

Finance Committee meeting minutes

Town Hall, 2nd floor meeting room

173 Main St. Groton, MA

Tuesday, October 1st, 2019

Present: Chairman Bud Robertson, Vice Chairman, Gary Green, Clerk, David Manugian, Scott Whitehead, Art Prest, Colby Doody.

Others present: Town Accountant, Patricia Dufresne, Per diem minute taker, Beth Faxon

Bud Robertson opened the meeting at 7:00 pm

First item of discussion was the review of overall financial management policies. Committee members reviewed a "redlined" copy of a 20 page document entitled Town of Groton overall financial management policies revised 9/16/19. Redline comments were submitted by Alison Manugian, Selectboard member after the finance committee had submitted and approved their own revisions. The document was presented by the town manager in Select Board meeting, no action was taken, and was returned back to the Finance Committee for further discussion.

Art Prest made a motion that the Finance committee approve the original version that has been previously voted and submitted. No Second. The motion failed.

BR tabled the matter to the next meeting allowing the Committee members time to review the redline document. Gary Green commented that the comments are worthy of due consideration but was concerned with the timing. He suggested a better time to consider the suggestions would be after the budget season and spring town meeting.

Art Prest made a motion that the finance committee maintain approval of the original policy document as previously voted and return to consider edit/comments presented by Alison Manugian in the next budget cycle. Colby Doody seconded. All in favor. 6-0-0

The Committee then considered the two candidates who expressed interest in the vacant finance committee seat. Mr. Robertson explained that the interview process is followed by candidate selection via Committee vote and forwarding recommendations to the Select Board. Peter Doherty and Mary Linskey have submitted resumes which were available for Committee members to view. David Manugian made a motion to accept the applications and schedule interviews for the vacant finance committee position. Colby Doody seconded. All in favor. 6-0-0 Patricia Dufresne noted she would contact the applicants and arrange a meeting with the Committee on Nov 5th, 2019 at 7:00 P.M.

The Committee then voted on 2019 Fall Town Meeting warrant articles as follows; Chairman Robertson noted that a few changes have been made and some information has been updated in the warrant. Gary Green has not yet taken a position on the articles.

Article #1 Prior Year Bills there have been no changes. All in favor. 6-0-0

Article #2 amend FY 20 Town operating budget. Chair Robertson noted the addition to the fire department operating budget of \$66,000 for the fire department recruit class. He directed the group's attention to the memos in their meeting packets from Fire Chief McCurdy and Mark

Haddad, Town Manager. The proposed funding for this addition was noted to be in the discussion at the end of the Warrant. Chairman Robertson started the discussion of how the Town would fund this, either in-levy, finance committee reserve fund, line item transfers, or free cash. With a note that this is considered a one-time expense and would be budgeted in the next budget cycle if warranted. After the pros and cons of each scenario were discussed and considered amongst the members of the Committee the following vote was taken;  
Gary Green made a motion that the finance committee supports this \$66,000 addition to the FY20 operating budget for the fire recruit class with caveat that the funding mechanism be free cash. Dave Manugian seconded. All in favor. 6-0-0

Article #3 Transfer within Water Enterprise Fund. All in Favor 6-0-0.

Article #4 Transfer within Sewer Enterprise fund was removed from the warrant. No action taken.

Article #5 Transfer Money into the Capitalization Stabilization Fund. All in favor. 6-0-0

Article #6 Chairman Robertson noted that the proposed transfer to General Stabilization had increased slightly (adjusted to reflect the proposed increases to the overall budget). The new transfer amount is \$4,845. All in Favor 6-0-0

Article #7 Transfer Money into the GDRSD Capital Stabilization fund. All in favor. 6-0-0

Article #8 Install Crosswalk signage on Main Street. All in favor. 6-0-0

Article #9 Community Preservation Committee Funding recommendations. Deferred until bids are received.

Article #10 Assessors Cyclical Inspections: The Committee voted unanimously in favor of funding \$21,600 for FY20 from Free Cash. 6-0-0

Article #11 Funding for Stormwater Master Plan. All in Favor. 6-0-0

Article #12 Amend Bylaws - Ban Single -use plastic bags. The Committee took no action.

Article #13 Purchase Trimper property. Discussion ensued as to whether the commitment to proceed with the purchase was contingent on receiving the grant. All in Favor. 6-0-0

Article #14 Establishment of Revolving Funds. Gary Green made a motion to support and vote the affirmative for articles #14 & #15. David Manugian seconded. All in Favor. 6-0-0

Articles #16 & 17 The Finance Committee took no action.

