

FINANCE COMMITTEE MEETING
Groton Town Hall: 1st Floor Meeting Room
173 Main Street, Groton, MA
Tuesday, June 5th, 2018
Approved Meeting Minutes

Present: Gary Green, Lorraine Leonard, David Manugian, Arthur Prest, Bud Robertson, Scott Whitefield

Others Present: Mark Haddad, Town Manager

Beth Faxon, Town of Groton per diem minute taker

Absent: Jon Sjoberg

Chairman Green called the meeting to order at 7:02 p.m.

Mr. Haddad updated the Finance Committee with the following;

- there is a developing list of line item transfers which will need approval by the both the finance committee and the Board of Selectmen prior to July 15, 2018.
- Groton financial situation is in good shape. Free cash in in good shape.
- Senior center project has some clarification needed as to the demolition of the building and associated cost.
- Mandatory principal paydown plan is effective. We are saving money. In case interest rates increase, M. Haddad reports the Town is in continual attentiveness to the bond rating.
- Bond will be secured for \$3 million Senior Center project on June 22nd. This will be a BAN until the project is completed. Alternative bond agreements will be considered with respect to the awareness of the potential for future interest rate volatility.

Mr. Haddad asked the finance committee to support the following line item transfers;

- \$20,000 to pay engineering consulting services for Prescott building. Mr. Haddad met with the Cataldo Mike Smith, Mr. Goldstein, Doug Anderson, Bruce Easom to go over details and discuss the requirements of the Prescott School building action plan. A business plan will be required as well as a rigorous RFP and lease agreement.

Upon a motion from B. Robertson, seconded by L. Leonard it was;

VOTED: to approve the Reserve fund line item transfer of \$20,000 for engineering consulting services for Prescott building maintenance and strategizing.

All in favor. The motion carries.

- \$7,000 for assessment center analysis of police department.

Upon a motion made by B. Robertson, seconded by D. Manugian it was;

VOTED: to approve the reserve fund line item transfer of \$7,000 for police department assessment center services.

All in favor. The motion carries.

- \$5,000 for police department salaries, to cover vacation accrual for retiring police chief.

Upon a motion made by B. Robertson, seconded by A. Prest it was;

VOTED: to approve the reserve fund line item transfer of \$5,000 for police department salaries.

All in favor. The motion carries.

- Mr. Haddad reported that the search for a Chief of police has been progressing very well. A search committee has been working with the assessment center to advertise, check qualifications, interview and, assess candidates. Finalists are being selected for the Board of Selectmen's interview process.

Discussion continued regarding a Town financial policy document titled "The Town's Current Line Item Budget". B. Robertson stated he will send out the April 2018 Draft document. Chair Green asked for verbiage be added to the document that it be the goal of the finance committee and Board of Selectmen to finish the financial policies prior to giving guidance to the finance team.

M. Haddad added the necessity for solidifying the process for the OPEB model in future budget seasons. A. Prest asked about a full-time vs on-call firefighters committee. M. Haddad described a 7- member committee including Chief McCurdy and M. Haddad as non-voting members plus five citizens.

7:25 M. Haddad leaves the meeting.

Chair Green gave an update:

- a permanent building committee was discussed in a meeting with M. Haddad, Becky Pine and Chair Green and they determined that the criticality of attention is around capital planning as opposed to owning each individual building program. Consensus was that a capital planning advisory board would be more applicable. Said committee would be responsible for reviewing any capital expenditures about a major project over a set limit. A responsibility of this advisory board would include inventory of facilities, plant and properties and review projects with regards to financial health. M. Haddad will draft policy and finance committee will consult on this.

- GDRSD has had a grievance filed against them by the union with regards to outsourcing the custodians.
- A. Prest updated the Finance committee on a discussion he was part of regarding building permits specifically the lack of information for the citizen to obtain a building permit. He will be reviewing the building permit fees. He will be recommending that we no longer estimate the cost of construction of the building but rather calculate on a per square foot basis. A flat fee will be established and a dollar amount (TBD) per square foot. Chair Green asked that Mr. Prest publicly disclose that he is not representing the finance committee in his involvement with the building permit revision process.

Upon a motion made by B. Robertson, seconded by D. Manugian it was;

VOTED: to approve the finance committee meeting minutes of April 30, 2018.

All in favor. The motion carries.

Review of Overall Financial Management Policies. Tabled until July 10, 2018 meeting.

Reorganization of Finance Committee.

