

TOWN OF GROTON FINANCE COMMITTEE

Regular Session

Wednesday, February 13th, 7:00 pm
Town Hall Second Floor Meeting Room
173 Main Street, Groton, MA 01450

Present: G. Green (Chair), C. Doody, D. Manugian (Clerk), A. Prest, B. Robertson, S. Whitefield

Also Present: M. Gilbert (School Committee Chair), P. Dufresne (Town Accountant), M. Haddad (Town Manager), O. Lathrop (Conservation Commission), C. Sartini (Groton Herald)

Not Present: L. Leonard

Chairman Green called the Finance Committee session to order at 7:00 pm.

Reserve Fund Transfer Requests

Olin Lathrop from the Conservation Commission joined this evening's meeting with a request for funding for invasive species control. He previously submitted background information detailing the presence of Emerald Ash Borer and asked the committee if they had any questions. B. Robertson inquired on the number of Ash trees to be treated. O. Lathrop responded that there are 13 trees that need to be treated in prominent places in town. The cost of treating these trees is between \$2700-3000. This includes the purchase of chemicals, which are about \$1600 a liter, plus the application equipment. O. Lathrop is a licensed applicator and would be doing the applications as a volunteer for the town. There are no legal issues for him to perform this on behalf of the town and he is insured. A. Prest asked about the effectiveness of treatment, to which he was answered that it is highly effective and is researched by the USDA and the University of Michigan. Treatment lasts about 2 years. The majority of the trees to be treated are in the Petapawag boat launch area and O. Lathrop hopes to communicate with this community about the treatment.

On a motion by Mr. Prest, seconded by Mr. Robertson, the finance committee voted unanimously to approve the \$3000 in funding for chemicals and equipment for O. Lathrop to perform invasive species control of the Emerald Ash Borer.

M. Haddad presented his Reserve Fund Transfer Requests: A current litigation of Johnson vs. ZBA has cost \$34,422 up to this point. The town has petitioned to delay any further activity until July to allow for planning for the next fiscal year. Mr. Haddad is seeking \$30k transfer immediately, and is anticipating the need for an additional \$30k to be funded through an end of year line item transfer. Other pre-existing legal costs exist, like Town Counsel fees, real estate and litigation costs, and a current case with the Board of Health. These have all required various funds, therefore Mr. Haddad is seeking this transfer to offset the unanticipated legal costs associated with Johnson vs. ZBA.

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On a motion by B. Robertson, seconded by S. Whitefield, the finance committee voted unanimously in favor of this transfer (\$30k for the Town Counsel budget) due to the extraordinary and unforeseen circumstances of this case.

M. Haddad's second request is related to another unforeseen cost as the Select Board is investigating an incident with a town employee. The town sought outside Counsel to perform the investigation. The firm that was chosen has estimated the cost of the investigation will be around \$7500-8000 (at \$210/hour). M. Haddad is requesting \$10,000 in the event that the investigation goes longer. Chairman Green inquired on the merits of the counsel that was selected. M. Haddad replied that they came highly recommended with impressive references.

On a motion by B. Robertson, seconded by D. Manugian, the finance committee voted unanimously in favor of an additional \$10k transfer of reserve funds to the Town Counsel budget.

Deliberations on FY20 Operations/Capital Budget (Town and School Districts)

Mr. Haddad led the committee through a health insurance budget review. Insurance rates came in today with a 7% increase from last year. The budget had anticipated a 10% increase resulting in a savings of \$40,959. Mr. Haddad also reported that it was budgeted to have two full time firefighters taking full health insurance benefits and each firefighter declined the insurance resulting in a savings of \$40,152. This brings potential savings to \$81,111. If there is an addition of two firefighters in the town, there is a potential increase of \$40,152. If the newly hired full-time dispatcher takes insurance, that will be an additional \$12,198 if on a family plan. There is also a new retiree who will be paid benefits until age 65 which will incur an additional \$18,617. If the decision is made by the Select Board to not move forward with the addition of two firefighters, there will be around \$40k in savings. D. Manugian inquired on when rates go into effect. It was answered by M. Haddad and P. Dufresne that they budget to begin in the last month of the current fiscal year. Open enrollment is in April. M. Haddad noted there may also be additional savings should there be anyone that chooses to opt out of insurance through the union.

