

Select Board Meeting Packet

November 23, 2020

This is the Select Board preliminary preparation information packet. The content of this package is subject to change between when it is released and the start of the Select Board meeting. Such changes will not be posted to the web site before the meeting. If you see an item or items in the preliminary preparation package that are important to you, please attend the meeting in person.



TOWN OF GROTON

173 Main Street
Groton, Massachusetts 01450-1237
Tel: (978) 448-1111
Fax: (978) 448-1115

Select Board

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

Town Manager
Mark W. Haddad

**SELECT BOARD MEETING
MONDAY, NOVEMBER 23, 2020
AGENDA**

**VIRTUAL MEETING
BROADCAST ON ZOOM AND THE GROTON CHANNEL
PURSUANT TO GOVERNOR'S EXECUTIVE ORDER
CONCERNING THE OPEN MEETING LAW
ZOOM MEETING ID: 886 0649 6321**

- 7:00 P.M. Announcements and Review Agenda for the Public
- 7:05 P.M. Public Comment Period
- I. 7:10 P.M. Town Manager's Report
1. Select Board's Agenda Schedule
 2. Address Any Changes in Emergency Protocols – Update on Town Action
 3. Review Any New Information from the Commonwealth
 4. Discussion with Police Chief on Police Department Staffing
 5. Discussion/Decision – Reorganization of Treasurer-Collector's Office
 6. Review Final Accounting of DPW Construction Project
 7. Review Final Accounting of Prescott Sprinkler Project
 8. Review and Approve Revised Financial Policies
 9. Update on Select Board Schedule through End of Year
- II. 7:15 P.M. Public Hearing – Continuation of Annual Tax Classification Hearing

OTHER BUSINESS

ON-GOING ISSUES – For Review and Informational Purposes

- A. Prescott School Sprinkler System Project
- B. Water Department – Manganese Issue – PFAS Issue
- C. Polystyrene Containers
- D. Green Communities Application and Implementation
- E. Florence Roche Elementary School Feasibility Study
- F. Highway Garage Renovations

SELECT BOARD LIAISON REPORTS

- III. Minutes: Virtual Meeting of November 16, 2020

ADJOURNMENT

Votes may be taken at any time during the meeting. The listing of topics that the Chair reasonably anticipates will be discussed at the meeting is not intended as a guarantee of the topics that will be discussed. Not all topics listed may in fact be discussed, and other topics not listed may also be brought up for discussion to the extent permitted by law.



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Town Manager
Mark W. Haddad

To: *Select Board*

From: *Mark W. Haddad – Town Manager*

Subject: *Weekly Report*

Date: *November 23, 2020*

1. In addition to the Town Manager's Report and a review of the On-going Issues List, there is one item scheduled on Monday's Agenda. We had continued the public hearing for the Annual Tax Classification to Monday's meeting. Unfortunately, the Department of Revenue is still backlogged and have yet to approve our values. This will require the Select Board to continue the hearing until December 7th. I am extremely frustrated by this delay as it may impact the issuance of the third quarter tax bills. I hope to have an update for the Board at Monday's meeting.
2. Given the issue experienced at Town Hall last week, I want to update the Select Board on our protocol relative to potential exposure/illness. In accordance with Massachusetts Department of Public Health Guidelines, the Town of Groton will continue to adhere to the following relative to COVID-19:

When an exposure happens, employees will be required to remain quarantined for:

- at least 14 days from the date of last exposure; or
- at least 10 days, provided all of the following are satisfied:
 - o they have not had, and do not have, any symptoms;
 - o they are tested on day 8 of the quarantine period or later using a molecular diagnostic test (e.g., polymerase chain reaction (PCR)) to detect the presence of the virus;
 - o they receive a negative test result; and
 - o they monitor themselves for symptoms for the full 14 days. If they develop symptoms, they should contact their health care provider and be re-tested.

We continue to operate under all other protocols approved by the Select Board. I will update the Board with any additional issues at Monday's meeting.

3. We continue to monitor the weekly health report issued by the Department of Public Health. Enclosed with this report is the latest report dated November 19, 2020. Unfortunately, Groton has moved to "green" with 16 reported cases in the last two weeks. This troubling trend is continuing. I will be meeting with Staff over the next couple of days to determine if we need to change any of our protocols. We will continue to be diligent in our efforts to address the impact this pandemic has on our operations. I will have a further update for the Board at Monday's meeting.

