

TOWN OF GROTON FINANCE COMMITTEE

Regular Session

Tuesday September 3, 2019 at 7:00 pm
Town Hall First Floor Meeting Room
173 Main Street, Groton, MA 01450

Present: Bud Robertson (Chair), Gary Green, (Vice Chair), David Manugian (Clerk), Colby Doody, Arthur Prest, Scott Whitefield

Also present: Patricia Dufresne (Town Accountant), Marlena Gilbert (School Committee Chair)

Chairman Robertson called the Finance Committee session to order at 7:00 pm. He opened the meeting with a moment of silence for finance committee member Lorraine Leonard as she passed away over the weekend.

Major Initiative Planning Committee

The Select Board requested the Finance Committee's review of the latest version of the Major Initiative Planning Committee Charge. The Committee will consist of members that will be chosen by the Select Board. A. Prest commented that he is unclear how the Finance Committee fits into the discussion. He was also in disagreement with the \$30k minimum as a capital expenditure. He also requested clarification on what the services language refers to. Chairman Robertson responded that the Major Initiative Committee is being developed at the request of the Select Board as a standing committee that will be tasked with reviewing capital spending and major expenditures. G. Green commented that capital planning has historically taken a back seat to operational budget planning. The Committee discussed various scenarios where the Major Initiative Committee would be used. Chairman Robertson discussed that this committee will be tasked with reviewing department budgets and their upcoming expenditures. The committee will review metrics with the department managers. Reviewing metrics is often outside of what the finance committee should be focusing on.

Audience member and Groton resident, Anna Eliot, expressed that members of this committee should represent the diversity of departments within the town. Having diversity of representation will help the full committee to better understand the range of efforts and initiatives under consideration. G. Green responded that he is unsure if this was necessary for this committee specifically. Members are tasked as advisors who will do a lot of the heavy leg work required of major initiative planning. G. Green discussed his concern that Major Initiative Committee members may be unclear of their role on the committee as the charge is currently written. He also commented that the second iteration of the charge appears to give this committee capital planning and policy planning authority, which he believes would be problematic. B. Robertson commented that those responsibilities are also not the charge of the Finance Committee. S. Whitefield questioned how 5-year planning and proposals would be managed by this committee. In particular, he questioned how would it be known whether there is a fair analysis of projects. For example, they discussed the upcoming \$7.5 million expenditure by the water department. Committee

TOWN OF GROTON FINANCE COMMITTEE

Regular Session

members discussed if this is an expense that should have been foreseen and budgeted. It was questioned who analyzes what is being recommended by a department. D. Manugian made a suggestion that the Planning Committee prioritize projects and the Finance Committee set the budget. The Planning Committee could provide advice on equipment purchases, etc.

G. Green questioned why the original charge was rejected and why services and the \$30k minimum were added. The original draft described strictly capital advising. He commented that this charge has a lot of language geared toward policy and he questioned if it would require a bylaw change with a Town Meeting vote. He suggested that the charge should make it extremely clear that this is an advisory committee and policy language should be removed. A. Prest also suggested the removal of services. B. Robertson inquired if FinCom members agreed to recommend these changes just discussed to the Select Board. B. Robertson commented that this committee is charged with metrics and members of the committee should have that experience. G. Green recommended that this Planning Committee should consider capital issues and not areas like CPA funding and affordable housing. FinCom members discussed their uncertainty that a five-person committee could manage the number of projects proposed under this charge. The committee discussed recommending to the Select Board that the title revert to the original title of Capital Planning Advisory Committee and that the charge should use the language of the original document. It was pointed out that major initiative planning is appropriately addressed by the Finance Committee. Also, when initiatives go live, they recommend a smaller committee be formed when necessary. G. Green agreed with establishing a committee to conduct research and have a clear understanding of capital asset needs. The committee should not set policy, but should advise the Select Board and Finance Committee.

Upon a motion by G. Green, seconded by A. Prest, it was voted unanimously to recommend to the Select Board to change the committee charge back to the original title and language. Discussion: D. Manugian had a question on departments requesting a special committee. B. Robertson mentioned that the language will specify that the committee will assist and advise.

Select Board member Josh Degen entered the meeting at 8:00 pm. Chairman Robertson recapped the discussion about the Major Initiative Planning Charge. The Finance Committee discussed having a major initiative planning sheet for department budgeting that they will use in 5-year planning. If a major initiative comes up that is not included in this plan, it will likely not be supported, unless in an emergency situation. If a department is in need of a committee to look at a project, they may enlist a committee 2-3 years out from the start of the project. B. Robertson commented that different skill sets are required depending on a department's project and these skill sets may not be represented on a standing committee. Merits and goals should be reviewed and awarded based on whether major initiatives are included in 5-year plans. Directors need to focus on the major initiatives as they are best positioned to identify up-coming departmental needs. The Committee members and J. Degen discussed the possibility of a joint meeting on September 16th. This would provide an opportunity for the Finance Committee to convey their message and clear up any confusion.

TOWN OF GROTON FINANCE COMMITTEE

Regular Session

At 8:07 the Committee began discussing the Review of Financial Policies. The Committee discussed the October 2018 meeting minutes and the recommendations from that meeting. Many of these changes are in the latest policy document distributed at this evening's meeting. Some key areas were changing "selectmen" to "select board" and editing some dates. The largest change is the OPEB funding plan which is replaced with the OPEB funding policy (previously approved as a separate document). The Committee discussed whether the reporting and mitigation section needed to be included as it made the document very long. It was agreed to keep the section in the policy.

Upon a motion by G. Green, seconded by A. Prest it was VOTED unanimously to accept the Financial Management Policies as written, including the OPEB funding information.

AT 8:15 pm the Committee began discussing the Review of Fall Town Meeting Warrant Draft. The warrant articles were included in today's materials. Comments are requested by September 12th.

A discussion ensued about Article #2 (AMEND FISCAL YEAR 2020 TOWN OPERATING BUDGET) which proposes \$90, 393 of new expenditures. D. Manugian commented on waiting on new growth money for the Spring Town Meeting for budget planning. P. Dufresne noted that it might be hard to justify bringing knowingly outdated numbers to Fall Town Meeting. The Committee continued discussing the finance warrant items including Article #8 (\$14K FOR LIGHTED CROSSWALK SIGNAGE ON MAIN STREET NEAR THE GROTON DUNSTABLE MIDDLE SCHOOL AND FLORENCE ROCHE SCHOOL). G. Green commented this should have shown up during the budget cycle. The Committee discussed Article 10 (UPDATE ASSESSORS MAPS / CYCLICAL INSPECTIONS). There was a comment that no dollar amount is listed. G. Green inquired why this item can't wait until spring and recommended finding out before the meeting. The Commission discussed Article #11 (FUNDING FOR STORMWATER MASTER PLAN). It was commented that MS4 plans are costing municipalities hundreds of thousands of dollars. The Commission discussed Article #12 (AMEND BYLAWS – BAN SINGLE-USE PLASTIC BAGS). J. Degen commented that all single use plastic should be addressed, including straws, etc. G. Green replied that this issue should be a citizen's petition. The Committee discussed Articles 14 and 15 regarding the DPW Director and Senior Center Director managing and collecting fees. P. Dufresne said that revolving funds are managed by the department heads who oversee the related programs, and expenses are reviewed by accounting. The Committee also discussed Article #18 (CITIZENS PETITION REZONE 227 BOSTON ROAD) and discussed the location of this property.

At 8:52 pm, the Committee began discussing FY2021 Budget Guidance Preparation. B. Robertson reported that Town Manger Mark Haddad projected the FY21 budget at about a half million in deficit. He was considerably more aggressive in anticipated revenue than he has been historically. School Committee chair Marlena Gilbert spoke about the School Committee budgeting process. Some areas they are looking at more closely are FTE count and enrollment projections. E&D is at a healthy level and the School Committee is discussing if this can be leveraged to offset some needs in FY21. She discussed how difficult it is to forecast needs. The Committee pointed out that increasing revenue will decrease the override. Grants are not accounted for in revenue and are a potential expense savings. There is a \$500k projected override for FY2021 and \$600k the following year. They discussed covering the shortfall with stabilization

TOWN OF GROTON FINANCE COMMITTEE

Regular Session

in the short term. M. Gilbert said that collaboratively, the District and Town can likely get past this year. The Committee discussed various potential savings scenarios. They are hopeful that M. Haddad will identify other inefficiencies in the budget. The Committee discussed being less conservative on revenue expectations and being less aggressive in spending projections. Committee members considered using free cash to push the override out one more year. The Committee briefly discussed how these decisions might affect the bond rating. It was suggested having a discussion to review budget projections at the proposed joint meeting with the Select Board on September 16th before the budget discussion on September 30th.

The Committee then moved on to approve meeting minutes. Upon a motion by D. Manugian, seconded by G. Green the committee voted unanimously to approve the April 2nd, 2019 meeting minutes as amended.

Upon a motion by D. Manugian, seconded by A. Prest it was voted unanimously to approve the July 15th, 2019 meeting minutes as drafted.

A volunteer was requested to fill the seat that Lorraine Leonard had occupied on the School Building Committee. C. Doody volunteered to join that Committee.

The Committee discussed recruiting a new member for the Finance Committee. They set a deadline of September 30th to submit a letter of interest.

At 9:47 the meeting adjourned.

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

CAPITAL PLANNING ADVISORY COMMITTEE

Number of Members	Method of Selection	Length of Term	Remuneration
5	Appointed	3 Year(s)	None

A. Purpose

There shall be a committee to study the requirements and needs for capital expenditures for all buildings, playing fields and courts, recreation structures, large equipment, vehicles, and municipal buildings in the Town of Groton. The committee shall be known as the "Capital Planning Advisory Committee." and shall advise the Town Manager, Select Board and Finance Committee on the results of its work. Said committee shall also assist the Town Manager in planning for the management of building projects as charged by the Town pursuant to votes of Town Meeting, this bylaw, and the Massachusetts General Laws.

B. Appointment

The Town Manager, with the approval of the Select Board, shall appoint a Capital Planning Advisory Committee consisting of five (5) regular voting members, all serving without compensation. The Town Manager shall endeavor to appoint individuals who, by reason of their current or prior background have skills in the areas of capital planning, finance, construction, or other relevant experience. All members shall be residents of the Town of Groton and appointed for three-year terms, provided, however, that of the members originally appointed, one shall serve for a term of one year, two for a term of two years and two for a term of three years as designated by the Town Manager.

C. Committee Charge

The Capital Planning Advisory Committee shall have continuing responsibility in assisting the Town Manager in developing the Annual Five (5) Year Capital Plan, including the capital equipment replacement plan, developing a long-range building plan and other maintenance projects for the Town. In addition, they shall assist in the development and annual updating of a long-range building maintenance capital spending plan for all municipal buildings. Working with the Town Manager, Select Board, Finance Committee and other Town committees and boards which propose building and renovation projects, the Capital Planning Advisory Committee shall establish general criteria for significant Capital expenditures, including equipment and buildings, and develop guidelines for communication regarding these projects between and among interested committees and the public. The Capital Planning Advisory Committee shall assist the Town Manager in overseeing the planning and design for construction, reconstruction, major alteration, renovation, enlargement, major maintenance, demolition, and removal of all Town buildings and recreation structures and playing fields and courts, including any significant installation, renovation or upgrade of service equipment and major systems.

