

# TOWN OF GROTON FINANCE COMMITTEE

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*Tuesday, March 8th, 2016, Selectmen's Meeting Rm*

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

*Meeting held jointly with the Board of Selectmen*

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

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

**Absent:** S. Schulman, B. Pease,

**Also Present:** M. Haddad (Town Manager), A. Manugian (School Committee), T. Delaney (DPW Director), C. Sartini (Groton Herald), J. Kubick (School Committee), Members of the Public,

**Documents available at the meeting:** Updated 5-Year Budget Projections  
Letter from Mary Falzone to FinCom/BOS  
Budget Reduction Proposal from Mr. Degen  
Letter from B. Pease to Finance Committee

*Mr. Green called the meeting of the Finance Committee to order at 7:00 pm.*

*Mr. Petropoulos called the meeting of the Board of Selectmen to order at 7:00 pm.*

FY17 Budget Discussion- Mr. Green opened the meeting by reviewing the Agenda, and suggesting that the meeting be devoted to reaching a rough target for the budget, and not necessarily to finalize all the details. He read aloud an email from Mary Falzone in support of allowing full democratic process for any override considerations (document attached). He also read a statement from B. Pease (FinCom Member) suggesting a larger sample size be used for school district comparison efforts (document attached). A member of the public opined that using Westford as a comparison district is not necessarily valid as certain of their budget line items are treated differently than they are in the GDRSD district. Mr. Degen referenced his presentation at the BOS meeting on 3/7/16 and asked to reprise that information at the appropriate time during this meeting. Mr. Haddad noted that there were no new budget updates for FY17. He added that he had done additional work on projections, and had discovered that school growth is sustainable at 3%, however, growth of 4.7% is unsustainable even when the Town is held to a 0% growth plan. Additionally, given 2.2% growth on the municipal side, the highest sustainable level of school growth that can be supported is about 3.5% per year. Mr. Green agreed that his own analysis confirmed this result.

Mr. Haddad mentioned that the municipal side of the budget could support the schools with as much as \$1.07 million exclusive of an override request in the following manner:

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FinCom Meeting Minutes 3/08/2016

Approved 3/21/16

\$776,100	Original budgeted set-aside
\$129,000	Cuts recommended in carry-over budget
\$100,000	Re-purpose of unused Snow & Ice budgeted deficit
<u>\$ 73,000</u>	Unexpended tax capacity
\$1,078,100	Available within levy capacity for school district

Mr. Haddad noted that if the school district can remain within a 3% growth range for the coming year, this will allow time for the new Sustainable Budget Committee to study the issues and provide some guidance, as well as giving the School Committee a chance to formulate their capital and technology plans. He cautioned that without an override of Proposition 2 ½, the additional \$302,000 cannot be appropriated to the school district unless Dunstable agrees to match their share of that spending.

Mr. Green suggested that the Town Manager's carry-over budget be used as a starting point, and asked members for feedback or additional adjustments. Mr. Manugian felt that the Town carry-over budget roughly equates to the school district's needs budget, and therefore does not equally distribute the pain. He would like to see more pain inflicted on the municipal side. Several members disagreed with this comparison. Mr. Green said that if the needs assessment budget is certified, and the override fails, there will then be ample time to pursue more drastic cuts. He does not feel it is useful at this point to look for ways to cause the greatest pain in anticipation of a failed override. Mr. Manugian countered that the Town Manager had just recommended not requesting an override. Mr. Haddad replied that he had emphatically not made any such recommendation; he was simply illustrating what the financial impact would be should the School Committee and the BOS decide not to move forward with an override request.

Mr. Prest referenced the tax impact discussion relative to the various spending scenarios that occurred during the BOS meeting about a week ago. He felt that the tax savings to be realized on the 0% budget were not significant enough to justify drastically cutting the municipal side of the budget. Mr. Robertson noted that 3 of the 4 Selectmen present at that meeting had seemed willing to start the budget process from the carry-over scenario. Mr. Petropoulos indicated that he was ready to make cuts beyond what was recommended in that scenario. Mr. Robertson pointed out that restricting municipal growth to less than \$100,000 would result in an override request of less than \$2 million. He emphasized that he would not like to see dramatic changes to the level of services offered by the Town. A balance must be found between funding really good schools and providing a good place to live. Furthermore, the Town does not need to make "survival" level cuts, but should consider less extreme "tuning" cuts that are common to growing companies. Beyond the carry-over budget, Mr. Robertson would advocate to reduce Town Manager salaries by \$4,716, Selectmen stipends by \$3,950, Assessor's stipends by \$2,430, and to reduce 4 vacancies from the Health Insurance budget (roughly \$65,000). These are specifically wage & benefit reductions which will alleviate sustainability concerns. In order to reduce the override request to less than \$2 million, he would ask the Town Manager to find another \$15,000 of cuts from municipal expenses. The total budget reduction given this plan would be approximately \$294,000. Mr. Haddad noted that Mr. Robertson's analysis provides similar results to his own recommendation.

Mr. Green asked about the potential savings from the prepayment discount on the pension assessment. Mr. Hartnett replied that given a favorable cash flow position in any given fiscal year, the Town usually chooses to prepay the entire Middlesex County Retirement assessment in order to realize the 2% discount

(about \$35,000 given a \$1.7 million payment). He offered to petition for a TAN (tax anticipation note) in order to lock in the savings opportunity regardless of cash flow in July. This would cost the Town less than \$1,500, but guarantee the discount of \$35,000. The members felt this option should be pursued, and asked that Mr. Hartnett obtain firm cost information on the short term borrowing.

