

FINANCE COMMITTEE MEETING

Meeting Minutes Approved 11/02/21
Monday, September 14, 2021 @ 6:00 P.M.
Virtual Meeting

BROADCAST ON ZOOM AND THE GROTON CHANNEL
PURSUANT TO GOVERNOR'S EXECUTIVE ORDER
CONCERNING THE OPEN MEETING LAW
<https://us02web.zoom.us/j/89065818893>
WEBINAR ID: 89065818893

FinCom Members Virtually Present: Bud Robertson, Chair; Gary Green (6:40PM), Vice Chair; Arthur Prest, David Manugian, Mary Linskey, Clerk; Scott Whitefield, Colby Doody

Also Virtually Present: Mark Haddad, Town Manager; Patricia Dufresne, Town Accountant

6:00 P.M. Chairman Bud Robertson called his respective meeting to order.

Open Meeting Law Violation Disclosure

M. Haddad stated that a minor violation had occurred after a board member (A. Prest) inadvertently replied to an email with his expression of support for the library outside of a public meeting. The email was read into the record and will be part of the permanent minutes of this meeting. Mr. Haddad reminded the group not to express opinions to a majority of other board members outside of a posted meeting.

Taking Positions on Fall Town Meeting Warrant Articles

Article 1: Prior Years Bills

M. Haddad recommended deferring Article 1 to the Town Meeting.

Article 2: Amend the Fiscal Year 2022 Town Operating Budget

1. Board of Assessors Salaries- M. Haddad explained that a 1.5 % one-time cash payment of \$1200 was advertently left out for the Principal Assistant Assessor and would require a transfer of Free Cash.

2. Treasurer/Tax Collector Salaries and Wages- M. Haddad stated that Hannah Moller was promoted to Treasurer/Tax Collector and Mark Hartnett became the Assistant Treasurer-Collector. Mr. Hartnett's new contract provides for an ongoing salary, but this amount was incorrectly budgeted and voted as wages. Therefore, \$43,818 should be transferred from the wage account to the salary account. There was also an agreement made to carry over M. Hartnett's accrued vacation to the fiscal year 2022, totaling \$8,045. H. Moller should also receive a one-time cash payment of \$1,275. This request also proposes to correct a small accounting error in the Assistant to the Treasure/Payroll Clerks wage of \$352 which would come from taxation.

3. Zoning Board Appeals Wages/Park Commission wages- After Margot Hammer retired, her Zoning Board duties were transferred to the Land Use Administrative Assistant and a new 15 hour position was filled to support the Parks Commission. Funds must be transferred from the Zoning Board Appeals Wages into the Park Commission Wage Account to re-balance the budget.

4. Highway Department Wages- M. Haddad explained that the Select Board authorized filling the vacant position within the Highway Department. \$70,000 would be funded from the Coronavirus Recovery Relief Fund. M. Linskey questioned why temporary funding would be used. M. Haddad explained that the Town received approximately \$500,000 in revenue to spend over the next four years. Though the position would be supported by this one-time funding source over the next four years, it will gradually be incorporated into the operating budget until it is fully funded through taxation.

There was a brief discussion regarding the percentage of COLA given up by unionized employees for FY22. M. Haddad explained that employees gave up a 2% COLA and some employees lost more as Merit payments were not added to base salary. Since ARPA funds have become available, employees will now receive a one-time payment of 2% in December. B. Robertson clarified that the unions agreed to take a 1.5% to 2% bonus in the spring (as merit payments) then once ARPA funds were received, the Select Board agreed to give the employees an additional 2% bonus which is not included on their base pay to mitigate the loss of the FY22 COLA. This will total approximately \$130,000 and would come out of the ARPA funds.

D. Manugian questioned if the DPW position being filled can be reflected in the FinCom's 5-year operating projection. M. Haddad agreed that was a great idea and would work with P. Dufresne.

B. Robertson questioned what happens if the money does not get used in the last two remaining years. P. Dufresne explained that any Coronavirus Recovery Relief Funds remaining would be returned to the Federal Government. The Highway Department position, while not necessarily Covid-related, is eligible for ARPA funding because the position was not filled due to Covid budget cuts.