More specifically the Committee shall:

- A. In consultation with the Town Manager and Department Heads, assess ongoing space needs, and conduct periodic review and audit of the physical condition of all municipal buildings, service equipment, recreational structures, fields, and courts, and major technology and communication systems.

- B. Assist in the development of the Annual Five (5) Year Capital Budget, including the sequencing of equipment replacement, building construction projects, and/or maintenance project(s) to be undertaken by the Town in the ensuing five (5) fiscal years.
- C. After reviewing the rolling 5-year Capital Management Plan, and prior to November 15 of each calendar year, prepare and present to the Town Manager, Select Board and Finance Committee, a recommendation of major construction and/or maintenance project(s) to be undertaken by the Town in the ensuing fiscal year.
- D. Seek comments from and coordinate activities with appropriate Town officials, including but not limited to the Town Manager, Director of Public Works, Police Chief, Fire Chief, Building Commissioner and other Town boards and committees, including but not limited to the Planning Board, Zoning Board of Appeals, Conservation Commission, Historical Commission, Board of Health, Finance Committee, Council on Aging and Community Preservation Committee.
- E. Review and report the financial requirements of all projects within its jurisdiction, or for which it may become responsible
- F. Create and publish a report/memo at the closed out of each capital project/expenditure summarizing the process and any deviations from the plan. A comparison of projected to actual spending must be part of this report.

D. Conduct

All meetings are to be held in a public location, properly posted and open to the public in accordance with the Massachusetts Open Meeting Law. Minutes of each meeting shall be prepared and approved by the Committee within thirty (30) days of any meeting and distributed to the Town Clerk

Appointing Authority

Town Manager

Legal Authority

Local: Appointed under authority of Section 4-2 of the Town of Groton Charter.

MAJOR INITIATIVE PLANNING COMMITTEE

Number of Members	Method of Selection	Length of Term	Remuneration
5	Appointed	3 Year(s)	None

REVISED – 07-30-2019 AT 12:00 P.M.

A. Establishment

The Major Initiative Planning Committee shall be established to study the requirements and needs for significant capital and service expenditures in the Town of Groton. The Committee shall advise the Town Manager, Select Board and Finance Committee on the results of its work. Said committee shall also assist the Town Manager in planning for the management of major projects as charged by the Town pursuant to votes of Town Meeting and the Massachusetts General Laws. The Committee will participate in reviews of projects in progress and shall review completed projects.

B. Appointment

The Select Board shall appoint the Major Initiative Planning Committee consisting of five (5) regular voting members, all serving without compensation. The Select Board shall endeavor to appoint individuals who, by reason of their current or prior background have skills in the areas of service or operations management, capital planning, finance, construction, or other relevant experience. All members shall be residents of the Town of Groton and appointed for a term of three years; provided however, that the initial members appointed shall serve for terms of one, two, or three years, and the Select Board shall arrange the terms so that the terms of approximately 1/3 of the Committees' members shall expire each year.

C. Purpose

The Major Initiative Planning Committee shall have continuing responsibility in assisting the Town Manager in validating and communicating the need for major service enhancements as well as tracking the progress of approved enhancements according to plan. Reviews of projects in progress and upon completion will assure that the town is aware of changes and deviations as well as provide opportunities to pass learnings on to subsequent projects. It will assist the Town Manager in developing the Annual Five (5) Year Capital Plan, including the capital equipment replacement plan, developing a long-range building plan and other maintenance projects for the Town. In addition, they shall assist in the development and annual updating of a long-range building maintenance capital spending plan for all municipal buildings. Working with the Town Manager, Select Board, Finance Committee and other Town committees and boards which propose building and renovation projects, the Major Initiative Planning Committee shall establish general criteria for significant Capital expenditures, including equipment and buildings, and develop guidelines for communication regarding these projects between and among interested committees and the public. The Major Initiative Planning Committee shall assist the Town Manager in overseeing the planning and design for construction, reconstruction, major alteration, renovation, enlargement, major maintenance, demolition, and removal of all Town buildings and recreation structures and playing fields and courts, including any significant installation, renovation or upgrade of service equipment and major systems.

D. Committee Charge

More specifically the Committee shall:

1. In consultation with the Town Manager and Department Heads, assess ongoing space needs, and conduct periodic review and audit of the physical condition of all municipal buildings, service equipment, recreational structures, fields, and courts, and major technology and communication systems.
2. Assist the Town Manager in the development of the Annual Five (5) Year Capital Budget, including the sequencing of significant equipment replacement, building construction projects, and/or maintenance project(s) to be undertaken by the Town in the ensuing five (5) fiscal years.
3. After reviewing the rolling 5-year Capital Management Plan, and prior to November 15 of each calendar year, prepare and present to the Town Manager, Select Board and Finance Committee, a recommendation of major construction and/or maintenance project(s) to be undertaken by the Town in the ensuing fiscal year.
4. Seek comments from and coordinate activities with appropriate Town officials, including but not limited to the Town Manager, Director of Public Works, Police Chief, Fire Chief, Building Commissioner and other Town boards and committees, including but not limited to the Planning Board, Zoning Board of Appeals, Conservation Commission, Park Commission, Historical Commission, Board of Health, Finance Committee, Council on Aging and Community Preservation Committee.
5. Respond to request from the Board to evaluate service enhancements expected to impact the town's operating budget by more than <\$30,000> in any single year, and develop a comprehensive assessment of the cost, benefit and alternatives for presentation to the Board and / or Town Meeting.
6. Conduct in-project reviews of project status, conveying to the Board any required observations that may be important to the Board to assure that the project is meeting financial and other performance expectations.
7. Review and report the financial requirements of all projects under the control of the Town within its jurisdiction, or for which it may become responsible

E. Conduct

All meetings are to be held in a public location, properly posted and open to the public in accordance with the Massachusetts Open Meeting Law. Minutes of each meeting shall be prepared and approved by the Committee within thirty (30) days of any meeting and distributed to the Town Clerk

F. Membership

Committee Members: The Committee shall consist of five (5) voting members made up of five (5) registered voters of the Town of Groton.

G. Review Charge

The Committee shall review the Charge periodically and make proposed recommendations to the Select Board that they believe are the in the best interest of the purpose of the Committee.

Appointing Authority

Select Board

Legal Authority

Local: Appointed under authority of Section 3-2 of the Town of Groton Charter.

TOWN OF GROTON OVERALL FINANCIAL MANAGEMENT POLICIES

Introduction

The ~~Board of Selectmen~~Select Board sets forth the following financial principles consistent with its responsibilities in Groton's Home Rule Charter. These principles provide a broad framework for overall fiscal planning and management of the Town of Groton's resources. In addition, these principles address both current activities and long-term planning. The principles are intended to be advisory in nature and serve as a point of reference for all policy-makers, administrators and advisors. It is fully understood that Town Meeting retains the full right to appropriate funds and incur debt at levels it deems appropriate, subject, of course, to statutory limits such as Proposition 2 1/2.

The principles outlined in this policy are designed to ensure the Town's sound financial condition, and seek to be in the best economic interest of the Town now and in the future. Sound Financial Condition may be defined as:

- Cash Solvency - the ability to pay bills in a timely fashion.
- Budgetary Solvency - the ability to balance the budget annually.
- Long-Term Solvency - the ability to pay future costs.
- Service Level Solvency - the ability to provide needed and desired services.
- Public Confidence - the ability to garner public support for decisions that promote financial stability.

It is equally important that the Town maintain flexibility in its finances to ensure that the Town is in a position to react and respond to changes in the economy and new service challenges without measurable financial stress.

General Financial Guidelines

1. Financial discussions shall be open and inclusive. The Town is committed to regular financial forecasting, independent audit, and periodic public review of financial details and ratification of decisions by Town Meeting.
2. The Town will avoid budgetary procedures that balance current obligations at the expense of meeting future years' needs, such as postponing expenditures or accruing future years' revenues. Long and short term debt will be scheduled with careful attention to the Town's capital needs plan, and managed in such a way as to avoid excessive issuance costs.
3. Ongoing operating costs will be funded by ongoing operating revenue sources. This protects the Town from fluctuating service levels and avoids concern when one-time revenues are reduced or removed.

The Town Manager and the Department of Finance shall collaborate with the Finance Committee to prepare, maintain and present to the ~~Board of Selectmen~~Select Board and Town Meeting a five-year financial plan for the Town.

4. The Town will maintain a Stabilization Fund as one of its two primary financial reserves. It shall be the goal of the Town to achieve and maintain a balance of at least 5% of the Town's current line item budget.
5. The Town will maintain a Municipal Capital Stabilization Fund to defray the cost of new equipment, building maintenance, and capital improvements to town land and buildings to the extent that these costs may be funded by the Fund's balance. (See Debt Management Policies for costs exceeding the Fund's balance, which may be funded by borrowing.) It shall be the goal of the Town to maintain a balance in this fund of a minimum of 1.5% of the Town's current line item budget, with the objective to grow the fund to support near term and cover longer term needs.
6. The Town will continue to maintain a Conservation Fund to be used in part for the purchase of land, or conservation restrictions or agricultural preservation restrictions on lands that exhibit high value for protection because they contain important natural resources. The Conservation Commission is responsible for formulating and prioritizing a list of such parcels so that a plan may be established for future purchases. It shall be the goal to maintain a balance in the Conservation Fund of at least 2% of the Town's current line item budget, exclusive of Enterprises and the Community Preservation Fund; and to the extent possible, deposits to the Conservation Fund should come from the Community Preservation Surtax.
7. The Town shall maintain a Community Preservation Fund in accordance with the current law. The fund will be managed in a manner that will guarantee payment of current debt service prior to approving new capital costs. Borrowing shall be managed in order to assure that no more than a total 75% of CPA receipts, not including annual contributions to the fund by the Commonwealth, are dedicated to debt service in compliance with Massachusetts Department of Revenue IGR 00-209 and File #2004-464.
8. The Town shall monitor its Special Revenue Funds (Gifts, Grants, and Trusts) and its Enterprise Funds to assure the solvency of these funds and avoid undue stress on the general fund. To this end, a) Enterprise policies shall require that rates be set to ensure revenues are sufficient to fund all operating costs and debt service and fund retained earnings, unless there is an explicit policy implemented by the Town to provide General Fund support to the Enterprise. In addition, b) Enterprise policies shall include a goal for the targeted amount of retained earnings. The goal shall include amounts considered appropriate to fund unexpected occurrences and emergencies and expenditures necessary to meet change in law requirements, to fund capital and operating reserves, and to serve as a rate stabilization reserve. The policies shall also include a goal for debt limitations consistent with the Town's general goals. In addition, c) the Town shall not enter into contracts for reimbursable and/or matching grant liabilities whose aggregate total exceeds 1.5% of the Town's current line item budget, unless the Town Manager receives prior approval from the ~~Board of Selectmen~~Select Board and Finance Committee.

9. The ~~Board of Selectmen~~Select Board and the Finance Committee shall review the financial policies annually, seeking input from financial staff and advisors. This review should take place by October 1st~~December 31st~~ of each year.
10. Investment practices will be in accordance with the Town's "Investment Policy".

