

# TOWN OF GROTON FINANCE COMMITTEE Regular Session

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*Monday, July 15, 2019, 7:00 p.m.  
2<sup>nd</sup> Floor Meeting Room  
173 Main St. Groton, MA*

*Meeting Jointly with the Select Board*

**Present for Finance Committee:** G. Green (Chair), B. Robertson (Vice Chair), Art Prest, S. Whitefield, D. Manugian, C. Doody

**Absent:** L. Leonard

Present for Select Board: A. Manugian (Chair), J. Giger, J. Reilly, J. Degen, B. Pine

**Also Present:** P. Dufresne (Town Accountant/Recording Secretary), J. Anderson, M. Haddad (Town Manager), C. Sartini (Press), D. Dunbar (Executive Assistant)

**Documents available at the meeting:** FY19 Budget Line Item Transfer Requests  
FY19 Country Club Budget to Actual Results

*Mr. Green called the regular session of the Finance Committee to order at 7:02 p.m.*

Ms. Manugian reviewed the meeting agenda and then gave the floor to Mr. Haddad, who provided an update on the status of the Town charter (which has passed the Senate and is currently being read in the House).

Fall Town Meeting: The Select Board called for Town meeting to begin on Monday, October 21<sup>st</sup> at 7:00 pm. The board members voted to open the warrant as of July 16, 2019 and close it as of the close of business on August 29, 2019. A public hearing on the warrant will be held jointly with the Select Board and Finance Committee on September 19, 2019.

FY19 End of Year Line Item Transfers: Mr. Haddad drew the group's attention to the list provided by the Town Accountant identifying those budget lines which will require additional funding for FY19 as well as those budget lines which currently have surplus funds available for transfer (please see attached document). He pointed out that many of the smaller salary and wage deficits were due to required insurance plan design mitigation, and will be funded from other lines within the same departmental budget. The larger deficits (\$30,000 for Town Counsel, \$15,000 Municipal Buildings Expense, \$11,000 Country Club expenses, \$45,247 Short-Term Interest) will be offset from surplus funds in the budgets for Unemployment Compensation and Employee Health Insurance. A 111F insurance transfer in the amount

of \$15,000 is necessary to cover unusually high Injured on Duty activity, but can be covered with a transfer from the Insurance & Bonding budget. Mr. Haddad also noted that the Fire Department has struggled with a large number of vehicle repairs over the last year. Municipal Buildings overspent their budget due to installation of a replacement garage door (which will be moved to the W. Groton annex prior to construction at the main facility). Mr. Degen urged caution, pointing out that the large surplus in the Health Insurance budget may not be available for these types of transfers in future years.

**On a motion by Mr. Degen, seconded by Mr. Reilly, the Select Board voted unanimously to approve FY19 budget line item transfers as presented totaling \$164,983. The Vote: 5-0-0**

**On a motion by Mr. Robertson, seconded by Mr. Prest, the Finance Committee voted unanimously to approve FY19 budget line item transfers as presented totaling \$164,983. The Vote: 6-0-0**

Country Club FY19 Financial Results: Mr. Haddad was pleased to report that the Country Club finished operations for FY19 with a budgetary surplus of \$48,291. He presented an analysis of line item budget to actual results (please see attached document). He attributes this extremely positive result to the General Manager's decision to cut membership rates dramatically. Ultimately, cutting rates by almost half resulted in triple the membership count heading into the FY20 season. He understands that there has been an interest in seeking authorization to run the Club as an Enterprise Fund, but would counsel holding off on this decision at least until 3 consecutive profitable years have been recorded. Ms. Pine noted that due to the increased activity, the FY20 wage and expense budget may require adjustment at an upcoming Town Meeting. Mr. Haddad agreed saying that these budgets will be reviewed later in the year. Mr. Robertson asked whether the Town is continuing to make improvements to the property there. Mr. Haddad confirmed that money is still being spent on improvements and cart paths are on the docket to be fixed this summer. Mr. Degen noted that the real test of the success of the fee reductions will not be apparent until the end of this season, when unanticipated expenses may offset some of the early gains.