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Weekly Report
November 23, 2020
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4. Enclosed with this report is a letter from Police Chief Michael Luth explaining how he would like to address the decision not to fill a vacancy in the Police Department. Chief Luth will be in attendance at Monday's meeting to review this issue in greater detail with the Board.
5. At your November 9th meeting, I had presented the Board with a proposed reorganization of the Treasurer/Collector's Office. During the review of the proposal, the Board raised several issues and asked that I address them and further refine the proposed reorganization. I have done that and am ready to discuss the issue in more detail with the Board. Enclosed with this report is the revised proposal. I look forward to discussing this with the Select Board at Monday's meeting.
6. I am pleased to report that we have successfully completed the DPW Construction Project. While there is one warranty issue we are addressing with the new Generator, I consider this project complete. As was the case with the Center Fire Station and the Center in West Groton, this project has come in under budget with a small remaining balance. Enclosed with this report is the final accounting of the project for your review. I would like to thank Bob Garside, Tom Delaney, Gregg Yanchenko and Dawn Dunbar for assisting me in making this project a success. I look forward to reviewing the Accounting Report in more detail with the Board at Monday's meeting.
7. I am also pleased to report that we have completed the installation of the Sprinkler System at the Prescott School. While there is one remaining issue with the alarm panel, this project has also come in on budget. The remaining balance (approximately \$14,000) will most likely be expended upgrading the alarm panel. We had hoped to refurbish the existing panel, but it does not appear that we will be able to do that. Nevertheless, I would consider this project complete. I would like to thank Bob Garside, Tom Delaney, Tom Orcutt and Dawn Dunbar for their assistance in making this project a success. Enclosed with this report is the final accounting of the project and I look forward to reviewing this with the Board in more detail at Monday's meeting.
8. As I stated at last week's meeting, the Finance Committee has met to review the Financial Policies and made various amendments. Enclosed with this report is the red-lined draft of the policies for your review and approval. I would respectfully request that the Board consider approving the policies at Monday's meeting.
9. Please see the update to the Select Board's Meeting Schedule through the new year:

Monday, November 23, 2020	-Already Posted
Monday, November 30, 2020	-No Meeting
Monday, December 7, 2020	-Update on Fiscal Year 2022 Budget Development

Continued on next page – Over >

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Weekly Report
November 23, 2020
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9. **Continued:**

Monday, December 14, 2020	-Annual Licenses -Consider Request for Fee Waiver from Public House
Monday, December 21, 2020	-Regularly Scheduled Meeting
Monday, December 28, 2020	-No Meeting
Monday, January 4, 2021	-No Meeting
Monday, January 11, 2021	-Presentation of Town Manager's FY 2022 Proposed Operating Budget

MWH/rjb
enclosures



Massachusetts Department of Public Health COVID-19 Dashboard – Thursday, November 19, 2020

Count and Rate of Confirmed COVID-19 Cases and Tests Performed in MA by City/Town, January 1, 2020 – November 18, 2020

City/Town	Total Case Count	Case Count (Last 14 Days)	Average Daily Incidence Rate per 100,000 (Last 14 days) ¹	Relative Change in Case Counts ²	Total Tests	Total Tests (Last 14 days)	Total Positive Tests (Last 14 days)	Percent Positivity (Last 14 days)	Change in Percent Positivity ³
Georgetown	126	22	17.5	Higher	5563	803	26	3.24%	Higher
Gill	<5	<5	4.3	No Change	2413	413	1	0.24%	No Change
Gloucester	460	38	9.6	Higher	18013	1777	44	2.48%	Higher
Goshen	7	<5	12.4	Higher	333	45	2	4.44%	Higher
Gosnold	5	0	0	No Change	111	1	0	0%	No Change
Grafton	218	61	21.7	Higher	15024	2284	62	2.71%	Higher
Granby	85	11	12.9	Higher	4686	698	12	1.72%	Lower
Granville	22	7	32.3	Higher	899	133	8	6.02%	Higher
Great Barrington	89	<5	3.2	Higher	11428	1793	4	0.22%	Higher
Greenfield	260	13	5.4	Higher	13951	1590	15	0.94%	Higher
Groton	84	16	9.8	Higher	10145	1525	18	1.18%	Higher
Groveland	78	15	15.7	Higher	4316	571	17	2.98%	Higher
Hadley	62	7	8.6	Higher	10307	1470	8	0.54%	Higher
Halifax	99	11	10.3	Higher	4218	489	14	2.86%	Higher
Hamilton	67	9	8.7	Lower	4724	658	11	1.67%	Lower