5. Veterans Service Officer Wages- A new veterans' agent was hired and there will be an overlap of work for one pay period totaling \$200 which would be funded by free cash.

6. Library Wages- M. Haddad explained that \$55,000 had been cut from the FY22 library budget as a measure to offset revenue lost due to Covid. Because FY22 revenues have rebounded, he is proposing to restore this funding. This would ensure meeting the minimum spending requirements from the State which will in turn protect State Aid for the library and allow continued participation in the Merrimack Valley Library Consortium (which provides the ability to share resources with other libraries). The library may still need to file for a temporary waiver as the vote to restore the budget won't occur until Town Meeting and will miss their compliance deadline. Ms. Linskey requested that in future, these types of tangential negative consequences should be considered before budget cuts are made. The Select Board and the Trustees had previously agreed on restoring the \$55,000 into the library's operating budget to ensure that the funds are available for next year. Increases to Motor Vehicle excise taxes would fund the cut and it will remain a recurring budget item.

7. Health Insurance- M. Haddad stated that an additional \$35,000 is required to cover the cost of changes that were made during open enrollment. P. Dufresne informed the FinCom that there were an unusually high number of qualifying events as well as open enrollment activity that led to increased participation in the Town's benefit plans and resulted in an estimated FY22 Health Insurance deficit of \$38,000. She reminded the group that the Health Insurance budget would have finished FY21 in deficit and required a line-item transfer.

8. Debt service -There is an \$8 million bond issue approved for the Florence Roche Elementary School Project. There will be an interest payment of \$115,156 due in March that was not budgeted; the amount will be raised through taxation.

A. Prest motioned to support Article 2, it was seconded by D. Manugian. The motion passed by a roll call vote. (Yes- BR, AP, DM, ML, SW, CD) 6-0-0

Article 3: Transfer Within Water Enterprise Fund

The Water Department is requesting to transfer \$150,000 out of their Excess and Deficiency fund to cover additional expenses in the fiscal year 2022. \$95,000 would be used for salaries and wages for an additional operator to cover a temporary staffing shortage. Once the new plant comes online the additional operator will be necessary to meet the DEP regulations and will be kept on. \$30,000 would be used for the purchase of poles and a transformer and \$25,000 for the Whitney Well shed building being constructed with the help of Nashoba Tech. The Water Department currently has a surplus in their Excess and Deficiency Fund with a balance of \$580,000.

M. Linskey questioned how they expect to cover the salary going forward. M. Haddad explained it would be worked into their operating expenses.

A. Prest motioned to support Article 3, it was seconded by D. Manugian. The motion passed by a roll call vote. (Yes-BR, AP, DM, ML, SW, CD) 6-0-0

Article 4 Transfer Money into Capital Stabilization Fund

The FY23 capital budget is \$908,000; M. Haddad is recommending that the capital budget be ultimately funded at \$600,000 for next year. The current Capital Stabilization Fund balance is only \$80,000, and therefore requires a transfer from Free Cash.

D. Manugian questioned why the Town would not take advantage of the one-time Coronavirus Fund. M. Haddad explained that while it cannot be applied to everything, it would be used for certain Capital Budget needs (for example: upgrade to dispatch, sewer and water projects, Nod Road Pump Station, and Taylor Road Upgrade.)

D. Manugian motioned to support Article 4, it was seconded by Mary Linskey. The motion passed by a roll call vote (Yes: RB, AP, DM, ML, SW, CD) 6-0-0

Article 5: Transfer Money into Stabilization Fund

The Towns FY22 operating budget is \$42,583,295 and our financial policies require a 5% balance in the stabilization fund as part of cash reserves. The current balance (including recent interest posted) exceeds that guideline. M. Haddad whether the article should remain on the warrant or be withdrawn. B. Robertson suggested leaving the article on the warrant in order to explain the decision to the taxpayers. FinCom will defer taking a position until Town Meeting.

Article 5 was deferred to the Town Meeting.

