

TOWN OF GROTON FINANCE COMMITTEE

*Thursday, May 19, 2016: 6:00 p.m.
Second Floor Meeting Room
173 Main St. Groton, MA*

Present for Finance Committee: G. Green (Chair), R. Hargraves (Vice Chair), Art Prest, D. Manugian, B. Robertson, M. Bacon

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

Present for the School Committee: J. Kubick (Chair), A. Manugian, M. Gilbert, A. Donahue, P. Cronin, and J. McKenzie

Documents available at the meeting: School Committee Option 2A Document
Statement from Mr. Barry Pease

Mr. Green called the meeting of the Finance Committee to order at 6:00 pm.

Mr. Petropoulos called the meeting of the Board of Selectmen to order at 6:00 p.m.

Mr. Kubick called the meeting of the Groton Dunstable School Committee to order at 6:00 p.m.

Mr. Green began by saying that both the town and the district still need a budget for FY17 and the deadline for approving one is quickly drawing near. Mr. Green said that he hopes the school committee is prepared to share a revised assessment number, after which the Finance Committee and BOS can determine what, if any, override will be required. He felt that this meeting would not be the appropriate forum for debating individual budget line items, but should be used to establish a general framework for moving ahead. Jack said that alternatively, the Town could find their minimum municipal budget and the FinCom can target the override request to that number. Mr. Pease read a previously prepared statement (see attached). His statement referenced a request to restrict the town to 0% growth and any additional municipal spending be included as part of a shared override. Mr. Haddad clarified that \$106,162 would have to be cut from the municipal budget to achieve 0% growth. Mr. Kubick informed the group that the school committee had accomplished a great deal of work the previous night and is bringing forward a new FY17 request that attempts to address critical needs for students but with a smaller burden to taxpayers. Ms. Rodriguez noted that the numbers presented in the Option 2A document (see attached) are placeholder estimates and not final figures. Mr. Kubick explained that the new assessment increase of \$2,014,338 is down approximately \$1.3 million from the original proposal. This was arrived at by prioritizing those needs with the most direct impact on students. Mr. Degen asked whether this figure includes all the proposed new teachers. Ms. Donahue replied that it did not and is not the final number. Mr. Haddad asked whether the new budget including the override estimate would maintain current services within the district. Mr. Kubick said that this amount would maintain services and would not force further cuts. Ms. Manugian

clarified that maintaining current services does not reverse the performance trajectory of the district. Mr. Kubick outlined those key finding areas that would be supported within the revised budget request (professional development, core instructional needs, a middle school librarian, nursing support, an additional custodian, special education needs, and socio-economic support). He emphasized that football costs would be covered by user fees and fundraising and are not part of the FY17 budget.

Ms. Manugian stated that the district had done their work and eliminated half of the override requested, she would now like to see the Board of Selectmen eliminate the other half through cuts to the municipal budget. Ms. Donahue offered her own revisions which would add back some of the spending previously reduced. Ms. Gilbert read a statement to the effect that taxpayer feedback should be considered throughout this process. She stated that municipal spending had risen faster than school spending between 2009 and 2016, and the district had suffered as a result. She believes that the voters want a district that meets the needs of all students and hopes that this can be a joint effort to accomplish that goal. Mr. Cunningham objected that Ms. Gilbert's statement was inaccurate and is not a good way to begin this collaborative effort. He reminded the group that the town has always accepted the district's assessments and pointed out that the municipality had already pared down its budget for FY17 to .73% growth. He agreed that additional work can and will be done. Mr. Degen expressed concern that a revised budget would not be ready for Town Meeting on Monday. Mr. Haddad replied that a Special Town Meeting could be called with 21 days' notice, however, in order for the Town to have a budget in place by July 1st, an override ballot question (including the amount of the override) must be filed by Wednesday at midnight. Mr. Green asked whether the School Committee felt it could provide a firm assessment figure in time for the town to file an override ballot question. The committee members replied that they could be ready in time. Mr. Green felt that as all the committees involved still have work to do, it would not be prudent to reconsider the budget at Town Meeting on Monday. Mr. Haddad said that the remaining articles could be voted on Monday and the meeting then adjourned until Wednesday at 7:00 p.m. (at the High School gymnasium) for reconsideration of the budget.