M. Haddad led the committee through three potential budget scenarios. In the first scenario, because of the savings in health insurance rates and adjustments to the snow and ice budget there is a potential savings. The current budget could absorb two additional major storms (at approximately \$40k each) before there would be a deficit in snow and ice spending. M. Haddad reviewed the impact that costs at Nashoba Tech will have on the budget. The committee discussed that there is not a lot of wiggle room in estimated receipts. Excise tax, building permits and meals and occupancy tax make up most of the increase in this line item. Chairman Green asked if it is possible to know what establishments generate the most tax revenue. M. Haddad answered it is not possible to get that information. M. Haddad described a proposed change to the snow and ice budget. Some towns will not carry over a deficit, and instead they will take from line items in other budgets and essentially pay the deficit off within that fiscal year. M. Haddad cautioned that it makes sense to use this scenario this year (given the relatively mild winter weather), however it may not be a suitable solution for future years.

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Marlena Gilbert attended the meeting representing the school committee. In the school committee's recent meeting there was a strong conversation about the use of E&D to offset capital expenses and there are mixed feelings within the committee toward that solution. There are concerns that use of E&D would help Dunstable, but not Groton. The school committee has also discussed grant revenue and potential to use E&D if grant funding does not come in. At this point in time M. Gilbert believed the decision should be informed by what comes out of the audit items that are still to be completed. There are some discrepancies with salaries that have been reported and this needs to be looked into. There is a disconnect between Dunstable and Groton about how to manage various line items on the budget and this also needs to be addressed. M. Gilbert also reported there may be additional state aid to come in the future and she has been working with other school committees and constituents to write to local representatives to request funding.

The committee moved to a discussion about the hiring of two full time fire fighters. This would have an estimated \$150k impact on the annual budget. Chairman Green expressed that this is a change in business for the town as the fire department was historically a hybrid model. The finance committee is awaiting the results of a report from the Fire Department Task Force Committee that will detail the needs of the department. The committee discussed the process of getting public input and what is needed to better understand the public's opinion on the issue. It was discussed that it would first be presented at town meeting and then go to the ballot if necessary. The committee discussed the financial impacts further and concluded that without the addition of the full-time firefighters, the budget would break even. The Fire Department Task Force has had one meeting requesting public input. This will be a topic of discussion at the March 4th Select Board meeting. M. Gilbert commented that with the school committee's discussion of using E&D funds, that if there is a question of adding firefighters to the budget, she is concerned there will be a perception of the school committee going against public safety. D. Manugian commented on the recent school committee meeting and thought it went very well, particularly the issues surrounding special education. M. Gilbert mentioned that the school committee is looking to develop a working group to help address some of the concerns and unknowns that will impact the budget.

The committee continued the discussion about the fire department task force. A. Prest reported that in a recent task force meeting, of the 70 people there, 62 people raised their hands in support of the addition of two firefighters to the town annual budget. The cost described at that meeting was \$84k, but as discussed at this evening's meeting the cost is looking more like \$104k. It's estimated that EMTs generate around \$300k in revenue annually. Chairman Green would like to see the task force report once it is complete, and is looking for a strong data-based recommendation from the task force.

Other business: Approval of Meeting Minutes

On a motion by B. Robertson, seconded by D. Manugian it was voted to approve the minutes from 1/7/19. Members C. Doody and A. Prest voted in favor. S. Whitefield abstained.

There was a suggested edit in the minutes from February 6th to correct a spelling error.

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On a motion by B. Robertson, seconded by D. Manugian it was VOTED to approve the February 6th meeting minutes with suggested revisions by a unanimous vote.