Article 6: Transfer Money into the GDRSD Capital Stabilization Fund

GDRSD's Capital Budget for fiscal 2023 is \$553,411. The balance is currently \$18,000. M. Haddad recommended transferring \$560,000 into GDRSD's Capital Stabilization Fund out of free cash. The school district's budget is updated yearly.

A. Prest motioned to support Article 6, it was seconded by D. Manugian. The motion passed by a roll call vote. (Yes: RB, AP, DM, ML, SW, CD) 6-0-0

Article 7: Capital Purchase- Fire Chiefs Vehicle

M. Haddad had previously recommended deferring the \$70,000 from the Capital Budget to the next fiscal year. However, the State has just certified a very healthy Free Cash amount for the Town as of 7/1/21. By using \$70,000 in Free Cash, it would allow for the Chief to receive a new vehicle and the current car would be given to the deputy. Purchasing an additional command vehicle would increase efficiency in the Fire Department.

D. Manugian questioned if the purchase is a top priority item. M. Haddad stated it is.

A. Prest motioned to support Article 7, it was seconded by M. Linskey. The motion passed by a roll call vote. (Yes: RB, AP, DM, ML, SW, CD) 6-0-0

Article 8: Assessing Software

The Assessing Department is currently using Vision 6.5 which is outdated. With the access to Free Cash, it would be sensible to make the upgrade to Vision 8 at an approximate cost of \$35,000. The outdated software has led to difficulty in report processing, and poor Vision customer service support for the department.

A. Prest motioned to support Article 8, it was seconded by D. Manugian. The motion passed by a roll call vote. (Yes: RB, AP, DM, ML, SW, CD, GG) 7-0-0

Article 9: Community Preservation Funding Accounts

P. Dufresne informed the FinCom that the Community Preservation State Match has been robust over the last couple of years, coming in at between 30% and 40% (approximately).

D. Manugian motioned to support Article 9, it was seconded by A. Prest. The motion passed by a roll call vote. (Yes: RB, AP, DM, ML, SW, CD, GG) 7-0-0

Article 10: Amend Article 14, Motion 8 of the 2021 Spring Town Meeting

The Field Restoration project had originally included a request to bond \$50,000 due to an insufficiency of fund balance. As the estimated revenues have been increased, the reserve now has a surplus. CPC is now proposing that \$230,200 come from unallocated reserves and \$30,000 from the open space reserve to fund this project.

D. Manugian questioned if there is a downside to spending the cash. M. Haddad explained that the money can only be spent from the Community Preservation Fund and there is a study being performed for the consideration of adding more money into the Conservation Fund. Therefore, if the money is not used on this project it will be used elsewhere.

M. Linskey motioned to support Article 10, it was seconded by D. Manugian. The motion passed by a roll call vote. (Yes: RB, AP, DM, ML, SW, CD, GG) 7-0-0

Article 11 Whitney Pond Well Construction

Tom Orcutt had long recommended that the Town explore options for an additional water supply. The estimated construction cost for a proposed new well at Whitney Pond is \$800,000-\$900,000. M. Haddad agreed that this construction is very important. Testing has been performed and there are no traces of PFAS in the well. The project would be funded by the ratepayers and it is expected that this will be permanently bonded along with the water treatment facility.

M. Linskey motioned to support Article 11, it was seconded by D. Manugian. The motion passed by a roll call vote. (Yes: RB, AP, DM, ML, SW, CD, GG) 7-0-0

Article 12: Water Treatment Facility

M. Haddad explained that the Town is under a consent order and is required by the DEP to build a Water Treatment Facility. The Manganese issue needs to be remedied by the year 2024. Originally the cost was estimated at \$8 million and is now looking closer to \$11 million. M. Haddad stated that this significant increase in costs has been driven by the pandemic. The Water Department would like to receive bids by February. The project would be presented at the Town Meeting with an estimate.

B. Robertson questioned the downside of holding off on the project. M. Haddad explained that the DEP may decline the request for an extension. D. Manugian commented that the deadlines set in place by the DEP (for the many Towns impacted by Manganese/PFAS contamination) are at least partially responsible for the increase in market costs.