*At this time (7:30 pm), the Finance Committee relocated to the 1<sup>st</sup> Fl. Meeting Rm to discuss other business.*

Reorganization of the Committee: Mr. Green asked for nominations for the position of Chairman. Mr. Robertson nominated Mr. Green, who respectfully declined. Mr. Prest nominated Mr. Robertson; Mr. Manugian seconded the nomination. Mr. Robertson accepted the nomination. The Vote 5-0-1 (Mr. Robertson abstained)

Mr. Prest nominated Mr. Green for the position of Vice Chair; Mr. Robertson seconded the nomination. Mr. Green accepted the nomination. The Vote: 5-0-1 (Mr. Green abstained)

Mr. Green nominated Mr. Manugian for the position of Clerk; Mr. Whitefield seconded the nomination. Mr. Manugian accepted the nomination. The Vote: 5-0-1 (Mr. Manugian abstained)



Approval of Minutes:

**On a motion by Mr. Prest, seconded by Mr. Manugian, the Finance Committee voted in the majority to approve and release the minutes from their meeting on March 4, 2019 as drafted. The Vote: 5-0-1 (Mr. Whitefield abstained)**

Mr. Robertson requested that the notes from the minutes of April 2, 2019 be reviewed to determine the accuracy of the Friends of Prescott revenue projections listed on page 2 as \$11k, \$33k and \$60k for the next 3 years. According to the financial plan he has seen, those numbers should be \$79k, \$105k and \$147k. Ms. Dufresne said she will ask the minute-taker whether she has any notes or a recording that could be referred to. The committee will vote on these minutes at a later date.

Mr. Prest asked that the minutes from April 29, 2019 be amended to include the names of those who had voted against the DPW Facility Upgrade Article 7. Ms. Dufresne will add that information to the document.

**On a motion by Mr. Green, seconded by Mr. Manugian, the Finance Committee voted unanimously to approve and release the minutes of April 29, 2019 as amended. The Vote: 6-0-0.**

The Finance Committee identified upcoming issues to be discussed at a future meeting: Review of Financial Policies, FY21 Budget Guidance, and the Fall Town Meeting Warrant. The group scheduled a meeting for September 3<sup>rd</sup>, 2019. Mr. Robertson provided an update on the efforts of the Tri-Board (School District, Town of Groton, Town of Dunstable) in deeply analyzing the budget needs of the participating entities. This group will be meeting again on August 26<sup>th</sup>, when accurate end of year data for FY19 should be available. They are interested in identifying trends and historical spending of Free Cash. The group briefly discussed the Florence Roche MSBA building project that is still currently in the feasibility study phase. The members also discussed the Country Club, with Mr. Green proposing the creation of a Stabilization Fund (for the time being before an Enterprise Fund can be established). Mr. Green was pleased that the General Manager is actively maximizing the membership value for Groton residents.