TOWN OF GROTON FREE CASH POLICY

I. PURPOSE AND SCOPE

The Town's Excess and Deficiency (E&D) Fund "Free Cash" is the result of the calculation, as of July 1, of Groton's remaining, unrestricted funds from its operations of the previous fiscal year based on the balance sheet as of June 30. It typically includes receipts in excess of revenue estimates and unspent amounts in departmental budget line items for the year just ended, plus unexpended free cash from previous years. Free Cash plays an important role in allowing Groton to sustain a strong credit rating. The purpose of this policy is to provide guidance on the use of Free Cash to fund certain expenditures

II. POLICY

1. As a nonrecurring revenue source, spending from the E&D account is allowed for any lawful municipal purpose, however, it should be restricted to paying one-time expenditures, funding capital projects, or replenishing other reserves.
2. The Town should strive to maintain an E&D account balance in an amount equal to one (1%) percent of its current Town's current line item budget. This amount is in addition to the policy of having the Stabilization Fund equal five (5%) percent of the Town's current line item budget.
3. The Town should strive to maintain a Municipal Capital Stabilization Fund (excluding the Town created GDRSD Capital Stabilization Fund) balance at 1.5% of the Town's current line item budget with the goal to grow the fund to support near term and cover longer term needs.
4. The E&D account balance shall be maintained through the use of fiscally responsible revenue projections and departmental spending.
5. The E&D account balance can be expended at the discretion of Town Meeting for the following purposes:
 - a. To Replenish the Stabilization Fund, replenish and grow the Capital Stabilization Fund and fund the Town created Groton-Dunstable Regional School District's Capital Stabilization Fund.
 - b. To pay employee incentives (i.e. health savings accounts, health reimbursement accounts, merit increases) contingent on the availability of a sufficient E&D account balance.
 - c. To fund an annual contribution to the Other Post-Employment Benefits (OPEB) liability trust fund.
 - d. To fund one-time projects proposed by the ~~Board of Selectmen~~Select Board and Finance Committee.
 - e. Offset the Tax Rate.

TOWN OF GROTON DEBT MANAGEMENT POLICY

Introduction

The use of long-term debt is a common and often necessary way for a community to address major infrastructure and equipment needs. It is also a means of spreading the cost of large capital projects over a larger, changing population base. However, when a local government incurs long-term debt, it establishes a fixed obligation for many years. Accumulation of such fixed burdens can become so great that a local government finds it difficult to pay both its operational costs and debt service charges. Great care and planning must therefore be taken when incurring long-term debt to avoid placing a strain on future revenues. The purpose of this policy is to establish guidelines governing the use of long-term debt. Massachusetts General Laws, Chapter 44, Sections 7 & 8 regulate the purposes for which municipalities may incur debt and the maximum maturity for bonds issued for each purpose. Massachusetts General Laws, Chapter 44, Section [10](#), specifies that the debt limit for towns is 5% of Equalized Valuation.

Capital Funding Guidelines

The Town's long-term debt strategies will be structured to reflect its capital needs and ability to pay. The Capital Stabilization Fund (see "Overall Financial Policies", #5) will be used in conjunction with regular financial forecasting to maintain overall borrowing costs at a reasonable level (see Debt Limitations below). The Town will not, in general, bond projects or aggregate funding of multiple projects/purchases that fall within the funding ability of the Capital Stabilization Fund. Except for emergency needs, the Town will plan its funding for major capital purchases or improvements by utilizing both the timing of debt acquisition and the length of term for debt repayment in a manner which allows the Town to remain within the guidelines for annual debt service (see Debt Limitations below).

Bond Rating

The community's bond rating is important because it determines the rate of interest it pays when selling bonds and notes. Other things being equal, the higher the bond rating, the lower the interest rate. Bond analysts (Moody's, Standard & Poor's, Fitch) typically look at four sets of factors in assigning a credit rating:

- Debt Factors: debt per capita, debt as a percentage of equalized valuation and rate debt amortization.
- Financial Factors: operating surpluses or deficits, free cash as a percent of revenue, state aid reliance, property tax collection rates, and unfunded pension liability.
- Economic Factors: property values, personal income levels, tax base growth, tax and economic base diversity, unemployment rates and population growth.
- Management Factors: governmental structure, the existence of a capital improvement plan, the quality of accounting and financial reporting, etc.

The Town will continually strive to improve its bond rating through sound financial management, improved receivables management, accounting and financial reporting and increased reserves, such as the Stabilization Fund.

Debt Limitations

General Fund Debt Service: A limit on debt service costs as a percent of the Town's total budget is especially important because of Proposition 2½ constraints on town's budget. At the same time, the community's regular and well-structured use of long-term debt symbolizes the municipality's commitment to maintaining and improving its infrastructure. The Town of Groton is committed to a debt service budget equal to 5% of the Town's current line item budget, exclusive of Enterprise funded debt, Community Preservation funded debt and debt service excluded from Proposition 2 1/2. The Town will also, by policy, establish a debt service "floor" of 3% of the Town's current line item budget, as an expression of support for continued investment in the town's roads, utilities, public facilities and other capital assets. In order to maintain these benchmarks, the Town should schedule future debt service to coincide with maturing debt service. To maintain this floor, if debt service is projected to fall below 3% of the Town's current line item budget, that amount below shall be expended on one-time pay-as-you-go capital or shall be appropriated to the Capital Stabilization Fund.

Debt Maturity Schedule: As previously stated, Chapter 44 of the General Laws specifies the maximum maturity for bonds issued for various purposes. However, a town may choose to borrow for periods less than the statutory limit. The Town of Groton is committed to establishing an average debt maturity goal of 10 years. This can be accomplished through more aggressive amortization of new debt service and shortening terms for existing debt when the option to refinance a bond becomes available. (It should be noted that revenue supported debt service for water and sewer projects will not be subject to this objective.)

Debt Strategies

Alternative Financing Strategies: The Town will continually pursue opportunities to acquire capital by means other than conventional borrowing; such as grants and low- or zero-interest loans from state agencies, such as the Mass Water Pollution Abatement trust (MWPAT) or the MWRA.

Debt Issuance: The Town will work closely with the Town's Financial Advisor and Bond Counsel to ensure that all legal requirements are met and that the lowest possible interest rate can be obtained.

Enterprises: Any debt issued for the benefit of the Town's enterprise funds is to be paid from service revenues, unless there is an explicit direction from Town Meeting to contribute General Fund support of the debt service.

Capital Planning: No projects are to be funded by debt authorized by Town Meeting unless those projects have been incorporated in to and vetted by the Town's capital planning process.

Lease-Purchase Financings - any lease purchase agreements, financings, etc., utilized by the Town shall be considered debt for the purposes of this policy and shall be subject to all the constraints cited herein.

To address the OPEB liability, decision makers shall analyze a variety of funding strategies and subsequently implement them as appropriate with the intention of fully funding the obligation. The Town shall derive funding to invest in the OPEB Trust from taxation, free cash, retained earnings, and any other legal form.

Achieving full funding of the liability requires the Town to commit to funding its ~~annual~~ ~~required~~ actuarially determined contribution (ARDC) each year, which is calculated based on actuarial projections. Among strategies to consider for funding the ARDC:

- Transfer unexpended funds from Insurance Line Items to the OPEB Trust.
- Determine and commit to appropriating an annual portion of Free Cash.
- Determine and appropriate annually, the tax revenue received from the Room Occupancy Tax.
- When a new position is created, determine the OPEB liability for the position and appropriate annually the anticipated OPEB liability of the position, in addition to the annual cost of the position.

TOWN OF GROTON

POLICY FOR THE FUNDING OF OTHER OBLIGATIONS

Introduction

Under Massachusetts General Laws, the Town is currently funding its unfunded pension liability through its participation in the Middlesex County Regional Retirement System.

The Town also has the responsibility to fund its Other Post-Employment Benefits (OPEB) liability.

The Town will utilize the following policy towards that end:

Policy Guidelines

Independent Evaluation of Liability: The Town will have its liability measured by an outside consultant every second year; with interim evaluations done yearly for the purposes of updating the total liability.

Limitation of Retiree Health Care Costs: The Town has adopted the requirements of Section 18A of Chapter 32B, which serves to limit liability for retiree health insurance by utilizing the benefits of Medicare and thereby shifting some of the cost away from local funding.

OPEB Funding Plan: ~~The Town is committed to reducing its Post-Employment Benefits liability as follows:~~

~~The Town has established an OPEB Trust.~~

~~The Town enterprises will incorporate into their rate structures the goal of funding their respective Annual Required Contributions (ARC).~~

~~The Town will implement a schedule of funding to reach its ARC by a schedule of increasing annual appropriations. The Town will appropriate at least \$200,000 to the OPEB Trust each Fiscal Year from the Town's current line item budget appropriation for Health Insurance to cover that year's retiree health insurance obligation. Beginning in Fiscal Year 2018, the Town shall add, as funding allows, an additional amount of money from the Excess and Deficiency Fund each fiscal year and will increase that appropriation as finances allow until it reaches its ARC.~~

PURPOSE

To provide the basis for a responsible plan for meeting the Town's obligation to provide other post-employment benefits (OPEB) to current and future retirees, this policy provides guidelines designed to ensure OPEB sustainability and achieve generational equity among those called upon to financially support OPEB, thereby avoiding transferring costs into the future.

APPLICABILITY

This policy encompasses OPEB-related budget decisions, accounting, financial reporting, and investment. It applies to the Select Board, Finance Committee and Town Manager in their budget decision making responsibilities. This Policy also applies to the OPEB related duties of the

Finance Team members, including the Town Accountant, Town Treasurer-Tax Collector, Principal Assistant Assessor, Human Resources Director and Executive Assistant to the Town Manager.

BACKGROUND

In addition to salaries, the Town of Groton compensates employees in a variety of other forms. Many earn benefits over their years of service that they will not receive until after retirement. A pension is one such earned benefit. Another is a set of retirement insurance plans for health and life. These are collectively referred to as other post-employment benefits or OPEB.

OPEB represents a significant liability for the Town that must be properly measured, reported, and planned for financially. As part of the long-range plan to fund this obligation, the Town established an OPEB Trust Fund, which allows for long term asset investment at higher rates of return than those realized by general operating funds. This fund is managed by the Town Treasurer.

POLICY

The Town of Groton is committed to funding the long-term cost of the benefits promised its employees. To do so, the Town will accumulate resources for future benefit payments in a disciplined, methodical manner during the active service life of employees. The Town will also periodically assess strategies to mitigate its OPEB liability. This involves evaluating the structure of offered benefits and their cost drivers while at the same time avoiding benefit reductions that would place undue burdens on employees or risk making the Town an uncompetitive employer.

A. Accounting and Reporting

The Town Treasurer, responsible for oversight of the investment portfolio, has designated _____ as investment manager of the trust assets. The Treasurer will manage the fund's contributions and disbursements and monitor the account and investment activity reports. On an annual basis, the Finance Team will meet to review the Trust's investment policy to ensure conformance with the State's prudent investor laws, and to review investment strategy, performance and fees.

The Town Accountant will obtain actuarial analyses of the Town's OPEB liability every two years and will annually report the Town's OPEB obligations in financial statements that comply with the current guidelines of the Governmental Accounting Standards Board.