M. Linskey motioned to support Article 12, it was seconded by D. Manugian. The motion passed by a roll call vote. (Yes: RB, AP, DM, ML, SW, CD, GG) 7-0-0

M. Haddad explained the proposal that if both the FinCom and the Select Board unanimously support Articles 1-10 he would be allowed to proceed with a Consent Agenda for those articles at Town Meeting. If all the proposals pass as presented, \$1,070,967 would be remaining in the Free Cash balance. In the spring, \$300,000 would be used to support the Fire Dept. budget in place of ambulance receipts, \$177,000 will be required for OPEB funding, \$85,000 for BAN paydowns, and an additional amount for Department Head Merit payments. He expects that there will be a remaining balance of \$470,000 in Free Cash which is a great position to be in. As noted there will be a \$.06 increase in tax rates due primarily to the debt service adjustment in Article 2.

The FinCom agreed that none of the amounts that were being requested in Articles 1-10 were out of the ordinary.

Article 13: Special Legislation- Change Town Clerk to Appointed – No Discussion

M. Haddad acknowledged that the FinCom usually does not comment on the non-monetary Articles 13-20 however, he requested that they consider taking positions on Article 14 and 18 as the proposed zoning amendments do have a financial impact.

Article 14: Multi-Family Zoning Amendment

M. Haddad explained that rezoning of the deluxe property would provide significant revenue with the construction of 300 units. .2 students would be added to the district per unit, averaging 60 students over 12 grades. The school district would experience minimum impact. M. Linskey was concerned with the additional traffic and the parcel not being fully connected to the sewer. M. Haddad agreed that there would be more vehicles on the road however, most people do not leave and arrive at the same time. A traffic study would need to be provided. The additional people would not only generate an increase in property tax, but there would be a need for more services. The Deluxe property will be developed one way or the other. There is a proposal that 20% of construction would be townhouses and 80% would be rentable apartments. B. Robertson agreed that it would be worth exploring. The sewer is almost at full capacity and some of the Coronavirus Fund money would be applied for upgrades to pump stations. D. Manugian commented that economic investment and new growth allows for the Town to expand its budget. M. Haddad stated that this project would have the potential to help future operating budgets through increased tax revenue, permits and ambulance receipts. S. Whitefield did not want to take a position on the article and expressed that it potentially could change the makeup of the Town.

G. Gary expressed his frustration with project-specific zoning amendments, and questioned the estimated amount of growth and the reason to change the zoning. M. Haddad stated that the numbers are being calculated and the Town would gain new buildings and permits. If the zoning was not changed a 40B would be developed. The Developer is currently working with the planning board. M. Haddad recommended that the board members watch the Selectmen's meeting on Monday at 8:00 PM. The State passed a new law urging multi-family zoning districts within MTBA communities and if not provided Town's access to State Grants would be limited. Mr. Prest expressed support. The FinCom decided not to take official positions on Articles 14 & 18.

Article 15: Zoning Map Amendment - No Discussion

Article 16: Extend Center Sewer District – No Discussion

Article 17: Zoning Amendments- Clarifications, Updates, Corrections – No Discussion

Article 18: Zoning Amendment- Marijuana Retail Establishments – No Discussion

Article 19 Amend Town Seal – No Discussion (to be Removed from Town Warrant)

Article 20 Citizens Petition- Transfer of Land – No Discussion

FY23 Budget Process

M. Haddad informed the board that the next Town Meeting is scheduled for October 23, 2021. The assessors are expected to provide the numbers in the next two weeks and a preliminary report would be available to the FinCom by October 18th or 25th. There was a lot more testing this year due to recertification. Budget guidance would be expected before November 1, 2021. M. Haddad requested that the FinCom hold the following dates for possible meetings: October 18, 19, 25 and 26.

There was a brief discussion regarding the school district and the impact of their assessment on the municipal budget. M. Haddad is in support of the Town's budget needs for FY23 receiving more of a priority than has been the case in the past few years.

Schedule for Annual Review of Financial Policies

P. Dufresne recommended that the annual review of the Financial Policies should be completed in October or November. There are a couple of new policies that require discussion. P. Dufresne stated that she would forward the Federal Fund Policy to the FinCom for their review.

