



**Town Manager**  
Mark W. Haddad

## TOWN OF GROTON

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

## Select Board

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

**SELECT BOARD MEETING**  
**MONDAY, FEBRUARY 7, 2022**  
**AGENDA**  
**VIRTUALLY ON ZOOM AND THE GROTON CHANNEL**  
**PURSUANT TO THE OPEN MEETING LAW**  
**ZOOM ID: 849 1009 7156**

- 7:00 P.M.      Announcements and Review Agenda for the Public
- 7:05 P.M.      Public Comment Period
- I.      7:06 P.M.      Town Manager's Report
1. Town Manager's Explanation of Agenda Items
  2. Update from Town Manager on COVID Protocols
  3. FY 2022 Second Quarter Financial Update
  4. Update on FY 2022 Goals and Objectives
  5. Consider Accepting the Town Manager's Nomination of Stephen Woodin for Appointment to the Williams Barn Committee and Make Said Appointment
  6. Consider Accepting the Town Manager's Nomination of Rick Salon for Appointment to the Great Ponds Advisory Committee and Make Said Appointment
  7. Update on Fiscal Year 2023 Proposed Operating Budget
  8. Update on Select Board Meeting Schedule Through Spring Town Meeting
- II.      7:10 P.M.      Items for Select Board Consideration and Action
1. Review and Consider Approving Updates to Town's Financial Policies
- III.      7:30 P.M.      Executive Session #1 – Pursuant to M.G.L., c. 30A, §21(a), Clause 3 – “To discuss strategy with respect to collective bargaining or litigation if an open meeting may have a detrimental effect on the bargaining or litigating position of the public body and the chair so declares” – Purposes – Collective Bargaining Update/Review and Litigation Update
- Executive Session #2 – Pursuant to M.G.L., c. 30A, §21(a), Clause 2 – “To conduct strategy sessions with non-union personnel or to conduct collective bargaining sessions or contact negotiations with non-union personnel” – Purpose – Preparation for Contract Negotiations with the Town Manager

### OTHER BUSINESS

ON-GOING ISSUES – Review and Informational Purposes – Brief Comments - Items May or May Not Be Discussed

- A. Water Department – Manganese Issue – PFAS Issue
- B. Green Communities Application and Implementation
- C. Florence Roche Elementary School Construction Project
- D. Bystander Training (Feb. 8<sup>th</sup>, Feb. 24<sup>th</sup> & March 16<sup>th</sup>)
- E. Mask Mandate
- F. Electric Car Charging Stations

### SELECT BOARD LIAISON REPORTS

IV.      Minutes:      None

### 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 Agenda Update/Report*

**Date:** *February 7, 2022*

### TOWN MANAGER'S REPORT

1. In addition to the Town Manager's Report, Items for Select Board Consideration and Action and a review of the On-going Issues, there are two scheduled Executive Sessions at the conclusion of Monday's meeting. The first Executive Session will be to update the Board on the status of Collective Bargaining and potential litigation. The second Executive Session will be for the Board to prepare for contract negotiations with the Town Manager.
2. I have no specific update on our COVID Protocols. Town Hall continues to operate by "Appointment Only" and the Center in West Groton has returned to limited programming. I will advise the Board of any new information at Monday's meeting.
3. Enclosed with this report is the Fiscal Year 2022 Second Quarter Financial Report as prepared by the Town Accountant. I would like to spend some time at Monday's meeting reviewing this Report with the Board.
4. As is our practice when reviewing the quarterly financials, I have set aside time for the Board to review the status of your FY 2022 Goals. Enclosed with this report is a status update on the goals. We can discuss this in more detail at Monday's meeting.
5. The Williams Barn Committee has requested that I nominate for appointment Stephen Woodin for appointment to the Committee. Please consider this as my nomination of Mr. Woodin for appointment. I would respectfully request that the Board accept this nomination and appoint him to the Williams Barn Committee.
6. The Great Ponds Advisory Committee has requested that I nominate for appointment Rick Salon for appointment to the Committee. Please consider this as my nomination of Mr. Salon for appointment. I would respectfully request that the Board accept this nomination and appoint him to the Great Ponds Advisory Committee.
7. With regard to the Proposed Fiscal Year 2023 Operating Budget, please see attached memorandum. We can discuss it in more detail at Monday's meeting. Please note that the Finance Committee will not meet on February 8<sup>th</sup>. They have tentatively scheduled their next meeting for February 15<sup>th</sup>. I will let me you know once the date is confirmed. We can discuss all of this in more detail at Monday's meeting.

**Select Board**  
**Weekly Agenda Update/Report**  
**February 7, 2022**  
**page two**

8. Please see the update to the Select Board's Meeting Schedule through the Spring Town Meeting:

Monday, February 14, 2022	-Discuss Proposed 40B on Cow Pond Brook Road
Monday, February 21, 2022	No Meeting (Holiday)
Monday, February 28, 2022	-Review First Draft of the Warrant
Monday, March 7, 2022	Regularly Scheduled Meeting
Monday, March 14, 2022	-Public Hearing on Spring Town Meeting Warrant
Monday, March 21, 2022	No Meeting
Monday, March 28, 2022	Regularly Scheduled Meeting
Monday, April 4, 2022	Regularly Scheduled Meeting
Monday, April 11, 2022	-Finalize Warrant for 2022 Spring Town Meeting
Monday, April 18, 2022	No Meeting (Holiday)
Saturday, April 30, 2022	2022 Spring Town Meeting

**ITEMS FOR SELECT BOARD CONSIDERATION AND ACTION**

1. In compliance with the Town Charter and our Financial Policies, the Finance Team and Finance Committee have conducted their annual review of the Town's Financial Policies. They are recommending very minor changes to three of our policies (OPEB Investment Policy, General Funds & Long-Term Funds Investment Policy and the Trust Funds Investment Policy). Attached for your review are the red-lined copies of these Policies. I would respectfully request that the Board vote to approve these revised policies at Monday's meeting. No other Financial Policy is being amended at this time.