The Town Manager shall ensure that the Town's independent audit firm reviews compliance with the accounting and reporting provisions of this policy as part of its annual audits and will report on these to the Select Board.

B. Mitigation

On an ongoing basis, the Town will assess healthcare cost containment measures and evaluate strategies to mitigate its OPEB liability. The Treasurer shall monitor proposed laws affecting OPEB and Medicare and analyze their impacts. The Treasurer shall also regularly audit the group insurance and retiree rolls and drop any participants found to be ineligible based on work hours, active Medicare status, or other factors.

C. Funding

TOWN OF GROTON POLICY FOR THE REVIEW OF BUDGET PERFORMANCE

Introduction

The Town Charter requires the Town Manager to present a balanced budget to the ~~Board of Selectmen~~Select Board and the Finance Committee six months prior to the beginning of each fiscal year; in effect by January 1st. Prior to the formulation of the Budget, the ~~Board of Selectmen~~Select Board, Finance Committee and Town Manager shall meet prior to October 1st to determine budgetary goals for the ensuing Fiscal Year. The initial budget is developed in conjunction with the Town's Department Managers and reviewed in several public meetings as well as formal public hearings, culminating in ratification by Town Meeting. The Town utilizes specific line items for its budget, each line considered a separate and distinct appropriation. In order to monitor expenditures and assure the integrity of the overall budget, regular review and management direction is required, as outlined in the policy guidelines below.

Policy Guidelines

Line Item Appropriation Review: Each Department Manager or elected/appointed Board/Commission is required to monitor expenditures, and local receipts revenue if applicable, relevant to that governmental area's operation. The Accounting Department will provide budget variance reports at least monthly as a management tool to aid periodic monitoring.

Total Budget Review: The Town Manager will review the monthly variance reports for all departments/cost centers; and the Town Accountant will provide ongoing oversight. There will be periodic presentation of the budget status to the ~~Board of Selectmen~~Select Board and Finance Committee; this presentation to occur at least quarterly.

Reserve Fund: The Town will include a budgetary reserve fund equal to approximately 1% of the total general fund appropriations less the assessments to the district schools which will be under the management of the Finance Committee to account for extraordinary or unforeseen expenses.

Line Item Transfer: The budget will be reviewed twice each year by the Town Manager in conjunction with the Town Accountant and the Finance Committee for opportunities to re-balance the original budget. Such reviews will take place prior to the fall and spring annual town meetings and any transfers will be publically debated and subsequently ratified by Town Meeting.

TOWN OF GROTON POST ISSUANCE COMPLIANCE POLICY

OBJECTIVE OF THE POLICY

The objective of this policy is to ensure compliance with federal tax law and regulations pertaining to the use of tax-exempt governmental purpose bonds and to the use of property, projects and equipment funded with tax-exempt governmental purpose bonds.

This document is to encompass the following:

- The use of bond proceeds (and the term "bond", except as otherwise indicated, includes notes, bonds and tax-exempt lease purchases issued by the Town);
- The use of property, projects, equipment, etc. funded with tax-exempt bond proceeds;
- The timely expenditure of bond proceeds;
- Compliance with arbitrage yield restriction rules and with the calculation and timely payment of arbitrage rebate payments, as required;
- Filing requirements;
- The reserve of funds in anticipation of a rebate payment requirement;
- Collection and retention of necessary documentation; and
- Resolution of problems.

RESPONSIBILITIES OF THE PARTIES INVOLVED

The Town Treasurer shall be responsible for implementing this policy. The Treasurer will be assisted by:

- The Town Accountant, who is responsible for recording expenditures and interest earnings and for reviewing and approving contracts entered into by the Town;
- The Town Manager, who is the Chief Procurement Officer, or a designated subordinate has ultimate responsibility for the implementation of Town capital projects and disposition of Town property; and
- The Chief Procurement Officer, if other than the Town Manager, who has the responsibility for procuring service and management contracts and overseeing the acquisition and disposition of Town property.

It is the Treasurer's responsibility to convey to each party the Treasurer's expectations as to their performance relating to project implementation, project expenditures, documentation, and information required by the Treasurer to remain in compliance with applicable tax law. Since all the responsible parties participate in the issuance of Town bonds, the Treasurer will provide direction to those responsible parties during the process of issuing bonds, at the time of the delivery of bond proceeds, and after the delivery of bond proceeds but prior to the final maturity of the bonds,

SCOPE OF THE POLICY AND PROCEDURES

The following sections outline the scope of the policy and procedures for which the Treasurer is responsible:

Use of bond proceeds and bond funded property -

It is the Treasurer's responsibility to monitor and ensure the proper use of bond proceeds and bond funded property.

The proper use of tax-exempt bond proceeds and the proper use of bond-funded property, projects, equipment, etc., (hereafter "property"), will be confirmed and documented through Bond Counsel's review prior to the issuance of tax-exempt bonds and will be addressed in the legal opinion issued by Bond Counsel and in the Tax Certificate (or Non-Arbitrage Certificate) prepared by Bond Counsel as part of the final bond transcript.

There are further requirements associated with the proper use of bond financed projects and of the use of bond proceeds included in the Massachusetts General Laws and in the regulations imposed by the Department of Revenue regulations. Although these requirements are not part of federal tax law, the requirements do dictate how bond funded property is to be disposed of or how it might be used in a manner other than originally contemplated.

The continued proper use of property funded with tax-exempt bond proceeds will be monitored by the Treasurer through an annual reminder of such to appropriate Town officials and through the review of any Town proposals considering the change in use of the property or Town procurements relating to such property. The procurement of service contracts, management contracts and leases for the limited use of Town property should also be reviewed by the Treasurer. The Treasurer will be responsible for managing any remedial actions, if required,

Timely expenditure of bond proceeds -

The Federal Tax Code sets explicit expectations relating to the expenditure of bond proceeds. There are certain "safe harbors" for small issuers. If expenditure expectations for small issuers are not met, the unexpended bond proceeds must be yield restricted. There are also expenditure thresholds to be satisfied for bonds issued where the Town cannot use the "small issuer" exemption. If these thresholds are not met, the Town may be required to rebate its positive arbitrage earnings to the Federal Treasury.

It is the responsibility of the Treasurer to review the expenditure requirements cited in the Tax Certificate and to monitor the expenditure of bond proceeds until all funds are expended.

Arbitrage yield restriction and rebate -

It is the responsibility of the Treasurer to manage yield restricted investments. It is the responsibility of the Treasurer to determine rebate exposure; to procure arbitrage calculation services; to make rebate payments, as required, to the Federal Treasury; and to prepare 8038-T forms for such purposes. It is also the responsibility of the Treasurer to reserve funds for such rebate payments, as appropriate, and to report the rebate liability to the Town's Independent Financial Auditor.

Filing requirements -

The proper filings of forms 8038-G and 8038-GC are essential with every tax-exempt financing. All 8038-G's and 8038-GC's are to be signed by the Town Treasurer. No other official in the Town is authorized to execute these forms.

It is the responsibility of the Treasurer to ensure rebate payments, if required, are made on a timely basis. Such payments must be made within 60 days of the maturity of a note; within 60 days of the fifth anniversary, and multiples thereof, of the issue of a bond; and within 60 days of the final maturity of a bond. The payment of a rebate is to be accompanied by and documented on the form 8038-T.

Documentation -

It is the responsibility of the Treasurer to ensure all proper documentation is produced and retained as required. Such documentation will include, but not necessarily be limited to, the following:

- Tax Certificates or Non-Arbitrage Certificates.
- Note and Bond transcripts.
- Form 8038-G's and 8038-GC's.
- Projected expenditure cash flows prepared for each financing prior to issue.
- The record of the expenditure of funds.
- The record of the investment earnings on unexpended bond proceeds prior to full expenditure.
- Yield restricted investments, as required.
- Rebate calculations, rebate payments, and Form 8038-T, as required.
- The list of projected tax-exempt financings during each calendar-year.
- Management contracts.

If a problem occurs -

It is the responsibility of the Treasurer to address violations associated with any tax-exempt financing when violations are discovered. The violation may be addressed through the Voluntary Compliance Agreement Program (VCAP). Alternatively, remedial action may be required under Section 1.141-12 of the Internal Revenue Service regulations. The Treasurer shall consult with the Town's Bond Counsel and/or Financial Advisor as appropriate.

PROCEDURES TO BE FOLLOWED BY THE TREASURER

The following procedures are to be followed by the Treasurer. Procedures to ensure proper use of tax-exempt funds:

In the process of preparing for a bond or note sale, the Treasurer will provide information to Bond Counsel pertaining to the proper use of the property being acquired with tax-exempt funds.

Prior to the distribution of the Preliminary Official Statement, the Treasurer shall meet with appropriate Town officials, including at minimum the Town Manager and the ~~Board of Selectmen~~Select Board, to review the information provided to Bond Counsel, to review the intended use of the bond proceeds and the property funded and to determine whether there are any contemplated uses of the property that might be inconsistent with the use of tax-exempt funds. The Treasurer shall document this meeting in a memorandum to file.

Procedures to ensure compliance with the use and expenditure of note and bond proceeds at the time of sale:

At the time of the sale of notes and bonds, it is assumed that the projected use of proceeds and the use of the property being funded are in compliance with the Federal tax code. It is reasonable to rely on the scrutiny of Bond Counsel and the documentation that accompanies each financing, based on the information provided to Bond Counsel.

With the completion of a financing, the Treasurer is to compile and maintain a separate file associated with the financing. This documentation will typically include the following:

- The bids results, the final numbers, and the quantitative rationale for the use of credit enhancement.
- The transcript for the financing, which, at minimum, should include the tax certificate (non-arbitrage certificate). The tax certificate should include a description of use of funds, the identification of the expenditure test to which the bonds are subject, and the arbitrage yield.
- The form 8038-G or 8038-GC.
- The projected expenditure cash flow by purpose, as provided to Bond Counsel prior to the issuance of the bonds. The cash flow is to be for each purpose, projecting the expenditure of funds on at least a semi-annual basis, until all funds are expended. If the bonds are subject to certain expenditure thresholds, the cash flow should present the amount of proceeds that should be expended at each threshold. The cash flow should be adjusted to reflect an issue amount that might be in excess of the amount originally included in the cash flow (for example, a large original issue premium).

- Any other notes prepared by the Treasurer, as applicable, relating to the monitoring of the expenditure of funds and use of the property.

The Treasurer shall establish one or more bank accounts for the purposes funded to allow for the tracking of the expenditure of fund so it is necessary that the account documentation be able to show every payment made by amount and date and every credit of interest earnings by amount and date. If all the purposes are co-mingled in one account, there should be a separate recording of expenditures and investment earnings by purpose by the Town Accountant.

As required under the Massachusetts General Laws, all interest earnings shall be credited and released to the General Fund when earned.

All such account documentation should be maintained for six years after final maturity of bonds.