Ms. Eliot would like to focus on choosing an override amount that would be acceptable to the voters. She added that she appreciated the hard work accomplished by the School Committee last night, and noted that this is exactly the kind of work that was done on the municipal budget every year starting in November and carrying on through Town Meeting. Ms. Manugian said that the district had chosen to make sacrifices and now the town must do the same. Mr. Green replied that the town has already sacrificed \$400k for FY17, and reminded her that the town was forced to free up over \$1 million during the school crisis of FY15. He added that he understands the district's frustration at the position it is in, but fails to understand how placing the town budget in the exact same position represents a viable solution. Mr. Degen said that ultimately, both budgets must be structurally dismantled and rebuilt from the ground up. Unfortunately, there is no time to perform this work now. Rather than casting blame, this session should be used to do some real work. He would like an update on the capital and technology needs for the district. Mr. Cronin replied that the school has made all the budget cuts it can. He realizes that the district cannot meet all its needs in a single year and still prevent a tax-rate spike which would harm vulnerable citizens. He advocates shared budget cuts as the best solution. Mr. Green agreed with most of what Mr. Cronin said, but does not see the value in solving the district's problems by creating a new set of problems on the municipal side. Mr. Robertson agreed that the district needs additional funding. The question is how much and how to get that amount accepted by the voters. Any additional

spending that the town did during those years when the district level-funded its budget was done in the best interests of the town. It is hard to understand why the School Committee thinks that making deep cuts to the municipal budget is a good idea now, even though they are all in agreement that similar deep cuts to the district budget was a bad idea that destabilized their operations several years ago. Mr. Robertson went on to say that residents want a good town and good schools, and we must find a way to encourage both Groton and Dunstable to support additional spending. He would like to find another \$100k in the municipal budget, but does not want to harm the town in the process. He feels the override request should be below \$1 million, but probably cannot be below \$500k. He does not believe the citizens want to cut fire, police and other essential services. Mr. Kubick said that those cuts that the town feels would not be acceptable to the citizens should be made a part of the override request. Mr. Prest agreed with Mr. Robertson saying that an override of \$850k may be possible, and he would be willing to try to find \$100k in the town budget. Mr. Manugian suggested that the FinCom work tonight and over the weekend to prioritize \$900k of municipal budget cuts; the voters should know what services would be lost. Mr. Degen said that the new custodial position should be cut immediately, followed by the lifeguards at Sargisson Beach. He felt that cutting back to 0% growth was manageable but deconstructing further would not be advisable. Ms. Manugian expressed frustration that the Town was refusing to do the necessary work. Mr. Petropoulos replied that he is attempting to get consensus on that work right now. Mr. Green cautioned that while the finance team has been working on this effort, providing lists of cuts totaling \$900k would not be a realistic picture of a workable town budget, and could be interpreted by the voters as scare tactics. Ms. Manugian said that if a list of cuts had been made it should have immediately been provided to the public. Mr. Green said that provisional numbers of that sort are not made public to prevent confusion and dissent before plans can be fully vetted, however no solutions will be found by pitting one side against the other. Mr. Cronin agreed that the group must build a vision and move forward to meet the community's expectations. The best path for accomplishing that is to make painful cuts. Furthermore, the town needs leadership, and this group should collectively define a revised override figure. Mr. Pease suggested that a shared override could be accomplished by dividing the revised override amount (approximately \$900k) equally between the district and the town as contingent budget items. Ms. Manugian argued that the school district had already reduced their request by \$900k. Mr. Degen felt it would be difficult to confidently propose a shared override without knowing the capital and technology needs of the district. Ms. Manugian replied that those numbers are not available. Dr. Rodriguez stated that it is understood that the district has a sustainability issue, this will be the case with or without an override. She stressed that the capital and technology needs will not have an impact in FY17, and that issue should be put aside so that the two sides can work to resolve the current problem.

Mr. Haddad pointed out that the district's carryover assessment which preserves current services is \$1.6 million. The budget approved by the Finance Committee preserves current services for the town with the exception of the new custodial position. Cutting deeper than that \$41,000 represents a loss of services on the town side. Achieving 0% municipal growth would involve lost positions throughout Town Hall, the Council on Aging, the Library, the Police Department, the DPW, and eliminate lifeguards at the beach. Of course, additional funding would have to be found to build up the unemployment line item and the Reserve Fund as a result. Mr. Robertson felt it was not necessary to identify individual cuts at this time. He noted that each \$900k spent is approximately 59 cents on the tax rate or \$236 on the average tax bill. He went on to say that the town will give whatever it can, and is currently working to find solutions for the next 5 years. He cautioned that the model that both the town and the district are currently working

