



## TOWN OF GROTON

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## Select Board

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**Town Manager**  
Mark W. Haddad

**To:** *Select Board*

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

**Subject:** *Weekly Report*

**Date:** *March 11, 2019*

1. In addition to the Town Manager's Report and an update on the on-going issues list, there is one item scheduled on Monday's Agenda. The Select Board will be meeting in joint session with the Moderator and the Groton Members of the Groton Dunstable Regional School Committee in joint session to consider the reappointment of Robert Flynn and Patricia Madigan as the Town's Representatives to the Nashoba Regional Technical High School Committee. For this joint session, the Moderator shall Chair the meeting.

2. As part of insuring the Prescott School, a safety inspection by the Insurance Carrier was conducted. Based on the inspection the following was reported to me by the Insurance Carrier:

*"A safety inspection of your premises was recently completed and the following recommendations were developed:*

***Federal Pacific Electrical Company Panel - The electrical box states "Federal Pacific Electric Company" or the "StabLok" brand on the inside panel, therefore the circuit breaker panel box should be replaced with a UL approved panel for this type of exposure."***

Unless we fix this problem, they will cancel our insurance. We have no choice but to fix it. Tom Delaney has received an estimate of between \$10,000 and \$15,000 for this work. We have two choices to cover this cost. We can use the money appropriated for the Town's cost of insurance and landscaping and replenish it next Fall, or seek a Reserve Fund Transfer. I am concerned that the money for the Town's cost of the building is being rapidly depleted for unforeseen repairs and this will not help. Tom Delaney and I are not confident that the money appropriated for three years will actually cover three years given the number of issues we have encountered with the Prescott School since the School Committee vacated the building. I need direction from the Select Board and Finance Committee on how to proceed. Attached to this report is an email I sent the Board and FinCom answering some questions that were posed to me. This information should be helpful to the Board and FinCom in determining how best to proceed.

3. As you are aware, there are two articles on the Spring Town Meeting Warrant that asks the Town to adopt legislation that would allow the Town to charge an excise tax on short-term rental facilities. The Board needs to determine whether or not to proceed with this proposed legislation. To help the Board make a decision, Dawn Dunbar investigated the number of facilities in Town that provide short term rental and the anticipated income should we proceed with the surcharge. The following chart was developed by Dawn showing this income based on various levels of occupancy:

**Short Term Rental Potential Tax Analysis**

	<u>Property Name</u>	<u>Per Night Cost</u>	<u>75% Occupancy</u>	<u>3% Tax at 75% Occ</u>	<u>50% Occupancy</u>	<u>3% Tax at 50% Occ</u>	<u>25% Occupancy</u>	<u>3% Tax at 25% Occ.</u>
#1	Private Peaceful Hilltop Country Haven	\$110.00	\$30,112.50	\$903.38	\$20,075.00	\$602.25	\$10,037.50	\$301.13
#2	Groton House	\$78.00	\$21,352.50	\$640.58	\$14,235.00	\$427.05	\$7,117.50	\$213.53
#3	Bright, Private Getaway on Main St.	\$62.00	\$16,972.50	\$509.18	\$11,315.00	\$339.45	\$5,657.50	\$169.73
#4	5 Star Location & Luxury in the Heart of Groton	\$563.00	\$154,121.25	\$4,623.64	\$102,747.50	\$3,082.43	\$51,373.75	\$1,541.21
#5	Private , Bright, Spacious Suite in Groton, MA	\$67.00	\$18,341.25	\$550.24	\$12,227.50	\$366.83	\$6,113.75	\$183.41
#6	Private Peaceful Hilltop Haven ("Library")	\$90.00	\$24,637.50	\$739.13	\$16,425.00	\$492.75	\$8,212.50	\$246.38
#7	Bright Spacious Country Setting	\$67.00	\$18,341.25	\$550.24	\$12,227.50	\$366.83	\$6,113.75	\$183.41
#8	Tranquil Summer Lake Living	\$158.00	\$43,252.50	\$1,297.58	\$28,835.00	\$865.05	\$14,417.50	\$432.53
#9	Private Peaceful Hilltop Haven (the "bird" roc	\$73.00	\$19,983.75	\$599.51	\$13,322.50	\$399.68	\$6,661.25	\$199.84
#10	Groton Center Studio in Historic 1850's Home	\$107.00	\$29,291.25	\$878.74	\$19,527.50	\$585.83	\$9,763.75	\$292.91
#11	Cozy, 2BR Lake-Side Retreat and Outdoor Oas	\$112.00	\$30,660.00	\$919.80	\$20,440.00	\$613.20	\$10,220.00	\$306.60
	<b>TOTALS</b>			<b>\$12,211.99</b>		<b>\$8,141.33</b>		<b>\$4,070.66</b>

The Board needs to take into consideration the cost of implementing this law. It would require inspections by our Fire Department and Building Department to ensure code compliance, on top of monitoring various rental and real estate advertisements to determine who is providing this service. In my opinion, the potential revenue does not justify the effort to pursue this excise tax. I would recommend that the Board not pursue this legislation at this time and remove the articles from the Warrant. We can discuss this further at Monday's meeting.

4. Attached to this report is a letter from KP Law, who serves as Town Counsel for Pepperell and Labor Counsel for Groton. Pepperell has asked them to undertake a review and provide advice on a proposed Intermunicipal Agreement for police details among Pepperell and several surrounding communities, including Groton. Under the Massachusetts Rules of Professional Conduct, Rule 1.7, they need a determination from the Groton Board stating that their representation of Pepperell will not affect the exercise of independent professional judgment on behalf of the Town of Groton. I would respectfully request that the Board consider making this determination at Monday's meeting.

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5. Attached to this report for your review is the latest draft of the 2019 Spring Town Meeting Warrant. Should the Board have any questions, I would be happy to answer them at Monday's meeting. Please note that the Public Hearing on the Warrant will take place next Monday, March 18<sup>th</sup> at 7:15 p.m.
6. As you know, the GDRSD Committee voted to use \$400,000 in E&D Funds in FY 2020 to offset the proposed budget of the School Superintendent and reduce the proposed Operational Assessments to Groton and Dunstable in FY 2020. Groton's Assessment would be reduced by \$308,731. Should the Select Board and Finance Committee decide to fund the two proposed new Firefighter/EMT's in FY 2020, the proposed Operating Budget would be \$30,161 under the anticipated FY 2020 Levy Limit. I have attached to this report an updated Levy Limit Calculation outlining the changes to the proposed budget since December 31, 2018. In addition, I have updated the Five-Year Projection to show different scenarios and attached them to this report as well. The scenarios are as follows:
  1. Scenario #1 – Original Budget Five Year Projection dated December 18, 2018.
  2. Scenario #2 – Superintendent's Budget (Using their Five-Year Projections from FY 21 through FY 25) and adding two new FF/EMT's in FY 2020, which would require overrides from FY 2020 through FY 2025.
  3. Scenario #3 – Reduced GDRSD Budget using E&D (Using their Five-Year Projections from FY 21 through FY 25) and adding two new FF/EMT's in FY 2020, which would require a large override in FY 2021 and then Overrides from FY 2022 through FY 2025.
  4. Scenario #4 – Same as Scenario #3, but not adding any new FF/EMT's to the Fire Department (which would put the FY 2020 budget \$94,200 under the anticipated FY 2020 Levy Limit).

I would like to take some time at Monday's meeting reviewing these scenarios with the Select Board and Finance Committee.

MWH/rjb  
enclosures