The Committee then continued to discuss FY 2021 budget guidance discussion.

Art Prest asked about the details of the 7% or \$1.6 MIL increase in Groton's assessment for the Groton Dunstable Regional School District's budget. Chair Robertson explained that last year the District opted to take \$400,000 from its E&D fund to help Dunstable; this funding is not available for FY20, and that is approximately 2% of the 7% figure. State aid for the District remains flat year over year, and therefore the difference must be made up in the assessments to the member towns.

Art Prest requested evidence of the details of the school budget, and heard that some information had been made available to the tri-board. Chair Robertson noted the Superintendent has committed to stay within the guidance parameters. Gary Green explained that the school district has not yet submitted a final budget and no definitive numbers are available for either the municipal nor the school budget. Hence the reason for the finance

committee to supply guidance to be used in the formulation of budgets, followed by examination and fine tuning during the budget season..

Chair Robertson informed everyone that based on the Town's and the school's preliminary budgets there is a projected deficit for FY21 of \$491,000.

He stated that the tri-board has not released the specific figures at this point due to the flux of the data in the document. He stated the Town FY22 budget is also expected to have an approximately \$500,000 shortfall. He noted that the fundamental issue is overall spending of 5.8% and overall revenue of 4.5% creating a deficit. To address this inequality, expenses must be cut or tax rate elevated.

Gary Green noted that initially the deficit was projected at 1.2 MIL and the town manager and finance team has worked to significantly decrease this number.

The Committee discussed different options to fix the problem for FY 21, and, going forward.

Committee members offered some analyses and options to fix the problem : 1.] Request yearly tax overrides (or a single multi-year override), 2.] cut expenses, reduce wage growth, 3.] grow the revenue through commercial activity and housing.

Chair Robertson suggested increasing revenue projections to help offset the deficit (as revenue tends to beat projections each year). This will lead to a decrease in Free Cash at year end, but that is preferable to asking taxpayers to authorize an override, and then ending up with a significant revenue surplus. At the onset of the FY 22 budget season, if no free cash is available, a proposal for an override would be more justifiable to the public.

A tax override is an unpopular option with both the School Board and finance committee members.

Chair Robertson summarized that the budget guidance should be broad including balancing the budget without a tax override, and splitting of the \$491,000 shortfall with GDRSD. The Committee agreed they would like to be as explicit as possible with the expectation of no override proposals. Chair Robertson reiterated the position of not utilizing the override but trying the split proposal and if unsuccessful then reconsider the options and deliberate further. The discussion concluded with general agreement by members to give the following guidance;

1. No override proposals for FY21, and any shortfall would be split between School Budget and municipal budget.
2. Municipal spending is not to exceed growth of 3.39% with an in-levy debt of 3.45 MIL for FY20 and FY21. To further include OtherPost Employment Benefits (OPEB) for both FY20 and FY21.

David Manugian asked for the following additions;

1. No new benefitted positions
2. Request a receipt of three years of grant receipts updated in spreadsheet format.
3. Request receipt of all financial updates and information electronically distributed to finance committee members via email in advance of meetings. This would help during committee meetings to have the information on laptops during discussions. Patricia Dufresne mentioned that the Town would like to have budget software access for the Committee and financial team for real time access to updates. She commented that this is still a possibility to explore in the future.

Chair Robertson noted that Monday October 7, 2019 is the budget meeting with the Select Board. The Committee then reviewed and approved the following draft meeting minutes; David Manugian made a motion to approve the minutes of 9/3/19. Scott Whitehead seconded. All in Favor. 6-0-0.

David Manugian made a motion to approve the minutes of 9/16/19. Scott Whitehead seconded. All in Favor. 6-0-0.

Gary Green said that the senior center project is expected to wrap up in two weeks and he toured it yesterday. He reported minor construction issues and remediation costs are well within the contingency plans and the overall budget. He reported a grand opening in the beginning of November with several events planned. He also updated the members about one unexpected \$30,000 expense with the Library project for asbestos removal. He reported the DPW garage project is on track.

Colby Doody made a motion to adjourn the meeting at 9:40 P.M. Scott Whitehead seconded. All in Favor.

Respectfully submitted,

Elizabeth Faxon

Documents on file:

1. Town of Groton overall financial management policies redline version Alison Manugian.
2. Memo from Mark Haddad, Town Manager to Bud Robertson, Chairman Finance Committee Alison Manugian, Select Board re: FW: Recruit class dated September 24, 2019. Forwarded email from Steele McCurdy to Mark Haddad re: Recruit class dated September 24, 2019.
3. Memo from Steele McCurdy, Fire Chief to Mark Haddad, Town Manager re: On-call Recruitment dated September 24, 2019.
4. Warrant, Summary, and Recommendations Town of Groton 2019 Fall Town meeting revised 09/26/19.



