

TOWN OF GROTON FINANCE COMMITTEE

Tuesday, March 29, 2016, Selectmen's Meeting Rm

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

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

Absent: R. Hargraves (Vice Chair)

Also Present: A. Eliot (BOS), J. Degen (BOS), M. Gilbert (Resident), M. Chiasson (IT Director), S. McCurdy (Fire Chief)

Documents available at the meeting: Town Meeting Warrant draft of 3/24/16
Reserve Fund Transfer Request Human Resources

Mr. Green called the meeting of the Finance Committee to order at 7:01 pm.

Approval of Minutes:

Mr. Bacon moved to approve the draft meeting minutes from both 2/27/16 (as amended) and 3/21/16; Mr. Prest seconded the motion.

Mr. Manugian asked that the draft minutes of 3/21/16 be amended to reflect that Mr. Burke had responded to a question from Mr. Manugian by saying that a balance of over \$300,000 would be remaining in the CPA Community Housing Reserve after paying the FY17 wages for the Housing Coordinator.

On a motion by Mr. Prest, seconded by Mr. Bacon, the Finance Committee voted unanimously to accept the amendment to the meeting minutes of 3/21/16 as suggested by Mr. Manugian. The Vote: 6-0-0

The Finance Committee voted unanimously in favor of the main motion approving the meeting minutes (as amended) of 2/27/16 and 3/21/16. The Vote: 6-0-0

Online Visual Budget Tool - Mr. Chiasson (IT Director) presented the newly developed Online Visual Budget Tool to the Finance Committee. He explained that this open source software allows a graphic representation of Town budget results that makes it easy for residents to see how their taxes are being spent. Two distinct levels of budget are available: School District and Municipal, which can then be drilled down for more detail. Currently, data has been uploaded showing revenue, expenses and reserve balances from FY2004 through FY2015. Mr. Chiasson explained that he is bringing this to the Finance

Committee for their approval and comments before presenting it to the Board of Selectmen and eventually going live on the Town website. He added that this application is best suited to display actual results as opposed to budgeted numbers or forecasts. The data is uploaded directly from the Abila Fund Accounting software, and while some further manual manipulation is possible, he said that this would likely be labor intensive. Ms. Dufresne cautioned that the functions of government are grouped and displayed according to the DOR accepted categories (which differ somewhat from how these functions are grouped for reporting to the Board of Selectmen). This is unlikely to generate much confusion, although end users who are more than usually engaged in the Town budget process may notice these differences and require some explanation. Mr. Chiasson said that other municipalities who have launched this tool have reported positive feedback from residents. Mr. Pease said that this sort of presentation helps advance the public transparency goal for local government; it will be useful and does not appear to be a great burden to provide and maintain. Mr. Chiasson said that given that the Finance Committee supports this initiative, he will continue to work with the Town Accountant to correct balance anomalies in the files and should go live on this very soon. *Mr. Chiasson left the meeting at this time (7:25 p.m.).*

Town Meeting Warrant Article Discussion –

Article 4 (FY17 Operating Budget) – Mr. Green asked whether Mr. Pease was ready to vote a position on this article. Mr. Pease replied that he does not feel that there has been sufficient time to completely analyze the impacts of deeper cuts to the municipal operating budget. He thinks there may be potential inefficiencies that have not been chased down due to the decision to put an override question on the warrant. Mr. Prest and Mr. Green felt that meaningful discussions had taken place over the last several weeks, and a number of different budget scenarios (and options for cuts) had been presented by the Town Manager, Selectmen, Finance Committee members, and residents. Mr. Green asked whether there was a specific change that the Finance Committee could discuss now that would allow Mr. Pease to feel comfortable supporting the budget. Mr. Pease said he would like to explore the 0% budget scenario further. Mr. Robertson explained that his own list of budget cuts had been crafted based on an attempt to balance resources between the school district and the Town. He did not ask that all possible cuts be implemented because some of them would have a dire impact on services. The 0% growth scenario was presented so everyone could see what that budget would look like, and those cuts may have to be reconsidered in two months should the override attempt fail. He said that his major concern was to hold down growth in those areas that put the Town in jeopardy in the future. That was done for this budget, and most of the new spending was cut as well. He stressed the importance of striking a balance that will allow Groton to continue to be a nice place to live. Mr. Prest noted that the 0% growth budget does not provide enough savings to warrant taking such drastic measures at this point. Mr. Bacon noted that even if the override fails, gutting the Town to prop up the school district is not a workable plan. Mr. Green said that he has been comfortable with the level of analysis that had been performed on the Town budget and pointed out that budgeting too conservatively can lead to a different set of negative impacts. Mr. Manugian asked for confirmation that additional cuts would be discussed if the override fails. Mr. Green agreed that additional debate would then be likely. Mr. Pease feels that while residents have the right to amend the budget on the floor of Town Meeting, practically speaking, it is not easily done. He would feel comfortable supporting the budget if the Country Club budget was broken out and voted separately. Mr. Prest was not in favor of this idea, but Mr. Robertson felt this would allow taxpayers to consider the true cost of that facility. He added that he feels that the Country Club should be given the benefit of completing the 3-year cycle that incorporated the changes to its business model, however, if it continues to require a