The committee discussed the next meeting and will look to schedule this before the Select Board meeting on March 18th. Committee members discussed whether the Finance Committee should request a meeting with the Select Board in advance of the Select Board meeting to discuss the budget. D. Manugian briefly discussed the proposed Capital Planning Committee, and whether it should be structured as a Capital and Asset Committee. He advised inviting Mr. Josh Degen (Select Board) to explain the proposed committee' about how future budget challenges should inform discussions around the current fiscal year and the possibility of forming a working group. It was discussed that various boards within the town should be included in the discussion.

On a motion by A. Prest, seconded by D. Manugian it was VOTED to adjourn this evening's meeting.

Minutes respectfully submitted on February 28, 2019 by Naomi Campbell Siok, per diem recording secretary, Town of Groton.

REQUEST FOR TRANSFER FROM THE RESERVE FUND

(To be submitted in triplicate)

Date 2-13-19

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: \$ 3,000
- 2. To be transferred to: Conservation Comm. Gen Exp.
(give name of appropriation)
- 3. Present balance in said appropriation: \$ 1,689.97
- 4. The amount requested will be used for (give specific purpose):

Needed to combat emerald ash borer infestation. Treatment to utilize insecticide.

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

Infested ash trees were only just identified in June.

.....
Officer or Department Head

Action of Advisory Board

Date of Meeting Number Present and Voting

Transfer voted in the sum of \$

Transfer disapproved

.....
Chairman Advisory Board

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

>>>

>>> -----Original Message-----

>>> From: Olin Lathrop <olin@embedinc.com>

>>> Sent: Saturday, January 26, 2019 9:21 AM

>>> To: Accountant <Accountant@townofgroton.org>

>>> Cc: Patricia DuFresne <pdufresne@townofgroton.org>; Nikolis Gualco

>>> <ngualco@townofgroton.org>; Brian Bettencourt <bbettenc69@gmail.com>

>>> Subject: Reserve Fund request

>>>

>>> To: Gary Green, Finance Committee Chair

>>> From: Olin Lathrop, Invasive Species Committee

>>> Copied:

>>> Patricia DuFresne, Town Accountant

>>> Nikolas Gualco, Conservation Administrator Brian Bettencourt,

>>> Invasive Species Committee Chair

>>>

>>> The emerald ash borer (EAB) is an invasive pest that was unintentionally introduced in Michigan in the 2000s. It attacks ash trees and usually kills them within five years. We were informed in early 2018 by the MA Dept of Agriculture (MDAR) that the EAB was confirmed in Shirley and Pepperell. This led to bringing in a speaker from MDAR for a public presentation on the EAB in April. From this we learned that the EAB was likely already in Groton undetected. Either way, it is coming, and all our ash trees will be dead within a decade in the absence of intervention.

>>>

>>> The Invasive Species Committee then set out to identify ash trees in Groton and record their location and existing conditions. In June we recorded 13 ash trees in the Petapawag Picnic Area.

>>>

>>> After finding significant ash trees in town, we researched what, if anything, is appropriate to do about the coming infestation. This revealed that it is possible to treat individual trees with insecticide.

>>> Using the best method and the most appropriate insecticide, each treatment is effective for two years. It was also found that to be most effective, treatment needs to be applied shortly after leaf-out. That will probably be around late April.

>>>

>>> We then researched the various competing commercial products and methods, their suitability to our situation, cost, and other factors.

>>> From this, a particular stem injection system was identified, along with the specific pesticide. The total cost for the equipment and one liter of insecticide was about \$2700. This was compared against the \$2500 estimate by the Tree Warden of taking down the ash trees in Petapawag, due to dead trees in that area being a public hazard.

>>>

>>> The formal request for funds was sent to the Town Manager in December, requesting up to \$3000 for equipment and supplies. We were eventually advised that the Reserve Fund might be an appropriate source for this expense, hence this letter.