MWH/rjb  
enclosures



**Town of Groton**  
**General Fund Statement of Revenues & Expenditures**  
**December 31, 2021**

<i>Revenue</i>	<i>Current Budget FY22</i>	<i>July - Dec Actual FY22</i>	<i>Variance to FY22 Budget</i>	<i>2nd Qtr % of Budget</i>	<i>Final FY21 Budget</i>	<i>July - Dec Actual FY21</i>	<i>2nd Qtr to FY21 Budget</i>	<i>Variance</i>	<i>2nd Qtr % of Budget</i>	<i>% of Budget Change</i>	<i>Notes</i>
State Aid (Lottery/Exempts/Van)	1,014,099	529,078	(485,021)	52.17%	950,546	486,076	(464,470)		51.14%	102.01%	
Motor Vehicle/Boat Excise	1,738,094	270,344	(1,467,750)	15.55%	1,555,341	271,535	(1,283,806)		17.46%	89.06%	
Local Option Meals Tax	175,000	116,974	(58,026)	66.84%	100,000	80,441	(19,559)		80.44%	83.09%	Meals Tax impacted by Covid FY21
Local Option Room Occupancy Tax	75,000	79,344	4,344	105.79%	50,000	17,070	(32,930)		34.14%	309.87%	Room Tax impacted by Covid FY21
Penalties and Interest on Taxes	120,000	76,117	(43,883)	63.43%	110,000	61,295	(48,705)		55.72%	113.84%	
Payments in Lieu of Taxes	265,000	4,678	(260,322)	1.77%	265,000	75,453	(189,547)		28.47%	6.22%	LA FY20 Pilot rec'd 1st Qtr FY21
Other Charges for Service (Dunst)	82,000	66,596	(15,404)	81.21%	82,000	3,450	(78,550)		4.21%	1928.98%	Dunstable Payment rec'd early FY22
Country Club Revenue	600,000	184,401	(415,599)	30.73%	491,045	215,738	(275,307)		43.93%	69.95%	Rainy conditions July/Aug FY22
Fees (incl Van vouchers)	340,000	236,096	(103,904)	69.44%	306,000	231,271	(74,729)		75.58%	91.88%	Solid Waste Activity Increase FY22
Rentals ( Cell Towers)	28,000	23,116	(4,884)	82.56%	40,000	25,042	(14,958)		62.61%	131.86%	
Library Fines	0	169	169	#DIV/0!	6,000	599	(5,401)		9.98%	#DIV/0!	Library Fines discontinued for FY22
Other Departmental Revenue	775,000	208,008	(566,992)	26.84%	725,000	519,866	(205,134)		71.71%	37.43%	GELD 4th Qtr FY20 rec'd 1st Qtr FY21
Licenses and Permits	300,000	262,377	(37,623)	87.46%	300,000	237,306	(62,694)		79.10%	110.57%	Alcohol/BOH/Bldg/Mech Permits up in FY22
Fines and Forfeits	20,000	9,640	(10,360)	48.20%	20,000	10,099	(9,901)		50.50%	95.45%	
Investment Income	40,000	20,214	(19,786)	50.54%	40,000	20,065	(19,935)		50.16%	100.76%	
Misc Non-recurring (State Aid)	0	0	0	#DIV/0!	0	0	0				
Misc (Bond Prem Amort & Other)	0	26,085	26,085	#DIV/0!	894	10,760	9,866		1203.58%	#DIV/0!	FY22 Vendor Refunds/Recyc,AgncyReclass
Enterprise Allocation for Indirects	271,148	143,766	(127,382)	53.02%	256,264	130,084	(126,180)		50.76%	104.45%	
Real Estate and Personal Prop	36,277,152	17,541,426	(18,735,726)	48.35%	34,849,318	16,737,329	(18,111,989)		48.03%	100.67%	
<b>Total Revenue</b>	<b>42,120,493</b>	<b>19,798,429</b>	<b>(22,322,064)</b>	<b>47.00%</b>	<b>40,147,408</b>	<b>19,133,479</b>	<b>(21,013,929)</b>		<b>47.66%</b>	<b>98.62%</b>	
<b>Expenditures (Operating Expenses)</b>											
General Government	2,601,213	1,306,300	1,294,913	50.22%	2,618,038	1,349,118	1,268,920		51.53%	97.46%	
Public Safety General Fund**	4,362,268	2,191,353	2,170,915	50.23%	4,385,631	1,905,271	2,480,360		43.44%	115.63%	No Grant Support FY22
Department of Public Works	2,293,376	892,604	1,400,772	38.92%	2,333,953	890,665	1,443,288		38.16%	101.99%	
Culture, Rec, & Citizen's Svcs	1,715,760	827,689	888,071	48.24%	1,694,400	766,023	928,377		45.21%	106.70%	CC prog restoration/Lib Programs/WatrSfty FY22
Employee Benefits and Other*	4,394,499	3,497,986	896,513	79.60%	3,967,369	3,157,453	809,916		79.59%	100.01%	
<b>Total Operating Expenses</b>	<b>15,367,116</b>	<b>8,715,932</b>	<b>6,651,184</b>	<b>56.72%</b>	<b>14,999,391</b>	<b>8,068,530</b>	<b>6,930,861</b>		<b>53.79%</b>	<b>105.45%</b>	
**\$301,603 = Dispatch Grants Awarded for FY21, \$27,154 offset to Dispatch Budget thru 9/30/20											
<b>Expenditures (Non -Operating Exp.)</b>											
Special Articles Voted for Current Yr	650,000	113,776	536,224	17.50%	573,870	5,091	568,779		0.89%	1966.29%	
PY Articles/Enc(SeeUse of Enc Below)	560,887	137,587	423,300	24.53%	553,519	170,677	382,842		30.83%	79.57%	
Education	25,047,906	12,725,822	12,322,084	50.81%	23,680,684	12,012,410	11,668,274		50.73%	100.16%	
Debt Service	1,912,869	870,031	1,042,838	45.48%	1,737,302	827,683	909,619		47.64%	95.47%	
Intergovernmental (State Offsets)	97,077	48,539	48,538	50.00%	94,829	47,415	47,414		50.00%	100.00%	
<b>Total Non - Operating Expenses</b>	<b>28,268,739</b>	<b>13,895,755</b>	<b>14,372,984</b>	<b>49.16%</b>	<b>26,640,204</b>	<b>13,063,276</b>	<b>13,576,928</b>		<b>49.04%</b>	<b>100.24%</b>	
<b>Excess (Deficiency) Before OFS&amp;U</b>	<b>(1,515,362)</b>	<b>(2,813,258)</b>	<b>(1,297,896)</b>	<b>185.65%</b>	<b>(1,492,187)</b>	<b>(1,998,327)</b>	<b>(506,140)</b>		<b>133.92%</b>	<b>138.63%</b>	
<b>Other Financing Sources</b>											
Transfers from Other Funds	1,082,298	1,089,223	(6,925)	100.64%	1,082,815	1,082,815	0		100.00%	100.64%	CapStab/EMS Receipts
Use of Avail. Funds: Encumbrances	549,285	549,285	0	100.00%	553,045	553,045	0		100.00%	100.00%	Funded in Prior Fiscal Year
Avail. Funds: F. C./Overlay Surplus	595,001	595,001	0	100.00%	528,849	528,849	0		100.00%	100.00%	
<b>Total OFS</b>	<b>2,226,584</b>	<b>2,233,509</b>	<b>(6,925)</b>	<b>100.31%</b>	<b>2,164,709</b>	<b>2,164,709</b>	<b>0</b>		<b>108.52%</b>	<b>92.43%</b>	
<b>Other Financing Uses</b>											
Overlay & Deficits to be Raised	370,954	370,954	0	100.00%	289,466	289,466	0		100.00%	100.00%	Sno&Ice/Library Offset/Overlay/RecapDebt
Transfers to Other Funds	340,268	340,268	0	100.00%	376,718	375,368	1,350		99.64%	100.36%	Stabilization/OPEB/Capital Projects BANS
<b>Total OFU</b>	<b>711,222</b>	<b>711,222</b>	<b>0</b>	<b>100.00%</b>	<b>666,184</b>	<b>664,834</b>	<b>1,350</b>		<b>99.80%</b>	<b>100.20%</b>	
<b>Excess (Deficiency) Incl. OFS&amp;U</b>	<b>0</b>	<b>(1,290,971)</b>	<b>(1,290,971)</b>		<b>6,338</b>	<b>(498,452)</b>	<b>(504,790)</b>				