**On a motion by Mr. Hargraves, seconded by Mr. Prest, the Finance Committee voted unanimously to pre-pay the Middlesex County Retirement Assessment thus locking in the discount, and funding that with a TAN at the Treasurer's discretion. The Vote: 6-0-0**

Mr. Hargraves said that in the past he has favored using \$200,000 of Free Cash to offset the tax rate. He wondered about limiting this offset to \$100,000 for the coming year. Mr. Haddad replied that there is \$100,000 available in the budgeted Snow & Ice deficit that could be factored into the equation. Mr. Robertson said that this could also be used to fund OPEB. Mr. Delaney requested that he be allowed to use some of the unspent balance in the Snow & Ice budget to fill the salt and sand sheds for next season. Once the Town exhausts its original appropriation and begins to deficit spend, then only emergency expenditures are permitted. Mr. Haddad reminded the group that if the Snow & Ice budget is ever increased, it cannot be reduced again or the Town loses the ability to deficit spend during severe winters. Additionally, he advised against increasing this budget beyond \$340,000 so as to avoid overtaxing during those years when the weather is milder. Ms. Manugian would like to see some of the proposed cuts moved into the override portion of the budget. If the override passes, both sides will realize the benefit; and if it fails, both sides must trim back. Mr. Green asked that the Finance Committee take positions regarding the budget adjustments proposed thus far.

**On a motion by Mr. Hargraves, seconded by Mr. Bacon, the Finance Committee voted unanimously to reduce the budgeted deficit for Snow & Ice in FY17 from \$200,000 to \$100,000. The Vote: 6-0-0**

The Finance Committee briefly discussed the idea of budgeting fewer vacancies for the Health Insurance line. Mr. Haddad explained that the cost to the Town for a family plan is approximately \$18,000. These vacancies are held in reserve in case additional subscriptions are taken during open enrollment (or due to employee qualifying events any time during the year). A significant savings could be realized by leaving only a single vacancy. Ms. Dufresne noted that 2 of the available vacancies have already been spoken for. Mr. Degen observed that it would make sense to first address the question of the number of benefitted positions that will be part of the budget, before fixing the vacancies to be held in reserve. Mr. Haddad felt comfortable cutting \$33,000 or roughly 2 vacancies. This discussion was tabled for the time being.

Mr. Green noted that contract negotiations for the Town Manager were ongoing, therefore discussion of this wage line should be limited so as not to violate ground rules. Mr. Degen said that the recommended goal given to the Town Manager for municipal wage growth was 2.2%, therefore all employees, including the Town Manager should receive increases of no more than 2.2%. Mr. Green suggested cutting this line by \$4,716, and adjusting it later if the completed contract results in a different salary requirement. Both Mr. Petropoulos and Mr. Haddad felt that this was a reasonable plan.

**On a motion by Mr. Hargraves, seconded by Mr. Bacon, the Finance Committee voted unanimously to reduce the Town Manager Salary line by \$4716. The Vote: 6-0-0**

Mr. Green felt uncomfortable voting to cut elected officials' stipends when those individuals have not been given the opportunity to object at a posted meeting. Mr. Hargraves remarked that this vote would not set a precedent, and most boards and committees are happy to serve without compensation. Mr. Robertson felt it was unlikely that any of the affected board members would object given the financial difficulties facing the Town. The Selectmen present said they did not raise an objection to the elimination of the BOS stipends. Mr. Degen noted that he had previously approached the Board of Assessors, and they had verbally assured him that they would not object to elimination of their stipend.

**On a motion by Mr. Hargraves, seconded by Mr. Bacon, the Finance Committee voted unanimously to eliminate the Board of Selectmen stipend of \$3,950 and the Board of Assessors stipend of \$2,430 from the FY17 budget. The Vote: 6-0-0**

Mr. Degen introduced his counter-proposal originally presented to the BOS on 3/7/16. (document attached). Mr. Green invited discussion on eliminating the proposed DPW Custodian. Mr. Haddad explained that the Library Trustees had voted unanimously to utilize 3 hours of this position, thereby reducing the Library appropriation by approximately \$4,000. Mr. Manugian said that he appreciated the need, however it is a new position and should be part of a municipal override discussion. Mr. Delaney replied that building maintenance must be accomplished with or without an override. Additionally, he had been able to reduce expenses in other budgets by adding this position. Those expenses will have to be increased again if the position is eliminated. Mr. Haddad said that the custodian will reduce overtime by \$5,000, building expenses by \$13,500, and library wages by \$4,000. Unfortunately, GELD has decided to issue its own RFP for custodial services; if they receive a positive response, they may decide not to reimburse \$12,400 for this position as they originally offered. Mr. Haddad advocated strongly for keeping this position; there will be no increase to head count as a position in the Assessor's office is being eliminated. He feels that the need for help at the Transfer Station, the Country Club and in Building maintenance has been firmly established. Mr. Prest feels that this issue has been debated sufficiently in previous meetings; it is affordable and seems like the right thing to do. Several of the members expressed concern about GELD pulling out of the funding plan. Mr. Degen stressed the importance of using the process of attrition to aid in cutting positions as it nullifies the negative impact on employees. He remains concerned about creating a new benefit eligible position, and would prefer eliminating Sunday hours at the library, which would in turn reduce the need for custodial hours. Mr. Degen suggested hiring a part-time checker to relieve the burden at the Transfer Station. If GELD decides not to contribute to this position, Mr. Delaney offered to reduce the hours. He added that the idea of using a part-time checker may lead to union grievances. Mr. Hargraves asked whether Senior Work-Off Volunteers could be used at the Transfer Station. Mr. Delaney said that while they do help out, their hours are limited, and the inconsistent level of training leads to mistakes that add to the work load at Town Hall. The group discussed whether or not the proposed DPW position should be considered "new" considering that it does not increase overall head count, and therefore does not impact the sustainability formula. Mr. Robertson argued that by including this position, the Town is passing on an opportunity to actually improve its sustainability position. Mr. Green said that while he can appreciate that this opportunity Town, he recognizes the exemplary efficiency with which the DPW Director discharges his responsibilities and feels that allowing this position would provide an additional tool in support of that department. Mr. Robertson asked that the FinCom be informed of GELD's final decision as this discussion may have to be revisited.