Data are current as of 8 am on 11/18/2020; For populations <50,000, <5 cases are reported as such or suppressed for confidentiality purposes. ¹ For the calculations used to delineate Grey, Green, Yellow, and Red, please see table on page 27. ²Number of new cases occurring over the current two-week period (11/01/2020 – 11/14/2020) compared to the previous two-week period (10/25/2020 – 11/07/2020). **Higher**=number of new cases in the current two-week period higher than the number of new cases during the last two-week period. **Lower**=number of new cases in the current two-week period lower than number of new cases during the last two-week period. **No change**=number of new cases in current two-week period is equal to the number of new cases during the last two-week period. ³Change in percent positivity compared to the previous week's (11/12/2020) report. **No Change**= <0.10% difference in the percent positivity. DPH calculates rates per 100,000 population using denominators estimated by the University of Massachusetts Donahue Institute using a modified Hamilton-Perry model (Strate S, et al. Small Area Population Estimates for 2011 through 2020, report, Oct 2016.) As of 11/5/2020, the Massachusetts Department of Public Health is using the 2019 population estimates, the most current available data. **Please note:** Data for these tables are based on information available in the DPH surveillance database at a single point in time. Case counts for specific cities and towns change throughout the day as data cleaning occurs (removal of duplicate reports within the system) and new demographic information (assigning cases to their city or town of residence) is obtained.



GROTON POLICE DEPARTMENT
Office of the Chief of Police

99 PLEASANT STREET
GROTON, MASSACHUSETTS 01450



Michael F. Luth
Chief of Police

TEL: (978) 448-5555
FAX: (978) 448-5603

November 17, 2020

Mr. Mark Haddad, Town Manager
Town of Groton
Town Hall
173 Main Street
Groton, MA 01450

Dear Mark,

The proposal by the Select Board to leave the current open Police Officer position (created by a retirement in June), unfilled has created a gap in shift coverage. I plan to rectify the lack of coverage by reassigning an officer currently serving as a School Resource Officer to patrol.

With the unfilled position there are several shifts that have just two officers. The geographic size of the town and call volume create the inability for reasonable response time, officer safety and back up. One motor vehicle crash, a domestic disturbance, or an arrest can take both officers out of service for hours. This leaves the residents vulnerable and at risk.

There are currently three Patrol Supervisors and an Acting Lieutenant, who is covering the roles of Patrol Supervisor and the administrative duties of Deputy Chief. This leaves several shifts during typically high-volume hours that are unsupervised and understaffed weekly.

While I have complete confidence in all of my officers' abilities, the failure to properly supervise opens the Town to unnecessary risk for litigation.

I respectfully request the authorization to promote a Patrolman to Sergeant (Patrol Supervisor) and the Acting Lieutenant to Deputy Chief.

The decision to reassign an SRO is not one I take lightly, as I believe that the school coverage and student interaction is a crucial function, however the reallocation of the current personnel is the best action for the safety of the Town and Officers.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

Michael F. Luth
Chief of Police



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Town Manager
Mark W. Haddad

To: *Select Board*

From: *Mark W. Haddad – Town Manager*

Subject: *Re-Organization of the Treasurer-Tax Collector’s Office*
UPDATE – REVISION #1

Date: *November 16, 2020*

I want to thank the members of the Select Board and the Chair of the Finance Committee and Personnel Board for your feedback on our proposal to reorganize the Treasurer-Tax Collector’s Office. This feedback has allowed us to go back and re-visit our proposal and make improvements to the original plan.

As you know, currently the Department is funded as follows:

<u>FY 2021 Budget</u>	<u>Grade</u>	<u>Hourly Rate</u>	<u>Hour Per Pay Period</u>	<u>Annual Salary</u>	<u>Performance Bonus</u>	<u>Town Share Health Insurance</u>	<u>Life Ins</u>	<u>HI Opt out</u>	<u>Longevity</u>	<u>Impact on Overall Budget</u>
Michael Hartnett - Treasurer/Tax Collector	14	44.18	80	91,896.00	2,950.62	19,907.77	37.18	-	-	114,791.57
Hannah Moller - Asst. Treas/Tax Collector	9	33.18	78	67,280.85	-	-	37.18	-	-	67,318.03
Nancy Amari - Payroll Coord/Asst to Treasurer	7	29.12	70	52,993.50	-	-	37.18	5,091.84	-	58,122.52
TOTAL										240,232.12

There are currently 228 hours assigned to this office per pay period (every two weeks).

We had originally proposed a reorganization that would bring Mike Hartnett back as the Assistant Treasurer/Debt Manager and increase the duties of the Payroll Coordinator to assume the role of Assistant Tax Collector. We also planned to bring in a part time Assistant to help with office coverage since we had reduced the number of hours in the office.

Concerns were raised with the salary set aside for the new Assistant Treasurer/Debt Manger position and whether or not this re-organization should be revisited every year. After taking this into consideration, we have decided to adjust the proposal to address these concerns.

