

**SELECT BOARD MEETING MINUTES
REGULAR SESSION AND JOINT SESSION WITH FINANCE COMMITTEE
MINUTES OCTOBER 22, 2018
APPROVED**

BOS Members Present: Barry A. Pease, Chair; Alison S. Manugian, Vice Chair; John R. Giger, Clerk; Rebecca H. Pine, Member

Members Absent: Joshua A. Degen, Member

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

Mr. Pease called the meeting to order at 6:30pm and reviewed the agenda.

ANNOUNCEMENTS

Mr. Haddad said that early voting had commenced. He said that the hours were posted on their website. Mr. Pease suggested adding signage on the back door directing people to the front of the building.

Ms. Pine explained how the movie Little Women had been filming in Groton. Mr. Haddad said that they were approached back in September about the interest in using Groton adding that the Board was notified at that time. He said that the movie location scouts met with him, the Police Chief and Fire Chief to work out logistics and that a donation was going to be made to the Old Burying Ground Committee for use of it. Ms. Pine said she thought it was a privilege to have them in town.

TOWN MANAGER'S REPORT

1. Mr. Haddad asked the Board to consider ratifying the following Trails Committee appointment and Election Worker appointments adding that these people had made it possible to have every shift on election day filled.
 - Jonna Branigan to the Trails Committee
 - Nathaniel Ranny, Peter Cunningham, Daniel Emerson, Alex Woodle, Art Prest, Robert Piche, Abbe Miller, Edward Perkins, Alicia Black, Mike Discipio and Judy Giger as Election Workers

Ms. Manugian moved that they ratify the appointment of Judy Giger as an Election Worker. Ms. Pine seconded the motion. The motion carried 3-0-1 with Mr. Giger abstaining.

Ms. Manugian moved that they ratify the remaining appointments as presented. Ms. Pine seconded the motion. The motion carried unanimously.

2. Mr. Haddad said that as discussed at last week's meeting, Select Board Members Giger, Pine and he had met to determine whether or not a Committee should be formed to assist the Board in determining if the Town should pursue becoming a Green Community in the Commonwealth of Massachusetts. After a discussion, they recommended that instead of establishing a formal Committee for this purpose, the Town Manager establish a working group to gather information and put together a process and recommendation to the Board. He said that the working group would be made up of the Town Manager, Select Board Member Becky Pine, Electric Light Commissioner Bruce Easom, GDRSD Business Manager Michael Knight, Electric Light General Manager Kevin Kelly, DPW Director Tom Delaney and Land Use Director/Town Planner Takashi Tada. He said that the working group would investigate the impact of the adopting the Stretch Code and establish a plan to meet a twenty (20%) reduction in energy use in Town buildings over the next five years. Ms. Manugian asked if the group would also look at costs and any downside to this. Mr. Haddad said that they would invite the State to come out to talk about the Stretch Code and look into everything, including costs before making a recommendation. The Board was okay with this approach.
3. Mr. Haddad said that he had sent out the ballot information packet to the Board earlier that day adding that the no argument was edited a little bit. He said that Town Counsel had signed off on it as is and asked the Board to consider approving the issuance of the ballot information mailer.

Ms. Manugian made a motion to approve the issuance of the ballot information mailer as presented. Mr. Giger seconded the motion. The motion carried unanimously.

4. Mr. Haddad said that Groton Wellness had requested a one-day Beer and Wine License for Ladies Night to be held on Thursday, October 25, 2018 from 6:00 p.m. to 9:00 p.m. He respectfully requested that the Board vote to approve this request.

Ms. Manugian moved to grant the request for a one-day Beer and Wine License for Ladies Night to be held on Thursday, October 25, 2018 from 6:00 p.m. to 9:00 p.m. Ms. Pine seconded the motion. The motion carried unanimously.

ON-GOING ISSUES

A: Mr. Haddad said that the project was going well. He said there was a little hiccup with steel but nothing they couldn't get through. He added that their Clerk of the Works, Bob Garside was doing a great job for them.

C: Operational Audit - There was a brief discussion about whether or not this was needed or if quarterly updates were ok. It was decided the quarterly updates were ok.

D: Mr. Haddad said that the Charter was in the third meeting of the House and they had a Senator that sponsored it. He expected that it would be finalized within the next month or so.

Ms. Manugian asked if letter E (Local Room Occupancy Tax) could come off this list that night if they discussed it and decided upon something during the budget guidance discussion. Mr. Haddad said he thought it could. The Board agreed.

MINUTES

Ms. Pine moved to approve the minutes of October 1, 2018. Ms. Manugian seconded the motion. The motion carried unanimously.

The Board recessed their meeting at 6:50pm.