Procedures to monitor the rate of expenditure of bonds -

To monitor the expenditure of bond proceeds, the Treasurer shall perform the following review:

- At the end of each fiscal year, and within thirty days of the final maturity of any note or bond, the Treasurer shall review the expenditure account and check for compliance with the required expenditure thresholds.
- The Treasurer shall assess the likelihood of continued compliance with the expenditure thresholds, or if a threshold has not been met, assess the likelihood of positive arbitrage.
- If the Treasurer believes the expenditure thresholds have not been met and/or will not be met, and also expects there will be investment earnings in excess of the arbitrage yield, then the Treasurer is to reserve an amount estimated to represent a future rebate payment or, as applicable, to request an appropriation of Town Meeting for the rebate payment.
- The Treasurer is to continue to monitor expenditures at the end of each fiscal year, or at the maturity of an issue, until all funds are expended.
- If after the maturity of a note or bond, the Treasurer determines that a rebate is likely payable to the Federal Treasury, the Treasurer shall procure the services of a firm to calculate the rebate and thereafter make payment in a timely fashion.

Thus, in addition to the documentation compiled at the closing of the bond, the Treasurer shall add the following additional documentation:

- The record documenting expenditures until the next time a review is performed.
- As applicable, any rebate calculations performed.
- As applicable, any Forms 8038-T prepared.

When all the funds are expended, the Treasurer shall accumulate all appropriate documentation and retain it until six years after the final maturity of the financings that funded the property.

Procedures associated with the investment of bond proceeds -

Unless funds are subject to yield restriction, the Treasurer shall be responsible for the investment of bond proceeds as deemed appropriate. If investment contracts are purchased at the time of the delivery of bond proceeds, such contracts shall be procured under the scrutiny of Bond Counsel.

Procedures associated with procurement of investments associated with a bond issue -

It is the responsibility of the Treasurer to ensure other investments made relating to a bond issue (such as investments purchased to fund an escrow for a current or advance refunding) are procured in accordance with applicable tax regulations.

Procedures to ensure compliance with the use of service contracts and management contracts -

The Chief Procurement Officer shall forward all Requests for Proposals for service and/or management contracts for review by the Treasurer. The Treasurer shall provide appropriate direction to the Chief Procurement Officer relating to private activity issues associated with service and management contracts. As required, the Treasurer shall request advice from the Town's Bond Counsel and/or Financial Advisor.

Procedures to ensure compliance with lease purchases -

At the beginning of each fiscal year, the Treasurer shall inform all Town Department Heads and other Town officials that no lease purchase contracts are to be entered into without the approval of the Treasurer. In addition, the Treasurer shall inform them that the forms 8038-G and 8038-GC are only to be signed by the Treasurer.

Procedures to ensure compliance with the change of use of tax-exempt bond funded property -

At the beginning of each fiscal year, the Treasurer shall present a memorandum to the Town Manager, to the Town Accountant, and to Town Department Heads reviewing the expected proper use of bond funded property and requesting any information as to the possible change in use or disposition of property. At any time during the fiscal year, if there is a change in use or disposition of property contemplated, the Town Manager shall inform the Treasurer of the proposal. As needed, the Treasurer shall consult with Bond Counsel and/or the Town's financial advisor relating to such proposal.

In the case where change in use is subject to Town Meeting approval, the Town Manager shall forward all Town Meeting articles relating to the change in use or sale of Town tax-exempt bond funded property for review by the Treasurer. The Treasurer shall provide appropriate direction to the Chief Procurement Officer relating to issues associated with the change in use of tax-exempt bond funded property. As required, the Treasurer shall request advice from the Town's Bond Counsel and/or Financial Advisor.

Procedures to project calendar year schedule of note and bond issues -

At the beginning of each calendar year, the Treasurer shall prepare and/or update a list of all projected tax exempt financings issued and expected to be issued during the then current calendar year. This record shall document representations made by the Town relating to the

small issuer safe harbor status and/or the Bank Qualification of tax-exempt issues of the Town. At the beginning of the following fiscal year, the Treasurer shall review the list of financings and shall revise it accordingly.

Documentation attached hereto -

The following documentation is attached to assist in the direction, training, etc., of those parties identified with responsibilities:

- IRS Publication 4078, Tax-exempt Private Activity Bonds
- IRS Publication 4079, Tax-exempt Governmental Bonds

Town of Groton Investment Policy

Introduction

Massachusetts General Laws, Chapter 44, Section 55B requires the municipal treasurer to invest all public funds except those required to be kept uninvested for the purpose of immediate distribution. These guidelines are intended to further the objective of securing the highest return that is consistent with safety of principal while meeting the daily cash requirements for the operation of Town's business, according to the following objectives:

Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of capital through the mitigation of credit risk and interest rate risk. These risks shall be lessened by diversification and prudent selection of investment of the security issuer or backer. Interest rate risk is the risk that the market value of the security will fall due to changes in general interest rates.

Liquidity is the next most important objective. The overall investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Since all possible cash demands cannot be anticipated, the treasurer shall carry out investment activities in a manner that provides for meeting unusual cash demands without the liquidation of investments that could result in forfeiture of accrued interest earnings, and loss of principal in some cases.

Yield is the third, and last, objective. Investments shall be made so as to achieve the best rate of return, taking into account safety and liquidity constraints, as well as all legal requirements.

Investment Instruments

The Treasurer shall negotiate for the highest rates possible, consistent with safety principles, avoiding uncollateralized investment products. Unsecured bank deposits of any kind will be limited to no more than 1% of an institution's assets and no more than 10% of the Town's cash.

Diversification

Diversification should be interpreted in two ways: In terms of maturity, as well as instrument type and issuer. The diversification concept should include prohibition against over concentration of maturities, as well as concentration in a specific institution. With the exception of U.S. Treasuries or agencies, no more than 10% of the Town's investments should be invested in a single financial institution, except with the prior approval of the Town Manager and ~~Board of Selectmen~~Select Board.

Authorization

The Treasurer has authority to invest the Town's funds, subject to the statutes of the Commonwealth cited above.

Ethics

The Town Treasurer (and Assistant Treasurer) shall refrain from any personal activity that may conflict with the proper execution of the investment program or which could impair ability to make impartial investment decisions. Said individuals shall disclose to the Town Manager any material financial interest in financial institutions that do business with the Town. They shall also disclose any large personal financial investment positions or loans that could be related to the performance of the Town's investments.

Relationship with Financial Institutions

Financial institutions should be selected first and foremost with regard to safety. The Town should subscribe to and use one or more of the recognized bank rating services, such as Veribanc or Sheshunoff. Brokers should be recognized, reputable dealers.

The Town shall require any brokerage houses and broker/dealers, wishing to do business with the municipality, to supply information and references sufficient to assure entering into a banking relationship.

The Investment of Trust Funds and Bonds Proceeds

Scope

This section of the policy applies only to funds that could be invested long-term (i.e. bond proceeds, trust funds and stabilization funds).

Bond Proceeds

Investment of Bond proceeds is governed by the same restrictions as general funds, with the additional caveat of arbitrage regulations.

Trust Funds

Trust Funds may be co-mingled and invested in any instruments allowed by Legal List issued by the Banking Commissioner. Each trust fund must be accounted for separately.

Stabilization Funds

The Stabilization Fund shall not exceed ten percent of the equalized valuation of the Town, and any interest shall be added to and become a part of the fund.

POLICY ENDORSEMENT:

Chairman, ~~Board of Selectmen~~Select Board

Town Manager

Town Treasurer

Town Accountant

Chairman, Finance Committee

Adopted: April 12, 2004, revised December 2012, revised June 22, 2015, revised January 3, 2017, revised March 26, 2018

**TOWN OF GROTON
OTHER POST EMPLOYMENT BENEFITS
LIABILITY TRUST INVESTMENT POLICY**

Purpose

This investment policy is intended to provide guidelines for the management and investment of all funds deposited into the Massachusetts Other Post Employment Benefits Liability Trust ("Trust") under the control of the Town Treasurer as Trustee ("Trustee").

Background

Funds deposited to this Trust are held and invested for the purpose of meeting the obligations of the Grantor municipalities under respective Other Post Employment Benefits ("OPEB") defined benefit programs, currently consisting of post employment benefits such as health and life insurance coverage. Under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions, the discount rate should be the long term expected yield on the investments set aside in the Trust to be used to pay future benefits as they come due. Given the long term nature of the OPEB defined benefit programs, investments in the Trust will closely approximate pension fund-type investment securities, defined later in this policy.

Objectives

Massachusetts General Laws, Chapter 203C, section 3 describes the circumstances that the Trustee shall consider and the standard to which the Trustee must adhere, when investing funds under the prudent investment rule. The applicable standard is as follows:

- (a) The Trustee shall invest and manage Trust assets as a prudent investor would, considering the purposes, terms, and other circumstances of the Trust, including those set forth in subsection (c). In satisfying this standard, the Trustee shall exercise reasonable care, skill, and caution.
- (b) The Trustee's investment and management decisions respecting individual assets shall be considered in the context of the Trust portfolio as a part of an overall investment strategy reasonably suited to the trust.
- (c) Among circumstances that the Trustee shall consider in investing and managing Trust assets are such of the following as are relevant to the Trust or its beneficiaries:
 - (1) general economic conditions;
 - (2) the possible effect of inflation or deflation;
 - (3) the role that each investment or course of action plays within the overall Trust portfolio;
 - (4) the expected total return from income and the appreciation of capital;
 - (5) needs for liquidity, regularity of income, and preservation or appreciation of capital.
- (d) The Trustee shall make a reasonable effort to verify facts relevant to the investment and management of Trust assets.
- (e) The Trustee may invest in any kind of property or type of investment consistent with the standards of Massachusetts General Laws, Chapter 203C, §3Massachusetts and this policy statement.

Strategy

Funds held in the Trust will be invested using the following guidelines in terms of asset allocation. This policy section is subject to review and amendment at any time by the Trustee.

Cash and cash equivalents -Target allocation of 5% (0%-10%). Cash will be maintained to provide periodic cash distributions. Cash will not normally be held as a strategic investment asset, although cash may be allowed to build to the maximum level in times of market uncertainty.

Fixed Income -Target allocation of 30%, range of 25 to 35%. To ensure appropriate diversification and to minimize default risk, the Trust will invest primarily in high-quality taxable bonds, notes, and other credits through mutual funds, exchange-traded funds (ETFs) or individual bonds. Lower-quality bonds may be held through mutual fund or ETF ownership. The overall goal of the fixed-income portion of the portfolio is to provide returns competitive with, and price volatility similar to, the Barclays Aggregate Bond Index. The fixed income allocation exists to provide income and to dampen the volatility from the fund's equity holdings.

Equities -Target allocation of 65%, range of 50% to 80%. The sub-categories and their respective allocation ranges are as follows:

- target range of 0 to 50% in U.S. Large Cap;
- target range of 0 to 30% in International Developed Countries and Emerging Markets;
- target range of 0 to 25% in U.S. Mid Cap;
- target range of 0 to 25% in U.S. Small Cap;
- target range of 0 to 25% in Public Traded Real Estate Market;

Investment Instruments

The Trustee may invest in the following instruments:

- U. S. Treasuries securities that may be sold prior to maturity -unlimited amounts (with no limit to the length of maturity from date of purchase)
- U.S. Agency obligations that maybe sold prior to maturity -unlimited amounts (with no limit to the length of maturity from date of purchase)
- Foreign Sovereign debt
- Investment Grade Corporate debt
- Money market mutual funds.
- Fixed-income mutual funds and ETFs.
- Equity mutual funds and ETFs.
- Alternative investment-oriented mutual funds.

Equities

The equity portion of the Trust portfolio should consist of a diversified mix of investments (individual stocks, mutual funds and ETFs) suitable to achieve the objective of capital appreciation.