Other Business: Minutes of 6/21/21 & 7/12/21

D. Manugian motioned to approve the meeting minutes from 6/21/21, seconded by A. Prest. The motion passed by a roll call vote. (Yes: RB, AP, SW, DM, CD, GG) M. Linskey-Abstain. The Vote: 6-0-1

D. Manugian motioned to approve the meeting minutes from 7/12/21, seconded by M. Linskey. The motion passed by a roll call vote. (Yes: RB, DM, ML, SW, CD, GG) A. Prest- Abstain. The Vote: 6-0-1

B. Robertson formally adjourned the meeting at 7:21 PM.

Respectfully submitted,

Kristine Fox, Per Diem Minute Taker



TOWN OF GROTON

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Select Board

Rebecca H. Pine, *Chair*
Alison S. Manugian, *Vice Chair*
Peter S. Cunningham, *Clerk*
Joshua A. Degen, *Member*
John F. Reilly, *Member*

Town Manager
Mark W. Haddad

To: *Select Board
Finance Committee*

From: *Mark W. Haddad – Town Manager*

Subject: *2021 Fall Town Meeting Expenditures*

Date: *September 8, 2021*

The purpose of this memorandum is to provide the Select Board and Finance Committee with information and recommendations for the various money articles contained in the 2021 Fall Town Meeting Warrant. Please note that following balances in our various reserve accounts:

Stabilization Fund:	\$2,140,794
Capital Stabilization Fund:	\$ 80,214
GDRSD Capital Stabilization Fund:	\$ 18,136
Unexpended Tax Capacity:	\$ 90,680
Certified Free Cash:	\$2,347,087

These balances are important as we determine how to address the various requests. Please consider the following:

Article 1: Unpaid Bills

At this time there are no unpaid bills. This article will most likely be withdrawn from consideration.

Article 2: Amend the Fiscal Year 2022 Town Operating Budget

We have been reviewing the various budgets for any potential additions/reductions. At this time, we would request the following adjustments:

1. Board of Assessors Salaries – We had inadvertently left of the 1.5% one-time cash payment for the Principal Assistant Assessor. This will require a Free Cash Transfer of \$1,200.
2. Treasurer/Tax Collector Salaries and Wages – When we promoted Hannah Moller to Treasurer-Collector and Mike Hartnett became the Assistant Treasurer-Collector, we put Mike Hartnett's pay under wages, but we are paying him a weekly salary. Therefore, we need to transfer the funds from the Wage Account to the Salary Account (\$43,818). In addition, we had agreed to let Mr. Hartnett carry over his accrued vacation to Fiscal Year 2022 so we did not have to pay it out all at once and we inadvertently left off the 1.5% one-time cash payment to the Treasurer-Collector. Since all of these are one-time payments, we will need to transfer \$9,320 (\$8,045 for Hartnett and \$1,275 for Moller.) from Free Cash to cover these costs. Finally, there was a calculation error in the Assistant to the Treasurer/Payroll Clerk's Wage Account. We will need to raise \$352 from taxation for this.

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Article 2 – Continued:

- Trk only
3. Zoning Board of Appeals Wages/Park Commission Wages – As you will recall, when Margot Hammer retired, we transferred her duties to the Land Use Administrative Assistant and hired a 15 hour per week Park Commission Clerk. We will need to transfer the Wage Appropriation from the ZBA Wage Account to the Park Commission Wage Account (\$21,017).
 4. Highway Department Wages – The Select Board has voted to authorize filling the vacancy within the Highway Department. Funding for this position will come from Coronavirus Recovery Relief Funds (\$70,000).
 5. Veteran's Service Officer Wages – Due to an overlap of Veteran's Agents (I have asked the current VSO to work for two weeks with the new VSO), we will need an appropriation from Free Cash of \$600.
 6. Library Wages – As voted by the Select Board (subject to approval by the Finance Committee), we have restored the \$55,000 cut from the Library Wage Budget to restore Sunday Hours and the Summer Reading Program. This will allow us to maintain funding levels required by the State to maintain Certification. This funding will come from taxation.
 7. Health Insurance – Due to changes during Open Enrollment and Qualifying Events, we will need an additional \$35,000 to cover those costs and \$20,000 for the restoration of the Highway Department Laborer (total increase of \$55,000). To fund this, \$35,000 will come from taxation and \$20,000 from the Coronavirus Funds.
 8. Debt Service – Based on the \$8 million bond issue approved for the Florence Roche Elementary School Project, the Town will have an interest payment of \$115,156 due in March, 2022. This amount will be raised through taxation outside the levy limit as excluded debt.