**Town of Groton**  
**General Fund Statement of Revenues & Expenditures**  
**December 31, 2021**

	<b>Current Budget FY22</b>	<b>July - Dec Actual FY22</b>	<b>Variance to FY22 Budget</b>	<b>2nd Qtr % of Budget</b>	<b>Final FY21 Budget</b>	<b>July - Dec Actual FY21</b>	<b>2nd Qtr to FY21 Budget</b>	<b>2nd Qtr % of Budget</b>	<b>% of Budget Change</b>	<b>Notes</b>
<b>Salaries/Wages Expenditures by Function of Government</b>										
General Government:										
BOS/Town Manager	342,457	173,700	168,757	50.72%	361,282	181,388	179,894	50.21%	101.02%	
Accountant	147,273	74,376	72,897	50.50%	147,020	74,312	72,708	50.55%	99.90%	
Assessors	142,963	69,981	72,982	48.95%	145,256	75,610	69,646	52.05%	94.04%	
Treasurer/Collector	215,457	109,626	105,831	50.88%	218,706	107,184	111,522	49.01%	103.82%	
Personnel	82,822	42,023	40,799	50.74%	84,313	43,514	40,799	51.61%	98.31%	
Information Technology	177,510	86,277	91,233	48.60%	178,120	88,986	89,134	49.96%	97.28%	
Town Clerk/Elections	162,394	76,604	85,790	47.17%	178,939	94,326	84,613	52.71%	89.49%	
Land Use Conservation Comm.	69,481	35,254	34,227	50.74%	71,470	36,051	35,419	50.44%	100.59%	
Land Use Inspection Services	185,583	92,293	93,290	49.73%	221,045	116,696	104,349	52.79%	94.20%	FY21 includes Bldg Insp Retirement costs
Land Use (Planning/ZBA)	84,016	42,629	41,387	50.74%	106,893	53,856	53,037	50.38%	100.71%	
<b>Total General Government</b>	<b>1,609,956</b>	<b>802,763</b>	<b>807,193</b>	<b>49.86%</b>	<b>1,713,044</b>	<b>871,923</b>	<b>841,121</b>	<b>50.90%</b>	<b>97.96%</b>	
Public Safety:										
Police Department	2,251,172	1,139,856	1,111,316	50.63%	2,227,198	1,038,326	1,188,872	46.62%	108.60%	
Fire Department/EMS	1,240,821	613,618	627,203	49.45%	1,238,244	560,508	677,736	45.27%	109.23%	
Dispatch (paid from Gen Fund) **	423,552	278,130	145,422	65.67%	416,823	135,733	281,090	32.56%	201.69%	No Grant Support until Jan FY22
Animal Cntrl/Dog Officer	19,164	9,582	9,582	50.00%	19,164	9,085	10,079	47.41%	105.46%	
<b>Total Public Safety</b>	<b>3,934,709</b>	<b>2,041,186</b>	<b>1,893,523</b>	<b>51.88%</b>	<b>3,901,429</b>	<b>1,743,652</b>	<b>2,157,777</b>	<b>44.69%</b>	<b>116.09%</b>	
Department of Public Works:										
Municipal Buildings	149,751	72,832	76,919	48.64%	150,647	73,238	77,409	48.62%	100.04%	
Highway	840,241	376,841	463,400	44.85%	822,518	378,482	444,036	46.02%	97.46%	
Snow & Ice	140,000	18,181	121,819	12.99%	140,000	33,649	106,351	24.04%	54.03%	
Parks	21,017	6,964	14,053	0.00%			0	#DIV/0!	#DIV/0!	Budget Approved at FTM FY22
Solid Waste	142,722	67,597	75,125	47.36%	143,243	66,167	77,076	46.19%	102.53%	
<b>Total DPW</b>	<b>1,293,731</b>	<b>542,415</b>	<b>751,316</b>	<b>41.93%</b>	<b>1,256,408</b>	<b>551,536</b>	<b>704,872</b>	<b>43.90%</b>	<b>95.51%</b>	
Culture, Rec, & Citizen's Svcs:										
COA/COA Van	205,706	73,035	132,671	35.50%	214,783	97,858	116,925	45.56%	77.92%	Director Position vacant July FY22
Vets Svcs/Water Safety/Graves	10,650	5,014	5,636	47.08%	9,450	2,625	6,825	27.78%	169.47%	Water Safety Activity FY22
Library	746,982	339,743	407,239	45.48%	739,323	325,780	413,543	44.06%	103.22%	
Country Club	312,214	184,486	127,728	59.09%	279,660	143,847	135,813	51.44%	114.87%	
<b>Total Culture, Rec. &amp; Citizen's Svcs</b>	<b>1,275,552</b>	<b>602,278</b>	<b>673,274</b>	<b>47.22%</b>	<b>1,243,216</b>	<b>570,110</b>	<b>673,106</b>	<b>45.86%</b>	<b>102.97%</b>	
<b>Grand Total Salaries &amp; Wages</b>	<b>8,113,948</b>	<b>3,988,642</b>	<b>4,125,306</b>	<b>49.16%</b>	<b>8,114,097</b>	<b>3,737,221</b>	<b>4,376,876</b>	<b>46.06%</b>	<b>106.73%</b>	
<b>Benefits:</b>										
County Retirement	2,385,255	2,385,255	0	100.00%	2,090,289	2,090,289	0	100.00%	100.00%	
Health / Life Insurance *	1,864,244	1,034,392	829,852	55.49%	1,727,080	997,263	729,817	57.74%	96.10%	
Other Benefits (Medicare/Unemplmnt)	145,000	78,339	66,661	54.03%	150,000	69,901	80,099	46.60%	115.94%	Medicare match trending up FY22
<b>Total Benefits</b>	<b>4,394,499</b>	<b>3,497,986</b>	<b>896,513</b>	<b>79.60%</b>	<b>3,967,369</b>	<b>3,157,453</b>	<b>809,916</b>	<b>79.59%</b>	<b>100.01%</b>	
<b>Total Salaries/Wages/Benefits</b>	<b>12,508,447</b>	<b>7,486,628</b>	<b>5,021,819</b>	<b>59.85%</b>	<b>12,081,466</b>	<b>6,894,674</b>	<b>5,186,792</b>	<b>57.07%</b>	<b>104.87%</b>	

\*\* \$145,245 = Dispatch Wage Grants Awarded for FY21; \$0 offset to Dispatch Budget thru 9/30/20

## FISCAL YEAR 2022 GOALS OF THE GROTON SELECT BOARD

### 1. **Environnemental (Contamination) Issues (PFAS, GEMS Site, Conductorlab, etc.)** **Select Board Member Assigned: Peter Cunningham and Joshua Degen**

Goal: Monitor/Manage efforts to mitigate contamination and protect public health. Become better informed as a Board to the emerging environmental issues that are/will confront Groton.

Measurable Benchmark: Schedule a workshop with representatives of the Board of Health, Planning Board and/or Conservation Commission and/or Water Commissioners as appropriate by December 1<sup>st</sup> to discuss any environmental issues facing Groton. Develop monitoring plan to keep Board apprised of steps taken to address said issues.

**11-8-21 Update:** While we have not scheduled a workshop, the Town has stayed on top of the two most impactful environmental issues facing the Town. The EPA has taken over the testing and monitoring of the former Squannacook Sportsmen Club in West Groton. A Phase II Environmental Site Assessment has been drafted and will be filed with the EPA. With regard to the other impactful environmental issue, the Water Department continues to monitor for PFAS. The most recent testing (within the last two weeks) shows levels well below state and federal standards.

**2-7-22 Update:** We still have not scheduled the workshop, but work continues on monitoring the Sportsmen's Club in West Groton. On January 5<sup>th</sup>, we received notification from the EPA that they are waiting on the draft site investigation report from their contractor, which will include the compiled analytical data. We will receive the report when completed. EPA will then make a decision as to the need for a removal action at the property and the scope of the work needed. If the data determines that a removal action is necessary, EPA will plan to conduct the work starting in the Spring. With regard to PFAS, the Water Department continues to monitor these levels at our drinking supply and the Town is still well below state and federal standards. That said, there is an issue at the GDRSD High School where PFAS levels are elevated. The Water Department is working with School Officials to address this issue.

### 2. **Taxpayer Burden /Costs of Government** **Select Board Member Assigned: Alison Manugian**

Goal: Develop Programs to Alleviate Taxpayer Burden, including:

1. Review Potential Home Rule Legislation to assist in providing tax relief for the most vulnerable portions of the population.
2. Review existing PILOT agreements and consider further action and consider negotiating new agreements with other non-profit organizations.
3. Staff new TREAD committee to provide taxpayer relief.
4. Investigate the possibility of taxing short-term rental properties.
5. Develop creative three-year collective bargaining with all units.

Measurable Benchmark: Report back to the Board after meeting with the Select Board, Treasurer/Collector, Principal Assessor, Town Accountant and Finance



Committee to discuss developing criteria/ideas for additional sources of revenue to offset property tax burden. The Town Manager and his bargaining teams meets with the Select Board and Finance Committee by October 31, 2021 to receive guidance on the upcoming Collective Bargaining Sessions with all seven (7) bargaining units.

11-8-21 Update:

On Monday's Agenda are two items relative to this goal. First, the Board will be appointing the TREAD Committee and establishing a PILOT review working group. In addition, the Town Meeting approved the retail sale of recreational marijuana. The Select Board has authorized issuing a Request for Letters of Interest for companies willing to enter into an HCA with the Town. This could lead to additional operational revenues in FY 2024. In addition, the Select Board and Finance Committee has provided guidance to the Town Manager for Collective Bargaining.

2-7-22 Update:

The Select Board has signed two HCAs for recreation marijuana facilities in Groton, one in Four Corners and one at the Mill Run Plaza. In addition, the Select Board has placed a Warrant Article on the 2022 Spring Town Meeting Warrant to amend the Town's Zoning Bylaw to change the 500-foot requirement from property lines to door to door. The Town is on track to receive additional revenues from the sale of recreational marijuana in FY 2024. With regard to collective bargaining, the Town Manager has reached tentative agreements with 5 of the Town's 7 Bargaining Units. The Select Board has ratified one agreement (with the Fire Union) and will consider ratifying the other four in the coming weeks. That leaves two contracts left to settle. With regards to PILOTs, a working group made up of the Finance Team and a member of the Select Board and Finance Committee have been working on this issue. The working group has come up with a proposal to reach out to some of our non-profits in an effort to alleviate some of the tax burden on our residents. The working group have scheduled meetings with those non-profits.