**On a motion by Mr. Prest, seconded by Mr. Bacon, the Finance Committee voted in the majority to retain the DPW Custodian position in the FY17 Operating Budget. The Vote: 5-1-0 (Mr. Manugian voted against this motion).**

Mr. Haddad explained that increasing the Sunday hours allows the Groton Library to meet the state requirements for open hours for the larger population tier which would reduce the books and materials expenditure obligation from 16% of the municipal appropriation to 15%. The effect of cutting Sunday hours is to reduce wages by \$8,000, but to increase the books and materials budget by \$5,000 in order to maintain compliance with the state minimums. The ensuing discussion revealed some confusion regarding the relative financial impacts of these line items. Mr. Green indicated that he would speak to the Library Director to get clarification. Mr. Cunningham reminded the group that the school district does benefit from services provided by the library.

Mr. Degen recommended eliminating the part-time building inspector. He would prefer to retain an on-call inspector to help during the busy season, who would be paid as services are provided. Mr. Haddad agreed that this position could be eliminated.

**On a motion by Mr. Robertson, seconded by Mr. Manugian, the Finance Committee voted unanimously to eliminate the Part-Time Building Inspector from the budget for FY17. The Vote: 6-0-0**

Mr. Degen asked what the Finance Committee would recommend regarding Sargisson Beach. Mr. Green was reluctant to remove funding for this without a policy decision from the Board of Selectmen. Mr. Bacon noted that this suggestion only eliminates funding for the lifeguards; the beach will still be open to those who wish to swim at their own risk. Mr. Delaney cautioned that due to insurance liability concerns, the Town should not install the docks if lifeguards would not be provided. Mr. Degen conceded that this was a difficult suggestion for him to make as he had previously advocated for the lifeguards. However, he feels that this is not a true need, and would prefer to see this funding included in an override budget, along with an additional \$240,000 of potential cuts. Mr. Bacon disagreed with including core municipal services as part of an override attempt. Ms. Manugian argued that the school district has done without core services for the last 5 years. Mr. Bacon would like further justification as to why the school district insists on making up for the last 5 years all at once. Mr. Cunningham noted that the lack of advocacy from past school administrators has certainly contributed to this dilemma. He asked Mr. Delaney to follow-up with the insurance company as to the best way to address the liability issues pertaining to lifeguards at the beach. Mr. Hargraves argued that without the beach, only those residents who can afford to pay the fee can swim at the Country Club. He feels this is not an equitable way to provide services. Mr. Prest noted that the Groton Lakes Association had donated \$10,000 to fund Sargisson Beach; perhaps that gift should be returned if the promised services will no longer be provided. Mr. Green felt that as the Town is not now making "survival" level cuts, he would prefer to retain the beach funding for now. Additionally, the beach expenses do not contribute to the sustainability problem. Ms. Manugian said the cuts required on the municipal side of the budget require strong leadership; as many reductions as possible should be identified now and included in a municipal override budget. Mr. Green said that this approach is not reasonable as even if the municipal budget is held flat, the 4.7% growth projected by the school committee is not sustainable. Ms. Manugian said that the district has cut deeply for the last 5 years; theirs is not a spending problem, it is a revenue problem. Mr. Hargraves reminded the group that the district is struggling now due to lack of attention on the part of the school committee and past administrators. Ms.

