

**SELECT BOARD MEETING MINUTES  
MONDAY, FEBRUARY 3, 2020  
APPROVED**

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

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

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

**ANNOUNCEMENTS**

Ms. Pine said that today was the first day to sign up for local office elections and announced her candidacy for re-election in May.

**TOWN MANAGER'S REPORT**

1. Mr. Haddad asked the Board to consider approving a one-day beer and wine license for Groton Historical Society for a Wedding Ceremony to be held on Thursday, February 20, 2020 from 3pm-7pm.

*Ms. Pine moved to approve a one-day beer and wine license for Groton Historical Society for a Wedding Ceremony to be held on Thursday, February 20, 2020 from 3pm-7pm. Mr. Degen seconded the motion. The motion carried unanimously.*

2. Mr. Haddad said that he updated the 3-month meeting schedule as requested and would continue to update this each week.
3. Mr. Haddad said he wanted to thank Michael Bouchard for updating eCode with all the Board's policies. Mr. Haddad showed the Select Board and public where to access the policies.
4. Mr. Haddad said that the Select Board would be meeting in joint session with the Finance Committee on Saturday, February 8th to continue discussions on the FY21 budget including a discussion around deficits and potential future year overrides. Mr. Haddad said that he level funded the Nashoba Tech budget but that there was a reduction of \$40K which would be split with GDRSD. Mr. Haddad said that they had tentative approval on health insurance. He said that they had budgeted 10% but that the increase was coming in at 6.5%. He said that was a reduction for just the Town and not a shared reduction with the GDRSD.
5. Mr. Haddad said that there was some confusion at the last CPC meeting on the sprinkler system bid process for Prescott School that he wanted to clear up. Mr. Haddad said that bids needed to be due 30 days prior to Town Meeting for potential appropriation because of procurement laws adding this was the reason the CPC would not have a number until that time. He said that bids would be accepted pending appropriation. Mr. Degen asked what potential bucket that would be coming out of. Mr. Emerson said that they had an unallocated fund that they could keep in reserves if that's what they decided. He said that the State was allocating some additional funding which was providing them with a little bit of a cushion this year. Mr. Easom said that they didn't, by policy, keep any certain amount in there. Mr. Easom said that this particular project could come out of historic bin or unallocated bin or a combination thereof. He said that they had some flexibility.

**JOINT MEETING WITH COMMUNITY PRESERVATION COMMITTEE - FUTURE OF CPA**

Mr. Haddad said that this was the first of many discussions on this topic adding the intent of this first meeting was to provide information. He said that anything they did with the Community Preservation Act (CPA) was a 2-step process; Town Meeting vote and a ballot vote. Mr. Haddad said he provided the Board with some information on what the CPA and Community Preservation Committee (CPC) was and did. Mr. Haddad explained the four spreadsheets that he provided the Board. Mr. Haddad said that he had been asked what the impact would be if the Town lowered the percentage to 2% or 1%. He said that lowering the percentage to 2% reduced the collected amount at 3% from \$756,476 by \$252,159 and at 1% lowered the \$756,476 by \$504,318. Mr. Haddad said that eliminating the surcharge in its entirety eliminated the entire \$756,476 in funding. Mr. Haddad said that the most frequently asked question was could this money then be spent on operating expenses. Mr. Haddad said that when the CPA surcharge was either reduced or eliminated, the only way to reallocate those funds to operating expenses was by overriding Proposition 2% and increasing the levy limit by the similar

amount. Mr. Haddad said that the first \$100,000 of value was not calculated as part of the surcharge calculation adding that the \$100,000 per parcel reduction would have no impact on the override since it would be based on the total value of the property. Mr. Haddad said that the average home was valued at \$492,000. He said that the way the CPA surcharge worked now was that you reduce the value by \$100,000 and charge a 3% surcharge on the revised tax bill. Mr. Haddad explained the chart below showing the impact of adding the various levels to the levy limit on the average tax bill:

Override Amount	Impact on Tax Rate	Average Tax Bill
\$ 252,159	\$ 0.13	\$ 63.96
\$ 504,318	\$ 0.26	\$ 127.92
\$ 756,476	\$ 0.39	\$ 191.88

Mr. Haddad said that he had also been asked what amount of borrowing would each of the amounts support. He said that depending on the length of the bond and the interest rate (using 20 years at 4%), he assumed \$252,159 would be \$3,100,000; \$504,318 would be \$6,500,000; and \$756,476 would be \$9,600,000.

Mr. Haddad said that the last thing he was asked was to review the last ten years of Capital Budgets and based on that review, he had determined that not one project had been removed from the Capital Budget and paid for by CPA Funds.

Dan Emerson called the CPC meeting to order at 7:29pm. Members Easom, Perkins, DeGroot, Hewitt, and Eliot were present. Mr. Emerson introduced the Committee and thanked the Board for involving them in these conversations. He said that the CPC had funded some wonderful, successful projects. Ms. Manugian thanked the Committee for their time and hard work adding this conversation was difficult but given their budget forecasts, needed to occur. Ms. Perkins said that there were a number of valuable projects that were not able to be funded because of insufficient funds over the last few years. She said that she didn't want that to be forgotten. Mr. Emerson said that the Conservation Commission had backed off on their requests a number of times so that other projects could be funded. Ms. Manugian asked when the last payment for Surrenden Farm was. Mr. Haddad said that it pays off in FY22 leaving a final and a half payment to go.

Mr. Degen said that this was part of a large puzzle piece that was going to be laid out over the next month. He said that they had a \$3.4-\$3.6M shortfall over the next 5 years. He said that they were discussing a potential override to fund the budgets over the next 5 years. He said that they were also looking at a building project at FloRo that was going to be borne solely by the Town of Groton. He said that the project was estimated to cost the Town right now, \$60M. He said that they had an issue with manganese, and a stormwater treatment issue coming down the road. He said that with all of these items coming down the road, they needed to look at everything at this time. He said that he was not in favor of eliminating the CPA but thought that if a large-scale project came forward, this would give the town an opportunity to vote on it at Town Meeting and at the ballot using different funding mechanisms. Mr. Giger mentioned that some of the projects had an afterlife adding there wasn't coordination between the general fund using Baddacook Pond as an example.

Ms. Eliot said that she had a concern about the debt question and whether or not funds could be used to reduce debt. Mr. Haddad said that the CPA allowed communities to incur debt using CPA funds as long as that debt was recurring at the community level. Mr. Haddad said that not all debt went to the ballot adding that it didn't have to if it was being incurred within the levy. Ms. Manugian said she didn't think that any of the projects would have not been done without CPA funds. Ms. Perkins said that one other benefit of CPA was that the money could be used for grants. She said that the money could be used at the 50% match as an example. Ms. Perkins said that she thought that some of the projects would not have been possible without CPA funds.

Mr. Robertson said that this was not just a 5 years override. He said that they had a structural deficit; bringing in 3% and spending 4%. He said that there had been some income that had saved them in past years but that it wasn't showing like that in the future. Mr. Robertson said that 75% of the school and town budget was wages and benefits and the only way to reduce that was to cut personnel. Mr. Robertson said that this was not an easy decision but a discussion that needed to occur.

Ms. Gilbert said that she supported the work of the CPA but thought there might be a slightly different mindset. She said that projects before the CPC were not on capital plans and maybe should be prioritized that way. Mr. Degen said that this discussion was not about funding one thing over another. He said that they were there to discuss the surcharge and what that

number was. Mr. Emerson agreed adding it was good to keep everything on the table including the goals and benefits. Mr. Giger said that much of this talk sat under an umbrella called Wall Street. He said that they were skating on thin ice and needed to be careful. Mr. Haddad said that Wall Street worried about debt, reserves and the long-term outlook among other things. Mr. Degen asked if there was a mechanism to reallocate the money in the housing bucket to other buckets. The answer was no. Paul Funch said that he had a lot of respect for the financial management of the Finance Committee and Town Manager. He said that CPA was not under town control but funded some good projects. He talked about the importance of money being available for grant matches. Mr. Easom said that towns that adopt the CPA today were adopting the surcharge at the 1% level and not 3% level. He said that at 1%, you only received funds from the first match. Ms. Perkins said that she could see them reduce the surcharge to 2% because Surrenden Farms debt would be going away but could see the other side of things.

Mr. Emerson adjourned the CPC meeting at 8:29pm.

### **OTHER BUSINESS**

Ms. Pine said that the Affordable Housing Trust met last week and discussed the membership. She said that Sheila Julien stated that she did not want to be reappointed in June and would step down should someone else be interested. Ms. Pine said that there had been 2 sitting members of the Board adding that before putting this vacancy out there, it seemed right to see if someone else from the Board wanted to serve also. Mr. Giger said he needed some time to think about this adding it wasn't clear who was driving housing; the Trust, the Partnership or the Authority. He said that there needed to be cohesiveness. Ms. Pine explained her understanding of the different groups. Ms. Manugian asked if this could be on the agenda for the next week and that they be provided with a summary of each housing entity.

### **ON-GOING ISSUES**

C: Mr. Haddad said that the Stormwater Committee would be holding a public hearing on Tuesday night on the MS4 permit.

E: Mr. Haddad said that they had been accepted as a Green Community but had not received official paperwork as of yet. Mr. Giger asked if anyone had looked into how this was funded. Ms. Pine said that the money came from the utility companies but was collected by the State. Mr. Giger said it would be good to know if this was a long-term commitment.

F: Mr. Haddad said that their preliminary design plan was going to be delivered to MSBA. He said that this was a huge milestone in the FloRo building project. He said that they had 3 months to refine the plan into a project. He said that part of this was for public outreach adding this was something they would be working on. Ms. Gilbert said that printed versions would be dropped off at the Library, COA and Town Hall as well as posted on their website. Mr. Giger said that the total cost of the project was not \$60M adding that was the amount the Town was looking at having to fund.

G: Mr. Haddad said that the Library roof was completed and would be coming off this list. He said that the project came in under budget by about \$50K.

H: Mr. Haddad said that the Highway Department started moving into their building last week adding that the garage facility would be completed within the next couple of weeks.

### **LIAISON REPORTS**

Ms. Pine said that the Non-Profit Council met last Friday and was well attended.

Ms. Gilbert said that the budget was being discussed by the School Committee next week.

### **MINUTES**

*Ms. Pine moved to accept the meeting minutes of January 27, 2020 as presented. Mr. Reilly seconded the motion. The motion carried unanimously.*

The meeting adjourned at 8:49pm.

Approved: \_\_\_\_\_  
John Reilly, Clerk

\_\_\_\_\_ respectfully submitted:  
Dawn Dunbar, Executive Assistant

Date Approved: 2/10/20