3. **Affordable Housing and Housing Diversity**  
**Select Board Member Assigned: Rebecca Pine**

Goal:

Support the work of the Affordable Housing Trust, the Groton Housing Authority, and the Housing Partnership to make tangible progress on increasing the number of Affordable Housing Units on the MA Subsidized Housing Inventory (SHI). Work with the Planning Board to address MBTA Housing Choice Community requirements for increased housing density and housing diversity, and to pass new Zoning which maximizes the number of affordable units required. Facilitate coordination and collaboration between all Groton housing committees and stake holders. Promote public engagement efforts to build community support for Housing Diversity. Support and participate in the next Housing Summit.

Measurable Benchmark:

As this is a two-year goal, the benchmark will be developed as progress is made. Benchmarks may include identifying properties for affordable housing, supporting warrant articles to create more Affordable Housing and issuing RFP's for the creation of affordable housing.

11-8-21 Update:

Originally, the Fall Town Meeting was to amend our zoning bylaw to address the MBTA Housing Choice Community requirements. The Deluxe Property on Main Street was set to be the site covered by this zoning. Due to the timing and the lack of general guidance from the State, the article was withdrawn. The Town will have to revisit this issue once the state issues its guidelines. With regard to the Deluxe Property redevelopment, the new owners are planning a Chapter 40B application that will require 25% of the housing developed to be affordable. At Town Meeting, a Citizens' Petition Article as approved that authorized the Select Board to transfer a parcel to the Housing Authority with the intent of developing affordable housing on that site. That transfer is underway. Finally, the Affordable Housing Trust has begun their review of Town owned parcels that may lead to an affordable housing project.

2-7-22 Update:

The Town has received a 40B application for a new development on Cow Pond Brook Road. This is currently under review. There is no update on the status on the redevelopment of the Deluxe Property on Main Street. However, the Town will be applying for a MassWorks Grant to assist in the redevelopment of this property.

**4. Promote Economic Development**  
**Select Board Member Assigned: John Reilly and Peter Cunningham**

Goal:

Support Economic and Commercial activity related to increased visitor traffic in Groton from Indian Hill Music Center. Develop Overall Transportation Improvements, including:

1. Increase Public Transportation Available in Groton (bus, ride-share, etc.).
2. Update Parking Study and determine if more parking is needed in the Town Center.
3. Create a sidewalk extension to both Gibbet Hill Trailhead and Indian Hill Music Center.

Measurable Benchmark:

To address these various goals, take the following steps:

1. Working in conjunction with our State Senator and State Representative, and the Montachusett Regional Planning Agency and Lowell Regional Transportation Agency, investigate additional public transportation options available to Groton residents and businesses, and report back to the Board by March 1, 2022.
2. Review existing Parking Study and identify current public parking locations/spaces in the Town Center. Identify potential needs and funding sources for increased parking. Take action as necessary.
3. Town Manager to work with DPW Director and Capital Planning Advisory Committee, as well as the Complete Streets Committee, to include sidewalk extensions to Gibbet Hill Trailhead and Indian Hill Music Center to improve pedestrian safety.
4. Meet with the Groton Business Association's *Destination Groton* Planning Group before November 30, 2021 to hear their recommendations and consider supporting/taking action on the recommendations by January 31, 2022.



11-8-21 Update:

The Select Board met with the Destination Groton Committee and voted to create a Destination Groton Committee. A charge was adopted by the Board and the Town is currently seeking applicants to serve on the Committee. The Town resubmitted a Complete Streets Application to install sidewalks on Route 40 extending to the Gibbet Hill Trailhead and West Main Street from West Groton Center to the Groton Center. Select Board Member Degen has reached out to Senator Kennedy's Office to determine the viability of receiving state funding to install a sidewalk on Old Ayer Road from Boston Road to the new Groton Hill Music Center.

2-7-22 Update:

The Town has received two grants for Sidewalk installation. The Complete Streets Committee successfully received a grant to install sidewalks on West Main Street and Lowell Road. In addition, the Town received an earmark from the State's ARPA Funds to install a sidewalk on Old Ayer Road from Boston Road to the Groton Hill Music Center. The Select Board created a charge and appointed members to the Destination Groton Committee. They are off to a great start to promote the Town of Groton. They have already had two meetings and plan on meeting twice a month.

## Mark Haddad

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**From:** Town of Groton <mchiasson@townofgroton.org>  
**Sent:** Monday, January 31, 2022 1:18 PM  
**To:** Select Board  
**Subject:** New Committee Interest Form Entry

**Name**

Stephen Woodin

**Phone Number**

9785017577

**Email**

[woodin.steve@gmail.com](mailto:woodin.steve@gmail.com)

**What Committee Are You Interested In Joining?**

Williams Barn

**Please give us a brief explanation of why you are interested**

My grandfather, Al Wyatt brought this barn back to life and I'd like to keep this historical site the way he would like it to be. The barn has been in my family for generations and hopefully more to come.

Sent from [Town of Groton](#)



## Mark Haddad

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**From:** Town of Groton <mchiasson@townofgroton.org>  
**Sent:** Wednesday, January 26, 2022 2:47 PM  
**To:** Select Board  
**Subject:** New Committee Interest Form Entry

**Name**

Rick Salon

**Phone Number**

12035653952

**Email**

[ricksalon@comcast.net](mailto:ricksalon@comcast.net)

**What Committee Are You Interested In Joining?**

Great Pond Advisory Committee

**Please give us a brief explanation of why you are interested**

I am relatively new to Groton. I live on Lost Lake and have recently become a member of the Groton Lakes Association Board of Directors. I have an interest in preserving the ponds in Groton to ensure that these valuable resources add value to the town in the long run.



## TOWN OF GROTON

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

## Select Board

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

**Town Manager**  
Mark W. Haddad

**To:** *Select Board  
Finance Committee*

**From:** *Mark W. Haddad – Town Manager*

**Subject:** *FY 2023 Budget Adjustment Recommendations*

**Date:** *February 3, 2022*

The purpose of this memorandum is to update the Select Board and Finance Committee on recommended changes to the Town Manager's Proposed Fiscal Year 2023 Operating Budget. These changes are being recommended to address the \$303,818 additional funding needed by the Groton Dunstable Regional School District over the placeholder I had in the original FY 2023 Proposed Operating Budget.

On Wednesday, February 2<sup>nd</sup>, the Finance Team met to review both revenues and expenses to determine how to address this deficit. The following chart is what the Finance Team has come up with thus far:

<u>Category</u>	<u>Original Amount</u>	<u>Proposed Amount</u>	<u>Difference</u>
<b><u>Revenues</u></b>			
State Aid	\$ 1,014,099	\$ 1,023,974	\$ 9,875
State Assessments	\$ 97,077	\$ 95,249	\$ 1,828
Motor Vehicle Excise Tax	\$ 1,773,620	\$ 1,783,620	\$ 10,000
Fees	\$ 340,000	\$ 350,000	\$ 10,000
GDRSD Capital Stabilization Fund	\$ 553,411	\$ 577,023	\$ 23,612
<b>Total Additional Revenue</b>			<b>\$ 55,315</b>
<b><u>Expenses</u></b>			
GDRSD Operating Assessment	\$ 24,238,580	\$ 24,542,398	\$ (303,818)
GDRSD Capital Assessment	\$ 553,411	\$ 577,023	\$ (23,612)
Health Insurance	\$ 2,183,767	\$ 2,156,656	\$ 27,111
Fire Department	\$ 1,527,069	\$ 1,456,262	\$ 70,807
Communications Department	\$ 498,997	\$ 441,963	\$ 57,034
Council on Aging	\$ 209,414	\$ 192,775	\$ 16,639
<b>Total Budget Adjustments</b>			<b>\$ (155,839)</b>
<b>Budget Deficit</b>			<b>\$ 100,524</b>



To reduce the Town Budget, the Finance Team removed any request for new spending, which had included an additional firefighter, dispatcher and administrative assistance for the Council on Aging. Removing this new requested spending left the Town budget as "level services", while still setting aside funding for Union negotiations. Doing all of this reduced the deficit to \$100,524. To cut the budget by another \$101,000 would cut into core services and require a reduction in the current services provided to the residents of Groton. I would recommend against further reductions in the Municipal Budget. I have reached out to the School District and asked them if they can help me eliminate this deficit and have their Assessment reduced to \$24,441,874. The District is working on this and will let me know if this is possible. I will keep you apprised of any new information.