Manugian agreed that while this is true, it is now time to look to the future. Mr. Hargraves replied that everyone must now pull together to make the district whole. Ms. Manugian countered that she is hearing a lot of words, but the commitment to cut even small amounts is not evident. Mr. Green disagreed saying that the Town had reduced its own budget in the last several years to support additional school needs and is currently working to find new cuts in order to support the district. Ms. Manugian said that no substantial cuts are so far apparent on the municipal side. Mr. Haddad interjected that the Town had increased its original funding for the schools to meet the required carryover assessment of \$776,100, and an additional \$400,000 has now been identified; it is unfair to accuse the Town of not making budget cuts. He added that he has always supported the school districts 100% and would continue to do so. Ms. Manugian said that real cuts would cause more pain; the cuts identified thus far are not painful enough. Mr. Petropoulos agreed saying that Town Hall employees must work harder and be cross-trained for additional jobs. He added that all the cuts identified now will serve to make the inevitable tax override less burdensome to the residents. Mr. Green pointed out that there is simply no way to solve the school problem by cutting the municipal budget, and is somewhat disappointed that the Board of Selectmen is willing to support such a plan. Mr. Degen noted that the Sunday Boston Globe has reported a reduction in median household incomes in towns surrounding Groton. Given these circumstances, it would be negligent not to consider all possible cuts. Mr. Green said his previous comment regarding the selectman's attitude toward balancing school and town cuts was unwarranted. However, he feels that making drastic cuts in the absence of a sound plan does not make sense. It is true that the Town must look at creating a sustainable path forward, but that work has not yet been done. Whereas if the school district can find a way to restrict its growth to 3.5%, the Town can continue to provide those services that the residents want, such as the beach. Ms. Manugian agreed that 4.7% growth cannot be sustained, and they are working with the State to try to increase revenue. In the meantime, the Town must support the school district and an override attempt. Mr. Green suggested that the school do its own work on creating a sustainable plan similar to what the Town is doing. Ms. Manugian disagreed saying that the problem is not on the school side; the Town must cut its budget instead and include those cuts in an override proposal. Mr. Bacon expressed frustration that while the Town has not attempted to pick apart the school budget, the school committee feels quite comfortable attacking municipal employee wages and benefits. Mr. Forsmo said that some issues have been taken off the table because they do not trip the sustainability criteria; he believes that every cut will help and that the municipal budget should be "nickel and dimed." Mr. Manugian pointed out that some residents will be forced to move out of Town given the projected tax increases. He would be more comfortable looking them in the face if he can say that he helped make sure that similar pain was inflicted on Town wages and benefits as has been inflicted on residents. Mr. Degen said that he agreed with Mr. Forsmo; everything should be weighed at this point, including merit increases for the employees. He feels the Performance Incentive Program is part of the sustainability problem and regrets agreeing to it. He recommends making the contractual merit increases part of the override budget. Mr. Robertson suggested addressing merit increases during the next round of union negotiations. He added that an additional \$15,000 must be cut from municipal expenses to bring the override amount to under \$2 million. Mr. Haddad said that he would make that cut.

**On a motion by Mr. Bacon, seconded by Mr. Manugian, the Finance Committee voted unanimously to direct the Town Manager to cut an additional \$15,000 from the FY17 municipal budget.**

**The Vote: 6-0-0**

Mr. Haddad cautioned that the structure and wording of the override request would be crucial in order to avoid further polarizing the Town and school district efforts. He suggested scheduling a meeting with the Finance Committee, Board of Selectmen, and School Committee to make sure that all parties fully understand the process and can help structure the presentation to Town Meeting. The group agreed to meet on Wednesday, March 16<sup>th</sup> at 6:00 p.m. in the 2<sup>nd</sup> Floor Meeting Room at Town Hall.

Country Club Open Date – Mr. Haddad informed the group that as the weather has been so favorable, the Country Club General Manager has asked for permission to open the golf course 2 weeks early (April 1<sup>st</sup>). This would require additional funding of that wage line in the amount of \$2,456 and could be addressed as a Line Item Transfer at the Spring Town Meeting. Mr. Degen felt this was a great idea, and would further like to see the greens fees waived for Groton residents on Sundays during that 2-week period. He feels this would be a useful marketing tool.

Mr. Degen moved that the opening day of the Groton Country Club be advanced to April 1<sup>st</sup>, but that greens fees be waived for residents on the first 2 Sundays (cart fees will still apply). Mr. Petropoulos suggested that the General Manager should determine how best to structure the marketing efforts. Mr. Degen amended his motion to open the Country Club on April 1<sup>st</sup>, with the recommendation that the General Manager consider a marketing plan that includes free Sundays. Mr. Cunningham seconded this motion, which carried by majority vote. The Vote: 4-0-0

Foundation Budget Resolution (Document Attached) – Ms. Manugian explained that a recent review of the Chapter 70 formula determined that it is outdated and results in drastically insufficient revenue to many districts. Governor Baker disregarded the recommendations of the review committee when he completed his budget. The Suburban Coalition then created a resolution that may be adopted by local School Committees, Boards of Selectmen and Finance Committees to urge the state to support the findings of the Foundation Review Committee. Mr. Cunningham informed the group that the Board of Selectmen adopted this resolution and is also writing a separate letter to Sheila Harrington and Eileen Donoghue to urge enhanced state funding for Groton's school district. Mr. Green suggested that a similar letter from the Finance Committee would be appropriate. Mr. Hargraves reminded the group that the Governor's budget does not represent the final funding level for the school. He asked Ms. Manugian if the school committee would be willing to consider reducing the override amount if the final state budget (anticipated late in April) proves more generous. Ms. Manugian replied that such a discussion could take place at a later date.

On a motion by Mr. Prest, seconded by Mr. Bacon, the Finance Committee voted unanimously to endorse the Foundation Budget Resolution as presented. The Vote: 6-0-0

*Mr. Green officially adjourned the meeting of the Finance Committee at 9:05 p.m.*

*Mr. Petropoulos officially adjourned the meeting of the Board of Selectmen at 9:05 p.m.*

Respectfully submitted,

Patricia Dufresne, Recording Secretary

## Patricia DuFresne

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**From:** Gary Green <ggreen@freetobegreen.com>  
**ant:** Friday, March 04, 2016 9:00 AM  
**To:** Patricia DuFresne  
**Subject:** Fwd: Chapter 70 Resolution  
**Attachments:** Ch70 Resolution.doc; ATT00001.htm

Hi Patricia-

Can you add this to the end of our Tuesday night agenda and forward onto committee members?