## TOWN OF GROTON OVERALL FINANCIAL MANAGEMENT POLICIES

### Introduction

The 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.~~

Commented [AM1]:

### 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 Select Board and Town Meeting a five-year financial plan for the Town.

Formatted: Highlight

Commented [AM2]: This is not being done effectively

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.

Commented [AM3]: We should discuss overall fund goals in conjunction with the school funds and town managed school cap stab fund. 5% may be to high.

5. The Town will maintain a Municipal Capital Stabilization Fund to help defray the costs 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.

Commented [AM4]: Given the intended use of this fund I believe that all capital needs should be funded out of this rather than directly out of free cash.

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.

Commented [AM5]: We need to better understand the CPC and likely coming years' process. We should review and possibly change this 2% number in light of the various community needs and priorities.

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 Select Board and Finance Committee.

9. The 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 1<sup>st</sup> 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 via the capital stabilization account, 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 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.

Commented [AM6]: Where are we in comparison to this debt limit?

### 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.

Commented [AM7]: given that there are so many factors I don't see that tweaking these two closely related items will decimate our bond rating

Formatted: Highlight

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.

**Commented [AM8]:** Is this how the state is defining the debt limit as well or is this our own definition. MGL Ch 44 Sect 10 states "Section 10. Except as otherwise provided by law, a city or town shall not authorize indebtedness to an amount exceeding 5 per cent of the equalized valuation of the city or town. A city or town may authorize indebtedness in excess of 5 per cent but not in excess of 10 per cent, of the aforesaid equalized valuation; provided, however, that the amount of indebtedness so authorized shall be subject to the approval of the members of the municipal finance oversight board, which approval may be given either before or after such authorization.

...  
All authorized debts, except those expressly authorized by law to be incurred outside the debt limit, shall be reckoned in determining the limit of indebtedness under this section."

**Commented [AM9]:** What is this process currently and what should it be?

## **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:**

### **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.

Commented [AM10]: Somewhere this policy needs to at least mention that the town will ultimately be responsible for a significant portion of the GDRSD OPEB exposure as well.

### 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.

## 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 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 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 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

**Commented [AM11]:** This translates to a reserve fund managed by the finance committee of approximately \$235k. Bumping this reserve fund to this policy driven amount would provide an additional backup allowing for less conservative estimating of revenues and expenditures.

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 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 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, 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, revised September 16, 2019

## Patricia DuFresne

---

**From:** Mark Haddad  
**Sent:** Tuesday, September 24, 2019 11:42 AM  
**To:** Bud Robertson; Alison Manugian  
**Cc:** Patricia DuFresne; Dawn Dunbar; Steele McCurdy  
**Subject:** FW: Recruit class  
**Attachments:** Recruitment transfer request.pdf

Good Morning Bud and Alison:

Please see the attached memorandum from our Fire Chief. Thanks to the great recruitment job by our Fire Chief, we have 11 applicants for our next Call Firefighter Recruit Class. This is the largest class since 2002. With that size of the class, we have significant costs that are not budgeted. As you can see from the memo, the Chief will need approximately \$66,000 to train and outfit the class. We obviously do not have this budgeted in the FY 2020 Fire Department Budget.

To address this amount of funding, we have three options. First would be a reserve fund transfer. While this would solve the immediate problem, this would use more than a third of the funding only three months into the fiscal year. The second option would be a Free Cash Transfer to the Fire Department Budget at the 2019 Fall Town Meeting. Given our current obligations for Free Cash at this meeting and the Spring, this would put our Free Cash at historically low levels. The third and my most preferred option would be to raise and appropriate the funding from taxation. This could be done under Article 2 at the Fall Town Meeting. It would add approximately \$0.04 to the tax rate or \$18.36 to the average tax bill. I recommend this for two reasons. One, it protects our other reserve accounts, and two, I am hoping that this becomes a permanent part of the budget in future years for the recruitment of call fire fighters.

I would ask the Finance Committee to review this and discuss this issue at your next meeting and I plan on putting this on the Select Board's Agenda for October 7<sup>th</sup>. I am blind copying all Select Board members and FinCom members for their information.

Please feel free to contact me with any additional questions or concerns.

Mark

---

**From:** Steele McCurdy  
**Sent:** Tuesday, September 24, 2019 11:06 AM  
**To:** Mark Haddad <mhaddad@townofgroton.org>  
**Cc:** Dawn Dunbar <ddunbar@townofgroton.org>  
**Subject:** Recruit class

Hi Mark,

See attached memo regarding funding for the hiring of additional on-call firefighters.

