



## TOWN OF GROTON

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## Board of Selectmen

John G. Petropoulos, *Chairman*  
Anna Eliot, *Vice-Chairman*  
Stuart M. Schulman, *Clerk*  
Peter S. Cunningham, *Member*  
Joshua A. Degen, *Member*

**Town Manager**  
Mark W. Haddad

**To:** *Board of Selectmen*

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

**Subject:** *Weekly Report*

**Date:** *January 25, 2016*

1. Scheduled on Monday's Agenda are several items. First, the Board will be meeting in joint session with the Moderator and the Groton Representatives of the Groton Dunstable Regional School Committee to choose individuals to serve as our Representative and Alternate Representative to the Nashoba Technical High School Committee. Robert Flynn of Nashua Road has submitted an interest form to serve as our Alternate. Second, the Board will be meeting with the Commission on Accessibility to discuss and review their proposed ADA Policies and Procedures. Enclosed in the packet is a draft of their proposals. Third, the Council on Aging will be in to update the Board on their Long Term Plan and their proposal to issue an RFP to hire a consultant to help determine the future of the Senior Center. Enclosed in the packet is a copy of their Plan as well as the Draft RFP. Fourth, the Municipal Building Committee for the Prescott School will be in to provide the Board with an update of their work and discuss their vision for the future of the Prescott School. Fifth, due to concerns raised by some citizens about a potential Open Meeting Law Violation relative to your vote to intervene on the Tennessee Gas Pipeline Project, Town Counsel has recommended that the Board reconfirm the vote taken at your January 11, 2016 meeting. Town Counsel does not believe the Board violated the Open Meeting Law, but feels best practices dictate that the Board discuss it again as a scheduled agenda item. I have enclosed in the packet a copy of Town Counsel's Opinion relative to this matter. Finally, the Board will be meeting in Executive Session with the Town Manager to begin contract negotiations.
2. Please consider this as the official notification to the Board of two appointments I have made. I would respectfully request that the Board consider ratifying these appointments pursuant to Section 4-2(c) of the Groton Charter. The first appointment is for the Interdepartmental Administrative Assistant Position. As the Board will recall, at the request of Selectmen Petropoulos, the Board of Selectmen had a full discussion on moving forward with filling this vacancy. The Board voted 3-1-1 to move forward with the search. To fill this position, as is my practice, I established a search committee to help me make a hiring decision. Due to the fact that this position serves many different departments, the committee was made up of me, Human Resources Director Melisa Doig, Executive Assistant Dawn Dunbar, Land Use Director Michelle Collette, Conservation Administrator Takashi Tada, Board of Health Chairman Robert Fleischer and Community Preservation Committee Chairman Russell Burke. With the approval of the SEIU 888, Town Hall Library Union, we simultaneously posted the position internally and externally. We received over 90 applications for this position.

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**2. Continued:**

We narrowed it down to nine individuals to interview. One dropped out and we interviewed eight applicants. Based on our interviews and discussions, we decided that Robin Eibye of Pepperell was the best suited individual for the job. I have enclosed a copy of Ms. Eibye's resume with this report for your review. I would respectfully request that the Board ratify this appointment at Monday's meeting. The second vacancy is for the position of Cable Production Assistant. Bob Colman conducted this search and has requested that I appoint Robert Swan of Westford to this position. I would respectfully request that the Board ratify this appointment as well.

3. First Parish Church has requested two one day beer and wine liquor licenses. The first event will be held on Saturday, February 6, 2016 from 6:30 p.m. to 9:30 p.m. for a concert by Meg Hutchinson. The second event will be held on Saturday, March 5, 2016 from 6:30 p.m. to 9:30 p.m. for a concert by a cappella singing group Custom Blend. I would respectfully request that the Board vote to approve these licenses at Monday's meeting.