Thank you,  
Gary

Begin forwarded message:

**From:** Alison Manugian <[amanugian@gdrsd.org](mailto:amanugian@gdrsd.org)>  
**Subject:** Chapter 70 Resolution  
**Date:** March 3, 2016 at 5:33:41 PM EST  
**To:** [ggreen@freetobegreen.com](mailto:ggreen@freetobegreen.com), Jack Petropoulos <[jack.petropoulos@gmail.com](mailto:jack.petropoulos@gmail.com)>, Christine Muir <[themuir@charter.net](mailto:themuir@charter.net)>, Jakob Hamm <[jhamm@dunstable-ma.gov](mailto:jhamm@dunstable-ma.gov)>  
**Cc:** Mark Haddad <[mhaddad@townofgroton.org](mailto:mhaddad@townofgroton.org)>, Dawn Dunbar <[ddunbar@townofgroton.org](mailto:ddunbar@townofgroton.org)>, Kristan Rodriguez <[krdriguez@gdrsd.org](mailto:krdriguez@gdrsd.org)>, Jeff Kubick <[jkubick@gdrsd.org](mailto:jkubick@gdrsd.org)>

I am reaching out to each of you, in hopes that your board will consider discussion and approval of the attached resolution regarding the Foundation Budget for our schools. (I was unable to find email addresses for Ron Mikol and Ken Leva so am asking Christine and Jakob to forward my email to them and to the Town Administrator.)

As you likely know (if not, please call me immediately (978-877-7042)) the state has created a revenue issue for our district that we are expected to handle locally. This situation is unfolding around the state.

The Suburban Coalition is a group of municipal leaders who act on behalf of member communities. They have created a resolution (see attached) that School Committees, Boards of Selectmen and Finance Committees are approving to increase pressure on state officials to fund education.

I am hoping that you can add this to your next meeting agenda for discussion and a possible vote. I plan to attend and will be happy to answer questions that you may have. The attached document has an explanation, text of the suggested resolution, and rationale that will be helpful.

Thank you in advance for your consideration of this matter,  
Alison

*Alison Manugian  
Groton Dunstable Regional School Committee*



## Chapter 70 Resolution

The success of Massachusetts' economy is a result of dedicated commitment and strategic priorities. Beginning as the birthplace of public education in America and advancing to the 21<sup>st</sup> century, student achievement in Massachusetts is frequently cited, by various academic measurements, as the best in the nation. This enduring tenet is a key ingredient to the strength of our State's economy. Strong public schools provide the foundation for successful college students as well as a feeder system for bright, innovative future leaders in the workplace. If we do not take active steps to preserve our commitment to public education, other states will be glad to gain a marginal advantage. After acknowledging that the 1993 funding formula for Chapter 70 contains unrealistic and outdated factors, the Massachusetts Legislature commissioned a study group known as the Foundation Budget Review Commission in 2014. The task was to determine the cost of providing an adequate education in current times in Massachusetts. The results were released in two phases, one in June 2015 and the other this past November, and they confirmed what educators and local officials have long known to be true: the cost of educating the students of Massachusetts is severely underestimated by the existing funding formula.

**As we prepare local FY17 budgets, the Suburban Coalition urges each town's Board of Selectmen, School Committee and Finance Committee or Advisory Committee to adopt the attached resolution that simply asks the Legislature and the Governor to fund the recommendations of the Foundation Budget Review Commission.** Especially during the recession, the cost of an adequate education has disproportionately fallen on local taxpayers and the resulting strains on local budgets are not sustainable within the limits of Proposition 2 ½. The Suburban Coalition has chosen this specific area of focus because Chapter 70 is generally the single largest contributor to the bottom line of cities or towns' Cherry Sheets. Additionally, too many cities and towns have struggled with "minimum aid increases" for five or more years, and the timeliness of the Foundation Budget Review Commission's reports makes this the ideal budget cycle. With the release of the Governor's budget proposal, it has become clear that we need to stand together if we hope to see progress with Local Aid. We would like to track our progress, so please alert us at [DorothyPresser@suburbancoalition.org](mailto:DorothyPresser@suburbancoalition.org) after your boards have voted to send the attached resolution (**see below**) to Beacon Hill.

Sincerely,  
Dorothy Presser  
President

Reference documents on our position:

Foundation Budget Review Commission Final Report <http://www.mass.gov/legis/journal/desktop/2015/fbrc.pdf>  
"Cutting Class: Underfunding the Foundation Budget's Core Education Program", Massachusetts Budget and Policy Center [http://www.massbudget.org/reports/pdf/Cutting\\_Class.pdf](http://www.massbudget.org/reports/pdf/Cutting_Class.pdf)  
"Our Communities and Our Commonwealth: Partners for Progress and Prosperity", Massachusetts Municipal Association [http://www.mma.org/images/stories/NewsArticlePDFs/mma\\_news/mma\\_partnership\\_principles.pdf](http://www.mma.org/images/stories/NewsArticlePDFs/mma_news/mma_partnership_principles.pdf)  
"A Preview of the FY17 Budget", Massachusetts Budget and Policy Center [http://massbudget.org/reports/pdf/FY17BudgetPreview\\_Final\\_1-21-2016.pdf](http://massbudget.org/reports/pdf/FY17BudgetPreview_Final_1-21-2016.pdf)  
"Building a Strong Economy: The Role of Education, Transportation and Tax Policy", Massachusetts Budget & Policy Center <http://massbudget.org/reports/pdf/building%20a%20strong%20economy.pdf>  
Massachusetts Municipal Association Testimony <http://www.mma.org/advocacy-mainmenu-100/letters-to-state-leaders/14517-mma-testimony-to-joint-committee-on-ways-and-means-urging-support-for-key-municipal-and-school-aid-programs>