Thank you.

A. Steele McCurdy  
Fire Chief  
Groton Fire Department





# Groton Fire Department

*Fire ~ EMS ~ Rescue*

*"Together We Serve the Community"*

45 Farmers Row  
Groton, Massachusetts 01450  
Tel: (978) 448-6333  
Fax: (978) 448-1116



To: Mark Haddad, Town Manager

From: Steele McCurdy, Fire Chief

Date: September 24, 2019

Re: On-call Recruitment

I am pleased to report that the latest recruitment drive conducted by the Groton Fire Department has resulted in 11 applicants for on-call firefighter. This number of applicants is the largest single group since 2002. This is by all definitions a good problem to have. That said, such an influx comes at a cost. In order to bring this number of new recruits in, I would need a significant one-time addition to the budget.

In all, the cost of conducting training and the cost of outfitting the new firefighters will be around \$65,000. The Fire Department at this time cannot support the adding of these recruits without additional funding to cover the costs. The Groton Fire Department lacks NFPA compliant protective gear to outfit the new firefighters. While this lack of compliant gear does not prohibit the training from occurring, it will prohibit the new firefighters from responding to calls. This lack of gear in itself could result in less than half of the applicants from finishing the training and starting as on-call firefighters at the end of the program.

I have provided a breakdown of the approximate cost below to help understand the total cost of running such a large program;

## 2019 Recruit Class Cost Breakdown

Expenses Description	Cost/student	Total
Physicals- Cost to conduct NFPA 1500 pre-employment physical	\$ 850.00	\$ 9,350.00
NFPA compliant gear- head to toe protective equipment	\$ 3,431.00	\$ 37,741.00
Books-IFSTA essentials 6	\$ 65.00	\$ 715.00
Pagers- Pagers for notification of new firefighters	\$ 430.00	\$ 4,730.00
		\$ 52,536.00
Personnel Description	Hourly	
Instructors- personnel dedicated to each FF I training session- 206 hours	\$ 44.03	\$ 9,070.18
Instructors- CPR and First Responder- 32 hours	\$ 44.03	\$ 1,408.96
Instructors- Fire II critical skills- 64 Hours	\$ 44.03	\$ 2,817.92
		\$ 13,297.06
		\$ -
		\$ -
		\$ 65,833.06



## Groton Fire Department

*Fire ~ EMS ~ Rescue*

*"Together We Serve the Community"*

45 Farmers Row  
Groton, Massachusetts 01450  
Tel: (978) 448-6333  
Fax: (978) 448-1116



The fire department will, at a bare minimum, need \$37,741.00 in additional funding to appropriately outfit the firefighters. With an 8-10-week lead time on orders, we need to place this order soon to avoid delays in their availability to the community.

The remaining training costs may be held off for a period but will likely be needed in order to finish out the fiscal year in the black.

The extremely high interest in joining the Groton Fire Department comes as a surprise to the members of the department. We as a community have a responsibility to now provide these candidates with the best possible training and equipment so they can safely provide service to the citizens for years to come.

### **SAFER Grant-**

The Groton Fire Department was notified this past week of an award for a Staffing for Adequate Fire and Emergency Response Grant. The grant was applied for in March looking for monies to support the recruitment and retention of on-call firefighters. In total the grant provides \$99,735 over a four-year period to hire, outfit, and train new on-call firefighters. In addition, the grant provides money to create a 2 hour per week position of recruitment coordinator. The recruitment coordinator would be responsible for the advertising, interviewing and tracking of new personnel coming onto the Groton Fire Department.

While this is a great accomplishment by the members of the department, it should be noted that this grant cannot be used to cover the current recruit class. The SAFER grant is only to be used for the hiring of new firefighters that will attend the Massachusetts Fire Academy and cannot be used for anyone that is already working for the Groton Fire Department.

In all, the Groton Fire Department is posed to make some great improvements in the delivery of services through a combination of career and on-call services.

## Patricia DuFresne

---

**From:** Mark Haddad  
**Sent:** Thursday, September 26, 2019 12:23 PM  
**Cc:** Dawn Dunbar; Jason Kauppi (jkauppi@kauppi.us); Michael Bouchard; Patricia DuFresne; Paul R. DeRensis  
**Subject:** Final Draft of 2019 Fall Town Meeting Warrant - Including Town Manager's Report  
**Attachments:** 2019 Fall Town Meeting Warrant.doc

Good afternoon:

Attached to this email is the final draft of the 2019 Fall Town Meeting Warrant. This draft has been revised by recent comments from Town Counsel concerning Articles 14 and 15, as well as adding the positions taken by the Select Board and Finance Committee and the final Town Manager's Report to the 2019 Fall Town Meeting.