The Joint Meeting with the Finance Committee commenced at 7:15pm.

All Finance Committee Members were present. Mr. Green called them to order at 7:15pm.

Mr. Haddad discussed the memo he had sent out to both Boards last Friday. He said that he had met with Bud Robertson to review all numbers to make sure he and Mr. Robertson agreed with the preliminary numbers. Mr. Haddad said that with regard to the anticipated municipal increase, he had inadvertently included excluded debt in the total Town budget and based the percentage increase on that number. He apologized for that oversight adding he had corrected the number showing the increase with and without excluded debt. Mr. Haddad said that removing excluded debt increased the anticipated increase by .14% from 2.4% to 2.54%. He said that with regard to the anticipated increase in the Groton Dunstable Regional School District Assessment, there was concern by his previous statement that the proposed increase would take 82% of new revenues and that it appeared he was trying to strain the relationship between the Town and the District. He said that as someone who had advocated for the School District, that was not his intention at all. He said he was simply pointing out the hard fact that Groton could not afford to dedicate almost all new revenues to the District and maintain municipal operations at their current level. Mr. Haddad apologized if he cast the wrong impression. He said it was important to point out that State Aid made up 27% of the School District's revenue, while it made up 6% of the Town's revenues. He said that this made budgeting for the District and maintaining their current level of services very difficult. The GDRSD Assessment made up 57% of the Town's budget.

Mr. Haddad said that with regard to the Room Occupancy Tax, they had not included any revenue in their projections at this time. However, they could provide a preliminary estimate for consideration. Mr. Haddad said that the average room price at the Inn was \$200 and there were 60 rooms. He said that at 100% occupancy every night, that would generate \$4,380,000 in income. Three (3%) percent of this was \$131,400. At 30% occupancy, they could count on \$39,420 in new revenues in FY 2020, at 40% occupancy, it would generate \$52,650, and at 50% occupancy, the Town would receive \$65,700. Mr. Haddad

said that he would like to discuss with both the Select Board and Finance Committee what they feel would be a conservative number to budget for next year. This would obviously lower the anticipated deficit.

Mr. Haddad said that there was some concern that he was lowering the Town's increase by taking credit for the reduction in our County Retirement Assessment due to the fact that we paid off the early retirement assessment in FY 2019. He said that this allowed the Town to save \$108,000 in County Retirement expense in FY 2020. He said that the actual increase in that budget is \$80,581. Mr. Haddad said that if they were to count the increase, the anticipated increase in the Municipal Budget would be \$580,965 (versus \$379,673) or an increase of 3.80%. That was a savings that the Town earned and should go to toward the municipal budget.

Mr. Haddad reviewed a chart with the Board and Finance Committee for anticipated new revenues. Mr. Greeno said that last year they projected \$22.5M in new growth but that it had come in higher with the addition of the Inn and Four Corners. He said that they were projecting 18 months out and trying to figure out what would come to fruition. He said that because of what they were anticipating, he believed they should reduce new growth down to \$20M for FY2020. Mr. Haddad said he was comfortable with \$20M but would continue to monitor it. Mr. Haddad said that they were anticipating \$1.3M in new growth and new revenues for next year adding he was very comfortable with that.

Mr. Haddad moved on to talk about expenses. He said that there were 5 new students at Nashoba Tech which concerned him moving forward. He said that with more students attending Nashoba Tech, that would affect their budget moving forward. He said that Groton Dunstable needed a 5.33% increase in their budget. He discussed other expenses such as salary increases, debt service in levy, etc. He said that he was estimating new expenses at \$1.5M. The percentage increase with all debt was 2.4%. Mr. Manugian asked for clarification on salaries.

Mr. Robertson said that he and Mr. Haddad had gone through the numbers and agreed on them. He said that the school number was a big unknown and hopefully they would come in lower than anticipated. Mr. Robertson said he thought they should go with guidance of not to exceed 2.54%. He added that he thought they should add some room tax in there. Mr. Haddad agreed adding he was suggesting they use \$50K and that they put it in general fund revenues. Mr. Robertson said that 2.54% for guidance was the highest number they should be at. Mr. Greens said he was hearing guidance of a balanced budget without an override. Mr. Prest said that he tended to look at the revenue number and thought the room tax number was a little low adding his estimates were coming in around \$60K. Mr. Haddad said he might be able to bump that up by another \$20K but was watching that. Mr. Prest said that he would like to look at the personal property tax some more. Mr. Haddad said that they hired a consultant to come in within the last year or two to look at personal property. Mr. Greeno said that the personal property growth would come from Four Corners and the Inn adding that a preliminary number was \$1.5M in growth. He said that a couple of places had dropped off too and that they had a \$10K exemption also.