>>>

>>> As you can see, the situation was not fully understood until after the last budget cycle, and the most effective action must be taken before the next budget cycle.

>>>

>>> The Invasive Species Committee therefore requests funds for purchasing equipment and supplies for treating ash trees against the emerald ash borer, not to exceed \$3000. I look forward to being able to present more detail and answer any questions about this request at one of your upcoming meetings.

>>>

>>> For more background, I have attached the original request to the Town Manager, since this goes into more detail.

>>> <mark.txt>

>>> <FinComAgenda 021319.docx>

>

REQUEST FOR TRANSFER FROM THE RESERVE FUND

(To be submitted in triplicate)

Date 2-13-19

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: \$ 30,000.00

2. To be transferred to: LEGAL EXPENSE
(give name of appropriation)

3. Present balance in said appropriation: \$ 0

4. The amount requested will be used for (give specific purpose):
TO COVER THE LEGAL EXPENSE TO DEFEND THE ZBA IN THE JOHNSON VS. ZBA CASE.

5. This expenditure is extraordinary and/or unforeseen for the following reasons:
THE JOHNSON VS. ZBA CASE HAD BEEN DORMANT FOR YEARS AND CAME TO THE FOREFRONT IN OCTOBER, 2018. BRINGING NEW TOWN COUNSEL UP TO SPEED IN PREPARATION FOR TRIAL WAS COMPLETELY UNFORESEEN WHEN THE LEGAL BUDGET WAS ESTABLISHED

.....
Officer or Department Head

Action of Advisory Board

Date of Meeting Number Present and Voting

Transfer voted in the sum of \$

Transfer disapproved

.....
Chairman Advisory Board

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

REQUEST FOR TRANSFER FROM THE RESERVE FUND

(To be submitted in triplicate)

Date 2-13-10

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: \$ 10,000.00

2. To be transferred to: LEGAL EXPENSE
(give name of appropriation)

3. Present balance in said appropriation: \$ 0

4. The amount requested will be used for (give specific purpose):
TO PAY FOR THE INVESTIGATOR HIRED TO INVESTIGATE A CLAIM AGAINST A TOWN EMPLOYEE.

5. This expenditure is extraordinary and/or unforeseen for the following reasons:
THE COMPLAINT WAS FILED IN JANUARY, 2010 AND THE SELECT BOARD'S POLICY REQUIRES AN INVESTIGATION.

[Signature]
Officer or Department Head

Action of Advisory Board

Date of Meeting Number Present and Voting

Transfer voted in the sum of \$

Transfer disapproved

.....
Chairman Advisory Board

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

TOWN OF GROTON
 FISCAL YEAR 2020
 TAX LEVY CALCULATIONS

Revised: 2/13/2019

FY 2020 PROPOSED EXPENDITURES

Town Manager's Proposed Budget			
General Government	\$	2,077,937	
Land Use Departments	\$	450,361	
Protection of Persons and Property	\$	4,297,002	
Regional School Districts	\$	23,259,809	
Department of Public Works	\$	2,237,722	
Library and Citizen Services	\$	1,684,572	
Debt Service	\$	1,607,259	
Employee Benefits	\$	4,049,106	
Sub-Total - Operating Budget	\$		39,663,768
A. TOTAL DEPARTMENTAL BUDGET REQUESTS	\$		39,663,768
B. CAPITAL BUDGET REQUESTS	\$	705,820	
C. ENTERPRISE FUND REQUESTS	\$		1,983,733
D. COMMUNITY PRESERVATION REQUEST	\$		
OTHER AMOUNTS TO BE RAISED			
1. Amounts certified for tax title purposes	\$	-	
2. Debt and interest charges not included	\$	-	
3. Final court judgments	\$	-	
4. Total Overlay deficits of prior years	\$	-	
5. Total cherry sheet offsets	\$	-	
6. Revenue deficits	\$	-	
7. Offset Receipts	\$	18,084	
8. Authorized deferral of Teachers' Pay	\$	-	
9. Snow and Ice deficit	\$	150,000	
10. Other	\$		
E. TOTAL OTHER AMOUNTS TO BE RAISED	\$		168,084
F. STATE AND COUNTY CHERRY SHEET CHARGES	\$		93,692
G. ALLOWANCE FOR ABATEMENTS AND EXEMPTIONS	\$		150,000
TOTAL PROPOSED EXPENDITURES	\$		42,765,096