Select Board
Re-Organization of the Treasurer-Tax Collector's Office
UPDATE – REVISION #1
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Under the proposed revision, Hannah Moller will still be the Treasurer-Tax Collector effective July 1, 2021. Effective immediately, she will begin working as a member of the Finance Team, taking part in all budget preparation and be fully immersed in all aspects of bonding/debt budget development. This will give her additional experience which will be vital once she becomes the Treasurer-Tax Collector next July. We will no longer be creating the position of Assistant Treasurer/Debt Manager. Effective, July 1, 2021, Mike Hartnett will be appointed as the Part-time Assistant Treasurer/Collector. He will be working 38 hours every two weeks and paid the same hourly rate he currently earns. There will be no change to the position of Payroll Coordinator/Assistant Treasurer. We will still create the part-time Assistant's position as previously proposed. Based on this, the Budget in FY 2022 for the Treasurer-Tax Collector's Office would be as follows (and a total of 218 hours per pay period):

FY 2022 Proposed Budget	Grade	Hourly Rate	Hour Per Pay Period	Annual Salary	Performance		Town Share			Impact on Overall Budget
					Bonus		Health Insurance	Life Ins	HI Opt out	
Hannah Moller - Treasurer/Tax Collector	14	40.87	80	85,000.00	-		-	37.18	-	85,037.18
Michael Hartnett - Asst. Treas/Tax Collector		44.18	38	43,649.84	-		18,485.78		-	62,135.62
Nancy Amari - Payroll Coord/Asst to Treasurer	7	29.12	70	52,998.40	-		-	37.18	5,091.84	58,127.42
New Position - Treas/Coll Office Clerk	5	22.00	30	17,160.00	-		-	-	-	17,160.00
TOTAL										222,460.22

Based on this revised proposal, the Office would still function at a high level and we would realize a savings of \$17,771.89 (with the potential of another \$18,500 depending on how Mike's retiree health insurance is covered as previously discussed). In addition, this proposal will allow us to review the Office every year. If after the first year, we need to adjust the office based on a thorough review of the operations, we would simply increase the Assistant Treasurer/Collector back to full-time and eliminate the part-time position, returning the office to the current make-up without increasing the budget significantly. I believe your feedback has allowed us to refine the re-organization plan and make it better.

I look forward to discussing this with the Board in more detail at an upcoming meeting. In the meantime, please feel free to reach out to me with any additional questions or concerns.

MWH/rjb

- cc: Patricia DuFresne – Town Accountant
Michael Hartnett – Treasurer-Tax Collector
Megan Foster – Assistant Assessor
Hannah Moller – Assistant Treasurer-Tax Collector
Melisa Doig – Human Resources Director
Bud Robertson – Chair, Personnel Board

DPW Garage Project Expense Detail

Design Expenses

Vendor	GL Code	Effective Date	Transaction Description	Expenses	Vendor Totals
	5820		Opening Balance	0.00	
GarsideRobertE	5820	1/31/2019	Services Rendered Jan 2019 DPW Garage Design	5,000.00	
GarsideRobertE	5820	2/28/2019	Services Rendered Feb 2019 Hwy Garage FY19	5,000.00	
GarsideRobertE	5820	3/28/2019	Final Payment Pre-Construction Svcs - DPW Garage FY19	5,000.00	15,000.00
HELENEKARLARCHITECTS	5820	3/14/2019	Consulting Svcs DPW Facility	10,000.00	
HELENEKARLARCHITECTS	5820	4/11/2019	Consulting Services 1/14/19 to 4/4/19 - DPW Garage Design	205,000.00	215,000.00
			Transaction Total	<u>230,000.00</u>	<u>230,000.00</u>
			Design Costs Total =	<u>230,000.00</u>	

Construction/Bidding/Insurance Expenses

Vendor	GL Code	Effective Date	Transaction Description	Expenses	Vendor Totals
			Opening Balance	0.00	
ARIPhoenixInc	5820	2/27/2020	ARI - DPW Lifts	58,362.38	58,362.38
BackBaySignLLC	5820	8/13/2020	DPW Plaques	7,005.00	7,005.00
BidDocsOnline	5820	6/6/2019	DPW Upgrades New Garage - Hwy Garage FY19 Construction	2,777.34	2,777.34
CabotRiskStrategies	5820	8/15/2019	Builders Risk Ins - DPW Renovation/Addition-Town of Groton	2,981.00	2,981.00
ConstructionDynamics	5820	8/15/2019	DPW Upgrades & New Vehicle Storage #001 - Hwy Garage FY19	394,395.00	