Fixed Income

Investments in fixed income securities will be made principally for income and capital preservation and diversification. Selection should be made from liquid, investment grade

corporate debt, and obligations of the United States Government and its agencies. Lower-quality investments may only be held through diversified vehicles, such as mutual funds or ETFs. Securities of a single corporate issuer (excluding the United States Government and its Agencies) will not exceed 5% of the portfolio market value. Individual corporate debt must be rated BBB or better, as defined by Moody's and/or Standard & Poor's Rating Agency.

Diversification should be interpreted in two ways: in terms of maturity as well as instrument type and issuer. The diversification concept should include prohibition against (1) over concentration of maturities, (2) over concentration in a specific institution, with the exception of U.S. Treasury obligations and its Agencies.

Risk

The Trustee will adhere to the following risk guidelines for all investments of funds:

Custodial Credit Risk -The custodial credit risk for deposits is the risk that, in the event of a failure of a depository institution, the Trust would not be able to recover deposits or the securities used to collateralize the deposits from the institution or a third party. For investments, the risk occurs if the Trust is unable to recover the value of an investment or collateral in possession of a third party.

Interest Rate Risk -Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Trust investments are long-term investments. Given a stated discount rate target, this long-term approach enables the Trustee to purchase long-term assets which tend to have high returns over many years but whose price volatility precludes their use by those with shorter time horizons. This price volatility and resulting market value fluctuations are of secondary importance unless individual assets have permanently impaired values and must be liquidated to preserve remaining value. Varying the duration of investments within the portfolio will help manage the effects of interest rate risk, however, the Trustee understands the longer-term nature of these funds and will design a portfolio consistent with the long term health of the Trust.

Credit Risk -Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Trustee will minimize credit risk by diversifying the investment portfolio so that the impact of potential losses from anyone issuer will be minimized.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the Trust's investment in a single issuer.

The Trustee will minimize any concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from anyone type of security or issuer will be minimized.

Foreign Currency Risk - Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment or deposit.

The Trust will not directly invest in any instrument exposed to foreign currency risk. This risk, however, may be inherent in some securities contained within the portfolio such as international mutual funds or ETFs.

Standards of Care

The standard of prudence to be used by the Trustee shall be the "Prudent Person" standard and shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs; not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived, all consistent with M.G.L. c.203C, §3.

Performance Measurement and Evaluation

- The performance of the mutual funds in which the Trustee invests will be measured by comparison with their stated objectives in comparison to their respective benchmarks.
- To monitor the intermediate term performance of such Funds, the Trustee will compare the investment results to a blended benchmark.
- Rebalancing of the portfolios should happen at least annually or more frequently if appropriate.
- The Trustee will have a performance review with the investment broker at least once per year.

Policy Review

This policy will be reviewed annually by the Trustee to ensure that it remains appropriate and complete.

Approved by the Select Board on July 30, 2018.



Select Board Policy

Other Post-Employment Benefits Liability

PURPOSE

To provide the basis for a responsible plan for meeting the Town's obligation to provide other post-employment benefits (OPEB) to current and future retirees, this policy provides guidelines designed to ensure OPEB sustainability and achieve generational equity among those called upon to financially support OPEB, thereby avoiding transferring costs into the future.

This policy is adopted in compliance with Governmental Accounting Standards Board (GASB 74/75) and Massachusetts General Law, Chapter 203C, §3 and Massachusetts General Law, Chapter 32B, §20.

APPLICABILITY

This policy encompasses OPEB-related budget decisions, accounting, financial reporting, and investment. It applies to the Select Board, Finance Committee and Town Manager in their budget decision making responsibilities. This Policy also applies to the OPEB related duties of the Finance Team members, including the Town Accountant, Town Treasurer-Tax Collector, Principal Assistant Assessor, Human Resources Director and Executive Assistant to the Town Manager.

BACKGROUND

In addition to salaries, the Town of Groton compensates employees in a variety of other forms. Many earn benefits over their years of service that they will not receive until after retirement. A pension is one such earned benefit. Another is a set of retirement insurance plans for health and life. These are collectively referred to as other post-employment benefits or OPEB.

OPEB represents a significant liability for the Town that must be properly measured, reported, and planned for financially. As part of the long-range plan to fund this obligation, the Town established an OPEB Trust Fund, which allows for long term asset investment at higher rates of return than those realized by general operating funds. This fund is managed by the Town Treasurer.

POLICY

The Town of Groton is committed to funding the long-term cost of the benefits promised its employees. To do so, the Town will accumulate resources for future benefit payments in a disciplined, methodical manner during the active service life of employees. The Town will also periodically assess strategies to mitigate its OPEB liability. This involves evaluating the structure of offered benefits and their cost drivers while at the same time avoiding benefit reductions that would place undue burdens on employees or risk making the Town an uncompetitive employer.

A. Accounting and Reporting

The Town Treasurer, responsible for oversight of the investment portfolio, has designated Morgan Stanley as investment manager of the trust assets. The Treasurer will manage the fund's contributions and disbursements and monitor the account and investment activity reports. On an annual basis, the Finance Team will meet to review the Trust's investment policy to ensure conformance with the State's prudent investor laws, and to review investment strategy, performance and fees.

The Town Accountant will obtain actuarial analyses of the Town's OPEB liability every two years and will annually report the Town's OPEB obligations in financial statements that comply with the current guidelines of the Governmental Accounting Standards Board.

The Town Manager shall ensure that the Town's independent audit firm reviews compliance with the accounting and reporting provisions of this policy as part of its annual audits and will report on these to the Select Board.

B. Mitigation

On an ongoing basis, the Town will assess healthcare cost containment measures and evaluate strategies to mitigate its OPEB liability. The Treasurer shall monitor proposed laws affecting OPEB and Medicare and analyze their impacts. The Treasurer shall also regularly audit the group insurance and retiree rolls and drop any participants found to be ineligible based on work hours, active Medicare status, or other factors.

C. Funding

To address the OPEB liability, decision makers shall analyze a variety of funding strategies and subsequently implement them as appropriate with the intention of fully funding the obligation. The Town shall derive funding to invest in the OPEB Trust from taxation, free cash, retained earnings, and any other legal form. Among strategies to consider for funding the obligation:

- Determine and commit to appropriating an annual portion of Free Cash and available Tax Capacity.
- Determine and appropriate annually the amount necessary to prevent the net present value OPEB Liability from increasing.
- When a new position is created, determine the OPEB liability for the position and appropriate annually the anticipated OPEB liability of the position, in addition to the annual cost of the position.
- When the Town's Unfunded Pension Liability is fully funded in 2035, the Town will appropriate such savings to the Town's OPEB Trust to reduce its OPEB Liability.

ADOPTED: October 16, 2018

minimum contribution and allowing for a flexible ceiling. Mr. Haddad will be consulted about creating a line item in the operating budget for OPEB funding. The committee concluded that Mr. Haddad and the finance team can formulate the language and asked B.R. to contact Mr. Haddad to discuss this matter and clarify the Finance Committee's intent.

OPEB Investment/Funding Policy -

The Committee would like to make OPEB funding a line item in the operating budget. The intent will be for the Town to fund OPEB in an amount no less than the service cost less benefits payments, however additional funds, if available, can and should be appropriated. Additionally, it will be assumed that when the unfunded pension liability expires, these funds would then be applied to the OPEB liability instead. M. Hartnett left the meeting at 8:22 pm.

Possible Changes to Town Financial Policy Documents -

- Page 1 paragraph - a change was proposed in the first paragraph to change "Board of Selectmen" to the "Select Board" so as to comply with the newly proposed charter.
- Page 2: A comment was made that the Agricultural committee should have a fund established under the municipal stabilization account.
- The CPC program was discussed; as it is currently managed it does not have an effect on the financial policies of the Town and is not within the purview of the Finance Committee.
- Page 3 - # 9: "select board" change. Suggestion was made that the review should include both the guidance of the finance committee and select board to the town manager. GG prefers leaving the flexibility of the wording "annually" as opposed to a date certain. The Committee agreed the review was to take place prior to October 1st annually.
- Page 4 #5. C. -- Remove "annual" from OPEB funding
- Page 5 Capital Funding guidelines discussion ensued as to one time capital spending projects such as the library roof. GG proposed the idea of a separate section in the budget for funding of capital projects. Also the capital planning policy should be clarified as to the timeline between project proposal and implementation as well as identifying funding in the initial planning stage. The creation and drafting of a capital project policy by the Town manager was recommended.
- Page 7 - must be replaced with the new Town approved OPEB policy
- Page 8 - spelling/grammar error "public" "all"
- Pages 9-15 Post Issuance Compliance Policy G.G. recommended the finance team review this section. L.L. suggested Dept. of Revenue would have boilerplate wording for this section.

Capital Planning Advisory Committee (establishment)

Formulation of a single Capital Planning advisory committee for all Town building projects will result in leveling the assessment for all buildings.. The document titled "Capital Planning Advisory Committee" (attached) was referenced for the discussion. The Department Head will make requests for building projects. The Capital Planning advisory committee will then interview project proponents once the projects have been officially requested. The Capital plan budget is currently managed by the Town Manager. More review of the document was recommended including weigh-in from the finance team. Complete town wide buildings management overseen by one capital planning advisory committee would be an inclusive best practice. Discussion progressed to

REVISED: 09/3/2019

Warrant, Summary, and Recommendations

TOWN OF GROTON



2019 FALL TOWN MEETING

**Groton-Dunstable Middle School Auditorium
344 Main Street, Groton, Massachusetts 01450**

Beginning Monday, October 21, 2019 @ 7:00 PM

Attention – Voters and Taxpayers

Please bring this Report to Town Meeting



Town Meeting Access for Voters with Disabilities

Parking – Universally accessible parking spaces are available in the parking lot in front of the Groton Dunstable Middle School South. There is a ramp providing access from the parking lot to the front door of the Middle School.

Wheelchair Accessible & Companion Seating – Wheelchair spaces, seating for people with mobility issues and companion seats are available in the center aisle on both sides of the auditorium.

Sign Language – A Sign Language Interpreter will be provided for the hearing impaired, upon request, at least one week prior to the meeting.

Speaking at Town Meeting – There will be volunteers available to bring hand-held microphones to voters who have mobility issues or cannot stand in line and wait at the microphones.

Restrooms – Accessible restrooms are available near the entrance to the auditorium.

Transportation to Town Meeting - The Council on Aging van will be available to Groton residents attending Town Meetings at no charge. All riders will be at the meeting prior to the start. However, the van will depart the school at 10 PM regardless of the status of the meeting. The van is wheelchair accessible. Your reservation can be made by calling the Senior Center at 978-448-1170. Seats will be filled on a first come, first serve basis.

Questions or concerns - If you or a member of your household has questions or would like to request a sign language interpreter, please contact ADA Coordinator Michelle Collette at Town Hall at 978 448-1105 at least one week before the Town Meeting.