## Resolution Calling for Full Funding of the Foundation Budget Review Commission's Recommendations

*Whereas* the Massachusetts Foundation Budget Review Commission identified two areas (employee health insurance and special education) where the Massachusetts Foundation Budget significantly understates the true cost of educating students in the Commonwealth and has failed to keep pace with rising costs;

*Whereas* this underfunding means the cost of providing a quality education has increasingly been borne by local communities, most often at the expense of other vital municipal operations;

*Whereas* investing in education today leads to higher incomes, and thus less investment in police, prisons, subsidized health care, low income housing, welfare, etc. in the future;

*Whereas* state and local economies are most effectively strengthened "by investing in education and increasing the number of well-educated workers."

**Therefore Be It Resolved** that the [insert name of local governing board here] calls on the Massachusetts Legislature and the Governor of Massachusetts to fully fund and adopt the recommendations of the Foundation Budget Review Commission in the immediate future.

**Rationale:** The Foundation Budget Review Commission (FBRC) was established by the Legislature in the FY16 budget and was charged with examining the Foundation Budget (Chapter 70) formula. The formula was first established as part of the Education Reform legislation in 1993 and has not been thoroughly reviewed or updated since that time. The FBRC found that the current formula understates costs significantly in two areas: Employee Health Insurance and Special Education.

If the recommendations of the FBRC had been implemented in the FY16 budget, state funding for education would have been about \$500 million more than it was. However, if Chapter 70 reflected the true cost of education, the number would be closer to \$2 billion.

Spending by school districts over the required Net School Spending amounts has increased, as a whole, for more than a decade, indicating that communities are using local property taxes and diverting funding from other portions of municipal budgets to fund their schools. In FY14, the total spending above Foundation in the state was \$1.7 billion. At the same time, the state's commitment to municipal aid has declined. Since 2001, unrestricted local aid has been cut by 43%. The net effect is a combination of cuts to local and school services and an increasing reliance on the regressive property tax.

The evidence overwhelmingly establishes the correlation between a well-educated workforce and higher income individuals. States that invest more in education have a higher paid workforce; also, states that increase the level of education of their population see greater productivity and higher wages over time. The link can then easily be made between higher paid individuals and less reliance on various forms of government assistance, as well as lower rates of crime.

A state's high school and college attainment rates are important factors in the state's overall economic strength. Additionally, investments in education can have significant long-term impacts on state and local economies, as well-educated individuals tend to stay relatively local and contribute tax dollars to the state and municipality in which they reside. In general, the taxes paid over time by these individuals are substantially higher than the cost of their public education.

3/7/2015

**Proposed counter proposal to the Town Managers 2/29/16 carry over cost budget**

First off, we all appreciate the hard work that Mark and his finance team have put into the different budget versions worked on since last November. Our town is facing a tremendous challenge in meeting both current and future financial obligations. I believe it is the duty of all five Selectmen to fully scrutinize each and every alternative budget that is presented. While I was not present at last Monday evening's meeting when the TM presented his three alternatives to the initial budgets, I have invested countless hours performing my own analysis of these new alternatives. Therefore, I was stunned, shocked and disappointed to learn that Anna, Peter and Stuart all determined that the carry over budget was the correct choice, even though they obviously had almost no time to study and analyze their budget choice on account of the fact they only received it that day. How they could receive three different budgets and decide on one choice in less than a day, with extremely little study time or analysis is irresponsible and not what the citizens expect of us. Due to my in-depth study of the proposed alternatives, I have some suggested changes that I wish to present tonight. We should discuss those changes tonight and then go to both the FinCom meeting tomorrow night and the School Committee meeting on Wednesday. I ask that we reconvene next Monday night and reconsider the previous decision rendered last Monday at that time. We owe this to all the citizens of Groton. Collectively we must make sound financial recommendations to all personnel and to our constituents, the taxpayers of Groton.

Let's begin. We should all agree that the Town Manager's carry over budget is an easy place to start. This is a no brainer as we should not be adding any hours or overtime to our current budget. Additionally the reduction to the health care line item is a large added savings as the increase came in below the anticipated 9%. This would initially save us \$129,884.00 as stated in Mark's carry over budget scenario.

I suggest that we add to the previous cuts the following from the 2.2% budget cut scenario:

3 of 5 vacancies from the health care budget	\$ 50,000.00+/-
Reduce TM wage increase to 2.2% of current salary	\$ 7,140.00
Eliminate Selectman and Assessor stipends	\$ 6,380.00
Eliminate new DPW/Building Maint. Hire	\$ 41,760.00*
Eliminate PT Building Inspector wages (make call)	\$ 7,560.00
Additional reductions sub total	\$112,840.00
Carry over reductions sub total	\$129,884.00
Total thus far	\$242,724.00

Finally these cuts from the 0% scenario:

Treasurer Wages reduce by 4 hours	\$ 5,942.00 just auth. Replacement
Accountant Wages reduce by 3 hours	\$ 4,236.00
Eliminate ZBA Assistant (TM stated 1 <sup>st</sup> cuts in L.U.)	\$ 18,823.00 cross train L.U.II position
Eliminate Lifeguards at Sargisson Beach	\$ 26,570.00
Library Wages eliminates Sunday hours	\$ 14,614.00
Additional reductions sub total	\$ 70,185.00
Previous reductions sub total	\$ 242,724.00
New proposed reduction total	\$ 312,909.00