Vendor	GL Code	Effective Date	Transaction Description	Expenses	Vendor Totals
ConstructionDynamics	5820	9/12/2019	DPW Upgrade/New Vehicle Storage Garage #002-Hwy Garage FY19	427,800.00	
ConstructionDynamics	5820	10/10/2019	DPW Upgrades/New Vehicle Storage Garage 003-Hwy Garage FY19	940,317.23	
ConstructionDynamics	5820	11/7/2019	DPW Upgrades & New Vehicle Storage Garage #004 - Hwy Garage	694,376.00	
ConstructionDynamics	5820	12/5/2019	DPW Upgrades & New Vehicle Storage Garage #005 Hwy Garage	666,675.00	
ConstructionDynamics	5820	1/16/2020	DPW Upgrades & New Vehicle Storage Garage #006 Hwy Garage	364,464.00	
ConstructionDynamics	5820	2/13/2020	DPW Upgrades & New Vehicle Storage Garage #007	454,216.61	
ConstructionDynamics	5820	3/26/2020	DPW Garage Construction Pay Req #8	275,428.00	
ConstructionDynamics	5820	8/27/2020	DPW - Requisition #10	111,073.00	
ConstructionDynamics	5820	8/27/2020	DPW - Requisition #10	90,000.00	4,418,744.84
ConvergentTech	5820	2/27/2020	DPW Cameras Labor Costs	9,509.80	9,509.80
GarsideRobertE	5820	7/18/2019	Services Rendered Through July 1, 2019 - DPW Bldg FY19	11,293.85	
GarsideRobertE	5820	9/12/2019	Services Rendered Through 8/1/19 - Hwy Garage FY19	13,642.85	
GarsideRobertE	5820	11/21/2019	Services Rendered Sept & Oct 2019 - Highway Garage FY19	27,285.70	
GarsideRobertE	5820	1/2/2020	Reimb Cistern Water Materials - DPW Garage Construction	1,815.00	
GarsideRobertE	5820	1/16/2020	Services Rendered Thru 11/1/2019 & Material Reimb-DPW Garage	16,062.85	
GarsideRobertE	5820	2/13/2020	Services Rendered Dec 2019 & Jan 2020 - New DPW Building	27,285.70	97,385.95

Vendor	GL Code	Effective Date	Transaction Description	Expenses	Vendor Totals
HELENEKARLARCHITECTS	5820	6/6/2019	Consulting Svcs 4/5/19-5/28/19- Hwy Garage FY19 Construction	15,994.00	
HELENEKARLARCHITECTS	5820	1/16/2020	Consulting Svcs 5/29/19-12/31/19 - DPW Upgrades/New Garage	44,610.58	
HELENEKARLARCHITECTS	5820	7/16/2020	Final Architect Invoice DPW	13,863.50	74,468.08
NASHOBASECURITYINDUS	5820	2/13/2020	IP Core Pinned Master Key System - New DPW Building	576.24	576.24
NEStormWaterMgt	5820	8/15/2019	Vactor Unit Clean Trench Drains - Hwy Garage FY19	900.00	900.00
P.J.AlbertInc	5820	12/19/2019	Tons Top In Place Sy Reclaim, Grade & Compact - DPW Garage	81,684.54	
P.J.AlbertInc	5820	11/19/2020	DPW Garage Final Paving	30,000.00	111,684.54
RenaissanceAlliance	5820	1/16/2020	Policy #1HN H050236 01 1/5/20 Policy Change - DPW Garage	1,937.00	1,937.00
Transaction Total				<u>4,786,332.17</u>	<u>4,786,332.17</u>
Total All DPW Garage Expenses				<u>5,016,332.17</u>	

Design Budget	230,000.00
Construction Budget	4,800,250.00
Total Budgeted Expenses	5,030,250.00
Total Expenses through 11/19/2020	<u>(5,016,332.17)</u>
Remaining Budget	13,917.83
Retainage Not Yet Released	1,388.00
Surplus Bond Premium Available for Future Debt Service	2,150.00
DPW Garage Fund Balance as of 11/30/2020	<u><u>17,455.83</u></u>

TOWN OF GROTON
Expanded General Ledger - Unposted Transactions Included In Report
From 7/1/2017 Through 11/30/2020