**FALL TOWN MEETING WARRANT
OCTOBER 21, 2019**

Middlesex, ss.
Commonwealth of Massachusetts
To any Constable in the Town of Groton

Greetings:

In the name of the Commonwealth of Massachusetts, you are hereby required to notify and warn said inhabitants of the Town of Groton qualified to vote on Town affairs to assemble in the Groton-Dunstable Middle School Auditorium in said Town on Monday, the twenty-first day of October, 2019 at Seven O'clock in the evening, to consider the following:

ARTICLE LISTINGS

Article 1	Prior Year Bills	3
Article 2	Amend the Fiscal Year 2020 Town Operating Budget	3
Article 3	Transfer within Water Enterprise Fund	3
Article 4	Transfer within Sewer Enterprise Fund	4
Article 5	Transfer Money into the Capital Stabilization Fund	4
Article 6	Transfer Money into the Stabilization Fund	4
Article 7	Transfer Money into the GDRSD Capital Stabilization Fund	5
Article 8	Install Crosswalk Signage on Main Street	5
Article 9	Community Preservation Committee Funding Recommendations	6
Article 10	Update Assessors Maps/Cyclical Inspections	6
Article 11	Funding for Stormwater Master Plan	7
Article 12	Amend Bylaws – Ban Single-Use Plastic Bags	7
Article 13	Purchase Trimper Property	10
Article 14	Establish Transfer Station Revolving Fund	11
Article 15	Establish Senior Center Revolving Fund	11
Article 16	Acceptance of Amelia Way as a Town Way	12
Article 17	Acceptance of Mockingbird Hill Road as a Town Way	12
Article 18	Citizens' Petition – Rezone 227 Boston Road	13
	Report of the Town Manager to the 2019 Fall Town Meeting	15

ARTICLE 1: PRIOR YEAR BILLS

To see if the Town will vote to transfer from available funds a sum or sums of money for the payment of unpaid bills from prior fiscal years, or to take any other action relative thereto.

SELECT BOARD

Select Board:

Finance Committee:

Summary: *Town Meeting approval is required to pay bills from a prior fiscal year. A list of unpaid bills will be provided at Town Meeting.*

ARTICLE 2: AMEND THE FISCAL YEAR 2020 TOWN OPERATING BUDGET

To see if the Town will vote to amend the Fiscal Year 2020 Operating Budget as adopted under Article 4 of the 2019 Spring Town Meeting and vote to raise and appropriate and/or transfer from available funds a sum or sums of money as may be necessary to defray the expenses of the Town for Fiscal Year 2020, or to take any other action relative thereto.

FINANCE COMMITTEE

SELECT BOARD

TOWN MANAGER

Select Board:

Finance Committee:

Summary: *The Fiscal Year 2020 Town Operating Budget was approved at the 2019 Spring Town Meeting in April, 2019. Any changes to this Budget would have to be made prior to setting the tax rate. The purpose of this article is to make any necessary changes to balance the FY 2020 Operating Budget. Please see the Town Manager's Report contained in the back of this Warrant for an explanation outlining the proposed changes.*

ARTICLE 3: TRANSFER WITHIN WATER ENTERPRISE FUND

To see if the Town will vote to transfer a sum or sums of money from the Water Enterprise Fund Surplus to the Fiscal Year 2020 Water Department Operating Budget for general expenses, or to take any other action relative thereto.

BOARD OF WATER COMMISSIONERS

Select Board:

Finance Committee:

Water Commissioners:

Summary: *This article will request a transfer of funds from Water Surplus to help fund the Fiscal Year 2020 Water Department's Operational Expenses.*

ARTICLE 4: TRANSFER WITHIN SEWER ENTERPRISE FUND

To see if the Town will vote to transfer a sum or sums of money from the Sewer Enterprise Fund Surplus to the Fiscal Year 2020 Sewer Enterprise Department Budget for general expenses, or to take any other action relative thereto.

BOARD OF SEWER COMMISSIONERS

Select Board:
Finance Committee:
Sewer Commission:

Summary: *This article will request a transfer of funds from Sewer Surplus to help fund the Fiscal Year 2020 Sewer Department's Operational Expenses.*

ARTICLE 5: TRANSFER MONEY INTO THE CAPITAL STABILIZATION FUND

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum or sums of money to be added to the sum already on deposit in the Capital Stabilization Fund, or to take any other action relative thereto.

SELECT BOARD

Select Board:
Finance Committee:

Summary: *As of the Printing of this Warrant, the Fund has a balance of \$171,958. The financial management goal is to achieve and maintain a balance in the Capital Stabilization Fund equal to 1.5% of the total annual budget. The target amount for the Capital Stabilization Fund will be provided at Town Meeting.*

ARTICLE 6: TRANSFER MONEY INTO THE STABILIZATION FUND

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum or sums of money to be added to the sum already on deposit in the Stabilization Fund, or to take any other action relative thereto.

SELECT BOARD

Select Board:
Finance Committee:

Summary: *As of the printing of this Warrant, the balance in this fund is \$1,988,036. The financial management goal is to achieve and maintain a balance in the Fund equal to 5% of the total annual budget. The target amount for the Fund will be provided at Town Meeting.*

ARTICLE 7: TRANSFER MONEY INTO THE GDRSD CAPITAL STABILIZATION FUND

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum or sums of money to be added to the sum already on deposit in the Town of Groton Capital Stabilization Fund for the Groton Dunstable Regional School District, or to take any other action relative thereto.

TOWN MANAGER

Select Board:
Finance Committee:

Summary: *As of the printing of the Warrant, the balance in this fund is \$214,160. This fund covers the Town of Groton's share of the Groton Dunstable Regional School District Committee's long-range Capital Plan to address its capital needs. The target amount will be provided at Town Meeting.*

ARTICLE 8: INSTALL CROSSWALK SIGNAGE ON MAIN STREET

To see if the Town will vote to raise and appropriate, transfer from available funds and/or borrow a sum or sums of money, to be expended by the Town Manager, for the engineering and installation of lighted crosswalk signage, and all costs related and associated thereto at the crosswalk located at the Groton Dunstable Middle School on Main Street, or to take any other action relative thereto.

SELECT BOARD

Select Board:
Finance Committee:

Summary: *The Town, through a grant from the Department of Transportation's Complete Streets Program, has installed lighted crosswalk signage at almost every crosswalk on Main Street. These lighted signs have dramatically improved pedestrian safety up and down Main Street. One Crosswalk that has not been addressed is the one located at the Florence Roche Elementary/Groton Dunstable Regional Middle School. The Select Board would like to install a lighted sign at this location as well.*

ARTICLE 9: COMMUNITY PRESERVATION FUNDING RECOMMENDATIONS

To see if the Town will vote to adopt and approve the recommendations of the Community Preservation Committee for Fiscal Year 2020, and vote to implement such recommendations by appropriating a sum or sums of money from the Community Preservation Fund established pursuant to Chapter 44B of the General Laws, and by authorizing the Select Board, with the approval of the Community Preservation Committee, to acquire, by purchase, gift or eminent domain, such real property interests in the name of the Town, or enforceable by the Town, including real property interests in the form of permanent affordable housing restrictions and historical preservation restrictions that will meet the requirements of Chapter 184 of the General Laws, as may be necessary or proper to carry out the foregoing, or to take any other action relative thereto.

CPC Proposal A: Prescott School Sprinkler System \$TBD

Summary: *The 2018 Spring Town Meeting appropriated funding from the Community Preservation Account to install a sprinkler system at the Prescott School. Bid specifications, asking for a "Design/Build concept was adopted for the bidding strategy. Unfortunately, sprinkler installation companies were not interested on bidding on this kind of project. Based on this, the Town has gone back to the CPC and requested permission to expend some of the funds authorized for this project on the design of the system. The Town has now designed the system and gone back out to bid. Bids were due on October 16th (after the Warrant went to Print). In the event that the bids come in higher than the remaining balance of the project (approximately \$225,000), this Article will seek the additional funding from Community Preservation Funding to pay for the entire project. This Article should be considered a placeholder for this purpose. Should bids come in under the remaining balance, this Article will be withdrawn.*

Select Board:

Finance Committee:

Community Preservation Committee:

COMMUNITY PRESERVATION COMMITTEE

ARTICLE 10: UPDATE ASSESSORS MAPS/CYCLICAL INSPECTIONS

To see if the Town will vote to raise and appropriate, transfer from available funds and/or borrow a sum or sums of money, to be expended by the Town Manager, for the purpose of updating the tax maps for Fiscal Year 2020, as required by the Department of Revenue and to start the cyclical inspection process of inspecting every property in town within the Department of Revenue's five year period guidelines, said inspections to commence in the Spring of 2020 and to continue every year thereafter, or to take any other action relative thereto.

BOARD OF ASSESSORS

Select Board:

Finance Committee:

Summary: *The Assessors' Office is required to update the Tax Maps pursuant Department of Revenue guidelines, on a yearly basis, however, the Board of Assessors/Assessors' Office will be updating two (2) years' worth of mapping since the full measure and list was in process during the last two years. This made updating the maps unfeasible due to the daily updating in the field. Cyclical inspections are required to be performed on a yearly basis to cover the entire Town in a five (5) year span.*

ARTICLE 11: FUNDING FOR STORMWATER MASTER PLAN

To see if the Town will vote to raise and appropriate, transfer from available funds, and/or borrow a sum or sums of money, to be expended by the Town Manager, for the purpose of retaining consultants and engineers to assist the Town in developing a Stormwater Master Plan, and all costs associated and related thereto, to comply with Massachusetts Small Municipal Separate Storm Water Sewer System General Permit (MS4), or to take any other action relative thereto

**TOWN MANAGER
DPW DIRECTOR**

**Select Board:
Finance Committee:**

Summary: *The Municipal Separate Stormwater Sewer System Permit (MS4) was created to address Stormwater sewer systems in Municipalities. Stormwater typically contains a number of pollutants, such as oil and grease from roadways and parking lots, pesticides and fertilizers from lawns, sediment from construction sites, sand and dirt from roadway maintenance practices, and carelessly discarded trash such as cigarette butts, wrappers, and plastic bottles. When these pollutants enter water bodies, they can contaminate drinking water supplies, hinder recreation activities, and harm aquatic and other wildlife habitats. In addition to washing pollutants into our surface waters, improperly managed storm water runoff can result in soil erosion and flooding. The purpose of the MS4 Permit is to ensure Municipalities are addressing this issue. To that end, the Town of Groton needs to develop a Master Plan to address the expense of stormwater runoff. The purpose of this article is to provide funding to hire consultants to help the Town develop a funding strategy.*

ARTICLE 12: AMEND BYLAWS – BAN SINGLE-USE PLASTIC BAGS

To see if the Town will vote to amend the General Bylaws of the Town by creating a new Chapter 200 entitled "Single-Use Plastic Bags" as follows:

CHAPTER 200 – Single-Use Plastic Bags

§ 200-1. Purpose and intent.

- A. The production and use of thin-film, single-use plastic checkout bags have significant impacts on the environment, including but not limited to: contributing to the potential

death of marine animals through ingestion and entanglement, contributing to pollution of the land environment, creating a burden to solid waste collection and recycling facilities, clogging storm drainage systems, and requiring the use of millions of barrels of crude oil nationally for their manufacture, and plastic bags are not biodegradable so they gradually disintegrate into minute particles which absorb toxins contaminating the food chain including the food humans eat.

- B. The goal of this bylaw is to reduce the common use of plastic checkout bags and to encourage the use of reusable bags by consumers, thereby reducing local land and marine pollution, advancing solid waste reduction, protecting the Town's unique natural beauty and irreplaceable natural resources, and improving the quality of life for the citizens of the Town.