Please note that if the District is unable to meet this level of spending, the proposed budget is carrying a Snow and Ice Deficit of \$100,000 that can be eliminated by transferring funding from either Overlay Surplus or Free Cash by the end of the Fiscal Year. While this is a possibility, I would recommend that if we eliminate the Snow and Ice Deficit in this manner, we use the additional funding to restore the new Dispatcher in FY 2023. This would be our top priority should funding become available.

The Finance Team and I look forward to meeting with the Select Board and Finance Committee on February 15<sup>th</sup> to discuss this in more detail. In the meantime, please feel free to reach out to me with any additional questions or concerns with regard to this matter.

MWH/rjb

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

TOWN OF GROTON  
OPEB TRUST  
INVESTMENT POLICY STATEMENT

The primary purpose of this Investment Policy Statement (the "IPS") is to provide a clear understanding regarding the Town of Groton's (the "Town") OPEB Trust's (the "Trust") investment objectives, performance goals, and risk tolerance.

A. Scope

This IPS applies to all funds that are separately designated as long-term OPEB funds for the Town or any of its separately identified enterprises. Any additional contributions to the Trust will be maintained in the same manner.

B. Authority

Massachusetts General Law Chapter 32B, Section 20 allows a city, town, district, county or municipal lighting plant to set up a special trust fund, the Other Post-Employment Benefits (OPEB) Liability Trust Fund. The governmental unit's treasurer is the custodian of the fund or in the case of a light plant, an officer designated by the board. Investment of fund monies by the custodian must be consistent with the prudent person standard set forth in Massachusetts General Law Chapter 203C for private trust funds. Interest earned on the investment of fund monies belongs to the fund.

C. Diversification

The following asset classes can be included in the Trust in order to construct a diversified investment portfolio that is both prudent and appropriate given the Town's actuarial assumed discount rate, target rate of return, investment objective, and risk tolerance. The investment parameters and asset allocation definitions that will govern the Investment Manager of the diversified portfolio are included in the addendums to this IPS.

Equities

The primary objective of the Trust's equity allocation is to provide long-term total returns that are, at a minimum, consistent with appropriate broad market indexes through full market cycles.

The Investment Manager of the diversified portfolio can purchase and manage the equity allocation using individual equities, such as domestic common stocks, preferred stocks, and/or American-Depository Receipts (ADRs).

The Investment Manager can also utilize other investments such as, mutual funds, exchange traded funds, closed-end funds, etc. Total equity exposure is able to include, both domestic and international equities, both developed and emerging countries and geographic regions, as well as large-, mid-, and small-market capitalization weighted companies. Direct holdings of common stock, preferred stock, and/or ADRs in any one company should not exceed 5% of the market value of the invested portfolio.

Investing directly in real estate, private placements, letter stock, or initial public offerings is strictly prohibited. The Investment Manager of the diversified portfolio shall not engage directly in margin transactions, short sales, or any other leveraged or inverse investment vehicles. Mutual funds, exchange-traded funds, and closed-end



funds, however, may engage in margin, leverage, and/or short sales. Investing directly in unit-investment trusts (UITs) and business development companies (BDCs) are strictly prohibited.

#### **Fixed Income**

The primary objectives of the Trust's fixed income allocation are to preserve capital and generate a reasonable level of cash flow. The secondary objective is to provide price returns that exhibit lower correlation to the broad global equity markets in order to reduce the overall risk of the portfolio.

The Investment Manager of the diversified portfolio can purchase and manage the fixed income allocation using individual bonds that are United States Dollar denominated only. Issuer selection can include domestic corporate bonds and any obligations of the United States Government and/or its agencies.

The Investment Manager can also utilize other investment vehicles such as, mutual funds, exchange traded funds, closed-end funds, etc. Total fixed income exposure is able to include, both domestic and international bonds, both developed and emerging countries and geographic regions. Direct holdings of individual corporate bonds in any one company should not exceed 5% of the market value of the invested portfolio; however, this is not applicable to the United States Government and/or its agencies. Lower-quality investments may only be held through diversified vehicles, such as mutual funds or exchange-traded funds.

Investing directly in real estate, mortgages, collateral or non-collateral loans, private placements, fixed income or interest rate futures, or any other specialized fixed income ventures is strictly prohibited. Investing directly in unit-investment trusts (UITs) and business development companies (BDCs) are strictly prohibited.

#### **Alternative Investments**

The primary objective of the Trust's alternative allocation is to provide long-term capital appreciation that is less correlated to broad global equity and fixed income indexes.

The Investment Manager of the diversified portfolio can only purchase those strategies that are deemed to be alternative through daily-liquid diversified investment vehicles such as, mutual funds, exchange-traded funds, closed-end funds, etc. The only exceptions to the daily liquidity rule are private equity and real estate exposures and investment strategies. Private equity vehicles may also hold private debt as part of a diversified strategy.

Investing directly in unit-investment trusts (UITs) and business development companies (BDCs) are strictly prohibited.

#### **Cash and Cash Equivalents**

Cash will be maintained to provide periodic cash distributions, when necessary. Cash will not normally be held as a strategic investment asset, although the Investment Manager may seek to allow cash to build to the maximum level in times of market uncertainty.

#### D. Specific Risks

##### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Town will manage credit risk several ways. There will be no limit to the amount of United States Treasury and United States Government Agency obligations.

In regard to fixed-income investments, the Town will only purchase investment grade securities. Lower-quality investments may only be held through diversified vehicles, such as mutual funds or exchange-traded funds. Investments in fixed income securities will be made primarily for income and capital preservation.

##### Custodial Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The Town will review the financial institution's financial statements and the background of the sales representative. The intent of this qualification is to limit the Town's exposure to only those institutions with a proven financial strength, Capital adequacy of the firm, and overall affirmative reputation in the municipal industry.

Further, all securities not held directly by the Town, will be held in the Town's name and tax identification number by a third-party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security.

##### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The Town will minimize Concentration of Credit Risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. As stated above, securities of a single corporate issuer (with the exception of the United States Government and its Agencies) will not exceed 5% of the portfolio value.

##### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Town will manage interest rate risk by managing duration, as a measure of interest rate sensitivity, in the Trust.



### Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign monetary exchange rates will adversely affect the fair value of an investment or a deposit.

The Town will, as much as feasible, mitigate foreign currency risk.

### E. Standards of Care

The standard of prudence to be used by the Treasurer shall be the "Prudent Person" standard and shall be applied in the context of managing an overall portfolio. The Treasurer acting in accordance with written procedures and this IPS, and exercising reasonable due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided the purchases and sale of securities is carried out in accordance with the terms of this IPS.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs; not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.

In addition, this section would also apply to M.G.L. Chapter 44 Section 55A which refers to the liability of the Treasurer for losses due to bankruptcy.

### F. Ethics

The 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 or appear to impair ability to make impartial investment decisions. The Treasurer 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.

### G. Relationship with Financial Institutions

Financial institutions should be selected first and foremost with regard to their financial soundness and stability. Brokers should be recognized, reputable dealers. All cash and securities shall be held in either a bank that is allowable for the deposit of public funds, provided funds on deposit are insured by the Federal Deposit Insurance Corporation (FDIC), or in an Investment Brokerage Account that is insured by the Securities Investor Protection Corporation (SIPC). If a banking institution is selected as manager, the Town will subscribe to Veribanc<sup>®</sup>, a recognized bank rating service.

The Treasurer ~~shall~~ require any brokerage houses and broker/dealers, wishing to do business with the Town, to supply the following information to the Treasurer:

Commented [HM1]: Change shall to may

- Annual financial statements
- If acting as a Registered Investment Adviser, Form ADV Part II report
- Errors & Omissions insurance amounting to, at a minimum, the total fair market value of the Trust Funds Portfolio.
- A statement that the Advisor has read the Town's IPS and will comply with it on an annual basis

- Annual review all advisors through [www.finra.org](http://www.finra.org): Broker Check

#### H. Reporting Requirements

On a Semi-Annual basis, a report containing the following information will be prepared by the Treasurer and distributed to the Town Manager, as appropriate. The semi-annual report will include the following information, as a minimum requirement:

- A listing of the individual accounts and individual securities held at the end of the reporting period.
- A listing of the short-term investment portfolio by security type and maturity to ensure compliance with the diversification and maturity guidelines established in the "Diversification" section of this IPS.
- A summary of the income earned on a monthly basis and year-to-date basis shall be reported.
- The Treasurer shall include in the report a brief statement of general market and economic conditions and other factors that may affect the Town's cash position.
- The report should demonstrate the degree of compliance with the tenets set forth in the IPS.

#### I. Performance Measurement and Evaluation

- The individual and custom benchmarks that will be monitored for performance reporting and analysis of the Trust's portfolio are stated and described in the addendums to this IPS.
- It is expected that the respective asset classes of the Trust's diversified portfolio will outperform their respective benchmarks, net of fees and expenses, on a long term (market cycle) basis.

#### K. Supervision

- The Treasurer will meet with the investment manager(s) as frequently as semi-annually to monitor the performance of the funds and the investment manager(s) compliance with these guidelines. The Treasurer will receive and review portfolio management reports semi-annually.
- The Treasurer will review this Investment Policy Statement at least once a year to ensure that it remains appropriate and complete.
- The Treasurer has the option to review the management of funds to consider going out to bid periodically.

#### L. Legal References

- Massachusetts General Law Chapter 32B, Section 20
- Massachusetts General Law Chapter 203C, Section 1 through 11



I \_\_\_\_\_, Treasurer of the Town of Groton have reviewed this IPS and will manage the Town's OPEB Trust under my control in accordance with this IPS and any attached Addendums.

\_\_\_\_\_  
Treasurer's Signature

\_\_\_\_\_  
Treasurer's Printed Name

\_\_\_\_\_  
Date

TOWN OF GROTON  
GENERAL FUNDS & LONG-TERM FUNDS  
INVESTMENT POLICY STATEMENT

The primary purpose of this Investment Policy Statement (IPS) is to provide a clear understanding regarding the Town of Groton (the "Town") Long Term Funds and General Fund objectives, goals, risk tolerance, and investment guidelines established for the investment of town funds.

I. The Investment of General Funds, Special Revenue Funds, Enterprise Funds, and Capital Projects Funds

A. Scope

This section of the IPS applies only to short term operating funds such as general funds, special revenue funds, enterprise funds, bond proceeds and capital project funds. A separate Contributory Retirement Board, either local or county, is responsible for the investment of the pension funds.

B. Investment Instruments

Note: Public investments in Massachusetts are not protected through provisions in State law.

The Treasurer may invest in the following instruments:

- Massachusetts State pooled fund: Unlimited amounts (Pool is liquid) The Massachusetts Municipal Depository Trust (MMDT), an investment pool for state, local, county and other independent governmental authorities, is under the auspices of the State Treasurer. It invests in Bankers Acceptances, Commercial Paper of high quality, Bank Certificates of Deposit, Repurchase agreements (Repos), and U. S. Treasury Obligations. It has Federal Deposit Insurance Corporation (F.D.I.C.) pass-through insurance on the CD's up to the standard limits and takes delivery on the Repos and Treasuries. Under Government Accounting Standards Board Regulation (GASB III), it is not considered an uncollateralized product.
- U. S. Treasuries that will be held to maturity: Unlimited amounts (Up to one-year maturity from date of purchase)
- U.S. Agency obligations that will be held to maturity. Unlimited amounts (Up to one-year maturity from date of purchase)
- Bank accounts or Certificates of Deposit ("CDs") (Up to three years' maturities from the date of purchase) which are fully collateralized through a third-party agreement: Unlimited Amounts
- Bank accounts and CDs (Up to three years' maturities from the date of purchase) insured by F.D.I.C. up to the coverage limit. All bank accounts and CDs in one institution are considered in the aggregate for the insurance coverage limit. In some cases, Banking Institutions carry additional insurance, Depository Insurance Fund (D.I.F.): Contact banking representative for amounts of coverage.
- Unsecured bank deposits of any kind such as other checking, savings, money market, or Certificates of Deposit accounts at Banks that do not fit the above categories. These investments are subject to the following limitations: No more than 5% of an institution's assets and no more than 25% of a municipality's cash may be comprised of unsecured bank deposits. This percentage may be increased for not more than 30 days during times of heavy collection or in anticipation of large payments that will be made by the town in the near future. For example, these payments may be for such items as debt service payment or regional school assessments. Their credit worthiness will be tracked by Veribanc, or other bank credit worthiness reporting systems. They

will be diversified as much as possible. CDs will be purchased for no more than three years and will be reviewed frequently.

- Money Market Mutual Funds that are registered with the Securities and Exchange Commission that have received the highest possible rating from at least one nationally recognized statistical rating organization and as otherwise referenced in the Massachusetts General Law Chapter 44 Section 55.

#### C. 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. Except for U.S. Treasury obligations or investments fully collateralized by U.S. Treasuries or agencies, and State pools (MMDT), no more than 25% of the Town's investments shall be invested in a single financial institution.

#### D. Authorization

The Treasurer has authority to invest town funds, subject to the statutes of the Commonwealth Massachusetts General Law Chapter 44 Section 55, 55A, & 55B.

#### E. Restrictions

Chapter 44, Section 55 set forth several restrictions that the Treasurer must be aware of when making investment selections.

- A Treasurer shall not at any one time have on deposit in a bank or trust company an amount exceeding 60% of the capital and surplus of such bank or trust company, or banking company, unless satisfactory security is given to it by such bank or trust company, or banking company for such excess.
- The treasurer shall not make a deposit in any bank, trust company or banking company with which he is, or for any time during the three years immediately preceding the date of any such deposit was, associated as an officer or employee.
- All securities shall have a maturity from date of purchase of one year or less, with the exception of bank certificates of deposits that have a three-year limit from the date of purchase.
- Purchases under an agreement with a trust company, national bank or Banking Company to repurchase at not less than original purchase price of said securities on a fixed date shall not exceed ninety days.

#### F. Legal References

Massachusetts General Law Chapter 44, Section 55  
Massachusetts General Law Chapter 44, Section 55A  
Massachusetts General Law Chapter 44, Section 55B



## II. The Investment of Long-Term Funds

### A. Scope

This section of the IPS applies only to funds that are designated as long term, i.e., trust funds, stabilization funds, cemetery perpetual care, Town preservation act and other funds the town may have set aside for long term use.

All accounts will be maintained separately receiving their proportionate interest and any realized and unrealized gains or losses. The account may be established as a pooled investment portfolio unless otherwise stated. Any additional accounts will be maintained in this same manner.

### B. Authority

Massachusetts General Law Chapter 44, section 54 pertains to the investment of Trust Funds, Chapter 40 Section 5B pertains to the investment of Stabilization Funds and, Chapter 44B section 7 pertains to the investments of Town Preservation Funds. All trust funds shall fall under the control of the town's Treasurer unless otherwise provided or directed by the donor.

If the trust fund results from a gift, grant or bequest from a private donor, and the private donor specifies how the trust shall be invested; the trust fund shall be invested in accordance with the terms of the gift, grant or bequest. If there is a conflict between such donor terms and this Section II, the donor terms shall govern, subject to the general principles of prudence set forth in the Policy.

### C. Investment Instruments

M.G.L. Chapter 44 section 54 states that money should be deposited into savings bank, trust companies incorporated under the laws of the Commonwealth, banking companies incorporated under the laws of the Commonwealth which are members of the Federal Deposit Insurance Corporation, or national banks, or invested in participation units in a combined investment fund under section thirty-eight A of chapter twenty-nine, or in a paid-up shares and accounts of and in co-operative banks, or in shares of savings and loan associations or in share or savings deposits of federal savings and loan associations doing business in the commonwealth.

Additionally, the Town may invest such funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the commonwealth; provided, that not more than fifteen percent (15%) of any such trust funds shall be invested in bank stocks and insurance company stocks, nor shall more than one and one-half percent (1 ½%) of such funds be invested in the stock of any one bank or insurance company.

The Treasurer may invest in the following instruments:

- U. S. Treasuries that maybe sold prior to maturity: Unlimited amounts (With no limit to the length of maturity from date of purchase)
- U.S. Agency obligations that maybe sold prior to maturity. Unlimited amounts (With no limit to the length of maturity from date of purchase)

- Bank accounts or Certificates of Deposit (“CDs”) Unlimited amounts (With no limit to the length of maturity from date of purchase), which is fully collateralized through a third-party agreement:
- Bank accounts and CDs (With no limit to the length of maturity from date of purchase) fully insured by F.D.I.C. and in some cases also Depository Insurance Fund of Massachusetts (D.I.F.): All bank accounts and CDs in one institution are considered in the aggregate to receive the insurance coverage limit.
- Unsecured bank deposits of any kind such as other checking, savings, money market, or Certificates of Deposit accounts at Banks that do not fit the above categories. These investments are subject to the following limitations: These investments will be limited to no more than 5% of an institution's assets and no more than 25% of a municipality's cash. This percentage may be increase for not more than 30 days during times of heavy collection or in anticipation of large payments that will be made by the Town in the near future. These payments maybe for such items as debt service payment or regional school assessments. Their credit worthiness will be tracked by Veribanc, or other bank credit worthiness reporting systems. They will be diversified as much as possible. CDs will be purchased with no limit to the length of maturity from the date of purchase and will be reviewed frequently.
- Common and preferred stock that are listed in the List of Legal Investments.
- Investment Funds that are listed in the List of Legal Investments.
- All other items not separately identified here that are listed in the List of Legal Investments.

#### D. Standards of Care

The standard of prudence to be used by the Treasurer shall be the “Prudent Person” standard and shall be applied in the context of managing an overall portfolio. The Treasurer acting in accordance with written procedures and this IPS, and exercising reasonable due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided the purchases and sale of securities is carried out in accordance with the terms of this IPS and the associated Massachusetts General Laws.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs; not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.

In addition, this section would also apply to M.G.L. Chapter 44 Section 55A which refers to the liability of the Treasurer for losses due to bankruptcy.

#### E. 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, except for U.S. Treasury obligations or investments fully collateralized by U.S. Treasuries or agencies.

#### F. Legal References

Massachusetts General Law Chapter 40, Section 5B  
 Massachusetts General Law Chapter 44, Section 54  
 Massachusetts General Law Chapter 44, Section 55A  
 Massachusetts General Law Chapter 44, Section 55B  
 Massachusetts General Law Chapter 44B, Section 7

Trust Funds may be co-mingled and invested in any instruments allowed by the Commonwealth of Massachusetts list of Legal Investments Legal issued by the Banking Commissioner each July. Each trust fund must be accounted for separately. Chapter 44 Section 54 sets forth that Treasurers may invest in instruments that are legal for savings banks. This list of investments is included in the Commonwealth of Massachusetts List of Legal Investments, Chapter 167 Section 15A.

### III. General Provisions

#### A. Objective

Massachusetts General Laws, Chapter 44, section 55B requires the Town's Treasurer to invest all public funds except those required to be kept uninvested for purposes of immediate distribution.

This section also requires that invested funds are to be placed at the highest possible rate of interest reasonably available, considering the acceptable levels of safety, liquidity and yield. Therefore, these guidelines are intended to further the objective of securing the highest reasonable return available that is consistent with safety of principal while meeting the daily cash requirements for the operation of the town's business.

- Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to preserve capital through the mitigation of credit risk and interest rate risk. These risks shall be mitigated by the diversification and prudent selection of investment instruments, and choice of depository. Credit risk is the risk of loss due to the failure 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 attempt to carry out investment activities in a manner that provides for meeting unusual or unexpected cash demands without requiring 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 undertaken to achieve a fair market average rate of return, taking into account safety and liquidity constraints as well as all legal requirements.

#### B. Risk Tolerance

- Credit Risk

"Credit risk" is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Town will manage credit risk several ways. There will be no limit to the amount of United States Treasury and United States Government Agency obligations. In regard to other investments, the Town will only purchase investment grade securities with a high concentration in securities rated A or better. The Town may invest in the Massachusetts Municipal Depository Trust (MMDT) with no limit to the amount of funds placed in the fund. The Town may place funds in banking institutions as stated in Section C of this IPS.



- Custodial Risk

The “custodial credit risk” for deposits is the risk that, in the event of the failure of a depository financial institution, a municipality will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a municipality will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The Town will review the financial institution’s financial statements and the background of the Advisor. The intent of this qualification is to limit the Town’s exposure to only those institutions with a proven financial strength, Capital adequacy of the firm, and overall affirmative reputation in the municipal industry. Further, all securities not held directly by the Town, will be held in the Town’s name and tax identification number by a third-party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security.

Commented [HM1]: This could be changed to Select Board??

Commented [PD2R1]: FinCom passed on this proposed change

- Concentration of Credit Risk

“Concentration of credit risk” is the risk of loss attributed to the magnitude of a government’s investment in a single issuer.

The Town will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

- Interest Rate Risk

“Interest rate risk” is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Town will manage interest rate risk by managing duration in the account.

- Foreign Currency Risk

“Foreign currency risk” is the risk that changes in foreign monetary exchange rates will adversely affect the fair value of an investment or a deposit.

The Town will limit investment in any instrument exposed to foreign currency risk.

## C. Ethics

The 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 or appear to impair ability to make impartial investment decisions. Said individuals shall disclose to the Finance Director 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.

#### D. Relationship with Financial Institutions

Financial institutions should be selected first and foremost about their financial soundness and stability. The Town may subscribe to the Veribanc Rating Service to evaluate the banking institutions with which it chooses to establish relationships. Brokers should be recognized, reputable dealers and members of the Financial Industry Regulatory Authority (FINRA).

In instances where the Town does not purchase the Veribanc Rating Service, the Treasurer should request the banking institution's Veribanc rating from all the banking institutions that are working with the Town on a quarterly basis.

When using the Veribanc Rating Service the Treasurer may invest in such banks that show a green rating in a quarter. If a rating is yellow the Treasurer should contact the appropriate banking institution and request in writing an explanation of the change in rating and the expected time table for it to be changed to green. If for a second quarter such rating is not green, the Treasurer should consider removing all funds that are not collateralized, or carries some form of depositor's insurance. If a rating moves to red, all money should be immediately collateralized or covered by some form of depositor's insurance or be removed from the banking institution.

The Treasurer may 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:

Commented [HM3]: Previously shall

- 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](http://www.finra.org): Broker Check

#### E. Reporting Requirements

On a semi-annual basis, a report containing the following information will be prepared by the Treasurer and distributed to the Town Accountant, as appropriate. The semi-annual report will include the following information, as a minimum requirement:

Commented [HM4]: Previous Financial Director

- A listing of the individual accounts and individual securities held at the end of the reporting period.
- A listing of the short-term investment portfolio by security type and maturity to ensure compliance with the diversification and maturity guidelines established in the "Diversification" section of this IPS.
- A summary of the income earned monthly and year-to-date basis shall be reported.
- The Treasurer shall include in the report a brief statement of general market and economic conditions and other factors that may affect the town's cash position.
- The report should demonstrate the degree of compliance with the tenets set forth in the IPS.

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I \_\_\_\_\_, Treasurer of the Town of Groton have reviewed this IPS and will manage the Town's funds under my control in accordance with this IPS.

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Treasurer's Signature

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Treasurer's Printed Name

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Date



TOWN OF GROTON  
TRUST FUNDS  
INVESTMENT POLICY STATEMENT

The primary purpose of this Investment Policy Statement (the "IPS") is to provide a clear understanding regarding the Town of Groton's (the "Town") Trust Fund's investment objectives, performance goals, risk tolerance, and investment guidelines established for the long-term Prudent Investor funds.

A. Scope

This IPS applies to all funds that are separately designated as Trust Funds. These funds can be invested as a pooled investment portfolio unless otherwise stated. Any additional contributions of these types of funds will also be maintained in the same manner.

B. Authority

The funds shall be invested pursuant to Massachusetts General Laws 203C (The Massachusetts Prudent Investor Act) unless otherwise stipulated.

C. Diversification

The following asset classes can be included in the Trust Funds in order to construct a diversified investment portfolio that is both prudent and appropriate given the Trust Fund's target rate of return, investment objective, and risk tolerance. The investment parameters and asset allocation definitions that will govern the Investment Manager of the diversified portfolio are included in the addendums to this IPS.

**Equities**

The primary objective of the Trust Funds equity allocation is to provide long-term total returns that are, at a minimum, consistent with appropriate broad market indexes through full market cycles.

The Investment Manager of the diversified portfolio can purchase and manage the equity allocation using individual equities, such as domestic common stocks, preferred stocks, and/or American-Depositary Receipts (ADRs).

The Investment Manager can also utilize other investment vehicles such as, mutual funds, exchange traded funds, closed-end funds, etc. Total equity exposure is able to include, both domestic and international equities, both developed and emerging countries and geographic regions, as well as large-, mid-, and small-market capitalization weighted companies. Direct holdings of common stock, preferred stock, and/or ADRs in any one company should not exceed 5% of the market value of the invested portfolio.

Investing directly in real estate, private placements, letter stock, or initial public offerings is strictly prohibited. The Investment Manager of the diversified portfolio shall not engage directly in margin transactions, short sales, or any other leveraged or inverse investment vehicles. Mutual funds, exchange-traded funds, and closed-end funds, however, may engage in margin, leverage, and/or short sales. Investing directly in unit-investment trusts (UITs) and business development companies (BDCs) are strictly prohibited.

### *Fixed Income*

The primary objectives of the Trust Funds fixed income allocation are to preserve capital and generate a reasonable level of cash flow. The secondary objective is to provide price returns that exhibit lower correlation to the broad global equity markets in order to reduce the overall risk of the portfolio.

The Investment Manager of the diversified portfolio can purchase and manage the fixed income allocation using individual bonds that are United States Dollar denominated only. Issuer selection can include domestic corporate bonds and any obligations of the United States Government and/or its agencies.

The Investment Manager can also utilize other investment vehicles such as, mutual funds, exchange traded funds, closed-end funds, etc. Total fixed income exposure is able to include, both domestic and international bonds, both developed and emerging countries and geographic regions. Direct holdings of individual corporate bonds in any one company should not exceed 5% of the market value of the invested portfolio; however, this is not applicable to the United States Government and/or its agencies. Lower-quality investments may only be held through diversified vehicles, such as mutual funds or exchange-traded funds.

Investing directly in real estate, mortgages, collateral or non-collateral loans, private placements, fixed income or interest rate futures, or any other specialized fixed income ventures is strictly prohibited. Investing directly in unit-investment trusts (UITs) and business development companies (BDCs) are strictly prohibited.

### *Alternative Investments*

The primary objective of the Trust Fund's alternative allocation is to provide long-term capital appreciation that is less correlated to broad global equity and fixed income indexes.

The Investment Manager of the diversified portfolio can only purchase those strategies that are deemed to be alternative through daily-liquid diversified investment vehicles such as, mutual funds, exchange-traded funds, closed-end funds, etc. The only exception to the daily liquidity rule is private equity exposure and investment strategies. Private equity vehicles may also hold private debt as part of a diversified strategy.

Investing directly in unit-investment trusts (UITs) and business development companies (BDCs) are strictly prohibited.

### *Cash and Cash Equivalents*

Cash will be maintained to provide periodic cash distributions, if and when necessary. Cash will not normally be held as a strategic investment asset, although the Investment Manager may seek to allow cash to build to the maximum level in times of market uncertainty.

#### D. Specific Risks

##### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Investment Manager will manage credit risk several ways. There will be no limit to the amount of United States Treasury and United States Government Agency obligations.

In regards to fixed-income investments, the Investment Manager will only purchase investment grade securities. Lower-quality investments may only be held through diversified vehicles, such as mutual funds or exchange-traded funds. Investments in fixed income securities will be made primarily for income and capital preservation.

##### Custodial Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The Town will review the financial institution's financial statements and the background of the sales representative. The intent of this qualification is to limit the Town's exposure to only those institutions with a proven financial strength, Capital adequacy of the firm, and overall affirmative reputation.

Further, all securities not held directly by the Town, will be held in the Town of Groton's name and tax identification number by a third-party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security.

##### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The Investment Manager will minimize Concentration of Credit Risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. As stated above, securities of a single corporate issuer (with the exception of the United States Government and its Agencies) will not exceed 5% of the portfolio value.

##### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Investment Manager will manage interest rate risk by managing duration, as a measure of interest rate sensitivity, in the funds.



### Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign monetary exchange rates will adversely affect the fair value of an investment or a deposit.

The Investment Manager will, as much as feasible, mitigate foreign currency risk.

### E. Standards of Care

The standard of prudence to be used by the Treasurer and/or other authorized person, shall be the "Prudent Person" standard and shall be applied in the context of managing an overall portfolio. The Treasurer and/or other authorized person, acting in accordance with written procedures and this IPS, and exercising reasonable due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided the purchases and sale of securities is carried out in accordance with the terms of this IPS.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs; not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.

### F. Ethics

The Treasurer and/or all other authorized persons shall refrain from any personal activity that may conflict with the proper execution of the investment program or which could impair or appear to impair ability to make impartial investment decisions. The Treasurer and/or all other authorized persons shall disclose to the Town 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.

### G. Relationship with Financial Institutions

Financial institutions should be selected first and foremost with regard to their financial soundness and stability. Brokers should be recognized, reputable dealers. All cash and securities shall be held in either a bank that is allowable for the deposit of public funds, provided funds on deposit are insured by the Federal Deposit Insurance Corporation (FDIC), or in an Investment Brokerage Account that is insured by the Securities Investor Protection Corporation (SIPC). If a banking institution is selected as manager, the Town will subscribe to Veribanc®, a recognized bank rating service.

The Treasurer and/or all other authorized persons ~~may~~ require any brokerage houses and broker/dealers, wishing to do business with the Town, to supply the following information to the Treasurer and/or all other authorized persons:

Commented [PD1]: Previous language read "shall"

- Annual financial statements
- If acting as a Registered Investment Adviser, Form ADV Part II report
- Errors & Omissions insurance amounting to, at a minimum, the total fair market value of the Trust Funds Portfolio.
- A statement that the Advisor has read the Town's IPS and will comply with it on an annual basis
- Annual review all advisors through [www.finra.org](http://www.finra.org): Broker Check

#### H. Reporting Requirements

On a Semi-Annual basis, a report containing the following information will be prepared by the Treasurer and/or other authorized persons and distributed to the Town, as appropriate. The Semi-Annual report will include the following information, as a minimum requirement:

- A listing of the individual accounts and individual securities held at the end of the reporting period.
- A listing of the short-term investment portfolio by security type and maturity to ensure compliance with the diversification and maturity guidelines established in the "Diversification" section of this IPS.
- A summary of the income earned on a monthly basis and year-to-date basis shall be reported.
- The Treasurer shall include in the report a brief statement of general market and economic conditions and other factors that may affect the Town's cash position.
- The report should demonstrate the degree of compliance with the tenets set forth in the IPS.

#### I. Performance Measurement and Evaluation

- The individual and custom benchmarks that will be monitored for performance reporting and analysis of the fund's portfolio are stated and described in the addendums to this IPS.
- It is expected that the respective asset classes of the fund's diversified portfolio will outperform their respective benchmarks, net of fees and expenses, on a long term (market cycle) basis.

#### J. Supervision

- The Treasurer will meet with the investment manager(s) as frequently as semi-annually to monitor the performance of the funds and the investment manager(s) compliance with these guidelines. The Treasurer will receive and review portfolio management reports semi-annually.
- The Treasurer will review this Investment Policy Statement at least once a year to ensure that it remains appropriate and complete.
- The Treasurer has the option to review the management of funds to consider going out to bid periodically.

#### K. Legal References

- Massachusetts General Law Chapter 203C, Section 1 through 11

The below signed Treasurer and/or other authorized persons of the Town of Groton have reviewed this IPS and will manage the Town's Trust Funds under my control in accordance with this IPS.

\_\_\_\_\_  
Treasurer's Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date