Mr. Giger asked if Mr. Robertson was talking about level funding education also. Mr. Robertson said he meant level funding to what the preliminary 5-year estimate was given to them by the School Committee. He said it was up 5.33% from this year's current budget. Mr. Haddad said that they needed to go up 5.33% to maintain services. Ms. Manugian asked if OPEB had been proposed anywhere. Mr. Haddad said he intended to use Free Cash to fund that. Ms. Manugian asked about the School's capital budget. Mr. Haddad said that that would be assessed separately.

Mr. Manugian asked if there was a framework for increasing new revenues before Town Meeting. Mr. Haddad said that Ms. Dufresne had done a great job projecting those. He said that they look at a 5-year and 10-year average and usually budget at the 5-year average. Mr. Haddad said he didn't see any major projects coming down the pike to be able to increase that much more right now. He said that they pretty much held the line with revenue numbers. Mr. Manugian asked if Mr. Haddad was comfortable with holding those revenue numbers to December 31st and October 31st as examples. Mr. Haddad said he had to give them a balanced budget on December 31st, 18 months in advance of the budget taking effect. Mr. Haddad said he would only adjust revenues on December 31st, March 31st and October 31st. Mr. Giger asked if the anticipated numbers could be tracked moving forward so they could also track it. Mr. Green said he was concerned about tracking numbers like that because some people hold it against the Town Manager. He said that people had to understand what these numbers are. Mr. Pease said that the challenge was why were those numbers being changed. He explained that it was because they were

getting more information as the year went on. Mr. Haddad said that the county retirement number was the only one that was probably not going to change.

Mr. Haddad said that Mr. Degen was watching from home and thought that the guidance should be at 2.3%. Mr. Green said that 2.54% guidance was fine adding he didn't think they could get there. He said that the rooms tax of \$50K should go to unexpended tax capacity. He said he wanted beyond a balanced budget with tax capacity. Mr. Manugian said that the 2.54% didn't include spending at the Fall Town Meeting. Mr. Haddad said that the Town had 2 annual town meetings adding that was done on purpose. He said that they set the operating budget in the spring but because things come up that have to be dealt with, it was done in the fall. Mr. Manugian asked if they were anticipating any additional benefited positions. Mr. Haddad said that the guidance would be to maintain services with no additional positions.

Mr. Robertson moved that the FC provide guidance of 2.54% not to include excluded debt, that there would be no override, and it would be a balanced budget. Mr. Manugian seconded the motion.

Ms. Pine asked about Mr. Degen's comments about 2.3% guidance. Mr. Pease asked if the Select Board wanted to join the motion or have their own. Ms. Manugian said that she wanted to have the captured columns to be included in the motion as discussed, the revenue dates as discussed, and no new benefited positions as they discussed all included.

Mr. Degen called in at 8:16pm. He said he thought that the meals tax was low, the room tax was a good number, and setting the bar at 2.54% was high. He said it didn't make the work as hard to save the tax payers money. Mr. Haddad said that even at 2.54%, he had a problem with the schools. He said he understood where Mr. Degen was coming from but liked the 2.54% number. Mr. Giger said he thought there was some good validity in what Mr. Degen was saying and thought if they said Mr. Haddad couldn't go higher than 2.54% and that he try to stay around 2.3% was a compromise. Mr. Haddad asked the Board's to take into consideration the two new firefighters. He said that he had to come up with \$80K for that which put him behind the 8 ball on the onset. He asked that they consider giving him the 2.54%. Mr. Green suggested adding guidance that said he must stay \$50K under the levy limit. Mr. Robertson said that Mr. Degen's guidance was \$30K lower.

Mr. Pease said that Ms. Manugian asked for some items to be included the motion adding he didn't believe it was necessary to include them as Mr. Haddad had never not done what was asked of him.

The guidance on the table was no increase greater than 2.54%, without excluded debt, a balanced budget, no override, no new benefited positions, track changes in estimates spreadsheet and revenue change dates be set as Dec 31, March 31 and Oct 31.

Ms. Manugian made the motion (of the above). Ms. Pine seconded the motion.

Mr. Robertson withdrew his original motion and moved to mirror the Select Board's motion. Ms. Leonard seconded the motion. The motion carried unanimously.

The roll call vote of the Select Board was: Pine-aye; Manugian-aye; Pease-aye; Giger-aye; Degen-nay. The motion carried 4-1.

Mr. Pease adjourned the Select Board meeting at 8:34pm. The Finance Committee continued their meeting.

Approved: _____
John Giger, Clerk

_____ respectfully submitted:
Dawn Dunbar, Executive Assistant

Date Approved: 11/26/18