

SELECT BOARD / FINANCE COMMITTEE MEETING MINUTES
MONDAY, AUGUST 22, 2022
Approved 9/19/22

SB Members Present: John F. Reilly, Chair; Rebecca H. Pine, Vice Chair; Matthew F. Pisani, Clerk; Alison S. Manugian, Member; Peter S. Cunningham, Member

FinCom Members Present: Bud Robertson, Chair; Colby Doody, Vice Chair; David Manugian; Scott Whitefield; Michael Sulprizio, Gary Green

Also Present: Mark W. Haddad, Town Manager; Patricia Dufresne, Town Accountant; Dawn Dunbar, Town Clerk; Tammi Mickel, Assistant Assessor; Bruce Easom, Community Preservation Committee; Dan Emerson, Community Preservation Committee; Carolyn Perkins, Community Preservation Committee; Richard Hewitt, Community Preservation Committee; Bob DeGroot, Community Preservation Committee; Anna Eliot, Community Preservation Committee; Raquel Majeski, Diversity, Quality and Inclusion Committee; Fran Stanley, Diversity, Quality and Inclusion Committee

Mr. Reilly called the meeting to order at 7:00pm and reviewed the agenda.

Mr. Robertson called the Finance Committee to order at 7:00pm.

ANNOUNCEMENTS

Ms. Pine said Dawn Dunbar was sworn in today as Town Clerk and she congratulated Mrs. Dunbar.

PUBLIC COMMENT

Mr. Robertson said the Prescott Oversight Team met with the Friends of Prescott. For their year-end, August 31, 2022, their preliminary gross revenue is \$362,000 of which net is \$238,000. Overall, they believe they are in a good financial position and they have cash in excess of \$100,000. Mr. Robertson said they have done some great work.

TOWN MANAGERS REPORT

Mr. Haddad said he asked the Finance Committee to be present tonight to go over the warrant for the Special Town Meeting scheduled for September 12, 2022. He met with the Select Board and members of the Building Committee Team on August 12, 2022 to discuss the potential \$9.5 million anticipated short fall in the Florence Roche Elementary School budget. The Select Board subsequently called for the Special Town Meeting (at the Middle School Performing Arts Center) to consider one Article for additional funding for the Florence Roche Elementary School construction which would increase the borrowing authorization above the \$76,495,360 that was approved in May of 2021. There has been an unprecedented escalation in construction costs across Massachusetts since the project was approved. The current estimated project cost is \$85.9 million, \$9.5 million more than was previously authorized.

Mr. Haddad asked the Board to accept the warrant, authorize its issuance, and vote to release the warrant. He said the warrant will go to the printer Tuesday morning and be posted by the constable and delivered to all residents on August 26, 2022. Please note the Town Clerk has confirmed that the quorum for the meeting is 173.

Mr. Cunningham said additional documentation was sent to the Department of Revenue and asked when we could expect an answer from them. Mr. Haddad clarified that he sent a packet of information to the Department of Revenue asking to give authorization to bond 9.5 million more without seeking a debt exclusion question. He hopes to hear from them before September 12, 2022.

Mr. Robertson asked for a motion from the Finance Committee to recommend this article to Town Meeting. Mr. Whitefield made such motion, which was seconded by Mr. Manugian. The motion carried unanimously (The Vote: 6-0-0)

Ms. Pine said to her understanding it is not a good idea to pause the project to wait until prices settle down, and Town Officials should be prepared to answer that question at town meeting. Mr. Haddad agreed that this will be part of his presentation; it will actually cost the Town more than \$9.5 million if the project is delayed.

Ms. Pine moved to accept and issue the warrant for the Special Town Meeting on September 12, 2022. Mr. Cunningham seconded the motion. The motion carried unanimously.

Mr. Robertson adjourned the Finance Committee at 7:10pm.

Respectfully submitted: Tammi Mickel, Assistant Assessor



August 23, 2022

Town Manager Haddad and Groton Select Board
 173 Main St.
 Groton, MA 01450

APPLICATION FOR DEBT EXCLUSION 2 (DE-2)

SUMMARY

The Department of Revenue's (DOR) Division of Local Services (DLS) has received your DE-2 request regarding the Florence Roche Elementary School Project. Originally estimated at \$76,495,360, the voters approved a debt exclusion for the project on May 25, 2021. The cost estimate at the time of the DE-2 submission was \$85,995,360. The request is to have \$9,500,000 of additional project cost be considered part of the original debt exclusion since, as stated in the application, the increase in project cost is due to inflation.

Municipality	Town of Groton	Date of Request	8/16/2022
Executive Body	Select Board	Original Estimate of Approved Debt Exclusion	\$76,495,360
DE-2 Cost Estimate	\$85,995,360	Additional Amount	\$9,500,000

AUTHORIZATION REQUIREMENTS

Per the requirements of Informational Guideline Release (IGR) No. 22-14 (Proposition 2½ Debt Exclusions), the following items must be included with the application. An "X" indicates compliance:

- Letter from the architect, cost estimator or owner's project manager's (OPM) detailing the circumstances for the cost increase
- Report showing original project costs by major category at the time of the original debt exclusion vote with revised costs by major category
- Analysis of inflationary circumstances currently impacting the project cost

- Statement from the architect, cost estimator or OPM indicating that the cost increase is not related to a change in scope from the project originally approved by the electorate at the time the debt exclusion was approved
- Statement from the architect, cost estimator or OPM detailing any changes made since the project was originally approved to reduce the cost of the same
- Certified copy attached of the vote taken by the council with mayor or city manager assent, if applicable, or selectboard in public session, indicating acceptance of the architect's, cost estimator's or owner's project manager's (OPM) report
- Attestation from Select Board Chair/City Council President "that we accept the architect, cost estimator or OPM's report detailing the categories and reasons for project cost increases. I further attest that the increased project costs are not related to project scope changes."

DETERMINATION

Approved Denied

Additional Information Required: Yes No

Based on a review of the materials included in the application and the attestations from the Select Board Chair and architect, the DE-2 is approved and the additional \$9,500,000 of project costs are deemed to be covered by the debt exclusion approved by the voters on May 25, 2021 and, therefore, are excluded from the limits of Proposition 2 ½.

NEXT STEPS

Based on this approval, the Select Board must now decide if a special election for another debt exclusion is warranted. If the Select Board so chooses, the Town can hold a special election at which a debt exclusion for this additional amount would be put before the electorate for approval. Alternatively, the Select Board can decline to call a special election and move directly to a new bond authorization, which is required via a two-thirds vote of Town Meeting in order to cover the additional costs. Should you have any additional questions related to this matter, please feel free to contact the Division of Local Services.

Sincerely,

Deborah P. Wagner

Deborah Wagner
Director of Accounts

**SPECIAL TOWN MEETING
SEPTEMBER 12, 2022
MOTION**

Article 1: Additional Funding for the Florence Roche Elementary Mover: Alison Manugian

MOTION: I move that the Town appropriates Nine Million Five Hundred Thousand (\$9,500,000) Dollars to pay costs of designing and constructing a new kindergarten through fourth grade elementary school with an approximate square footage of 109,855 square feet located at 342 Main Street in Groton, Massachusetts, inclusive of abatement and demolition of the existing school structures on said property, new parking lots, relocation of the existing track, various other site improvements, and all other costs incidental and related thereto, which amount shall be expended in addition to the \$76,495,360 previously appropriated for this project under Article 8 of the Warrant at the Town Meeting held on May 1, 2021, and that to meet this appropriation, the Town Treasurer, with the approval of the Select Board, is authorized to borrow said amount under and pursuant to G.L. c. 44, §7(1) or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.