In addition, I have changed the position of the both the Select Board and Finance Committee for Article 2 from "Recommended Unanimously" to "Recommendation Deferred Until Town Meeting". The reason for this is the issue of providing the necessary funding for the Call Firefighter Recruit Class. Since neither the Select Board nor Finance Committee can meet prior to sending the printer to the Warrant and I had to finalize my budget report to the meeting, I included this request for \$66,000 under Article 2 from Levy Capacity. Should the Select Board and Finance Committee decide on a different funding mechanism, we can change the motion under Article 2 and inform the Town Meeting as to the reason why. I had to make a decision on how to draft my report and this seemed to be the best way to handle this matter.

Please feel free to contact me with any comments or corrections you see with the Warrant. We will be going to the Printer with the Warrant first thing Tuesday morning.

Mark

### **Mark W. Haddad**

Town Manager  
Town of Groton  
173 Main Street  
Groton, MA 01450  
(978) 448-1111  
FAX: (978) 448-1115  
[mhaddad@townofgroton.org](mailto:mhaddad@townofgroton.org)



REVISED: 09/26/2019

## **Warrant, Summary, and Recommendations**

# **TOWN OF GROTON**



## **2019 FALL TOWN MEETING**

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

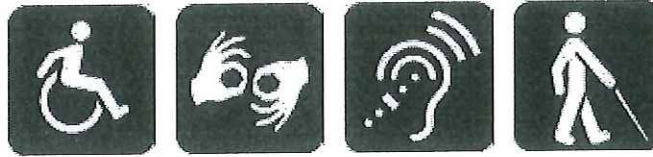
**Beginning Monday, October 21, 2019 @ 7:00 PM**

---

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, 344 Main Street, Groton, Massachusetts 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**

<b>Article 1</b>	Prior Year Bills	3
<b>Article 2</b>	Amend the Fiscal Year 2020 Town Operating Budget	3
<b>Article 3</b>	Transfer within Water Enterprise Fund	3
<b>Article 4</b>	Transfer within Sewer Enterprise Fund	4
<b>Article 5</b>	Transfer Money into the Capital Stabilization Fund	4
<b>Article 6</b>	Transfer Money into the Stabilization Fund	4
<b>Article 7</b>	Transfer Money into the GDRSD Capital Stabilization Fund	5
<b>Article 8</b>	Install Crosswalk Signage on Main Street	5
<b>Article 9</b>	Community Preservation Committee Funding Recommendations	6
<b>Article 10</b>	Update Assessors Maps/Cyclical Inspections	6
<b>Article 11</b>	Funding for Stormwater Master Plan	7
<b>Article 12</b>	Amend Bylaws – Ban Single-Use Plastic Bags	7
<b>Article 13</b>	Purchase Trimper Property	10
<b>Article 14</b>	Establishment of Revolving Funds	11
<b>Article 15</b>	Annual Spending Limits for Revolving Funds	12
<b>Article 16</b>	Acceptance of Amelia Way as a Town Way	12
<b>Article 17</b>	Acceptance of Mockingbird Hill Road as a Town Way	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:** *Recommended Unanimously*  
**Finance Committee:** *Recommended Unanimously*

**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:** *Recommendation Deferred Until Town Meeting*  
**Finance Committee:** *Recommendation Deferred Until Town Meeting*

**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:** *Recommended Unanimously*  
**Finance Committee:** *Recommended Unanimously*  
**Water Commissioners:** *Recommended Unanimously*

**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:** *Recommendation Deferred Until Town Meeting*  
**Finance Committee:** *Recommendation Deferred Until Town Meeting*  
**Sewer Commission:** *Recommendation Deferred Until Town Meeting*

**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, transfer from available funds and/or borrow pursuant to any applicable statute, 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:** *Recommended Unanimously*  
**Finance Committee:** *Recommended Unanimously*

**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, transfer from available funds and/or borrow pursuant to any applicable statute, 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:** *Recommendation Deferred Until Town Meeting*  
**Finance Committee:** *Recommended Unanimously*

**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, transfer from available funds and/or borrow pursuant to any applicable statute, 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:** *Recommended Unanimously*  
**Finance Committee:** *Recommendation Deferred Until Town Meeting*

**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 pursuant to any applicable statute 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:** *Recommended Unanimously*  
**Finance Committee:** *Recommended Unanimously*

