



TOWN OF GROTON

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Select Board

Barry A. Pease, *Chair*
Alison S. Manugian, *Vice-Chair*
John R. Giger, *Clerk*
Joshua A. Degen, *Member*
Rebecca H. Pine, *Member*

Town Manager
Mark W. Haddad

To: *Select Board*

From: *Mark W. Haddad – Town Manager*

Subject: *Weekly Report*

Date: *October 16, 2018*

1. Please note that the Board will be meeting on Tuesday this week. Other than the Town Manager's Report and a review of the On-going Issues list, there is nothing else specifically scheduled on Monday's Agenda.
2. One of the goals of the Select Board this year was to create a tracking mechanism to determine/implement the various recommendations of the Matrix Audit. Select Board Member Giger developed a spreadsheet for this purpose and I filled in the various recommendations and whether or not it was accepted or rejected and, if accepted, how it would be implemented. Enclosed with the report are individual spread sheets by function. I would like to take a few minutes at Tuesday's meeting reviewing this with the Board.
3. Another goal of the Board was to create a Capital Planning Committee. Enclosed with this report is the proposed Charge of the Committee for your review and consideration. The Finance Committee has reviewed this Charge and have offered some comments. Specifically, they would like clarity on whether the Board and I feel it is appropriate for this advisory committee to also act as the permanent standing building committee. They were concerned that this group of five (5) people may not have the capacity to deal with monitoring all the capital assets in Town while also helping to develop and drive new capital construction projects. Some felt that if the committee were expanded, it would allow for sub-committees which may help compartmentalize the workload. We can discuss this in more detail at Monday's meeting.
4. Keeping in the goal mode, another goal was the establishment of an OPEB Funding Policy. To that end, the Finance Team and I have developed the attached Policy for your review and consideration. This has also been reviewed by the Finance Committee and they have offered some recommendations that I will discuss with the Board in more detail at Monday's meeting.
5. As the Board is aware, we had created the Prescott Oversight Committee to assist the Board and the Lessee of the Prescott School. Now that the lease has been signed and the Friends of Prescott are up and running in the building, I no longer find that this Committee is needed or necessary. The lease is pretty simple on what the Friends need to do. Enclosed with this report is the Charge of the Committee along with the lease for your review. I look forward to discussing this in more detail with the Board at Tuesday's meeting.

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6. As you are aware, the Select Board and Finance Committee are scheduled to meet with the Town Manager and Finance Team on October 22nd to provide Budget Guidance for Fiscal Year 2020. The Select Board had requested enough time prior to this meeting to review the data to make an informed decision. To that end, I have met with the Finance Team to develop some preliminary figures. The purpose of this email is to provide you with our preliminary estimates advance of October 22nd. The following is what we expect in new revenues for FY 2020 at this time (please note we are making these estimates more than 20 months in advance):

	Increase Anticipated
Anticipated 2½% Increase	\$ 765,425
New Growth - Calculated at \$20 million in Value	\$ 381,000
Unexpended Tax Capacity	\$ 81,803
State Aid	\$ -
Estimated Receipts	\$ 80,261
Total Anticipated New Revenues	\$ 1,308,489

As you can see, we are currently anticipating \$1.3 million in new revenues for FY 2020. The following is what we are anticipating in expenses based on the best information available today:

Nashoba Tech - Five New Students	\$ 100,000
GDRSD - 5.33 Percent Increase	\$ 1,077,482
Health Insurance - 10 percent Increase	\$ 171,630
County Retirement	\$ (108,646)
Salary - Based on Current Agreements	\$ 190,449
Expenses - One Percent Increase	\$ 28,240
Debt Service - In Levy	\$ 10,000
Medicare	\$ 8,000
Two New Firefighters - Full Year Increase	\$ 80,000
Total Anticipated New Expenses	\$ 1,557,155

Based on this, we are anticipating a deficit of \$248,666. I would like to call to your attention to a couple of important facts:

- a. A 5.33 percent increase in the GDRSD budget would take up 82.3% of our anticipated new revenues, while they are 58% of our Budget. When you add in Nashoba Tech, School Spending would take up 90% of our anticipated new revenues. This is not sustainable.
- b. The current municipal budget is \$15,804,656. The proposed anticipated increase in the budget (taking into consideration the savings in County Retirement) is \$379,673 or 2.4%. If you don't give the municipal budget credit for the savings in County Retirement, the increase is \$488,319, or an increase of 3.1%.

I look forward to discussing this in more detail with the Select Board at Tuesday's meeting with the Board and then on October 22nd with the Finance Committee.

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7. Now that Town Meeting has approved design and bid funding for the Highway Garage, I would like to update the Board on what action we are taking to implement the project. First, I have advertised for an Architect and Owners Project Manager to comply with procurement laws. Proposals are due on October 24th. I have also advertised for residents to serve on the Building Committee for the project. I hope to have a proposed committee for Select Board ratification within the next two weeks. Once the Architect, OPM and Committee is in place, we will get started on the design of the project. I look forward to discussing this in more detail with the Board at Monday's meeting.
8. Select Board Members Pine, Giger and I have been working with our Land Use Director Takashi Tada and GELD General Manager Kevin Kelley to determine whether or not it makes sense to have Groton become a Green Community. To that end, we have researched the process and met with Kelly Brown, the Regional Coordinator, for Green Communities. Kelly provided us with a PowerPoint presentation on the process, which I have included with this report for your review. I would like to take a few minutes at Tuesday's meeting discussing with the Board whether or not you are interested in pursuing this and, if so, what the next steps might be to move this forward.
9. I want to call to the Board's attention the commitment Groton School has made to the Town of Groton. Not only have they constructed a new sidewalk for both their students and the general public's safety, they have continued to make a financial contribution to the Town. Last year, Groton School committed an additional PILOT payment of \$20,000 to help offset the cost of the second School Resources Officer. Not only have they provided that funding, they have increased their annual PILOT from \$113,000 in FY 2018 to \$125,000 in FY 2019. I appreciate their commitment to the Town of Groton and wanted to bring this to the Board's attention.

MWH/rjb
enclosures