Article 3: Transfer Within the Water Enterprise Fund

The Water Department will need to transfer \$150,000 out of their excess and deficiency fund to cover additional expenses in Fiscal Year 2022. Specifically, \$95,000 is to cover wages and benefits for the new Water Department employee and for another employee who has worked out of class. \$30,000 is for their Manganese Line Item in the Budget for GELD to purchase and install new power poles and a transformer for the new treatment plant. Finally, \$25,000 is for the Whitney Well #3 Building/Shed (Nashoba Tech is constructing the building and we are purchasing the materials and doing some minor sitework).

Article 4: Transfer Money into the Capital Stabilization Fund

The current balance in this fund is \$80,214. The anticipated Capital Plan for Fiscal Year 2023 is approximately \$600,000. The Town's Financial Policies call for a balance in this Fund of 1.5% of the Operating Budget. If all the transfers and appropriations are approved under Article 2 of this Warrant, the total Fiscal Year Operating Budget will be \$42,583,462. This would require a Capital Stabilization Fund Balance of \$638,752. Therefore, I am recommending that we transfer \$600,000 from Free Cash to add to this Fund.

Article 5: Transfer Money into the Stabilization Fund

The current balance in the Stabilization Fund is \$2,140,794. Our Financial Policies state that this Fund should have a balance of five (5%) percent of our Operating Budget \$42,583,295. This would require a balance of \$2,129,165. We do not need to add to this fund this year. However, we can discuss whether or not we want to increase the Fund in more detail during the Warrant Public Hearing.

Article 6: Transfer Money into the GDRSD Capital Stabilization Fund

The current balance in the GDRSD Capital Stabilization Fund is \$18,136. The FY 2023 Capital Plan for the District is \$553,411. Therefore, I am recommending that we transfer \$560,000 Free Cash to be added to this Fund.

Article 7: Capital Purchase – Fire Chief's Vehicle

The original proposed FY 2022 Capital Budget had called for the purchase of a new command vehicle for the Fire Department. During last year's Capital Budget cycle, due to the uncertainty of the budget, it was determined to put off this purchase until the Fall and revisit the potential funding for this purchase. Purchasing this new vehicle is important for the command operation of the Fire Department. This will provide both the Fire Chief and Deputy Fire Chief with reliable response vehicles going into the winter season. In addition, this will provide enhanced incident command and control features for both the Fire Chief and Deputy Fire Chief, which is currently only available with the Fire Chief's vehicle. This capability is vital in times where major storms, complex incidents or multiple incidents are occurring simultaneously. The anticipated cost of this vehicle is \$70,000. It is recommended that this be appropriated from Free Cash.

Article 8: Assessing Software

The Assessing Department is currently using Vision 6.5 for the valuation of all Real Property in the Town of Groton. Vision Government Solutions (VGSI) released Vision 8.0 in 2017. The upgrade version operates on a SQL database and includes an enhanced sketching program and report writing features which will allow the Assessing Department to comply with MA Department of Revenue reporting requirements seamlessly. Vision 6.5 operates on an Oracle database that is no longer supported by Oracle. As VGSI sunsets Vision 6.5, support will no longer be available. The anticipated cost of this upgrade is \$35,000. It is recommended that this be appropriated from Free Cash.