tax subsidy, options for shutting it down should be considered. He went on to say that each Finance Committee member will have their own threshold for determining the level of analysis necessary to be comfortable with a budget decision. Mr. Robertson said that he is comfortable at this point, but understands if others are not. Mr. Green said that offering to amend the budget on the floor of Town Meeting should be discouraged as it undermines the extensive and thorough process already in place which includes a multitude of committee meetings and public hearings. He said he would give Mr. Pease the opportunity to move the Library & Citizen Services section of the budget, so that he can explain what is contained there and present the level of detail he feels is appropriate. However, he argued that very direct presentations about the true cost of the Country Club have been made to Town Meeting in the past, and the residents still voted to support it. Additionally, any effort to shut down that facility must be considered a major undertaking that will require a comprehensive set of meetings and cost analyses. Ms. Gilbert spoke up saying that she would like to see the Country Club given the full three years to implement its new business model. She opined that the override attempt was more likely to pass if the Finance Committee and Selectmen can present a unified opinion on the budget.

Mr. Pease noted that the one time reduction in the Snow & Ice deficit may be problematic next year if that option is not available and it is a snowy winter. However, he is willing to support the decision at this point. He also added that since he had previously deferred his vote on the budget, he would like to officially change his position as he now supports Article 4.

Article 6:02 (Public Safety Boat – Capital Purchase) – Mr. Pease said that he would seek an amendment to this article. The original proposal was for two boats, and in the interests of public safety, the Town should invest in two boats. He would recommend spending \$17,000 for the purchase of a Fire Rescue boat and another \$38,000 for the purchase of a Police boat. Chief McCurdy said that he is still working with the Police Chief to try to reach a compromise on the specifications of the boat that would meet the needs of both departments. The Fire Department is looking for a boat that is small and light (probably with inflatable pontoons and a fiberglass underside) that can be carried when road access to water is limited. The ability for a rescue team to be able to don their gear aboard the boat is also important as it will cut response time. A small outboard motor is also preferable (again because it may have to be carried). Chief McCurdy confirmed that the cost of a trailer is included in the \$17,000 estimate. Mr. Robertson said he agrees with Mr. Pease that 2 boats are probably needed and the expense for each should be separately justified. The Police patrol boat will most likely lead to a wage increase for that department if Chief Palma is unable to absorb the additional patrols within his current wage line. Mr. Prest explained that the Groton Lakes Association and the Great Ponds Advisory Committee have both advocated for a police boat to be on call to address issues on the lakes. They do not necessarily support the idea of a police patrol boat. He is not concerned about whether the Town invests in one boat or two, he feels that an accident is likely to occur there eventually and an on-call boat can help prevent this. He added that Chief Palma has expressed a willingness to provide as much or as little presence on the lake as the residents want. Mr. Green offered to speak to the Town Manager about how best to make a change to the wording of this article. Ms. Eliot thought the BOS would be willing to consider such a request if the Finance Committee came before them and asked. She said she would be willing to rely on the input of both chiefs if they agree that a single boat can be found that will meet the needs of their two departments. The Finance Committee decided to defer taking another vote on this issue until they can meet again with both chiefs.