**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. While the State is responsible for the maintenance of this section of Main Street, they will not pay for lighted crosswalk signs, therefore, if the Town wants them installed at this location, the Town will have to pay for them.*

---

## **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 To Be Determined**

**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 Friends of Prescott, with the support of the Town Manager, 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 Friends have now designed the system and gone back out to bid. Bids were due on October 16<sup>th</sup> (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: Recommendation Deferred Until Town Meeting**

**Finance Committee: Recommendation Deferred Until Town Meeting**

**Community Preservation Committee: Recommendation Deferred Until Town Meeting**

## **COMMUNITY PRESERVATION COMMITTEE**

---

## **ARTICLE 10: ASSESSORS 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 starting 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: Recommended Unanimously**

**Finance Committee: Recommended Unanimously**



**Summary:** *The Assessors' Office is required to perform inspections of every property in Town to comply with Massachusetts Department of Revenue Guidelines. 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 STRATEGY**

To see if the Town will vote to raise and appropriate, transfer from available funds, and/or borrow pursuant to any applicable statute, 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 funding strategy, 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: Recommended Unanimously  
Finance Committee: Recommended Unanimously**

**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 strategy 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. Single-Use plastic bags require the use of millions of barrels of crude oil nationally for their manufacture, and are not biodegradable. 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 July 1, 2020, 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: *Recommended Unanimously***  
**Finance Committee: *No Position***

**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 Helen 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 to authorize an application for a Massachusetts Local Acquisitions for Natural Diversity (LAND) Program grant, in the event that such a grant is awarded to the Town, then, to the extent permitted by the terms of the grant, 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: *Recommended Unanimously***  
**Finance Committee: *Recommended Unanimously***

**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. The Conservation Commission is able to spend from the Conservation Fund without Town Meeting approval; however, the Commission needs approval to apply for and receive reimbursement from the grant. The negotiated purchase price for this property is \$400,000 and the grant would reimburse approximately \$243,000 to the Conservation Fund. 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.

---

**ARTICLE 14: ESTABLISHMENT OF REVOLVING FUNDS**

To see if the Town will vote to amend Section 71-1 of the Town of Groton Bylaws (entitled "Funds Established", by inserting the following amendment establishing two new revolving funds, to follow after the "Access for Persons with Disabilities" revolving fund:

<b><u>Program or Purpose</u></b>	<b><u>Representative or Board Authorized to Spend</u></b>	<b><u>Departmental Receipts</u></b>
Transfer Station Glass	DPW Director	User fees received for use of Glass Plant
Senior Center Fitness Equipment	Council on Aging Director	User fees received from users of fitness equipment

and, further, to amend Section 71-2 (entitled "Limitation on or increase in expenditures) by adding the following text to the end of the existing text: "The second paragraph of Massachusetts General Law Chapter 40, §3 is accepted to allow any balance in the Transfer Station Glass Plant Revolving Account and the Senior Center Fitness Equipment Revolving 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  
COUNCIL ON AGING DIRECTOR**

**Board of Selectmen: Recommended Unanimously  
Finance Committee: Recommended Unanimously**

**Summary:** *This Article creates two new revolving funds. One 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. The second one 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.*

**ARTICLE 15: ANNUAL SPENDING LIMITS FOR REVOLVING FUNDS**

To see if the Town will vote, pursuant to the provisions of G.L. c. 44 sec 53E½ and the Revolving Fund Bylaw, to set the FY 2020 spending limits on the following revolving funds as follows:

<b>Program or Purpose</b>	<b>FY 2020 Spending Limit</b>
Transfer Station Glass	\$10,000
Senior Center Fitness Equipment	\$10,000

or take any other action relative thereto.

**TOWN MANAGER**

**Select Board:** *Recommended Unanimously*  
**Finance Committee:** *Recommended Unanimously*

**Summary:** *The purpose of this Article is to set the annual spending limits on the two newly created Revolving Fund Accounts at \$10,000.*

---

**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:** *Recommended Unanimously*  
**Finance Committee:** *No Position*

**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:** *Recommendation Deferred Until Town Meeting*  
**Finance Committee:** *No Position*

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

---

Hereof fail not and make return of your doings to the Town Clerk on or before time of said meeting.

Given under our hands this 30<sup>th</sup> Day of September in the year of our Lord Two Thousand Nineteen.