Article 9: Community Preservation Funding Accounts

This is an accounting procedure that is necessary to ensure the Community Preservation Committee will have access to the funds raised during Fiscal Year 2022. The 2021 Spring Town Meeting used estimates to fund these accounts. The Final Accounting is complete and all State reimbursements have been received. This Article updates the subaccounts that were approved at the Spring Town Meeting as follows:

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Article 9 – Continued:

CPC Operating Expenses:	\$ 20,500
Open Space Reserve:	\$ 93,467
Historic Resource Reserve:	\$ 93,467
Community Housing Reserve:	\$ 93,467
Unallocated Reserve:	\$633,769

Article 10: Amend Article 14, Motion 8 of the 2021 Spring Town Meeting

When this Article (project) was approved at the 2021 Spring Town Meeting, the final State Reimbursement for Community Preservation Funds had yet to be received. Based on the best estimates at the time, the Community Preservation Committee recommended that of the amount needed to fund this Project (\$230,232), \$50,000 be appropriated through borrowing. Now that the final State Match projections have been provided, there are sufficient funds within the Community Preservation Fund to pay for the project without needing to borrow any funds. The purpose of this Article is to rescind the original appropriation that required borrowing and utilize only currently available Community Preservation Funds for this Project.

Article 11: Whitney Pond Well Construction

This article allows the Board of Water Commissioners to expend funds, either borrowed or transferred from available funds, to be raised through water rates, for the Construction related to the new source well at the Whitney Pond Well Site (Whitney Pond #3). The exact cost of construction will be provided to the Select Board and Finance Committee at the Public Hearing.

Article 12: Water Treatment Facility Construction

This article allows the Board of Water Commissioners to expend funds, either borrowed or transferred from available funds, to be raised through water rates, for the Construction related to the new Water Treatment Facility to comply with the Iron and Manganese Issue as ordered by the Department of Environmental Protection through a Consent Order located at the Whitney Pond Well Site. The exact cost of construction will be provided to the Select Board and Finance Committee at the Public Hearing.

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Should the Select Board and Finance Committee agree with all the proposed Free Cash Transfers, we will need to use \$1,276,120, leaving an anticipated Free Cash balance of \$1,070,967. In the Spring of 2022, we will need about \$600,000 in Free Cash to cover Fire Ambulance Transfer, Debt Service, OPEB Trust Fund and Department Head Performance Incentives, leaving a balance of \$470,000 in Free Cash. For the line items that are reoccurring and will be funded through taxation, we will use all of our unexpended tax capacity and be right at the anticipated Levy Limit for Fiscal Year 2023. We had estimated a tax rate of \$18.09 at the Spring Town Meeting. Based on the changes at the Fall Town Meeting that we are recommending and the increase in the excluded debt budget, the anticipated tax rate is \$18.15. The following chart is a breakdown of the anticipated rate:

	<u>Actual</u> <u>FY 2021</u>	<u>Proposed</u> <u>FY 2022</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Levy Capacity Used*	\$ 32,727,034	\$ 34,070,485	\$ 1,343,451	4.11%
Tax Rate on Levy Capacity Used	\$ 16.53	\$ 17.08	\$ 0.55	3.33%
Average Tax Bill	\$ 8,381	\$ 8,660	\$ 279	3.33%
Excluded Debt	\$ 2,122,284	\$ 2,140,459	\$ 18,175	0.86%
Tax Rate on Excluded Debt	\$ 1.07	\$ 1.07	\$ -	0.00%
Average Tax Bill	\$ 542	\$ 542	\$ -	0.00%
Final Levy Used	\$ 34,849,318	\$ 36,210,944	\$ 1,361,626	3.91%
Final Tax Rate	\$ 17.60	\$ 18.15	\$ 0.55	3.12%
Average Tax Bill	\$ 8,923	\$ 9,202	\$ 279	3.12%

*The FY 2022 Levy Limit includes FY 2021 unexpended tax capacity of \$280,997 and \$14.8 million in New Growth.

I look forward to discussing this in more detail with the Select Board and Finance Committee at Monday's Public Hearing.