Chair Green updated the status of finance committee members;

- Jon Sjoberg term expires this year and he has asked not to be reappointed.
- B. Robertson who will be reappointed by the Board of Selectmen following procedural approval.
- G. Green who will be reappointed by the Board of selectmen following procedural approval.
- acquiring a new finance committee member was discussed and it was suggested to 1. post the vacancy immediately, 2. mention the vacancy to anyone who may be a good contributor. 3. collect forms by July 9th to review prior to the next meeting. Chair Green asked each member to get the word out to as many qualified people as possible. Chair Green offered to take the action item of getting the vacancy posting on the website.

Upon a motion made by A. Prest, seconded by B. Robertson it was;

VOTED: to nominate Gary Green as Chairman of The Finance Committee for the year. YES - A. Prest, D. Manugian, B. Robertson, S. Whitefield, L. Leonard.

ABSTAIN - Gary Green.

The motion carries. Chair Green graciously accepted the position. He stated his intent for sharing some of the responsibilities over the next year with the goal of allowing others to experience duties of a finance committee chair.

Upon a motion made by A. Prest, seconded by L. Leonard it was;

VOTED: to nominate B. Robertson as Vice Chairman of the Finance Committee for the year. YES - G. Green, A. Prest, D. Manugian, S. Whitefield, L. Leonard.

ABSTAIN - Bud Robertson.

The motion carries. Bud Robertson graciously accepted the position.

Upon a motion made by L. Leonard, seconded by A. Prest it was;

VOTED: to nominate David Manugian as Clerk of the Finance committee for the year. Yes - G. Green, A. Prest, D. Manugian, S. Whitefield, L. Leonard. ABSTAIN -

D. Manugian.

The motion carries. David Manugian graciously accepted the position.

Finance Committee Activities and Goals

Chair Green opened a discussion about the feasibility of having a document drafted putting forth the best practices for the finance committee. Said document would consolidate processes and best practices already present in sources such as the Charter, and town financial policies, adding experiential knowledge to serve as a reference for the finance committee and maintain institutional knowledge.

- D. Manugian stated this could be a way for the public to better understand the role and practices of the finance committee.
- B. Robertson asked about the title of such document and the availability of other towns publishing similar documents. He added that there are multiple sources already in existence that can be included. He recognized that the people who have questions may not know where to find the answers. He stated the benefits of indexing this information and guiding citizens to access it efficiently. He also noted this document could be a great resource for a new finance committee member. As well as identifying and reviewing policies that could be solidified.
- S. Whitefield asked about the implications of using the term "best practice". Discussion ensued as to the terminology with respect to actions taken following these specific processes. Research would be needed. Using the term might allow flexibility in problem solving for the finance committee said Chair Green.
- A. Prest expressed his admiration for working on this finance committee that has a high regard for justice and working well as a team, he wants to continue to optimize working within the Charter, rules and regulations of the Town but have flexibility and ability to solve problems in a creative, dynamic way. He expressed concern such a document might interfere with the efficient working finance committee by being too rigid.

- L. Leonard expressed she has been involved with numerous policy and procedural documents, books and studies that are not utilized. She would not like to see the effort of preparation of such a document for naught. She adds a resource for finding similar documents that exist in other towns, listserv for municipal accountants.
- Chair Green addressed the question of whether or not other towns might have this type of document already. He mentioned reaching out the the MMA to learn if there are other finance committees in Massachusetts that have a similar document. He mentioned a web link for a current finance committee handbook used by the Commissioners. He then summarized his thoughts as his interested in succession planning by documenting what the finance committee does in best practice form, regularly reflecting and reviewing the document and using language that is not rigid and binding.
- D. Manugian agrees to work with Patricia Dufresne, Town Accountant regarding queries pertaining to the document with various applicable agencies such as; Association of Town finance committees, a subcommittee of the MMA.

Discussion moved to other goals and initiatives.

- D. Manugian will contact the IT director to request issuing Town of Groton email addresses for the finance committee members.

Chair Green proposes that the we have one finance committee email that goes to all finance committee members, and that all finance committee members have individual Town of Groton email addresses. All in favor.

- The discussion of free cash spending policy was raised and Chair Green advised the topic will be handled as part of the policy discussion on July 10th.
- The School District sustainability committee was raised and B. Robertson reports no activity is ongoing at this time. B. Robertson reports growth rate data is available now, so they are making plans to begin analysis.
- B. Robertson asked the finance committee to consider thinking about the whole debt situation, and a debt planning committee. The committee could work with the capital planning committee in an advisory role and with M. Haddad on implementation of the five-year plan. B. Robertson asked the finance committee spend more time as part of this year's goals on debt management. Chair Green agreed this is a good goal for the finance committee this year.

Upon a motion made by L. Leonard, seconded by D. Manugian it was voted;

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to adjourn the meeting at 8:30 p.m.

All in favor.

Respectfully submitted,

Beth Faxon, Town of Groton, per diem minute taker.