Article 7 (Senior Center Feasibility Study) – Mr. Green explained that the COA Feasibility Oversight Committee has been diligently working to present information to the public. Serious deficiencies have been identified with regards to the current building in West Groton. An RFP was issued to find an architect to first look at programming and structural needs, and then study three different potential building sites (with regard to feasibility and cost estimates). Nine responses were received to the RFP, which were narrowed down to three favorite firms. The firm which was ultimately chosen as the low bidder is fully experienced, can handle in-house cost estimates accurately, and has a low incidence of change orders. The committee is estimating the cost of this study to be around \$40,000, though it may come in lower. Mr. Green clarified that the chosen firm will not be doing a full architectural design, but will assess all the requirements, determine the best site and then provide a block design (2-D) and cost estimates. The plan will then be presented to Town Meeting for authorization to proceed with full construction design. Mr. Prest noted that the Friends of Prescott are not supportive of using that building as a senior center, and the seniors have reservations about using the Country Club for that purpose. Mr. Green said that this process will help determine how best to utilize a Town-owned property while presenting all data and options up front.

On a motion by Mr. Manugian, seconded by Mr. Robertson, the Finance Committee voted to recommend Article 7. The Vote: 6-0-0.

Article 10 (Library Retaining Wall)- Mr. Art Prest explained that his brother, Mr. Val Prest, met with the Library Director and some of the Trustees in order to assess the full extent of the damage to the wall. He provided drawings (at no cost) and was able to make some suggestions. Mr. Art Prest said that the Selectmen were informed on Monday night that additional digging will be done at the wall to determine how deep the crack goes. While Val Prest believes the wall can be repaired (rather than replaced) it would be prudent to make sure. Mr. Robertson relayed information (also presented at the BOS meeting on 3/28/16) that library officials are not willing to commit to a cost estimate at this point. The Finance Committee agreed to defer their vote on this article pending receipt of additional information.

Reserve Fund Transfer Request (Human Resources)- Ms. Dufresne informed the group that higher than expected recruiting costs have left the Human Resources Director without sufficient funds in her budget to meet expenses through the end of FY2016. Ms. Doig (H.R. Director) has requested \$565 from the Reserve Fund which she expects to use to pay bills related to classified advertising, open enrollment expenses, and pre-employment physicals.

On a motion by Mr. Prest, seconded by Mr. Manugian, the Finance Committee voted unanimously to approve a transfer of \$565 from the Reserve Fund to Personnel Brd. General Expenses. The Vote: 6-0-0

Finance Committee Budget Report to Town Meeting- Mr. Robertson requested that an additional table be included at the bottom of the Expenditure section that would break down municipal spending according to the “Big 3” categories that have been commonly reported: Wages & Benefits, Other Expenses and Debt Service. This will allow readers to view spending two different ways and to easily compare the FY17 Budget figures to the 5-Year Plan previously released. The group also updated the narrative on page 2 to reference \$17 million in new growth (rather than \$15 million), included information on page 3 detailing the improvements made to the FY17 budget process, and on page 4 to describe the various scenarios developed to address specific budget concerns. Language was added to page 5 that confirms

FinCom's intention to review the FY18 capital plan next year, and also to point out that the FinCom vote to support the district's budget was unanimous. Mr. Pease felt that the GDRSD budget should not reflect a change in Appendix A from "Original Request" to "Revised Request," as the Town Manager has no authority to set the district budget. Mr. Degen disagreed saying that because the Town Manager must submit a balanced budget on 12/31, he is obliged to include whatever placeholder is provided by the school district at that time, as the district budget is not certified until March. Ms. Gilbert asked how he would have balanced the budget if the district's placeholder figure had been \$1 million higher. Mr. Green replied that although the district knew that their final need would be much higher, it would have been meaningless for the Town Manager to submit a balanced budget that cut \$2.8 million from the municipal budget. Therefore, the school district provided a carryover request (\$1 million) and requested that residents be made aware that their budget was likely to be much higher once finally certified. He added that another option is for the Town Manager to submit 2 balanced budgets, one with and one without an override of Proposition 2 ½. Mr. Degen felt that it is best to wait for the School Committee's certified budget rather than using unofficial guesses that serve only to increase public anxiety. Mr. Green agreed that the Town has followed the best possible approach during this difficult budget cycle. Mr. Prest asked whether it was possible for the School Committee to produce the district's budget prior to 12/31. Ms. Gilbert believes that this is possible. Mr. Degen suggested providing a notation on the table to the effect that the school district's original budget proposal was a carryover budget that did not reflect the needs assessment that was expected to be included in the final certified budget. Mr. Green agreed to include a notation of this type. He said that he will work on incorporating all of the approved suggestions discussed at this meeting and will distribute the final report to all the members as soon as possible.