2000 - COMMUNITY PRESERVATION FUND

Prescott School Sprinkler Project

GL Code	Effective Date	Transaction Description	ID	Vendor Totals	Expenses	Vendor Totals
5820			Opening Balance		0.00	
5820	10/24/2019	19348 Prescott School CC Fire Protection - CPC	BLW Engineers, Inc.		20,054.71	
5820	12/5/2019	Civil Engineering - Prescott School Upgrades FY19	BLW Engineers, Inc.		1,188.55	
5820	1/30/2020	Prescott School CC Fire Protection	BLW Engineers, Inc.		2,353.01	
5820	2/27/2020	Architectural Design/ Support Sprinkler Project CPC Prescott	BLW Engineers, Inc.		2,500.00	
5820	6/4/2020	Construction Administration Prescott School Fire Protection	BLW Engineers, Inc.		858.00	
5820	6/18/2020	Reimb Expenses Prescott School Fire Protection - CPC	BLW Engineers, Inc.		327.50	
5820	7/30/2020	Reimb Fedex Chg - CPC Prescott School Sprinkler System	BLW Engineers, Inc.		18.64	
5820	8/27/2020	19348 Prescott School CC Fire Protection - CPC	BLW Engineers, Inc.		3,500.00	
5820	9/24/2020	Construction Admin Prescott School Fire Protection CPC	BLW Engineers, Inc.		1,000.00	
5820	10/22/2020	Construction Administration	BLW Engineers, Inc.		1,000.00	32,800.41
5820	11/5/2020	Services rendered: Prescott School Project Oversight	GarsideRobertE		10,000.00	10,000.00
5820	8/13/2020	Prescott School Fire Protection Sprinkler System 7/31/20 - C	XcelFireProtection		28,767.00	
5820	9/24/2020	Fire Protection Sprinkler Work Prescott School - CPC	XcelFireProtection		9,359.61	
5820	9/24/2020	Fire Protection Sprinkler Work Prescott School - CPC	XcelFireProtection		39,407.39	
5820	10/22/2020	Fire protection sprinkler work completed at the above refere	XcelFireProtection		116,790.00	194,324.00
			Transaction Total		237,124.41	237,124.41
	Pending for EW12	Design/Const Support & Civil Engineering	BLW Engineers		2,000.00	
	Pending for EW12	Fire Protection Sprinkler Work Prescott School - CPC	XcelFireProtection		88,580.25	

FY21 Voted Budget: CPC	\$125,000.00
FY19 Voted Budget Available: CPC	\$217,023.03
Total CPC Sprinkler Budget	\$342,023.03
Total Project Costs FY20/21	(\$327,704.66)
Projected Budget Surplus	\$14,318.37

Total to be spent thru end of project 327,704.66

Total spent through 11/19/20 237,124.41



SELECT BOARD POLICY

Policy Category:	Board
Policy Number:	BOA – 2019 – 8
Latest Revision Date:	December 16, 2019

POLICY NAME: **FINANCIAL 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.



SELECT BOARD POLICY

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.
4. The Town will maintain a Stabilization Fund as one of its two primary financial reserves. It shall be the goal of the Town to achieve and maintain a balance of at least 5% of the Town's current line item budget.
5. The Town will maintain a Municipal Capital Stabilization Fund to defray the cost of new equipment, building maintenance, and capital improvements to town land and buildings to the extent that these costs may be funded by the Fund's balance. (See Debt Management Policies for costs exceeding the Fund's balance, which may be funded by borrowing.) It shall be the goal of the Town to maintain a balance in this fund of a minimum of 1.5% of the Town's current line item budget, with the objective to grow the fund to support near term and cover longer term needs.
6. The Town will continue to maintain a Conservation Fund to be used in part for the purchase of land, or conservation restrictions or agricultural preservation restrictions on lands that exhibit high value for protection because they contain important natural resources. The Conservation Commission is responsible for formulating and prioritizing a list of such parcels so that a plan may be established for future purchases. It shall be the goal to maintain a balance in the Conservation Fund of at least 2% of the Town's current line item budget, exclusive of Enterprises and the Community Preservation Fund; and to the extent possible, deposits to the Conservation Fund should come from the Community Preservation Surtax.



SELECT BOARD POLICY

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 1st of each year.
10. Investment practices will be in accordance with the Town's "Investment Policy".



SELECT BOARD POLICY

TOWN OF GROTON FREE CASH POLICY

I. PURPOSE AND SCOPE

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

II. POLICY

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



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- 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.



SELECT BOARD POLICY

TOWN OF GROTON DEBT MANAGEMENT POLICY

Introduction

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

Capital Funding Guidelines

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

Bond Rating

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

- Debt Factors: debt per capita, debt as a percentage of equalized valuation and rate debt amortization.
- Financial Factors: operating surpluses or deficits, free cash as a percent of revenue, state aid reliance, property tax collection rates, and unfunded pension liability.
- Economic Factors: property values, personal income levels, tax base growth, tax and economic base diversity, unemployment rates and population growth.



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- Management Factors: governmental structure, the existence of a capital improvement plan, the quality of accounting and financial reporting, etc.

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

Debt Limitations

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

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

Debt Strategies

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

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



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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.



SELECT BOARD POLICY

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.



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BACKGROUND

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

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

POLICY

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

A. Accounting and Reporting

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

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

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



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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.



SELECT BOARD POLICY

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 meetings and any transfers will be ~~publically~~publicly debated and subsequently ratified by Town Meeting.



SELECT BOARD POLICY

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



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- 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,



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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.



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- 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.



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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.



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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.



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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.



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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



SELECT BOARD POLICY

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.



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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, Stabilization Funds and OPEB Trust Funds

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 and OPEB trust funds).