with must be changed or this process will become even more difficult in future years. Right now, the adjusted override figure is approximately \$850k; Mr. Robertson would like to see the town make cuts to get the override down to about \$750k. Mr. Degen said that the Board of Selectmen should offer specific guidance on what cuts should be made. Mr. Green replied that the FinCom will meet to discuss municipal budget cuts in the range of \$106k to \$150k. Mr. Haddad stated that there is no time to vote another contingent budget, although certain line items could be made contingent on an override; he urged the Finance Committee not to cut town functions any further. Mr. Green said it would be easier to settle on an override figure if the school could provide a firm assessment number. Ms. Manugian wants to see the list of \$1 million in cuts so that all three boards can make decisions on those before determining an override amount. Mr. Petropoulos asked that municipal budget scenarios should be provided showing three levels of cuts: \$200k, \$550k and \$900k. Mr. Manugian suggested that the municipality should cut 42% of the original override amount, or \$800k. Mr. Prest said he does not believe the town should cut more than \$100k. Mr. Pease countered that the prioritized list required of \$900 does not represent cuts, but merely potential contingencies. Mr. Cunningham suggested cutting \$100k, and anything above that be included in the contingency. Mr. Petropoulos said that if FinCom provides the three scenarios requested, the BOS could recommend the cuts and contingencies.

Mr. Green and Mr. Petropoulos agreed to a limited time for public input. A resident opined that while Groton offers a good quality of life, the BOS must continue to plan for the future. The tenor of the voters is more vigilant than in the past especially now that the town is on the cusp of permanent changes. Money does not grow on trees, and the school committee's blunder has made people uncomfortable. Two residents remarked that they support Ms. Manugian's request for a prioritized list. Jenifer Evans stated that the town is growing by only .73% this year, and freed up \$1.1 million for the district. Unfortunately, what the school wants additional spending for personnel which will add to their sustainability dilemma. This will have ramifications for upcoming years. Tom Delaney (DPW Director) mentioned that many budget cuts have been made over the years on the municipal side; the DPW (as only one example) is still not back to full-strength following cuts in the late 1980's. He reminded the group that the school district is offering to cut proposed spending while insisting that the town cut established services.

Mr. Petropoulos asked that the prioritized list of \$900k cuts be provided for informational purposes only. Ms. Eliot said that she does not support this request. Scenarios for cutting \$200k or \$500k may be useful, but academic gymnastics on cuts of \$900k would be pointless. She added that she supported the original override. Ms. Manugian said that the time had come to reverse the municipal spending patterns of the last five years. Mr. Petropoulos asked for a motion requesting a prioritized list of \$900k in municipal budget cuts. No one moved this request. Mr. Degen moved that the Finance Committee cut a minimum of \$106k and a maximum of whatever they see fit from the municipal budget. Ms. Eliot seconded this motion. Mr. Pease argued that three scenarios are a better tool as it is necessary to prioritize changes in a logical sequence. Mr. Degen withdrew his motion.

Mr. Cunningham moved to request that the Finance Committee prioritize a list of municipal budget cuts in the range of \$0 to \$500k. Ms. Eliot seconded and the BOS vote was 3-2-0 (Mr. Degen and Mr. Pease voted against).

The Finance Committee agreed to work on Sunday beginning at 9:00 a.m. and to meet again on Tuesday at 6:00 p.m. Ms. Manugian asked what would happen once the list is made available. Mr. Petropoulos said that the BOS would review it and make recommendations. Mr. Haddad suggested that the BOS meet on Monday at 4:00 p.m. to finalize the override amount; the respective budgets can then be worked to that limit. Mr. Degen felt that another night of Town Meeting should be called for in 2 weeks as this will give Dunstable time to react. Mr. Haddad said that a date certain must be known by Monday night. The school committee agreed to this plan. Mr. Pease would like some assurance that if the override amount ends up being more than what is required by the final budget, an override would be attempted next year. Mr. Haddad noted that the town never spends up to the levy limit. Mr. Petropoulos felt sure that the school district would absorb that extra levy capacity in the next few years. Mr. Kubick confirmed that the school committee would be meeting on Wednesday to finalize their numbers. Ms. Eliot understands that the levy limit would be settled on Wednesday, but wondered when the override contingencies would be decided. Mr. Petropoulos thought this could be done after Memorial Day, independent of the school committee. Mr. Green noted that once the levy limit is set, if the district offers a budget that is higher than what was previously discussed, this could present a problem. Mr. Haddad offered some alternative language for the potential ballot question, stressing that the motions would determine the contingencies. Mr. Kubick suggested putting a portion of the municipal budget into the override, and then passing two budgets at Town Meeting: one contingent on the override and one not contingent. Mr. Haddad said that if tiered budgets are settled on, then both the town and the school should follow the same plan. Mr. Hargraves cautioned that if an additional override attempt is to be made, then the message to the voters and all employees should be very clear. Mr. Petropoulos asked for comments from the public. Mr. Kevin Forsmo asked whether the second night of Town Meeting would be necessary if the budget would not be discussed. Mr. Degen said it would be important to conclude all the other town business on the warrant and go to the final night with a clear focus on the budget only.