\*Existing cost of current subcontractor for custodial costs must be added back to savings

The result of my proposed cuts equals approximately \$50,000.00 in savings over the TM's original budget for municipal wages. Obviously this is not without some level of reduction and job loss. The Town Manager did state when asked if he could achieve a 2.2% budget that the first cuts would be in the Land Use Dept. My proposal would cut the PT inspector. Mark could create an on call position. The Land Use II position and the Housing Coordinator position could and should be cross trained to fill the ZBA position. My proposal unlike the Town Managers does not endanger the public safety of our town. He was specifically instructed not to touch those areas. However in his 0% budget he proposes elimination of the SRO for our schools. This polarizes the parent taxpayers against this automatically. Then he proposed the elimination of the COA Volunteer Coordinator. This reduction polarizes the senior citizen against this immediately. Careful selection of those two specific positions made this 0% completely unpalatable.

In closing there is no right way to stop a speeding train. The prudent thing to do is to slowly apply the brakes with causing all the cars to derail. Please consider my proposal.

Thank you for your consideration

Josh Degen

## Patricia DuFresne

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**From:** Barry A. Pease <barry@worldpease.com>  
**Sent:** Tuesday, March 08, 2016 3:28 PM  
**To:** Gary Green  
**Cc:** Patricia DuFresne  
**Subject:** Re: FW: Please send out my Excel Spreadsheet Again

Hi Gary,

Since I cannot be there tonight, I wanted to provide this feedback regarding a topic which is likely to come up during the agenda item

"Discussion / Vote Regarding FY17 Proposed Municipal & School District Budgets"

I would be grateful if you could read this on my behalf, since I will miss tonight's meeting due to a family commitment:

Regarding the spreadsheet created by Groton Finance Committee member Art Prest titled "Westford Compared to Groton Dunstable" with its most recent revision on March 7th, I am very concerned that the members on our team would give consideration to a comparative analysis with a sample size of one. I strongly encourage otherwise.

I have scoured appropriate data analysis journals and business strategy sources attempting to find an instance where a sample size of one was considered valid. I was unable to find any documented cases to support the idea that reasonable conclusions can be drawn from such results.

I have found some cases where 3 reference samples were used. There were many cautions in these cases making sure that the chosen companies were very similar. In these instances, tremendous access was given to the benchmark team to assure that the data would be relevant and comparable to the entity's internal measures. It's important to note that in 3-partner matrices, most comparisons were done against both the median and the mean of the various analysis categories. Further, analysis was subject to Pareto, such that only items which differed by more than 21% were considered valid for change within the organization(s).

In general, during my research, I discovered that the minimum recommend sample would be five. This allows for some norming of unique situations which are always hidden within snapshots. By averaging 5 benchmark partners, we can begin to eliminate administrative bias and environmental differences.

It is my hope that the members of the Finance Committee will recognize that simply comparing GDRSD to Westford does not provide a useful reference basis for the GDRSD budget numbers.