MWH/rjb

cc: Patricia DuFresne – Town Accountant
Hannah Moller – Treasurer/Tax Collector
Megan Foster – Principal Assistant Assessor
Michael Bouchard – Town Clerk
Melisa Doig – Human Resources Director
Dawn Dunbar – Executive Assistant

Fall Town Meeting (10/23/2021)

Finance Committee Positions on Articles votes taken :

9/14/2021

Y-N-Def

Article #		Description	Other Avail											Total Vote
		Taxation	Free Cash	Funds/Bonds	Moved	Seconded	Gary G	Scott W	Dave M	Bud R	Colby D	Art P	Mary L	
1	Prior Year Bills	N/A												DEF
2	FY22 Budget Amendments	306,228	205,508	90,000	AP	DM								6-0-0
3	Trf to Water FY22 Budget from E&D	150,000		150,000	AP	DM								6-0-0
4	Trf to Cap Stab from Free Cash	600,000	600,000		DM	AP								6-0-0
5	Trf to Gen Stab from Free Cash	0												DEF
6	Trf to GDRSD Cap Staf from Free Cash	560,000	560,000		AP	DM								6-0-0
7	Capital Purchase Fire Chief's Vehicle	70,000	70,000		AP	ML								6-0-0
8	Assessing Software Upgrade	35,000	35,000		AP	DM								7-0-0
9	CPA Funding Accounts	934,670		934,670	DM	AP								7-0-0
10	Amend STM Art 14 CPC Field Restoration	230,232		230,232	ML	DM								7-0-0
11	Whitney Well Construction	900,000		900,000	ML	DM								7-0-0
12	Manganese Treatment Plant Const.	10,800,000		10,800,000	ML	DM								7-0-0
13	Town Clerk to be Appointed	0												
14	Multi-Family Zoning Amendment	0												
15	Zoning Map Amendment	0												
16	Extend Center Sewer District	0												
17	Zoning Amendment Clarifications	0												
18	Zoning Marijuana	0												
19	Amend Town Seal	0												
20	Citizens Petition - Trf Control of Land	0												
	Total Voted by Funding Source		205,508	1,275,720	13,104,902									
	Free Cash Certified 9/2021		2,347,087											
	Free Cash Committed 10/2021		1,275,720											
	FY22 Free Cash Bal. Remaining		1,071,367											

Patricia DuFresne

From: Mark Haddad
Sent: Tuesday, August 24, 2021 8:24 AM
Cc: Dawn Dunbar; Patricia DuFresne; Megan Foster; Hannah Moller; Michael Bouchard; Michael Hartnett; Melisa Doig
Subject: Levy Limit Update to Reflect Select Board Meeting with Library Trustees
Attachments: FY 22 Levy Update to Reflect Changes Since Town Meeting.pdf

Good Morning Members of the Select Board and Finance Committee:

As you are aware, at last evening's meeting of the Select Board, the Library Trustees appeared at the meeting to discuss the impact of the \$55,000 reduction to their FY 22 Budget. Three members of the Select Board and two members of the Finance Committee were in attendance. Essentially, the Library Trustees stated that they would have to apply for a waiver because the Town appropriation for Library spending was under the state minimum. The State would have to grant a waiver or the Town would lose State Aid for Libraries (\$22,346). The Trustees are planning on filing the initial waiver on October 1st.

That said, I presented the Board and members of the Finance Committee present with an updated levy calculation that was adjusted for changes since the Budget was approved at the 2021 Spring Town Meeting. I have attached a copy of that document to this email for your review. On this document you will see comments (highlighted) outlining what has changed. Based on an increase in Motor Vehicle Excise taxes anticipated for FY 22 and reducing new growth (from \$15 mill to \$13 mill), we are able to cover an increase in the Library Budget by \$55,000. The three members of the Select Board present voted unanimously to support adding \$55,000 to the Library Budget for FY 2022, subject to Finance Committee approval of the budget expenditure. We will need to update the Library Budget at the 2021 Fall Town Meeting. Should Town Meeting approve this increase, the Library Trustees can withdraw their waiver request.

In addition, I am still recommending that we fund the Highway Laborer Position through Coronavirus Recovery Funds (\$90,000 a year for four years or \$360,000), although I will work over those four years to reduce the dependency on Corona funds and utilize recurring operating revenues when possible.

I would respectfully request a meeting of the Finance Committee at your convenience to review these two issues in more detail. Please let me know your availability. In the meantime, please feel free to reach out to me directly with any additional questions or concerns with regard to this matter.

Mark

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