On a motion by Mr. Bacon, seconded by Mr. Pease, the Finance Committee voted unanimously to authorize the Chairman to finalize the report making those changes discussed and approved during this meeting, and to submit the final document to the Town Manager. The Vote: 6-0-0

Mr. Green pointed out that another meeting of the Finance Committee will be necessary to discuss additional data that is still pending regarding the Library Retaining Wall and the Public Safety Boat. He said he would call for that meeting once the information is received.

Mr. Degen asked the Finance Committee to consider leaving \$1 in the budget for each of the elected official stipends; this will make it easier to reinstate at a later time should the Town wish to do so. Mr. Bacon said that some selectmen had disagreed with that plan. Ms. Dufresne noted that it was no harder to vote a change from \$0 to \$500 than it is to vote \$1 to \$500. Mr. Degen requested that the line items be allowed to remain with a \$0 dollar value. The Finance Committee agreed to retain the line items at \$0.

Presenters at Town Meeting – The following Finance Committee members were chosen to move sections of Article 4 (Operating Budget) at Town Meeting:

<u>Name</u>	<u>Function of Government</u>
Mr. Green	General Government
Mr. Manugian	Land Use
Mr. Hargraves	Protection of Persons & Property
Mr. Robertson	Education
Mr. Manugian	Department of Public Works

Mr. Robertson	Library and Citizen Services
Mr. Pease	Debt Service
Mr. Pease	Employee Benefits
Mr. Manugian	Water & Sewer Enterprises
Mr. Prest	Local Cable Access
Mr. Prest	Groton Electric Light Department

Mr. Degen said he is comfortable moving the Capital Budget (Article 6), with the exception of the Public Safety Boat. Mr. Green agreed saying that he was unsure of how to proceed with this request. He feels that the Finance Committee wants to approve the boat for Fire Department rescue use only, as the Fire Chief appears to be making compromises in order to support the dual purpose. Mr. Green said that he would speak to the Town Manager to decide on how best to resolve the wording of this article. Mr. Degen reminded the group that restricting this purchase for use as a Fire EMS boat would eliminate the need to increase labor line items in the budget. He noted that while there may be a need for Police boat patrols, there would likely be an associated budgetary impact. Mr. Degen is uncomfortable with supporting an appropriation for use by the Police Department without first receiving a plan from the Police Chief for how he will budget the extra labor cost. He also wondered if the private schools in Town would be willing to contribute to the funding for the boat. If this initiative were put off for one year, the schools could be consulted and it would give the Police Chief time to formulate a labor plan.

Mr. Prest reiterated that the Groton Lakes Association does not want a patrol boat, but would appreciate a police boat that would be available to deal with law enforcement issues as needed. The Police Chief has already indicated that he would let the local residents determine how much or little police presence would be required on the lakes. Mr. Degen said that the second boat should be added to the Capital Plan in order to allow Town Meeting to vote on this. In the meantime the conversation should continue. Ms. Dufresne informed the Finance Committee that, given all the proposed expenditures for the Spring Town Meeting, the Free Cash balance is now at about \$122,000. The target for this reserve is \$200,000 which should be kept in mind as additional spending is considered.

Mr. Green officially adjourned the meeting of the Finance Committee at 9:30 p.m.

Respectfully submitted,

Patricia Dufresne, Recording Secretary

REQUEST FOR TRANSFER FROM THE RESERVE FUND

(To be submitted in triplicate)

Date March 22, 2016

Advisory Board
Town of Groton

Gentlemen:

Request is hereby made for the following transfer from the Reserve Fund in accordance with Chapter 40, Section 6, of the Massachusetts General Laws:

1. Amount requested: \$ 565.00
2. To be transferred to: HR - General Expenses
(give name of appropriation)

3. Present balance in said appropriation: \$ 897.68

4. The amount requested will be used for (give specific purpose):

\$ 165.00 for New Hire Pre-employment Physicals
\$ 200.00 for Open enrollment - general expenses
\$ 1000.00 Payroll Coordinator position - See attached

5. This expenditure is extraordinary and/or unforeseen for the following reasons:

Due to several unexpected personnel changes, this required increased spending for advertising + physicals.

Julia Doy
Officer or Department Head

Action of Advisory Board

Date of Meeting Number Present and Voting

Transfer voted in the sum of \$

Transfer disapproved

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Chairman Advisory Board

Request must be made and transfer voted before any expenditure in excess of appropriation is incurred.