**Mr. Robertson officially adjourned the regular session of the Finance Committee at 8:05 p.m.**

Respectfully submitted,

Patricia Dufresne, Recording Secretary

# PROPOSED LINE ITEM TRANSFERS FOR YEAR END 2019

## FUNDING NEEDED

| Line Item<br>Number | Account                              | Amount<br>Needed  | Reason  |
|---------------------|--------------------------------------|-------------------|---|
| 5115                | 124 Town Manager Salaries            | \$ 242            | Health Ins. Plan Design Mitigation              |
| 5115                | 141 Assessors Salaries               | \$ 121            | Health Ins. Plan Design Mitigation              |
| 5115                | 145 Treasurer/Collector Salaries     | \$ 121            | Health Ins. Plan Design Mitigation              |
| 5120                | 145 Treasurer/Collector Wages        | \$ 144            | Health Ins. Opt Out/6 mo review adj.            |
| 5220                | 151 Town Counsel                     | \$ 30,000         | New Contract at Higher Rate                     |
| 5115                | 152 Human Resources Salaries         | \$ 121            | Health Ins. Plan Design Mitigation              |
| 5115                | 154 IT Committee Salaries            | \$ 121            | Health Ins. Plan Design Mitigation              |
| 5110                | 161 Town Clerk Salaries              | \$ 796            | Insurance Mitigation/HRA Payout                 |
| 5120                | 161 Town Clerk Wages                 | \$ 294            | Additional Hours Authorized                     |
| 5115                | 171 Conservation Commission Salaries | \$ 891            | Health Ins Opt Out & Plan Design Mitigation     |
| 5115                | 175 Planning Board Salaries          | \$ 315            | Plan Design Mitigation/MassWorks Consulting     |
| 5400                | 192 Municipal Buildings Expenses     | \$ 15,000         | OS Invoices June                                |
| 5451                | 193 111F Insurance Medical Bills     | \$ 15,000         | IOD Medical Claims Public Safety                |
| 5115                | 220 Fire Department Salaries         | \$ 569            | Plan Design Mitigation & 7/4 Holiday Pay        |
| 5400                | 220 Fire Department Expenses         | \$ 20,000         | Vehicle Repairs                                 |
| 5115                | 241 Building Inspector Salaries      | \$ 121            | Health Ins. Plan Design Mitigation              |
| 5115                | 242 Mechanical Inspectors            | \$ 5,160          | Increased Inspection Activity                   |
| 5115                | 420 Highway Salaries                 | \$ 121            | Health Ins. Plan Design Mitigation              |
| 5400                | 420 Highway General Expenses         | \$ 10,000         | Garage Door Repair/BoatHouse Rd Paving          |
| 5115                | 541 Council on Aging Salaries        | \$ 44             | Health Ins. Plan Design Mitigation              |
| 5115                | 610 Library Salaries                 | \$ 1,244          | Plan Design Mitigation & Director's Sal. Adj.   |
| 5115                | 640 Country Club Salaries            | \$ 1,037          | Health Ins Opt Out & Plan Design Mitigation     |
| 5120                | 640 Country Club Wages               | \$ 7,145          | Pool to open early (early school release!)      |
| 5400                | 640 Country Club General Expenses    | \$ 11,000         | Spring Maint. Supplies/Camp lunches             |
| 5925                | 752 ST Interest                      | \$ 45,247         | Xtra Sr Center BAN Interest Payment FY19        |
| 5400                | 915 EE Life Insurance                | \$ 133            | Averaging \$10/mo higher for FY19 new enrollees |
| <b>TOTAL</b>        |                                      | <b>\$ 164,983</b> |   |

## FUNDING FROM

|              |  |                   |   |
|--------------|--|-------------------|---|
| 5120         | 124 Town Manager Wages                           | \$ 242            |   |
| 5400         | 141 Assessors General Expenses                   | \$ 121            |   |
| 5400         | 145 Treasurer General Expenses                   | \$ 265            |   |
| 5120         | 154 IT Wages                                     | \$ 121            |   |
| 5400         | 161 Town Clerk                                   | \$ 1,090          |   |
| 5430         | 193 Insurance & Bonding                          | \$ 15,000         |   |
| 5120         | 220 Fire Department Wages                        | \$ 20,569         |   |
| 5120         | 241 Building Inspector Wages                     | \$ 121            |   |
| 5120         | 420 Highway Wages                                | \$ 121            |   |
| 5400         | 424 Street Lights                                | \$ 6,353          |   |
| 5120         | 430 Solid Waste Wages                            | \$ 3,647          |   |
| 5120         | 540 Council on Aging Wages                       | \$ 44             |   |
| 5120         | 610 Library Wages                                | \$ 1,244          |   |
| 5850         | 640 Country Club Irrigation System Project - 050 | \$ 8,182          | Pipe installation done in-house         |
| 5173         | 916 Medicare Matching                            | \$ 133            | Reduced payroll expenses                |
| 5400         | 913 Unemployment Compensation                    | \$ 17,730         | Reduction in Unemployment Activity      |
| 5400         | 914 Health Insurance Expense                     | \$ 90,000         | Reduction in Plan Enrollment/Cost Share |
| <b>TOTAL</b> |  | <b>\$ 164,983</b> |   |