Alison S. Manugian

Alison S. Manugian, Chair

Joshua A. Degen

Joshua A. Degen, Vice Chair

John F. Reilly

John F. Reilly, Clerk

John R. Giger

John R. Giger, Member

Rebecca H. Pine

Rebecca H. Pine, Member

#### OFFICERS RETURN

Groton, Middlesex

Pursuant to the within Warrant, I have this day notified the Inhabitants to assemble at the time, place, and for the purpose mentioned as within directed. Personally posted by Constable.

\_\_\_\_\_  
Constable

\_\_\_\_\_  
Date Duly Posted

## REPORT OF THE TOWN MANAGER TO THE 2019 FALL TOWN MEETING

The 2019 Fall Town Meeting Warrant contains several warrant articles that seek appropriations, some of which will affect the Tax Rate and some of which will have no further impact on taxes. The purpose of this report is to provide the residents and taxpayers with a summary of these articles and what impact they will have on the Fiscal Year 2020 Tax Rate.

As you will recall, the 2019 Spring Town Meeting voted a budget of \$39,721,234, which was \$197,995 under the levy limit based on our best estimate of revenues at that time. At that Town Meeting, we estimated that the Fiscal Year 2020 Tax Rate would be \$18.59. Since that time, we have begun to get a better picture of our estimates. Most importantly, in July, the Commonwealth finalized its budget and provided the Town with its final State Aid Estimates. Further, the Assessors continue to work toward the finalization of the Town's new growth figure. They should have it certified by the end of October. At this time, it appears that our revenue estimates will be higher than what we anticipated in the Spring. The main reason for this increase is that New Growth will come in higher than estimated in the Spring due to the completion of the Full Measure and List conducted by the Board of Assessors. Every property in Town was inspected and various improvements to properties that had been previously unknown to the Town were discovered and property values were adjusted which added more Growth to the Levy Limit. The following chart provides the difference between what was originally estimated and what we are estimating at this time:

	<u>Original</u>	<u>Current</u>	<u>Difference</u>
State Aid	\$ 965,342	\$ 971,581	\$ 6,239
State Charges	\$ 93,692	\$ 93,392	\$ (300)
Off-Set Receipts	\$ 18,084	\$ 18,527	\$ (443)
Property Tax Levy	\$ 31,778,998	\$ 31,960,098	\$ 181,100
Excluded Debt	\$ 2,000,028	\$ 2,070,421	\$ 70,393
Allowance for Abatements	\$ 150,000	\$ 200,000	\$ (50,000)
Local Receipts	\$ 4,120,480	\$ 4,120,480	\$ -
	<b>Difference</b>	<b>\$</b>	<b>206,989</b>

With these revised estimates and proposed expenditures at this Town Meeting, the budget will increase to \$39,857,627 and will be \$269,191 under the levy limit. Article 2 of the Warrant proposes to amend the original budget in some line items. With these expenditures and the increase in the overall value of the Town, the anticipated tax rate will remain at \$18.59, but the average tax bill will increase by an additional \$36.72 over the original estimated increase in the Spring (\$220), bringing a new anticipated increase in the average tax bill to \$257. In addition, the Department of Revenue has certified the Town's Excess and Deficiency Fund (Free Cash) at \$1,335,762. "Free Cash" is proposed to fund several of the Articles contained in the Warrant. The use of "Free Cash" will not impact the tax rate or average tax bill.

The following is a summary of Warrant Articles requesting funding:



**Article 1: Prior Year Bills**

**Amount Requested: \$3,195**

There are two unpaid bills for Town Meeting consideration in the amount of \$3,195. One bill is from A-1 Odd Jobs in the amount of \$150 and the second bill is from Waste-Zero in the amount of \$3,045. The funding would come from Free Cash.

---

**Article 2: Amend the FY20 Operating Budget**

**Amount Requested: \$146,393**

There are three proposed amendments to the budget, two of which will impact the average tax bill. The first amendment is to add \$10,000 to the Town Accountant's Budget to pay for additional licenses and software upgrades to our accounting software package. This funding will come from Free Cash and have no impact on the tax rate or average tax bill. The second amendment is to increase the Fire Department Budget by \$66,000 to pay for equipping and training eleven (11) new Call Firefighters. The Fire Department has ramped up its recruitment of Call Firefighters and their efforts have led to the largest recruit class of Call Firefighters since 2002. The Town Manager is proposing that this funding come from excess levy capacity as a certain amount of this funding will re-occur in FY 2021 as the Department continues its recruitment efforts. If approved, this will add \$18.36 to the average tax bill. The third amendment is to increase the debt service budget by \$70,393 to cover the interest payment in FY 2020 for the Bond Anticipation Notes on the DPW Project and Library Roof. These two projects were excluded from levy and will add \$18.36 to the average tax bill. The total increase in the average tax bill should this Article pass as proposed by the Town Manager will be \$36.72.

