

TOWN OF GROTON FINANCE COMMITTEE

Regular Session

Groton Town Hall
1st Floor Select Board Meeting Room
December 13, 2021
Beginning at 7:00 pm

Regular Meeting (Approved 1/18/22)

Members present: Bud Robertson, Chairman; Gary Green, Colby Doody, Vice Chair; David Manugian; Scott Whitefield; Jamie McDonald

Absent: Art Prest

Others present: Patricia Dufresne, Town Accountant; Hannah Moller, Treasurer/Tax Collector

At the conclusion of Executive Session Meeting (joint with the Select Board) at 7:00 pm, the Finance Committee relocated to the 1st Floor Meeting Room to address other business.

Chairman Bud Robertson called the meeting to order at 7:05 pm.

Introduction of New Finance Committee Member:

Ms. McDonald introduced herself to the members and gave a brief summary of her background including her broad experience in finance and capital project management.

Financial Policies Annual Review:

Ms. Moller described the updates she is recommending to the Investment section of the Overall Financial Management Policies. Most of her changes were minor: she added language to specify that the Town Accountant will be receiving quarterly investment reports, and she revised the signature page at the end. Ms. Moller requested that the Finance Committee delay their final recommendation on this until the new Prudent Investor Program is fully established. The Treasury Department will be meeting with representatives of Bartholomew & Co. (investment management advisors) this week to work out the final details involved in rolling out this new program. There will be additional revisions to the investment policy generated at that meeting. She explained that the 2020 Fall Town Meeting authorized the Treasurer to invest Trust Funds held by the Town according to the Uniform Prudent Investor Act. This allows for additional flexibility and diversity in investment choices, while still maintaining a "Prudent Person" standard of care and remaining in compliance with MA General Laws. After a brief discussion, the Finance Committee members agreed to delay their final recommendation on the financial policies until the revisions relevant to the Prudent Investor Act have been received and reviewed.

Conservation Commission Fund Balance:

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Mr. Manugian has met with members of the Conservation Commission who informed him that they would like to increase the target balance in their stabilization fund from 2% of the Town's line-item budget, to 3% or 3.5%. They require a sufficient balance on hand at all times in order to act quickly on property purchases as parcels become available. Mr. Robertson noted that the guidance currently set forth in the policy specifies "at least 2%" which allows the ConsCom to continue to build their fund balance as they deem appropriate. Mr. Green felt that while there is no right or wrong amount (just whatever value is set by the Town) spending out of the ConsCom Stabilization Fund is different from other spending because it does not need any additional appropriation. He would be interested in seeing a summary of the past purchases that ConsCom was forced to pass on because of an insufficient fund balance. Mr. Whitefield suggested removing this from the financial policy document altogether as this spending does not impact Town solvency. Mr. Green said that as all the funding is derived from CPC awards, the ConsCom should increase their requests to CPC and argue it at the application level. He went on to say that there is an argument to be made for leaving this in the policy guidance as CPC projects are taxpayer funded. The members decided to ask representatives from the Conservation Commission to attend the next FinCom meeting to clarify their fund balance needs.

Election of Clerk:

Mr. Robertson described the duties of the Clerk, pointing out that the burden is relatively light. There is more participation required when there is a conflict of interest over a topic of discussion involving the Chair or Vice Chair. Mr. Manugian nominated Mr. Whitefield as Clerk, and Mr. Green seconded this nomination. Mr. Whitefield accepted the nomination. The Vote: 5-0-1

Pilot Review Committee:

Mr. Whitefield expressed an interest in serving on the Pilot Review Committee. On a motion by Mr. Green, seconded by Mr. Manugian, the Finance Committee voted in the majority to designate Mr. Whitefield as their representative to the Pilot Review Committee. The Vote: 5-0-1

Approval of Minutes:

Mr. Robertson asked that Mr. Colby's Vice Chair title be corrected on the draft minutes of 11/2/21. Ms. Dufresne will make this correction. On a motion by Mr. Manugian, seconded by Mr. Whitefield, the Finance Committee voted in the majority to approve and release the minutes of 11/02/21 as amended. The Vote: 4-0-2

Saturday Budget Meeting:

Mr. Robertson informed the group that the Town Manager will present the FY23 Budget to the Select Board and FinCom on 1/10/22 at 7:00 pm. The group tentatively chose Saturday, 1/22/22 to meet with representatives from the Library, Fire Department, Dispatch and COA. A backup date of 1/29/22 was chosen.