Mr. Green officially adjourned the meeting of the Finance Committee at 8:50 p.m.

Mr. Petropoulos officially adjourned the meeting of the Board of Selectmen at 8:50 p.m.

Respectfully submitted,

Patricia Dufresne, Recording Secretary

One Town, One Budget

On Tuesday, the voters of Groton rejected our proposal to increase Groton's levy by just under 1.9 million dollars. In doing so, they also rejected the contingent budget which was approved by Town Meeting.

Last evening, in my first meeting on my first day, I listened as our leadership team contemplated the outcomes of the people's choice on May 17th. It is a fact that if we don't have an approved budget by July 1st, we must cease municipal operations, and this is clearly not acceptable. However, instead of the necessity of doing what's right, I witnessed the urgency of time seemingly eradicate this board's previous commitment to the ideal of One Town, One Budget.

I submit to each of you that our work is not yet done, and the challenge before us requires the courage of mind and strength of heart to consider ideas and alternatives now that the previous "One Budget" has been rejected by the voters. And we must not throw out our goal of a unified approach to serving all citizens.

If that means making difficult decisions about the breadth, depth, and scope of municipal services, I am prepared to do this. After all, we are elected here to make these tough choices.

Please understand that there is no intent to usurp or subvert the process of the Finance Committee. It is their budget, and I prefer that we collaborate with the Fincom. By establishing our funding policies for a revised FY17 budget, the Finance Committee will be armed with the appropriate information when they make choices during their deliberations. So, too, will the School Committee hear us and make their own decisions.

Of course, these are just platitudes without specifics, and so I crafted an idea for us to consider. I ask you to keep an open mind while I lay out these concepts.

First, for a levy-limit, non-contingent budget, the municipality should be nearly flat year-over-year in total. This means that the total number for Wages, Benefits, Other and Debt Service should not be greater than \$14.6M, and how we get there is up to the Finance Committee and Town Manager. This 'how' should be influenced by priorities set by our board tonight. This allows for GDRSD to increase their assessment to Groton from \$18.267M to around \$19.2M and remain beneath the levy limit.

Second, the municipality might assign any requests above \$14.6M into a budget contingent upon an override. GDRSD would also have any assessment over \$19.2M placed into a contingent request. Reasonableness should apply to both the combined override total and the ratios of municipal to district funding within the override amount.

With an approach similar to this one, we are once again together as One Town, One Budget. And this time we ask ballot voters to help us understand what level of services they are willing to pay for, or if they are willing to do without.

Last time, this board left it up to our elected school committee to convince the voters that THEY needed an override. This approach created a divide right from the beginning. They did all of the heavy lifting, and they felt the sting of the loss. Yesterday I saw this board pretend that it was just the school budget which failed, and I heard a proposal that we should just move forward with the entire municipal budget as non-contingent. That is simply not acceptable. There is explicit culpability here within all 5 of us - we arrived here over many, many years, and now we must find our way out of this crisis together. We can either be agents of change, or we can be complicit in the divide and decay of our community.

If we do have an override, it should be a shared override, we should stand with our partners in the school district, and we should work together to convince the people why we all believe these contingent services are vital. We should have combined presentations and use the talents of those among us and those in our community to verify and validate our work. We should hold ourselves and our partners to the highest standards of humility, as we ask for more funds from each household.

We have a choice. We are either alliances of feudal lords fighting over fiefdoms so that our favorite causes might flourish, or we are one community, united with one budget. The people elected us to be leaders. Let us act accordingly.