FY 2020 ESTIMATED RECEIPTS

ESTIMATED TAX LEVY			
Levy Limit	\$	31,778,998	
Debt Exclusion	\$	2,000,028	
A. ESTIMATED TAX LEVY	\$		33,779,026
B. CHERRY SHEET ESTIMATED RECEIPTS	\$		965,342
C. LOCAL RECEIPTS NOT ALLOCATED	\$		4,120,480
C. OFFSET RECEIPTS	\$		-
D. ENTERPRISE FUNDS	\$		2,220,021
E. COMMUNITY PRESERVATION FUNDS	\$		-
F. FREE CASH	\$		300,857
OTHER AVAILABLE FUNDS			
1. Stabilization Fund		983,957	
2. Capital Asset Fund	\$		
3. EMS/Conservation Fund	\$	500,875	
G. OTHER AVAILABLE FUNDS	\$		1,484,832
TOTAL ESTIMATED RECEIPTS	\$		42,870,558
FY 2020 SURPLUS/(DEFICIT)	\$		105,461

*Dec 31 plus
government budget*

↑ 64,000 to allow for right-of-way

TOWN OF GROTON
FISCAL YEAR 2020
TAX LEVY CALCULATIONS

Revised: 2/13/2019

FY 2020 PROPOSED EXPENDITURES

Town Manager's Proposed Budget

General Government	\$	2,077,937
Land Use Departments	\$	450,361
Protection of Persons and Property	\$	4,361,041
Regional School Districts	\$	23,579,801
Department of Public Works	\$	2,237,722
Library and Citizen Services	\$	1,684,572
Debt Service	\$	1,607,259
Employee Benefits	\$	4,049,106

Sub-Total - Operating Budget \$ 40,047,799

A. TOTAL DEPARTMENTAL BUDGET REQUESTS	\$	40,047,799
B. CAPITAL BUDGET REQUESTS	\$	705,820
C. ENTERPRISE FUND REQUESTS	\$	1,983,733

D. COMMUNITY PRESERVATION REQUEST

OTHER AMOUNTS TO BE RAISED

1. Amounts certified for tax title purposes	\$	-
2. Debt and interest charges not included	\$	-
3. Final court judgments	\$	-
4. Total Overlay deficits of prior years	\$	-
5. Total cherry sheet offsets	\$	-
6. Revenue deficits	\$	-
7. Offset Receipts	\$	18,084
8. Authorized deferral of Teachers' Pay	\$	-
9. Snow and Ice deficit	\$	150,000
10. Other	\$	-

E. TOTAL OTHER AMOUNTS TO BE RAISED	\$	168,084
F. STATE AND COUNTY CHERRY SHEET CHARGES	\$	93,692
G. ALLOWANCE FOR ABATEMENTS AND EXEMPTIONS	\$	150,000

TOTAL PROPOSED EXPENDITURES \$ 43,149,127

FY 2020 ESTIMATED RECEIPTS

ESTIMATED TAX LEVY			
Levy Limit	\$	31,778,998	
Debt Exclusion	\$	2,000,028	
A. ESTIMATED TAX LEVY	\$		33,779,026
B. CHERRY SHEET ESTIMATED RECEIPTS	\$		965,342
C. LOCAL RECEIPTS NOT ALLOCATED	\$		4,120,480
C. OFFSET RECEIPTS	\$		-
D. ENTERPRISE FUNDS	\$		2,220,021
E. COMMUNITY PRESERVATION FUNDS	\$		-
F. FREE CASH	\$		300,857
OTHER AVAILABLE FUNDS			
1. Stabilization Fund	\$	983,957	
2. Capital Asset Fund	\$	500,875	
3. EMS/Conservation Fund			
G. OTHER AVAILABLE FUNDS	\$		1,484,832
TOTAL ESTIMATED RECEIPTS	\$		42,870,558
FY 2020 SURPLUS/(DEFICIT)	\$		(278,570)

