u>FY 2016 APPROPRIATION</u>	<u>FY 2017 DEPARTMENT REQUEST</u>	<u>DIFFERENCE</u>	<u>PERCENT CHANGE</u>	<u>REASON FOR CHANGE:</u>	<u>FY 2017 TOWN MANAGER APPROVED</u>	<u>FY 2017 FINCOM APPROVED</u>	<u>PERCENT CHANGE</u>
Telephone								
Postage								
Office Supplies								
Dues & Memberships	\$ 2,000.00	\$ 2,000.00	\$ -	100.00%		\$ 2,000.00		100.00%
Travel and Conferences	\$ 1,000.00	\$ 1,000.00	\$ -	0.00%		\$ 1,000.00		0.00%
Equipment Maintenance								
Printing								
Software/Service Maintenance								
Space Rental								
Heating Costs								
Electricity								
Vehicle Costs								
Other: Legal Advertising	\$ 1,000.00	\$ 1,000.00	\$ -	0.00%		\$ 1,000.00		0.00%
Other:								
Other:								
Other:								
TOTAL FUNDS REQUESTED	\$ 4,000.00	\$ 4,000.00	\$ -	0.00%		\$ 4,000.00	\$ -	0.00%

Department Town Manager
 Org # 124
 COLA % 2.00%

FISCAL YEAR 2016								FISCAL YEAR 2017							
Last Name	First Name	Bargaining Unit	Position	Pay Grade	Rate	Hours	Annual Salary 1-Jul-15	Rate	Hours	Proposed Increase 1-Jul-16	Proposed Performance Increase	Final Base Rate	Other Pay	Final Salary	Projected Salary Fiscal 2017
Salaries															
Haddad	Mark		Town Manager			40	\$ 130,080.00			\$ 140,000.00				\$ 140,000.00	\$ 140,000.00
Dunbar	Dawn	By-Law	Executive Assistant	9		40	\$ 58,516.00			\$ 59,686.32	2.0%			\$ 60,880.05	\$ 60,880.05
TOTAL SALARIES							\$ 188,596.00								\$ 200,880.05
FISCAL YEAR 2016								FISCAL YEAR 2017							
Last Name	First Name	Bargaining Unit	Position	Pay Grade	Rate	Hours	Annual Salary 1-Jul-15	Rate	Hours	Proposed Increase 1-Jul-16	Proposed Performance Increase	Final Base Rate	Other Pay	Final Salary	Projected Salary Fiscal 2017
Wages															
Eiybe	Robin	THL	Interdepartmental	7	\$26.00	40	\$ 54,600.00	\$ 26.52	40	\$ 55,373.76		\$ 26.52		\$ 55,373.76	\$ 55,373.76
Homel	Jean	THL	DPW/CC Off Asst.	6	\$21.76	40	\$ 45,696.00	\$ 22.20	40	\$ 46,363.60	2.0%	\$ 22.64		\$ 47,272.32	\$ 47,272.32
							\$ (3,969.00)								
TOTAL WAGES							\$ 96,327.00								\$ 102,646.08

LINE	DEPARTMENT/DESCRIPTION	FY 2014 ACTUAL	FY 2015 ACTUAL	FY 2016 APPROPRIATED	FY 2017 DEPARTMENT REQUEST	FY 2017 TOWN MANAGER BUDGET	PERCENT CHANGE	FY 2017 IMPACT ON AVERAGE TAX BILL
PLANNING BOARD								
1210	Salaries	\$ 76,215	\$ 80,788	\$ 82,358	\$ 83,975	\$ 80,580	-2.16%	\$ 17.64
1211	Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
1212	Expenses	\$ 7,531	\$ 7,178	\$ 8,100	\$ 7,500	\$ 7,500	-7.41%	\$ 1.64
1213	M.R.P.C. Assessment	\$ 3,159	\$ 3,160	\$ 3,320	\$ 3,403	\$ 3,403	2.50%	\$ 0.72
1214	Legal Budget	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
DEPARTMENTAL TOTAL		\$ 86,905	\$ 91,126	\$ 93,778	\$ 94,876	\$ 91,483	-2.45%	\$ 20.00