Investment Policy Statements (IPS)

The Town of Groton must maintain separate Investment Policy Statements for General Fund & Long-Term Funds, Trust Funds and OPEB Trust Funds, the primary purpose of which is to provide a clear understanding regarding the Town's objectives, goals, risk tolerance and investment guidelines for the investment of each category of funds. Each IPS should be reviewed annually by the Town Treasurer in conjunction with consultation with the Town's respective portfolio managers, and any revisions, if deemed appropriate, should be updated accordingly.

Attached: Town of Groton Investment Policy Statements (IPS)
- General Fund & Long-Term Funds IPS
- Trust Funds IPS
- OPEB Trust IPS



SELECT BOARD POLICY

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.

Effective October 3, 2020, the Town approved a petition of Special Legislation to the Senate and House of Representatives of the Commonwealth of Massachusetts to enact special legislation authorizing the Treasurer of the Town of Groton to invest the Town's Trust funds notwithstanding section 54 of chapter 44 of the General Laws or any other general or specific law to the contrary with the Massachusetts Prudent Investor Act, codified in Chapter 203C of the General Laws. With respect to the Town of Groton, the Massachusetts Prudent Investor Act shall take effect upon its passage, and will supersede any previous Trust Funds investment parameters (i.e., Legal List).

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

**SELECT BOARD MEETING MINUTES
VIRTUAL MEETING
MONDAY, NOVEMBER 16, 2020
UN-APPROVED**

SB Members Virtually Present: Alison S. Manugian, Chair; Joshua A. Degen, Vice Chair; Rebecca H. Pine, Clerk; John R. Giger, Member; John F. Reilly, Member

Also Virtually Present: Mark W. Haddad, Town Manager; Dawn Dunbar, Executive Assistant; Melisa Doig, HR Director; Patricia Dufresne, Town Accountant; Michael Hartnett, Tax Collector/Treasurer; Jonathan Greeno, Principal Assessor; Affordable Housing Trust Members; Diversity Task Force Members; Fran Stanley, Housing Coordinator; Bob Garside, Building Inspector

Ms. Manugian called the meeting to order at 7:00pm and reviewed the agenda.

ANNOUNCEMENTS

Mr. Haddad said that he issued a press release earlier that day about the temporary closure of Town Hall due to COVID. He read the press release into the record.

TOWN MANAGER'S REPORT

1. Mr. Haddad said that there were no other changes to COVID protocols other than the closure of Town Hall for this week. He said that the DPH report released last week stated that Groton had 9 cases reported, that Groton was a gray community but that they were trending higher.
2. Mr. Haddad said that Mr. Garside had successfully become a certified Building Commissioner. He asked the Board to consider ratifying his appointment of Mr. Garside as Building Commissioner. He said he was very excited to make this appointment adding that the State unanimously voted last Thursday to certify Mr. Garside as a Building Commissioner.

Mr. Giger moved to ratify the appointment of Bob Garside as the Building Commissioner effective November 12, 2020. Mr. Degen seconded the motion. Roll Call: Manugian-aye; Pine-aye; Reilly-aye; Degen-aye; Giger-aye

3. Mr. Haddad said that they had received a request from the Groton Publick House for a reduction in the fee from \$3,000 to \$500 of their alcohol license for the function hall as they had been operating at a loss due to COVID. Mr. Haddad said that the Board may hear from the Barn at Gibbet Hill also as they too were unable to hold functions. Mr. Haddad said that other communities were asking if Groton was waiving or reducing fees due to COVID. Mr. Haddad said he was moving forward with regular fees but thought that the request before them was a reasonable one. Ms. Pine said she was inclined to agree with this. Mr. Giger suggested that they look at their policy to make sure they were doing this correctly before taking any action on this. Mr. Degen suggested prorating the fee for months they were not able to operate functions. Mr. Haddad said he would review the policy and bring this back.

TAX CLASSIFICATION HEARING

Mr. Haddad read the public hearing notice into the record.

Ms. Pine moved to open the public hearing. Mr. Reilly seconded the motion. Roll Call: Manugian-aye; Pine-aye; Reilly-aye; Degen-aye; Giger-aye

Mr. Haddad said that the Board of Assessors was not ready adding that there was a back log at the State level and they hadn't received their review. He asked the Board to continue the hearing until Monday November 23rd at 7:15pm.

Mr. Degen moved to continue the public hearing on the tax classification until Monday, November 23, 2020 at 7:15pm. Ms. Pine seconded the motion. Roll Call: Manugian-aye; Pine-aye; Reilly-aye; Degen-aye; Giger-aye

TOWN MANAGER'S REPORT – CONT.

4. Mr. Haddad reviewed the Board's schedule for the next few weeks.
5. Mr. Haddad said that he had provided the Board with Zoom invites to attend the budget hearings beginning on Monday, November 30th at 8am.

