



## TOWN OF GROTON

173 Main Street  
Groton, MA 01450

## Sustainable Budget Study Committee

Kevin Forsmo, Chairman  
Mark Haddad  
Jack Petropoulos  
Bud Robertson  
Art Prest  
Patricia DuFresne  
Michael Hartnett  
Kevin Brogan  
Alison Manugian

### MEETING MINUTES

Date: Thursday, June 23, 2016  
Time: 7:00 AM  
Location: 1<sup>st</sup> Floor Meeting Room, Town Hall  
Members Present: Mark Haddad, Art Prest, Alison Manugian, Jack Petropoulos, Michael Hartnett, Kevin Forsmo, Kevin Brogan, Bud Robertson  
Absent Members: Patricia DuFresne  
Others Present: Robin Eibye, Ellen Baxendale

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Chairman, Kevin Forsmo called the meeting to order at 7:05 a.m. The agenda was reviewed.

#### ROOM TAX OPPORTUNITY AND COMPARISON TO OTHER TOWNS

Art Prest provided attendees with a comparison packet and reviewed the data. Mr. Prest noted that most towns opted to charge a 6% room tax whereas Lennox charges a 4% tax. A brief discussion ensued about the potential revenue from the proposed new inn.

**Mr. Haddad made a motion to request that the SBC's final report include a recommendation that the BOS include an article on the fall town meeting warrant to accept the local room occupancy tax rate of 6%. Art Prest seconded and the motion carried 7:0. (Patricia DuFresne, absent; Alison Manugian, absent.)**

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#### EXPENSE ANALYSIS DISCUSSION

Mr. Brogan provided the following definition of the DB plan (Defined Benefit) and DC plan (Defined Contribution). The Defined Contribution plan provides you with an account that you manage on your own and a DB plan sends you regular payments. Mr. Brogan noted that employers are moving away from DB plans. Mr. Hartnett confirmed that there are no other options for the Town. Bud Robertson asked if employees contribute to the plan. Mr. Hartnett confirmed that all employees are required to contribute to the plan.

At 7:25 a.m., Alison Manugian joined the meeting.

A discussion ensued about the state pension system. Mr. Hartnett stated that Groton's average employer contribution rate is 4.4% and cannot be changed due to the fact that it's set by the State. A discussion ensued about how/what the Town could do to change the rate.

Mr. Hartnett explained that inactive participants of the plan are people who left employment before they were vested in the system and haven't taken their money back. The Committee discussed Groton's Unfunded Liability Debt and agreed that the Town has no control to make changes.

A discussion ensued about grandfathering current employees and eliminating OPEB (Other Post-Employment Benefits) for new employees. It was confirmed that the health insurance line item covers current employees at 80% and retirees at 65%. A brief discussion occurred about Groton decreasing the Town's contribution for retirees from 65% to 50%.

Art Prest suggested that he, Mark, Patricia and Melisa work together to gather information on health benefits. Mr. Prest commented that municipalities on average are at 68% and Groton is at 80%. A discussion ensued about contract negotiations and changing plans. Mr. Prest noted that a 5% decrease in employer health contribution equals a 1.5% increase in salary.

Mr. Forsmo provided an update stating that he's currently working to create a model spreadsheet that includes a five-year projection of wage and salary growth. Committee members discussed and agreed to cancel the July 7, 2016, meeting due to numerous vacations. Mr. Haddad agreed to invite department heads to the July 14, 2016, meeting to help them see that there's a problem with the increasing budget. The Committee conversed about what models should be included in the "Model Spreadsheet".

At 8:40 a.m., Art Prest left the meeting.

Mr. Haddad provided an Expenditures by Major Categories Appropriations chart. The Committee reviewed the chart for recommendations as to what additional information should be included moving forward.

## **MINUTES**

Draft minutes from June 16, 2016, were reviewed.

**Mr. Haddad moved to accept the June 16, 2016, minutes as written. Ms. Manugian seconded and the motion carried 7:0. (Art Prest, absent; Patricia DuFresne, absent)**

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**Mr. Haddad moved to adjourn the meeting at 8:55 a.m. Mr. Forsmo seconded and the motion carried 7:0. (Art Prest, absent; Patricia DuFresne, absent)**

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Respectfully submitted by Robin Eibye, Executive Assistant

**APPROVED: June 30, 2016**

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