PLANNING BOARD
175

<u>LINE ITEM</u>	<u>FY 2016 APPROPRIATION</u>	<u>FY 2017 DEPARTMENT REQUEST</u>	<u>DIFFERENCE</u>	<u>PERCENT CHANGE</u>	<u>REASON FOR CHANGE:</u>	<u>FY 2017 TOWN MANAGER APPROVED</u>	<u>FY 2017 FINCOM APPROVED</u>	<u>PERCENT CHANGE</u>
Telephone								
Postage								
Office Supplies								
Dues & Memberships								
Travel and Conferences	\$ 300.00	\$ 400.00	\$ 100.00	33.33%	increase in registration fees	\$ 400.00		33.33%
Equipment Maintenance								
Printing	\$ 100.00	\$ 100.00	\$ -	0.00%		\$ 100.00		0.00%
Software/Service Maintenance								
Space Rental								
Heating Costs								
Electricity								
Vehicle Costs								
PB Advertising	\$ 4,000.00	\$ 4,000.00	\$ -	0.00%		\$ 4,000.00		0.00%
Land Use Legal (HDC/Sign Comm)	\$ 200.00	\$ 500.00	\$ 300.00	150.00%	increase in applications	\$ 500.00		150.00%
Land Use Banners	\$ 1,500.00	\$ 1,500.00	\$ -	0.00%		\$ 1,500.00		0.00%
Engineering	\$ 1,000.00		\$ (1,000.00)	-100.00%				-100.00%
Consultant	\$ -		\$ -					
Other: ADA/SLI	\$ 1,000.00	\$ 1,000.00	\$ -	0.00%		\$ 1,000.00		0.00%
TOTAL FUNDS REQUESTED	\$ 8,100.00	\$ 7,500.00	\$ (600.00)	-7.41%		\$ 7,500.00	\$ -	-7.41%

Department Planning Board
 Org # 175
 COLA % 2.00%

FISCAL YEAR 2016								FISCAL YEAR 2017							
Last Name	First Name	Bargaining Unit	Position	Pay Grade	Rate	Hours	Annual Salary 1-Jul-16	Rate	Hours	Proposed Increase 1-Jul-16	Proposed Performance Increase	Final Base Rate	Other Pay	Final Salary	Projected Salary Fiscal 2017
Salaries															
Bonavita	Laurie	Supervisors	Land Use Director/	14		40	\$ 79,000.00			\$ 80,580.00			\$ -	\$ 80,580.00	\$ 80,580.00
Other Pay							\$ 3,358.00								
TOTAL SALARIES							\$ 82,358.00								\$ 80,580.00
FISCAL YEAR 2016								FISCAL YEAR 2017							
Last Name	First Name	Bargaining Unit	Position	Pay Grade	Rate	Hours	Annual Salary 1-Jul-16	Rate	Hours	Proposed Increase 1-Jul-16	Proposed Performance Increase	Final Base Rate	Other Pay	Final Salary	Projected Salary Fiscal 2017
Wages															
TOTAL WAGES							\$ -								\$ -

LINE	DEPARTMENT/DESCRIPTION	FY 2014 ACTUAL	FY 2015 ACTUAL	FY 2016 APPROPRIATED	FY 2017 DEPARTMENT REQUEST	FY 2017 TOWN MANAGER BUDGET	PERCENT CHANGE	FY 2017 IMPACT ON AVERAGE TAX BILL
BOARD OF HEALTH								
1270	Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
1271	Expenses	\$ 847	\$ 787	\$ 1,000	\$ 1,000	\$ 1,000	0.00%	\$ 0.22
1272	Nursing Services	\$ -	\$ -	\$ 10,273	\$ 10,787	\$ 10,787	5.00%	\$ 2.24
1273	Nashoba Health District	\$ 31,943	\$ 31,943	\$ 22,948	\$ 23,636	\$ 23,636	3.00%	\$ 5.01
1274	Mental Health Services	\$ -	\$ -	\$ 8,000	\$ 8,000	\$ 8,000	0.00%	\$ 1.75
1275	Eng/Consult/Landfill Monitoring	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	0.00%	\$ 2.16
DEPARTMENTAL TOTAL		\$ 42,790	\$ 42,730	\$ 52,221	\$ 53,423	\$ 53,423	2.30%	\$ 11.40

BOARD OF HEALTH
5-10

<u>LINE ITEM</u>	<u>FY 2016 APPROPRIATION</u>	<u>FY 2017 DEPARTMENT REQUEST</u>	<u>DIFFERENCE</u>	<u>PERCENT CHANGE</u>	<u>REASON FOR CHANGE:</u>	<u>FY 2017 TOWN MANAGER APPROVED</u>	<u>FY 2017 FINCOM APPROVED</u>	<u>PERCENT CHANGE</u>
Telephone								
Postage								
Bulk mailing	\$ 300.00	\$ 300.00	\$ -	0.00%		\$ 300.00		0.00%
Dues & Memberships								
Advertising public hearings	\$ 100.00	\$ 300.00	\$ 200.00	200.00%	Increase in the number of applications	\$ 300.00		200.00%
Travel/Conferences	\$ 200.00	\$ -	\$ (200.00)	-100.00%		\$ -		-100.00%
Other: Rabies Control	\$ 400.00	\$ 400.00	\$ -	0.00%		\$ 400.00		0.00%
TOTAL FUNDS REQUESTED	\$ 1,000.00	\$ 1,000.00	\$ -	0.00%		\$ 1,000.00	\$ -	0.00%
Line 1274								
Mental Health Services	\$ 8,000.00	\$ 8,000.00	\$ -	0.00%		\$ 8,000.00		0.00%