Respectfully,

Barry A. Pease  
Member, Groton Finance Committee

	C	D	E	F	G	H
3	<b>Groton/Dunstable versus Westford School Budgets</b>					
4	Art Prest analysis - rev 10 - 3/07/2016					
5		<b>Groton</b>	<b>Dunstable</b>	<b>Groton + Dunstable</b>	<b>Westford</b>	<b>Source</b>
6	Population 2014	11,017	3,303		14,320	21,951 GDRSD Needs Assessment page 96 for Groton- Dunstable
7	Area in Square Miles	33.7	16.7		50.4	31.3 Wikipedia
8	Median Household Income	\$118,041	\$123,254	NA		\$133,179 Wikipedia
9	Per Capita Income 2014 DOR	\$56,475	\$60,690	NA		\$53,594 GDRSD Needs Assessment page 96 for Groton- Dunstable
10	Median Home Value 2015	\$398,416	\$391,063	NA		\$457,244 GDRSD Needs Assessment page 96 for Groton- Dunstable
11	Number of Students currently (as of 2/1/2016)	1,878	551		2,429	5,202 from Jared Stanton GRDS; and Kathleen Auth WSD
12	School Enrollment FY16	1,995	592		2,587	5,143 FY2017 GDRSD Final Budget proposal page 60
13	School Enrollment FY12	2,082	671		2,753	5,286 FY2017 GDRSD Final Budget proposal page 60
14	School Enrollment FY07	2,296	701		2,997	5,234 FY2017 GDRSD Final Budget proposal page 60
15	Enrollment Change: FY12 to FY16	minus 87	minus 79		minus 166	minus 143 calculated from above
16	Enrollment Change: FY12 to February 1, 2016	minus 204	minus 120		minus 324	? calculated from above
17	Enrollment Change: FY07 to February 1, 2016	minus 418	minus 150		minus 568	minus 91 calculated from above
18	% Decrease in Student Enrollment FY12 to FY16	4.2%	11.8%		6.0%	2.7% calculated from above
19	% Decrease in Student Enrollment FY12 to 2/1/2016	9.8%	17.9%		11.8%	? calculated from above
20	% Decrease in Student Enrollment FY07 to 2/1/2016	18.2%	21.3%		18.9%	1.7% calculated from above
21	FY2016 School Budget with debt	\$18,266,196	\$5,172,484		\$23,438,680	\$53,361,373 FY2017 GDRSD & WSD Final Budget proposal
22	FY2017 School Budget Request with debt	\$21,303,717	\$6,074,096		\$27,377,813	\$55,229,021 FY2017 GDRSD & WSD Final Budget proposal
23	\$ Increase FY2017 over FY2016	\$3,037,521	\$901,612		\$3,939,133	\$1,867,648 FY2017 GDRSD Final Budget proposal
24	% Increase FY2017 over FY2016	16.63%	17.43%		16.81%	2.78% FY2017 GDRSD Final Budget proposal
25	Pupil to Teacher Ratio FY2015	NA	NA	15.7 to 1		14.3 to 1 *** see source below from MA DOE
26	Pupil to Teacher Ratio FY2017 Proposed	NA	NA	13 to 1 estimated		14.3 to 1 estimated
27	Per Pupil Expenditures in 2014*	NA	NA		\$13,088	\$12,529 FY2017 GRSD Final Budget proposal pages 19-20
28	Per Pupil Expenditures in 2017	NA	NA	?		? ?
29	Average Class Size 2014	NA	NA	18.7		19.1 **** see source below
30	Students as % of Town Population	17%	16.7%		17.4%	23.7% calculated from above
31	2015 MCAS % Proficient or Higher: GDRSD versus WSD high schools	NA	NA	ELA% = 100; Math% = 99; Science% = 93		ELA% = 99; Math% = 97; Science% = 94 **** see source below
32	Levy % Residential 2015	93.72%	96.77%	NA		84.68% MA recap sheets
33	Tax Rate 2015	\$18.27	\$16.73	NA		\$16.24 MA recap sheets
34	Average Real Estate Tax Bill	\$7,279	\$6,542			\$7,426 calculated from above
35	2014 Police + Fire departments annual budget	\$3,062,461	\$1,075,432		\$4,137,893	
36						
37	* from Page 19 of the "Superintendent's Recommended Budget for FY17"					
38	** Westford grades K-5 average 22:1 & grades 6-12 average 25:1					
39	*** <a href="http://profiles.doe.mass.edu/profiles/general.aspx?topNavId=1&amp;orgcode=06730000&amp;orgtypecode=5&amp;">http://profiles.doe.mass.edu/profiles/general.aspx?topNavId=1&amp;orgcode=06730000&amp;orgtypecode=5&amp;</a>					
40	**** <a href="http://profiles.doe.mass.edu/analysis/default.aspx?orgcode=03260505&amp;orgtypecode=6&amp;">http://profiles.doe.mass.edu/analysis/default.aspx?orgcode=03260505&amp;orgtypecode=6&amp;</a>					
41						
42	<b>Summary:</b>					
43	1. Number of students in Groton/Dunstable schools is declining: down more than 6.0% since FY2012 (down more than 18% since 2007)					
44	2. Groton/Dunstable schools are costing 4.5% more per pupil than Westford Schools					
45	3. Groton/Dunstable School District is requesting a 16.8% budget increase for FY2017 versus Westford's 2.78% increase					
46	4. Cost Per Pupil in 2014: Groton-Dunstable = \$13,088 Westford = \$12,529					
47	5. Pupil to Teacher Ratio in 2014: Groton-Dunstable = 15.7 to 1 Westford = 14.3 to 1 - thus Westford has a better Pupil to Teacher Ratio at a lower cost than does Groton-Dunstable.					
48	6. In 2014 8.16 FTE's were laid off - none of which were teachers (source - Jared Stanton)					
49	7. FY2017 request for more staff is for a total of 39.74 FTE's of which 20.69 FTE's are for teachers and the rest are for support positions including 3 custodians					
50	8. The GDRSD is paying a higher % of health benefits than does the Town.					
51	9. I could not find anywhere in the GDRSD documents information about capital needs for FY2017 (said to be forthcoming)					
52	10. I could not find anywhere in the GDRSD documents, budget forecasts for beyond FY2017 - are we going to face this again next year?					
53	11. As of 2015, MCAS Proficiency scores for Groton-Dunstable and Westford are very similar with Groton-Dunstable having a slight edge over Westford					
54	12. Average class size for Groton-Dunstable is 18.7 and for Westford is 19.1					
55	13. The requested increase in the school budget for FY2017 almost equals the entire 2014 Police & Fire Departments Budget					

To the members of Fin Com & BOS of Groton,

As a senior in Groton and a single mother that raised five children through various economical climates; I would like to thank the Fin Com & BOS for promoting fiscal responsibility on both the municipal and school sides of our town budget.

There are some taxpayers that feel that they are able to afford an override to fund the entire town budget; a budget that would fund the entire school needs assessment and the municipal budget without having cuts that would impact services. There are also taxpayers that feel differently. Which "group of taxpayers" that I fall into has no significance to the point I would like to make.

I am a strong believer of the democratic process. I believe in a government ruled by the people. I truly appreciate the process that allows taxpayers to come together at town meeting at which time the power to make financial decisions emanates from the people.

I ask the BOS & Fin Com to consider allowing the democratic process to run its course and allow the voters/taxpayers the opportunity to vote at town meeting on a town budget that would fund both our school budget and the revised municipal budget in FY17 verses spreading it over a number of years. It should be up to the taxpayers to decide how, when and how much of our tax money we are willing to spend on school and municipal services.

I appreciate your efforts in finding creative ways to fund our town budget. I understand and appreciate the logic of finding alternative funding methods to decrease the impact to taxpayers.

However at no time should we negate any portion of the democratic process.

Respectfully Mary Falzone –  
Senior Taxpayer