---

**Article 3: Transfer - Water Enterprise Fund**

**Amount Requested: \$150,000**

The Water Commission will be seeking a transfer from their Excess and Deficiency Fund of \$150,000 to pay for engineering costs to provide solutions to the Iron and Manganese issue.

---

**Article 4: Transfer - Sewer Enterprise Fund**

**Amount Requested: \$0**

It is anticipated that this article will be withdrawn from consideration as no additional funding is needed at this time.

---

**Article 5: Transfer into Capital Stabilization Fund**

**Amount Requested: \$500,000**

As of the writing of this report, the balance in the Capital Stabilization Fund is \$171,958. The Town's Financial Policies states that the Capital Stabilization Fund should be 1.5% of the Town's Operating Budget (\$39,857,627), or \$597,864. To reach this level, it would require a minimum appropriation of \$425,906. The proposed Capital Plan for FY 2021 currently calls for \$901,240 in proposed requests. During the budget process it will be reduced to around \$500,000. Given the fact that we leave approximately \$200,000 in this fund annually, this Article will request that \$500,000 be transferred from Free Cash to add to the Capital Stabilization Fund. This will have no impact on the tax rate or average tax bill.

---

**Article 6:      *Transfer into the Stabilization Fund*      *Amount Requested: \$4,845***

As of the writing of this report, the Stabilization Fund has a balance \$1,988,036. The Financial Policies state that the Stabilization Fund should be 5% of the Town's Operating Budget (\$39,857,627), or \$1,992,881. This would require a minimum appropriation of \$4,845. This appropriation would come from Free Cash and have no impact on the tax rate or average tax bill. Depending on the interest earned prior to Town Meeting, we may not need an appropriation to satisfy the Financial Policies.

---

**Article 7:      *Transfer into GDRSD Cap Stab Fund*      *Amount Requested: \$261,000***

The current balance in this fund is \$214,160. The Fiscal Year 2021 District Capital Plan will require the Town to pay \$475,000 for its share of the Plan. This will require an appropriation of \$261,000 to cover the Town's expense in FY 2021. This funding will come from Free Cash and have no impact on the tax rate or average tax bill.

---

**Article 8:      *Install Crosswalk Signage*      *Amount Requested: \$15,000***

**From the Summary Contained in the Warrant:** 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. While the State is responsible for the maintenance of this section of Main Street, they will not pay for lighted crosswalk signs, therefore, if the Town wants them installed at this location, the Town will have to pay for them. The anticipated cost of this lighted signage is \$15,000. This funding would come from Free Cash and have no impact on the tax rate or average tax bill.

---

**Article 9:      *CPA Funding*      *Amount Requested: TBD***

**From the Summary Contained in the Warrant:** 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 Friends of Prescott, with the support of the Town Manager, 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 Friends have 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. Since any funding under this Article will come from the Community Preservation Account, there will be no impact on the tax rate or average tax bill.

---

**Article 10: Cyclical Inspections**

**Amount Requested: \$21,600**

**From the Summary Contained in the Warrant:** The Assessors' Office is required to perform inspections of every property in Town to comply with Massachusetts Department of Revenue Guidelines. Cyclical inspections are required to be performed on a yearly basis to cover the entire Town in a five (5) year span. It is anticipated that the Annual Cost for these inspections will be \$21,600. In FY 2020, this funding will come from Free Cash and have no impact on the tax rate or average tax bill. The Finance Committee has recommended that since this will be an annual recurring expense, it should be added to the Operating Budget beginning in FY 2021.

---

**Article 11: Funding for Stormwater Strategy**

**Amount Requested: \$15,000**

The Town would like to hire a consultant to assist the Town in determining a funding strategy to cover the expenses required to comply with the Town's MS4 Permit. The proposed cost to retain these services is \$15,000 and it would come from Free Cash. It is anticipated that the expense for compliance could be anywhere from \$250,000 to \$500,000 annually. The purpose of hiring a consultant is to determine the best way to cover this expense on an annual basis. Once the strategy is determined, we will return to the Spring Town Meeting in 2020 for approval. This funding would come from Free Cash and have no impact on the tax rate or average tax bill.

---

As stated above, the Town's Free Cash has been certified at \$1,335,762. The above stated Articles are seeking appropriations from Free Cash in the amount of \$828,341. Should they all pass, the Town will have a remaining balance in Free Cash of \$507,421.

Respectfully submitted,

*Mark W. Haddad*

Mark W. Haddad  
Town Manager