LINE	DEPARTMENT/DESCRIPTION	FY 2014 ACTUAL	FY 2015 ACTUAL	FY 2016 APPROPRIATED	FY 2017 DEPARTMENT REQUEST	FY 2017 TOWN MANAGER BUDGET	PERCENT CHANGE	FY 2017 IMPACT ON AVERAGE TAX BILL
MASHOBA VALLEY REGIONAL TECHNICAL HIGH SCHOOL								
1400	Operating Expenses	\$ 468,592	\$ 572,775	\$ 596,609	\$ 570,080	\$ 570,080	-4.45%	\$ 133.42
DEPARTMENTAL TOTAL		\$ 468,592	\$ 572,775	\$ 596,609	\$ 570,080	\$ 570,080	-4.45%	\$ 133.42
GROTON-DUNSTABLE REGIONAL SCHOOL DISTRICT								
1410	Operating Expenses	\$ 16,352,836	\$ 17,756,023	\$ 17,097,405	\$ 17,873,505	\$ 17,873,505	4.54%	\$ 3,899.46
1411	Debt Service, Excluded	\$ -	\$ -	\$ 1,118,387	\$ 1,086,471	\$ 1,086,471	-2.85%	\$ 233.62
1412	Debt Service, Unexcluded	\$ -	\$ -	\$ 50,404	\$ 57,103	\$ 57,103	0.00%	\$ 12.19
1413	Out of District Placement	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
DEPARTMENTAL TOTAL		\$ 16,352,836	\$ 17,756,023	\$ 18,266,196	\$ 19,017,079	\$ 19,017,079	4.11%	\$ 4,145.26
TOTAL SCHOOLS		\$ 16,821,428	\$ 18,328,798	\$ 18,862,805	\$ 19,587,159	\$ 19,587,159	3.84%	\$ 4,278.68

LINE	DEPARTMENT/DESCRIPTION	FY 2014 ACTUAL	FY 2015 ACTUAL	FY 2016 APPROPRIATED	FY 2017 DEPARTMENT REQUEST	FY 2017 TOWN MANAGER BUDGET	PERCENT CHANGE	FY 2017 IMPACT ON AVERAGE TAX BILL
EMPLOYEE BENEFITS								
GENERAL BENEFITS								
3000	County Retirement	\$ 1,481,574	\$ 1,560,704	\$ 1,771,089	\$ 1,874,224	\$ 1,874,224	5.82%	\$ 408.90
3001	State Retirement	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
3002	Unemployment Compensation	\$ 43,488	\$ 40,635	\$ 41,800	\$ 41,800	\$ 41,800	0.00%	\$ 9.12
INSURANCE								
3010	Health Insurance	\$ 1,383,565	\$ 1,357,580	\$ 1,574,000	\$ 1,703,986	\$ 1,703,986	8.26%	\$ 372.63
3011	Life Insurance	\$ 1,753	\$ 2,123	\$ 2,500	\$ 2,500	\$ 2,500	0.00%	\$ 0.55
3012	Medicare/Social Security	\$ 109,304	\$ 109,583	\$ 118,000	\$ 120,360	\$ 120,360	2.00%	\$ 26.26
DEPARTMENTAL TOTAL		\$ 3,019,684	\$ 3,070,625	\$ 3,507,389	\$ 3,742,870	\$ 3,742,870	6.71%	\$ 817.46

FY17 Budget Notes:

County Retirement:

FY17 represents 2nd year of 2-year 1/1/14 system-wide valuation by MCRS and its actuarial firm. FY16 increase to Groton of 11.3% was reflective of various 1-time liability charges for new employees transferring to Groton from other MCRS communities. MCRS projected a system-wide increase for both FY16 and FY17 of 6.5% under its revised funding plan to fully fund the system by 2034. The base increase of 6.5% for these two years is then adjusted up or down for each member community, the adjustment of which relates to member-only specifics... age of retirees; new hires; disabilities (if applicable), etc...

Groton for FY17 fell under the system-wide average of 6.5% at 5.82%. An additional full year pre-paid discount of 2% is allowed by MCRS.

MCRS has projected (expected to be completed and published in July 2016) a new system-wide base increase for FY18 and FY19 of 4.5%....again adjusted further up or down given each member community's specifics. Where Groton comes out is yet to be determined for FY18 and FY19.

Inclusive in the FY17 County Retirement assessment shown are the following 15-year annual amortized separate assesments for an Early Retirement Incentive (ERI) program t participated in, in FY2002 and FY2003;

Payment on 2002 ERI-	189,931
Payment on 2003 ERI-	19,415
	<u>209,346</u>

The 2002 ERI Amortization will expire effective FY18. The 2003 ERI Amortization will expire effective FY19.