Ms. Manugian asked about the financial policy review. Mr. Haddad said that the Finance Committee had reviewed it separately this year and would be bringing the Finance Committee's suggested edits to the Board for their review.

AFFORDABLE HOUSING TRUST

Ms. Pine called the Affordable Housing Trust to order at 7:21pm. Carolyn Perkins, Colleen Neff and Cindy Lane-Hand were all present.

Ms. Pine said that affordable housing was much needed in Groton. Ms. Pine reviewed the definition of affordable housing as defined in the housing production plan. Ms. Manugian asked what the income levels were to be eligible for affordable housing. Ms. Stanley said that the income limit for affordable housing was \$78,500 for a family of four. Ms. Pine reviewed the steps necessary for housing to be considered by DHCD as affordable housing. Ms. Pine said that they had 222 units of affordable units. She said that they needed an additional 173 units to meet their 10% threshold. Ms. Pine reviewed a map showing potential areas in town for affordable housing.

Ms. Pine said that they had started to look at the Surrenden Farm Reserve Parcel this fall. She said it had no wetlands, or endangered species and was flat. She said that they had found a couple of hurdles adding one was the road access. She said that at the time of the purchase of the property, the Town signed a legal agreement with the Groton School, that the public use of the road that goes through Groton School would be closed off leaving the General Field driveway as the only way in and out. She said it was a lengthy driveway and would be costly to pave. She said that lack of Town water and sewer was also an issue. She said that sewer might be likely from Ayer, but would require a town meeting vote in Ayer and would receive opposition from the abutters in Ayer. Ms. Pine said that they recently learned of a couple of parcels closer to the center of town, but would require negotiations because they were privately owned. Ms. Pine said that all volunteers on these various Boards in Groton were attempting to exhaust the knowledge they had but added they would have to spend some money at some point to further explore these options even though they may not be viable options after all.

Mr. John Sopka said that the number of units listed in the Housing Production Plan was based on the 2010 census and thought the deficit might be larger at this time. Ms. Pine agreed. Mr. Cunningham asked if the natural heritage concerns on some of the properties would be trumped by a 40B process. Ms. Stanley said that a developer had to go through natural heritage because those were state guidelines. Mr. Cunningham asked if there were rare species at Surrenden Farm. Ms. Pine said that there were currently not any they were aware of. Mr. Giger asked if testing had been done to determine whether the land at General Field could support sanitation, what the level of the water table was and if this was a viable alternative if they had to build their own septic system. Ms. Pine said that no testing had been done. She said that there may be sandy soil there. Mr. Nii-Ama Akuete asked if private developers had been reached out to, to see if they would be willing to take on the testing and research of properties. Mr. Easom said that they needed to investigate arsenic at Surrenden Farm as that had been discovered when they looked at purchasing the property. Mr. Degen suggested putting out an RFP for a developer to investigate and develop a project. Ms. Pine said that that was a process they had envisioned using. Ms. Manugian said that the map showed parcels that the Town and its related entities owned and asked if it made sense to look at all parcels that met a certain criterion also.

There was a brief discussion about 40B zoning requirements and what permit application processes could be waived. Ms. Manugian asked if there were any tax incentives for developers who wanted to build affordable housing. Ms. Perkins said that they didn't need to reinvent the wheel adding that neighboring towns had been successful with tax incentive plans. Mr. Cunningham cited Rivercourt Residences as an example of a tax incentive project. Ms. Deb Busser said that Dunstable had issued an RFP for a developer as discussed earlier and could be used as a resource. Mr. Degen said he liked the idea of a tax incentive but liked the idea of ground leases and federal incentives better. Mr. Nii-Ama Akuete agreed with Mr. Degen.

Ms. Pine said that they put in a preliminary application with the CPC for engineering and design money and would be trying to figure out more specifically what they would be asking for. Ms. Pine said that they had a small amount of money and would be great if they had money they could nimbly use. Mr. Haddad said that they had \$500k in the CPA housing bucket. He said that there were communities that shifted money from the housing bucket to the affordable housing trust account so that they had the ability to act and create more housing quickly. He said that to have access to that money and not need town meeting votes made sense.

Ms. Manugian said that this was a great conversation with lost of questions and brainstorming. Ms. Pine said she was very happy that people were interested in affordable housing and thought it would be wonderful to make some progress.

ON-GOING ISSUES

Mr. Haddad had no updates.

MINUTES

Ms. Pine made a motion to approve the meeting minutes of November 9, 2020. Mr. Reilly seconded the motion. Roll Call: Pine-aye; Degen-aye; Manugian-aye; Giger-aye; Reilly-aye

Ms. Manugian adjourned the meeting at 8:18pm.

Approved: _____
Rebecca H. Pine, Clerk

_____ respectfully submitted:
Dawn Dunbar, Executive Assistant

Date Approved: