

**BOARD OF SELECTMEN MEETING
MINUTES JANUARY 5, 2015
APPROVED**

Present: Josh A. Degen, Chair, Anna Eliot, Vice Chair; Stuart M. Schulman, Clerk; Peter S. Cunningham, Member; John G. Petropoulos, Member

Also Present: Mark W. Haddad, Town Manager; Dawn Dunbar, Executive Assistant;

Mr. Degen called the meeting to order at 7:00pm.

TOWN MANAGER'S REPORT

1. Mr. Haddad proposed a meeting schedule of the Board which would bring them through the Spring Town Meeting. He said that depending on need, it could be revised at any time. The Board will not meet on the following Mondays: January 19, February 16, March 16, and March 30.

2. Mr. Haddad said that it was that time of year for the Board to call for the 2015 Spring Town Meeting. He asked the Board to call for the meeting to be held on April 27, 2015, the 4th Monday in April.
Mr. Cunningham moved to approve April 27, 2015 as the date for the 2015 Spring Town Meeting. Ms. Eliot seconded the motion. The motion carried unanimously.

Mr. Haddad asked the Board to open the warrant effective January 6, 2015 with a closing date of February 27, 2015.

Mr. Schulman moved to open the warrant on January 6, 2015 and close it on February 27, 2015. Mr. Cunningham seconded the motion. The motion carried unanimously.

3. Mr. Haddad said that he had emailed the Board that afternoon about an Inter Municipal Agreement Town Counsel was working on with both Groton and Ayer Water Departments. He said that because Kopelman and Paige works with both Ayer and Groton, Town Counsel needed consent to work with both. Mr. Haddad said that Town Counsel sees no conflict with this. Mr. Orcutt said that this agreement was needed because of one customer at the end of Culver Road.
Ms. Eliot moved to allow Town Counsel to be shared between the Town of Groton and Town of Ayer. Mr. Schulman seconded the motion.

Mr. Petropoulos asked what the downside to this was. Mr. Haddad said that he did not see a downside adding that Counsel needed to abide by a professional code of conduct. Mr. Petropoulos asked what happened if they didn't agree to allow this. Mr. Haddad said that Town Counsel would need to recuse themselves from both Towns and each Town would have to seek other Counsel which would be more costly.

The motion made by Ms. Eliot and seconded by Mr. Schulman carried unanimously.

TOWN MANAGER'S FY16 PROPOSED OPERATING BUDGET PRESENTATION

Mr. Haddad said that this was his 7th proposed operating budget that he would be presenting to the Board and Finance Committee. He said that his Finance Team played a vital role in the review of the budget and the departments had done an outstanding job in maintaining services. He said that this budget was a "needs budget" again this year. Mr. Haddad said that the FY15 budget was \$464,488 under the levy limit (money available to be spent) should the Town vote to spend it in FY16. He said that \$150,000 was transferred from free cash to offset the tax rate, new growth had been certified at \$27M, the largest new growth since Ms. Swezey had been the Town's assessor and also included \$5M in personal property was also added which had never been taxed before.

Mr. Haddad said that the goal of the Finance Team, and as discussed at their monthly meetings, was to maintain services, balance the budget and meet the needs of the Groton Dunstable Regional School District. He said that this

past year he had seen the most collaboration he had ever had with the school district adding that the communication between the two was outstanding. He said that the schools don't finalize their budgets until March but thought they were carrying a more realistic number this year. Mr. Haddad anticipated state aid to be level funded. Mr. Haddad said that this proposed FY16 budget utilized all of the unexpended tax capacity in order to balance the budget. Mr. Haddad said that they were anticipating an 11% increase in pension costs this FY. Mr. Hartnett said that during the calendar year 2012-2013 8-10 employees created extra liability for the Town adding that this was going to be seen in FY16. He said he received just that day more numbers which could either mean adjustments in the Town's favor sometime in January the Town might have to wait until January 2016 to see adjustments. He said that pension calculations were very complicated.

Mr. Haddad said they were carrying a 7% increase in health insurance rates but didn't think that it would be that high. He said the great thing for them was that they were part of Minuteman Nashoba which was such as well managed group. Ms. Doig said that the rate setting would be done at the end of January/early February.

Mr. Haddad explained how the FY16 levy limit was calculated and said that the total levy limit for FY16 was \$26,926,670. He said if you take that number and added both Town and GDRSD excluded debt the total tax levy as \$29,217,602. Mr. Haddad said that other estimated revenue included things such as state aid, motor vehicle excise tax, general revenues, unexpended tax capacity and other available funds equaled \$4,648,469.

Mr. Haddad said that some highlights of the budget included a School Resource Officer position which allowed for more direct attention to the schools and juvenile needs. Mr. Degen didn't think the burden of this should solely fall on the Town of Groton adding that Dunstable should be included in this also. Mr. Haddad said that Dunstable hadn't started their budget process yet. Mr. Cunningham said that the position used to be there. Mr. Petropoulos asked what the schools thought about this. Mr. Haddad said they were very excited. Mr. Petropoulos asked if the schools could pay for a portion of it. Mr. Haddad said it would still be in the Police budget no matter what because the position would report to Chief Palma.

Mr. Haddad said another highlight of the budget was the opening of Sargisson Beach. He said that he was budgeting \$38,210 for it. He said as part of the debt service budget was the addition of fire protection in the Lost Lake area and radio communications. He said that with the radio upgrade, the Fire and Police Chief had proposed a phased in plan but because the radio communications need badly to be upgraded he thought it was best to borrow the funds and get it all done at once.

Mr. Haddad said the OPEB liability needed to be addressed as they are required by GASB 45 to have a plan. He said that his plan for funding this was to place this into a trust account and pull \$200,000 out of the health insurance budget from FY16 through FY18. Health insurance bills could be paid out of this account. He said in FY19 the early retirement would go away and would free up \$200,000 in the operating budget because they wouldn't have to pay that any longer. He said in FY19 they could contribute \$400,000 in the trust account which would make it grow and not increase the operating budget.

Mr. Degen said that he didn't think they should have to pay for it. Mr. Cunningham asked if they were going to lose their bond rating if they didn't comply with OPEB. Mr. Degen said that his reaction was to lower the percentage they contribute to the retiree health plans if they have to fund this. Mr. Haddad said that they needed to start paying down the debt adding that they didn't commit an amount when speaking with Standard and Poor's just that they would start to budget for it. Mr. Degen was against funding it at all. Mr. Cunningham said that they didn't need to make a decision that day. Mr. Petropoulos said that there was no practical difference where the \$200,000 got paid out of adding that it was just the right thing to do. Mr. Haddad said that he was trying to do this in a tax payer friendly manner. Mr. Degen said that it was not a bad idea but added that he just didn't believe in it.

Mr. Haddad said that a consultant had been hired to review the Country Club and made several recommendations. He said that a couple of recommendations made were to hire a General Manager/Head Golf Professional and to lease out the function hall. He said that he would like to advertise for the position as soon as possible and also issue an RFP for the lease of the function hall. He said that his proposed budget for the Club was \$416,000 adding he thought it was a very streamlined budget which focused on golf, pool and camps. He said that he had a great meeting with the members and felt good moving forward.

Mr. Haddad said that he reached out to all seven (7) unions six (6) months early and had reached agreements with all seven (7). He said that this couldn't have been done without the good relationships with all unions and fellow employees. He said that the total cost of all contracts for FY16 was \$207, 960.

Mr. Haddad said that the growth in the municipal budget was 5.34% adding that the reasons for that the Pepperell SRF Debt Service, the School Resource Officer, Sargisson Beach, Health Insurance increase and County Retirement increases. He said that outside of those factors, the budget only increased 3.32%. Mr. Haddad said that the schools were looking for a 3.42% increase or \$565,000 adding that the Town was funding all of that. Mr. Haddad said that the capital budget was \$6M and the Enterprise Fund budgets were \$1.9M. Mr. Haddad said that he remained very conservative in his proposed "needs budget" but that things would continue to be tight over the next couple of years.

MINUTES

Mr. Cunningham moved to approve the Executive Session meeting minutes of December 10, 2014 and not release. Ms. Eliot seconded the motion adding that there was one spelling error. The motion carried unanimously.

Mr. Cunningham moved to approve the Executive Session meeting minutes of December 15, 2014 and not release. Mr. Petropoulos seconded the motion. The motion carried unanimously.

Mr. Cunningham moved to approve the Executive Session meeting minutes of December 23, 2014 and not release. Mr. Degen asked for these to be brought back at their next meeting.

Mr. Cunningham moved to adjourn at 8:40pm. Mr. Schulman seconded the motion. The motion carried unanimously.

Approved: _____

Stuart Schulman, Clerk

respectfully submitted,
Dawn Dunbar, Executive Assistant

Date Approved: 2/10/15