Revised: 2/13/2019

TOWN OF GROTON
FISCAL YEAR 2020
TAX LEVY CALCULATIONS

FY 2020 PROPOSED EXPENDITURES

Town Manager's Proposed Budget			
General Government	\$	2,077,937	
Land Use Departments	\$	450,361	
Protection of Persons and Property	\$	4,361,041	
Regional School Districts	\$	23,579,801	
Department of Public Works	\$	2,237,722	
Library and Citizen Services	\$	1,684,572	
Debt Service	\$	1,607,259	
Employee Benefits	\$	4,049,106	
Sub-Total - Operating Budget	\$		40,047,799
A. TOTAL DEPARTMENTAL BUDGET REQUESTS	\$		40,047,799
B. CAPITAL BUDGET REQUESTS	\$		705,820
C. ENTERPRISE FUND REQUESTS	\$		1,983,733
D. COMMUNITY PRESERVATION REQUEST	\$		
OTHER AMOUNTS TO BE RAISED			
1. Amounts certified for tax title purposes	\$	-	
2. Debt and interest charges not included	\$	-	
3. Final court judgments	\$	-	
4. Total Overlay deficits of prior years	\$	-	
5. Total cherry sheet offsets	\$	-	
6. Revenue deficits	\$	-	
7. Offset Receipts	\$	18,084	
8. Authorized deferral of Teachers' Pay	\$	-	
9. Snow and Ice deficit	\$	-	
10. Other	\$	-	
E. TOTAL OTHER AMOUNTS TO BE RAISED	\$		18,084
F. STATE AND COUNTY CHERRY SHEET CHARGES	\$		93,692
G. ALLOWANCE FOR ABATEMENTS AND EXEMPTIONS	\$		150,000
TOTAL PROPOSED EXPENDITURES	\$		42,999,127

FY 2020 ESTIMATED RECEIPTS

ESTIMATED TAX LEVY			
Levy Limit	\$	31,778,998	
Debt Exclusion	\$	2,000,028	
A. ESTIMATED TAX LEVY	\$		33,779,026
B. CHERRY SHEET ESTIMATED RECEIPTS	\$		965,342
C. LOCAL RECEIPTS NOT ALLOCATED	\$		4,120,480
C. OFFSET RECEIPTS	\$		-
D. ENTERPRISE FUNDS	\$		2,220,021
E. COMMUNITY PRESERVATION FUNDS	\$		-
F. FREE CASH	\$		300,857
OTHER AVAILABLE FUNDS			
1. Stabilization Fund			
2. Capital Asset Fund	\$	983,957	
3. EMS/Conservation Fund	\$	500,875	
G. OTHER AVAILABLE FUNDS	\$		1,484,832
TOTAL ESTIMATED RECEIPTS	\$		42,870,558
FY 2020 SURPLUS/(DEFICIT)	\$		(128,570)

Health Insurance Budget Review

Original Appropriation	\$	1,742,553
New Budget Based on Rates Increase of Seven (7%) Percent	\$	1,701,594
Difference	\$	40,959
Two Firefighter Carry Over	\$	40,152
Potential Savings	\$	81,111
Potential Liabilities		
Two Firefighters	\$	40,152
New Dispatcher (Current Single to Family)	\$	12,918
New Retiree (Dispatch Retirement)	\$	18,619
Firefighter (Current Single) to Married	\$	9,861
Difference	\$	(439)