Finance Committee Appointment Process:

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Mr. Robertson explained that prior to the most recent charter change, vacancies on the FinCom were filled after its members had a chance to interview potential candidates and vote on their first choice. This recommendation was then brought to the Select Board for appointment. In an effort to remove any opportunity for political interference, the latest town charter changed the appointment process. Now, interested candidates interview before a 3-person committee, made up of the Town Moderator, the Chair of the FinCom and the Chair of the Select Board. This committee's vote then serves to appoint the new member to the FinCom. Mr. Green feels that this new process had the effect of not only speeding up the appointment process, but unintentionally preventing full participation by existing FinCom members. Some of the members suggested allowing FinCom to interview candidates initially, before making their recommendation to the appointing committee. Mr. Robertson pointed out that there is no point to having an appointment committee if they are just going to "rubber stamp" whatever recommendation the FinCom makes. After additional discussion, the members decided they would like a chance to meet with candidates in advance of them appearing before the appointment committee. That gives the FinCom members a chance to get a sense of who the candidates are in an informal, non-interview (or "soft interview") setting. The interview committee can attend the FinCom informal session as this will be an open meeting. Then the FinCom Chair will be able to get his team's input and subsequently bring their thoughts and recommendation to the formal appointment committee interview. Mr. Green reiterated that the priority here should not be to fill vacant seats as quickly as possible, but to make sure major stakeholders are not cut out of the process.

Next Meeting:

The Finance Committee chose to meet again at 6:00 pm on January 18th. They will meet with the Treasurer, the Conservation Commission and the Town Manager (follow up on RFT request). They will also discuss updates to the FY23 Budget.

Budget Meeting 1/22/22:

The Finance Committee chose 1/22/22 for the half-day Budget Review Meeting. The back-up date was set as 1/29/22.

Mr. Robertson formally adjourned the meeting of the Finance Committee at 8:30 pm.

Respectfully submitted,

Patricia Dufresne

Town Accountant & Recording Secretary

Town of Groton

Patricia DuFresne

From: Hannah Moller
Sent: Monday, December 13, 2021 12:12 PM
To: Patricia DuFresne
Cc: 'Brian Jamros'; Michael Hartnett
Subject: Financial Policies
Attachments: 2019 General Fund and Long Term Funds IPS.docx; Financial Policies DRAFT Investment changes (003).doc; Resvised 12-13-2021 2020 - Trust Funds IPS for Prudent Investor Private Equity and 80.20 Addendums.docx

Good morning,

We have made one very small revision to the Trust Funds IPS on page 5 changing "distributed to the Town" to "distributed to the Town Accountant". We have also reached out to Brian Jamros at Bartholomew and Co. to have them review the Town Of Groton General Funds & Long Term Funds Investment Policy Statement, Section III, D. Relationships with Financial Institutions

"The Treasurer shall require any brokerage houses and broker/dealers wishing to do business with the municipality to supply the following information to the Treasurer on an annual basis:

- Annual Financial statements
- If acting as a Registered Investment Advisor, copy of their most recent Form ADV Part II report
- Errors & Omissions insurance amounting to, at a minimum, the total fair market value of the Trust Fund Portfolio
- A statement that the Advisor has read the municipality's IPS and will comply with it on an annual basis
- Annual review all advisors through www.finra.org: Broker Check"

We are looking to have Bartholomew and Co. clarify the meaning of Financial statements. Rather does this mean the Towns Financial Statements? In which case the wording here could be changed to quarterly. Or does it refer to the Brokers Financial Statements?

We will be meeting with both Boston Trust and Bartholomew and Co. tomorrow for our Annual Trust Fund overview. We have provided each of them with the information that our request for Prudent Investor has passed at the State House. This change will require an update to these financial policies. We will have more information regarding those changes after tomorrows meetings.

Hannah Moller
Treasurer Collector
Town of Groton
173 Main Street
Groton, MA 01450
P: 978-448-1103

REQUEST FOR TRANSFER FROM THE RESERVE FUND
(To be submitted in triplicate)

Date: 12/13/2021

Finance Committee
Town of Groton

Ladies & Gentlemen:

A request is hereby made for the following transfer from the Reserve Fund in accordance with Chapter 40, Section 6, of the Massachusetts General Laws:

1. Amount requested: \$10,000
2. To be transferred to: Town Manager General Expenses
3. Present balance in said appropriation: \$1,025.17
4. The amount requested will be used for (give specific purpose):
 Camera Switcher for Meeting Coverage at Town Hall (see attached for additional info)
5. This expenditure is extraordinary and /or unforeseen for the following reasons:
 Additional Departmental Meeting Coverage was requested in June



Officer or Department Head

Action of Finance Committee

Date of Meeting _____

Number Present and Voting _____

Transfer voted in the sum of \$ _____

Finance Committee Chair

Transfer NOT approved _____

Finance Committee Chair

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

Dear Finance Committee,

The Groton Channel currently has two camera switchers, called TriCasters, which allow us to control and record multiple camera inputs. One has been dedicated to the 2nd floor meeting room at Town Hall to run meeting coverage, while the other was exclusively for remote location use. This past June we added coverage of the Board of Health and the second unit was then needed in the 1st floor meeting room. However, we still need to utilize this second unit for Town Meetings, sports, and other event coverage. With only one device available, we now face scheduling conflicts with the equipment. The removal and transportation of this unit on a frequent basis also opens up the possibility of incurring damage that would then halt our ability to provide any multi-camera services. This is why we are asking the Town to fund a new unit that can live permanently at the Town Hall for the sole purpose of meeting coverage.

Thank you for your time and consideration.

Ashley Doucette
Program Director - The Groton Channel