§ 200-2. Definitions.

As used in this article, the following terms shall have the meanings indicated:

ASTM D6400 — The American Society for Testing and Materials (ASTM) International Standard Specification for Compostable Plastics.

CHECKOUT BAG — A bag with or without handles provided by a store to a customer at the point of sale that is intended for the purpose of transporting food or merchandise out of the store.

COMPOSTABLE PLASTIC BAG — A plastic bag that conforms to the current ASTM D6400 standard specifications by a recognized verification entity.

PRODUCT BAG —

- A. A bag in which loose produce, bulk items, unwrapped baked goods or prepared food, or other products are placed by the consumer to deliver such items to the point of sale or checkout area of the store; or
- B. A bag that contains or wraps foods to retain moisture or to segregate foods (like meat or ice cream) or other items to prevent contamination or damage when the items are placed together in a recyclable bag or reusable bag. Bags without handles used to cover clothing such as a dry-cleaning bag are not included in this definition.

RECYCLABLE PAPER BAG — A paper bag that is 100% recyclable and contains at least 40% post-consumer recycled content, and displays in a visible manner on the outside of the bag:

- A. The word "recyclable" or a symbol identifying the bag as recyclable; and
- B. A label identifying the bag as being made from post-consumer recycled content and the percentage of post-consumer recycled content in the bag.

REUSABLE BAG — A bag that is either:

- A. Made of cloth or other machine-washable fabric; or

- B. Made of plastic other than polyethylene or polyvinyl chloride that is durable, non-toxic, and generally considered a food-grade material, and is more than four mils in thickness.

SINGLE-USE PLASTIC CHECKOUT BAG — A plastic checkout bag that is less than four mils thick and is not a compostable plastic bag.

STORE — Any commercial enterprise selling goods, food or services directly to the public, whether for or not for profit, including, but not limited to, convenience and grocery stores, markets, restaurants, pharmacies, liquor stores, take-out food purveyors, and merchandise retailers.

§ 200-3. Use regulations.

- A. No store in the Town shall provide to any customer a single-use plastic checkout bag. Existing stock should be phased out within six months of November 1, 2019, and any remaining stock should be disposed of properly.
- B. If a store provides checkout bags to customers, it may only provide reusable bags, recyclable paper bags or compostable plastic bags.
- C. If a store provides product bags to customers, the bag shall comply with the requirements of being either a reusable bag, recyclable paper bag or compostable bag.

§ 200-4. Administration and enforcement.

- A. This bylaw may be enforced by any Town police officer or agent of the Board of Health or other individuals appointed by the Town Manager.
- B. A person, individually or by his servant or agent, who violates any provision of this bylaw may be penalized by a noncriminal disposition pursuant to MGL c. 40, § 21D, and the Town's noncriminal disposition bylaw. The following penalties apply:
 - [1] First violation: a written warning.
 - [2] Second violation: fine of \$100.
 - [3] Third violation: fine of \$200.
 - [4] Fourth and subsequent violations: fine of \$300.
- C. Each day the violation continues constitutes a separate violation.

§ 200-5. Effective date.

This bylaw takes effect on July 1, 2020.

SELECT BOARD

Select Board:

Finance Committee:

Summary: *The purpose of this by-law is to promote the use of reusable bags by reducing the number of paper bags and eliminating the use of thin-film, single-use plastic checkout bags distributed in the Town of Groton. Reducing the use of paper bags and eliminating the use of thin-film, single-use plastic bags through a combined effort by citizens and businesses will have*

a positive impact on our environment including, but not limited to: reducing waste and unnecessary strains on recycling resources; minimizing litter, reducing the carbon footprint of Groton; protecting our ponds, lakes, and waterways; avoiding the waste of finite natural resources; protecting land and water based small animals; and preserving the unique natural beauty of our Town.

ARTICLE 13: PURCHASE TRIMPER PROPERTY

To see if the Town of Groton will vote to appropriate the sum of \$400,000 for the acquisition by gift, negotiated purchase or eminent domain a parcel of 36.21 acres and 5.85 acres owned by the Hellen H. Trimper Investment Trust as shown as parcels labeled "Remaining Land of Helen H. Trimper, Trustee of the Helen H. Trimper Investment Trust" and "Parcel "A"" respectively on the plan entitled "Plan of Land in Groton, Mass." prepared by David E. Ross Associates, Inc., dated April 2, 2019, both parcels to be managed and controlled by the Conservation Commission of the Town of Groton for conservation and passive outdoor recreation purposes pursuant to M.G.L. Section 8C of Chapter 40; to transfer the sum of \$400,000 from the Conservation Fund therefor in advance of a Massachusetts Local Acquisitions for Natural Diversity (LAND) Program grant, with said proceeds to be returned to the Conservation Fund; that the Town Manager or Select Board be authorized to file on behalf of the Town of Groton any and all applications deemed necessary under the Self-Help Act (M.G.L. Chapter 132A, Section 11) or any other applications for funds in any way connected with the scope of this acquisition, and that the Town Manager and the Select Board and the Conservation Commission be authorized, as they deem appropriate, to enter into all agreements and execute any and all instruments including the conveyance of a perpetual conservation restriction in accordance with M.G.L. Chapter 184 as required by Section 12(a) of Chapter 44B or Chapter 293 Section 10 of the Acts of 1998 as amended, as may be necessary on behalf of the Town of Groton to affect said purchase, which conservation restriction may be granted to the Groton Conservation Trust or any other organization qualified and willing to hold such a restriction, or to take any other action relative thereto.

CONSERVATION COMMISSION

Select Board:

Finance Committee:

Summary: *Applying for a state grant will enable the Town to leverage funds already set aside in the Conservation Fund for the acquisition of approximately 42 acres of conservation land. This land has frontage on Martins Pond Road and is adjacent to Williams Barn/Sorhaug Woods, which in turn connects across Chicopee Row to extensive acreage of conserved land extending north towards Reedy Meadow Road. To the east, Williams Barn/Sorhaug Woods connects to a number of conserved lands extending northeast into Dunstable. Acquiring this land will significantly increase the connectivity between these northern open spaces and the Town center via the Gibbet Hill/Scarlet Hill Conservation Restriction areas. The property itself includes approximately 7 acres of open meadow atop a drumlin and drops to the west nearly 170 feet through beautiful mixed woodland into a wetland, which drains into Martins Pond. Protecting large tracts of contiguous open space ensures a diversity of wildlife, habitats, and recreational opportunities for generations of Groton residents. The negotiated purchase price for this property is \$400,000.*

ARTICLE 14: ESTABLISH TRANSFER STATION REVOLVING FUND

To see if the Town will vote to provide for any amounts collected by the Transfer Station as user fees for the Glass Plant be credited to a separate account to be expended without further appropriation by the DPW Director for Glass Plant equipment maintenance, and further to accept the proviso of the second paragraph of Massachusetts General Law, Chapter 40, section 3 to allow any balance in such account at the close of each fiscal year to remain available for expenditure, without appropriation for such purposes in future years, or to take any other action relative thereto.

DPW DIRECTOR

Select Board:
Finance Committee:

Summary: *This article will allow the DPW Director to collect fees from municipalities who utilize the new glass pulverizing plant at the transfer station, and then expend those fees for the purpose of general up-keep and maintenance on that equipment. A spending limitation of \$10,000 annually is suggested for this account, and expenses will be managed by the DPW Director.*

ARTICLE 15: ESTABLISH SENIOR CENTER REVOLVING FUND

To see if the Town will vote to provide for any amounts collected by the Senior Center as user fees for the fitness room be credited to a separate account to be expended without further appropriation by the Council on Aging Director for fitness equipment maintenance and replacement as needed, and further to accept the proviso of the second paragraph of Massachusetts General Law, Chapter 40, section 3 to allow any balance in such account at the close of each fiscal year to remain available for expenditure, without appropriation for such purposes in future years, or to take any other action relative thereto.

COUNCIL ON AGING DIRECTOR

Select Board:
Finance Committee:

Summary: *This article will allow the Council on Aging Director to collect fees from individuals who utilize the new fitness equipment at the Senior Center, and then expend those fees for the purpose of general up-keep and maintenance on that equipment. It is expected that the fund balance in this account will eventually accumulate to also cover replacement of equipment as this becomes necessary. A spending limitation of \$10,000 annually is suggested for this account, and expenses will be managed by the Council on Aging Director.*

ARTICLE 16: ACCEPTANCE OF AMELIA WAY AS A TOWN WAY

To see if the Town will vote to accept Amelia Way as a public way, as recommended by the Planning Board and laid out by the Select Board and as shown on a plan entitled "Amelia Way Street Acceptance Plan in Groton, Massachusetts," prepared by Hannigan Engineering, Inc., Leominster, MA for Grand Coast Capital Group, Hingham, Massachusetts, dated January 16, 2018, and on file with the Town Clerk; to authorize the Select Board to acquire, by gift, purchase or eminent domain such land and easements for the creation, maintenance and operation of a public way, including but not limited to easements for access, grading, drainage, sloping, construction and utilities, in all or any portions of such way and the parcels on such way, or to take any other action relative thereto.

SELECT BOARD

Select Board:

Finance Committee:

Summary: *To accept Amelia Way as a public way.*

ARTICLE 17: ACCEPTANCE OF MOCKINGBIRD HILL ROAD AS A TOWN WAY

To see if the Town will vote to accept Mockingbird Hill Road as a public way, as recommended by the Planning Board and laid out by the Select Board and shown on a plan entitled "Roadway As-Built for Mockingbird Hill Road, Sta. 0+00 – 16+13.23, in Groton, Massachusetts", prepared by R. Wilson Associates, dated July 12, 2019, recorded with the Middlesex South District Registry of Deeds, and on file with the Town Clerk; to authorize the Select Board to acquire, by gift, purchase or eminent domain such land and easements for the creation, maintenance and operation of a public way, including but not limited to easements for access, grading, drainage, sloping, construction and utilities, in all or any portions of such way and the parcels on such way, or to take any other action relative thereto.

SELECT BOARD

Select Board:

Finance Committee:

Summary: *To accept Mockingbird Hill Road as a public way.*

ARTICLE 18: CITIZENS' PETITION – REZONE 227 BOSTON ROAD

To see if the Town will vote to place the property situated at 227 Boston Road, Assessors' Parcel 235-1 in the Recreational Overlay District, Section 218-30.1 of the Zoning Bylaw, or to take any other action relative thereto.

CITIZENS' PETITION

<u>NAME</u>	<u>ADDRESS</u>	<u>NAME</u>	<u>ADDRESS</u>
Robert L. Collins	204 Gay Road	Laurence Hurley	315 Lost Lake Drive
Michelle Collette	43 Windmill Hill	Bruce H. Easom	435 Martins Pond Road
Olin Lathrop	55 Sunset Road	Marshall E. Giguere	230 Burntmeadow Road
John M. Smigelski	150 Mill Street	Ranier B. Collins	204 Gay Road
Peter Morrison	32 Burntmeadow Road	David C. Moulton	129 Skyfields Drive

Select Board:

Finance Committee:

Summary: *The Petitioners did not submit a summary with this Article. More information will be provided at Town Meeting.*