Groton Country Club  
FY19 Budget to Actual Final Results

| <i>Item</i>                           | <u><b>FY19 Budget</b></u> | <u><b>FY19 Actual</b></u>  |
|---------------------------------------|---------------------------|----------------------------|
| <i>Country Club Salaries</i>          | \$143,285                 | \$150,373                  |
| <i>Country Club Wages</i>             | \$112,481                 | \$119,626                  |
| <i>Country Club Expenses</i>          | \$149,540                 | \$150,837                  |
| <i>Capital Purchases</i>              | \$28,100                  | \$19,473                   |
| <i>Wages in Operating Budget</i>      | \$12,296                  | \$5,067                    |
| <i>Health Insurance</i>               | \$28,208                  | \$20,745                   |
| <i>Payroll Taxes</i>                  | \$3,708                   | \$3,985                    |
| <i>Liability Insurance</i>            | \$16,375                  | \$20,043                   |
| <i>Building Costs</i>                 | \$4,000                   | \$23,655                   |
| <i>Unemployment</i>                   | \$8,000                   | \$0                        |
| <br><i>Subtotal Expenses</i>          | <br>\$505,993             | <br>\$513,804              |
| <br><i>Less Revenue</i>               | <br>\$512,202             | <br>\$562,095              |
| <br><i>Taxpayer Surplus/(Subsidy)</i> | <br><u><b>\$6,209</b></u> | <br><u><b>\$48,291</b></u> |



**Groton Pool and Golf Center Year to Year Analysis**

| Receipts                                      |              | Expenses                                      |                | Overhead              |
|---|--------------|---|----------------|-----------------------|
| Jul-17  | \$61,536.41  | Jul-17  | (\$52,109.83)  | Jul-18 (\$34,184.35)  |
| Aug-17  | \$54,071.19  | Aug-17  | (\$82,906.76)  | Aug-18 (\$102,329.18) |
| Sep-17  | \$22,639.71  | Sep-17  | (\$46,333.77)  | Sep-18 (\$5,128.69)   |
| Oct-17  | \$17,282.97  | Oct-17  | (\$27,851.76)  | Oct-18 (\$35,892.47)  |
| Nov-17  | \$5,849.18   | Nov-17  | (\$26,157.86)  | Nov-18 (\$34,448.58)  |
| Dec-17  | \$791.10     | Dec-17  | (\$13,247.80)  | Dec-18 (\$13,915.23)  |
| Jan-18  | \$6,883.09   | Jan-18  | (\$14,464.96)  | Jan-19 (\$19,869.77)  |
| Feb-18  | \$41,556.57  | Feb-18  | (\$20,327.91)  | Feb-19 (\$4,997.18)   |
| Mar-18  | \$39,118.47  | Mar-18  | (\$21,374.16)  | Mar-19 (\$17,846.55)  |
| Apr-18  | \$55,420.30  | Apr-18  | (\$13,677.11)  | Apr-19 (\$18,053.32)  |
| May-18  | \$79,362.59  | May-18  | (\$36,586.51)  | May-19 (\$43,473.49)  |
| Jun-18  | \$86,171.86  | Jun-18  | (\$54,339.38)  | Jun-19 (\$65,169.78)  |
| Grand Total                                   | \$470,683.44 | Grand Total                                   | (\$409,377.81) | (\$67,446.48)         |
| <b>Receipts Diff. FY 18 - 19</b>              |              | <b>Expense Diff. FY 18 - 19</b>               |                |                       |
| (\$85,361.28)                                 |              | (\$30,930.78)                                 |                |                       |
| (neg # = worse than last yr / pos # = better) |              | (neg # = worse than last yr / pos # = better) |                |                       |

**Cash Flow Balance** \$115,736.13

(neg # = deficit / pos # = excess)

Less overhead = \$48,289.65 Adj'd "cost"

**Budget for FY 2019:**

|               |              |              |              |
|---------------|--------------|--------------|--------------|
| includes      | Revenue:     | To Date:     | Diff         |
| Capital items | Exp/Payroll  | 509,502.00   | \$556,044.72 |
|               |              | (440,857.00) | 46,542.72    |
|               |              |              | 548.41       |
|               | % as of June | Rev          |              |
|               |              | Exp/Payroll  |              |
|               |              | 109.13%      |              |
|               |              | 99.88%       |              |

**Budget for FY 2019:**

|               |              |              |              |
|---------------|--------------|--------------|--------------|
| excludes      | Revenue:     | To Date:     | Diff         |
| Capital items | Exp/Payroll  | 509,502.00   | \$556,044.72 |
|               |              | (412,757.00) | 46,542.72    |
|               |              |              | (27,197.96)  |
|               | % as of June | Rev          |              |
|               |              | Exp/Payroll  |              |
|               |              | 109.13%      |              |
|               |              | 106.59%      |              |