4. Selectman Degen had raised an issue with me and Chairman Petropoulos on the status of the Country Club Liquor Licenses. As you are aware, the Town is holding these licenses, but they are being utilized by Luke and Kate Kenney, who lease both the Tavern and Function Hall from the Town. These licenses have been used by the Kenney's since May, 2015. In December, 2015, the Board of Selectmen renewed the licenses to the Town, with the proviso that these licenses be transferred to the Kenney's by June 1, 2016. That said, Selectman Degen believes that the Kenney's should pay a license fee to the Town for the use of the licenses for 7 months in 2015. This will not be an issue in 2016, as they will pay the license fees upon transfer in June. The ABCC requires two licenses at the Country Club since there are two separate buildings (Gibbet Hill is required to obtain two licenses as well). The original licenses held by the Town in 2015 for the Club were classified as a Club – Non Profit License since they were held by the Town. The license fee charged in previous years was \$500 per license. The fee charged for a full liquor license for restaurant and/or function hall is \$3,000. That said, I am recommending that the Board not charge the Kenney's for these licenses in 2015. There are many reasons for this recommendation. First, when the original lease was signed by the Kenney's for the Tavern, there was no discussion that they would be required to pay the fee while the liquor license was held by the Town. Second, the Kenney's have provided many services to the Town for which they have not charged the Town. These include providing two offices in the Function Hall for the Town in which they do not charge rent; agreeing to cover all events booked by the Town prior to them leasing the Function Hall in which they agreed to honor all terms accepted by the Town (at a loss to the Kenney's); free use of the Function Hall by our Summer Camps during inclement weather; and the fact that the Tavern is a Seasonal Business only open during golf season. The Town has been more than compensated for these licenses. Moving forward, I am recommending that the Selectmen consider approving the transfer of the licenses on June 1, 2016. The Kenney's should be charged \$3,000 for the Function Hall License. With regard to the Tavern, I am recommending that the Selectmen institute a seasonal license since it is only open a portion of the year. A seasonal license is allowed under state law. Based on our review of other communities that have seasonal licenses, we are recommending that the Selectmen establish a fee of \$1,000 for the Seasonal License. We can discuss all of this in more detail at Monday's meeting.

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5. As part of my FY 2017 Budget Update, there are a few items that I would like to discuss with the Board:
- A. Selectman Petropoulos has requested that the Board consider the appointment of a Committee that would evaluate projected budget costs and report back to the Board and Finance Committee on proposals to address future costs, including employee benefits. We can discuss the formation and make-up of this proposed Committee at Monday's meeting.
  - B. During my initial budget presentation, I discussed a proposed plan on Debt Service. There appears to be some confusion with regard to this proposal. I have been contacted by some residents who believe that I am balancing the budget by deferring debt service. As a matter of fact, the Groton Herald has added to this confusion by putting a headline in their edition last week stating that "Haddad Meets Reduced Spending Mandate by Deferring Debt Service Payments." This is absolutely not true. That said, I can understand why some have come to this conclusion. In FY 2016, the Town appropriated the following for Debt Service:

Long Term Debt Excluded:	\$1,172,545
Long Term Debt Within Levy:	\$ 86,045
Short Term Interest Within Levy:	<u>\$ 125,000</u>
	\$1,383,590

When we established the FY 2016 Budget in December, 2015, we carried the amount of \$125,000 for short term interest to cover the costs associated with Capital Projects being requested at the 2015 Spring Town Meeting (Lost Lake Fire Protection, Radio Project and Four Corner Sewer Project). When the budget was established, we had no idea what the costs would be for interest and established a very conservative budget. In reality, when we finally borrowed the money, the actual cost was \$8,113, or \$116,887 under budget. This money will not be spent in FY 2016 (unless a major shortfall comes up in another budget in which it can be transferred). It should be turned back as free cash. In FY 2017, we are appropriating the following for debt service:

Long Term Debt Excluded:	\$1,148,208
Long Term Debt Within Levy:	\$ 78,172
Short Term Interest Within Levy:	<u>\$ 56,333</u>
	\$1,282,713 or \$108,877 less than FY 2016

While we over-appropriated Short Term Debt in FY 2016, we actually increased the budget by \$48,222. We have not deferred debt service to balance the budget. While you can make the claim that we used the over-appropriation to meet the 2.2% budget goal, **we did not defer debt to make this happen.** It was always our plan to wait to permanently finance these projects when it was in the best interest of the Town to do so.

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5. B. **Continued:**

In determining when to permanently finance this debt, we examined the Five Year Capital Plan and found that it calls for the replacement of the Fire Department's Ladder Truck in FY 2018 at a cost of almost one million dollars. In our opinion, it did not make sense to permanently finance the projects approved in 2015 with such a major purchase that would require bonding the following fiscal year. Therefore, we are recommending that we continue to roll over the interest payments on these issues for the next two fiscal years and permanently finance these issues when we borrow the funds to buy the new Ladder Truck in FY 2018. By waiting, we will see a reduction in our Pension budget of \$190,000 in FY 2020 when we pay off the increased assessment caused by the early retirements approved in the 1990's. This can then be used for Debt Service. This will minimize the impact to our residents. In FY 2017, we are proposing a debt service budget within the levy limit of \$134,505, a reduction of \$76,540. The following Chart illustrates the impact to tax payers by waiting three years to permanently finance the 2015 Capital Projects as well as the Ladder Truck:

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Debt Service Budget	\$134,505	\$97,383	\$99,180	\$ 333,213
Pension Budget Savings	\$ 0	\$ 0	\$ 0	<u>\$(190,000)</u>
Net Debt Service Budget	\$134,505	\$97,383	\$99,180	\$ 143,213

As you can see, the actual additional impact to the Groton Taxpayers for these projects is less than \$50,000 in FY 2020. We may want to consider utilizing the savings in FY 2018 and FY 2019 in the Debt Service Budget for one time purchases so that the actual increase in the Debt Budget in FY 2020 would be less than \$10,000."

I think it is important to point out that when the Town borrows money, it pays upwards of \$50,000 in one-time costs. To go out in consecutive years would be irresponsible and costly. In addition, borrowing money every year is not looked upon favorably by the Bond Rating Agencies and it may lead to increase interest costs by having our AAA Bond rating reduced. We are very careful when it comes to borrowing money. We establish a five year capital budget so that we can properly plan our budget.

- C. With all the talk of a potential override and our residents', especially Senior Citizen's, ability to pay taxes, a program that may help Seniors has come to my attention. Specifically, Massachusetts General Laws, Chapter 60, Section 3D, allows cities and towns in Massachusetts to create a fund to collect donations and disburse them to low-income elderly property owners and qualifying disabled owners. Town Meeting would need to adopt this Section of the Law. The law reads as follows:

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**5. C. Continued:**

"Section 3D. A city or town which accepts the provisions of this section is hereby authorized, subject to the approval of the commissioner, to design and designate a place on its municipal tax bills, or the motor vehicle excise tax bills, or to mail with such tax bills a separate form, whereby the taxpayers of said city or town may voluntarily check off, donate and pledge an amount not less than \$1 or such other designated amount which shall increase the amount otherwise due, and to establish a city or town aid to the elderly and disabled taxation fund for the purpose of defraying the real estate taxes of elderly and disabled persons of low income.

Any amounts donated to said fund shall be deposited into a special account in the general treasury and shall be in the custody of the treasurer. The treasurer shall invest said funds at the direction of the officer, board, commission, committee or other agency of the city or town who or which is otherwise authorized and required to invest trust funds of the city or town and subject to the same limitations applicable to trust fund investments, except as otherwise specified herein. The fund, together with the interest earned thereon shall be used for the purpose specified in this section without further appropriation.

In any city or town establishing an aid to the elderly and disabled taxation fund, there shall be a taxation aid committee to consist of the chairman of the board of assessors, the city or town treasurer and three residents of the city or town to be appointed by the mayor or board of selectmen as the case may be. Said board shall adopt rules and regulations to carry out the provisions of this section and to identify the recipients of such aid.

I would respectfully request that the Selectmen consider placing an Article on the 2016 Spring Town Meeting Warrant asking the Town to accept this Chapter and Section.

MWH/rjb  
Enclosure