



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, July 19, 2016
Time: 7:00 AM
Location: 1st Floor Meeting Room, Town Hall
Members Present: Mark Haddad, Patricia DuFresne, Jack Petropoulos, Kevin Brogan, Bud Robertson, Michael Hartnett, Art Prest
Absent Members: Allison Manugian, Kevin Forsmo
Others Present: Robin Eibye, Ellen Baxendale, Steele McCurdy, Donald Palma, Vanessa, Tom Delaney, Kathy Shelp, Anna Eliot, Peter Cunningham, Michael Bouchard, Michael Hartnett, Tom Orcutt, Rena Swenson, Dawn Dunbar

Vice Chairman, Kevin Brogan called the meeting to order at 7:05 a.m., and referenced the Charge to help the Dept. Heads understand the Committee's objectives.

INTRODUCTION OF SUSTAINABILITY ISSUES FOR REVIEW WITH STAKEHOLDERS PRESENTATION

Jack Petropoulos began with "Why Are We Doing This". Mr. Petropoulos explained that the municipal and GDRSD budgets are both growing faster than Town revenues. Each for different reasons and at different rates, which translates into annual overrides unless changes are implemented.

Mr. Petropoulos said the challenges are ours costs versus revenues. He explained the Annual Growth Rate is at 3.4%, the Annual Municipal Growth Rate is 4.5% (net growth of salaries / wages and benefits), 3.4% overall (assumes expenses shrink to 0 as % of budget by 2036). Our revenue sources are limited and taxpayer salaries are growing more slowly than their tax bills. Mr. Petropoulos went on to say that the Median Salary Growth is 2.5%. He specifically noted that the biggest challenge is State support for schools is stagnant, disproportionate % of the growth on taxpayers.

Bud Robertson said that municipal and school budgets are growing at the same rate of 3%; however, because state aid is stagnant, the Town is forced to pay 4.7% for schools.

Mr. Petropoulos discussed Project Assumptions: Salary & Wage growth, Benefits Growth, Expenses Growth, Debt Growth, Revenue Growth, Revenue Split, Growth of Budget / Assessment. Michael Hartnett asked if state aid to the schools is based on whether or not the district is part of a regional district. Mr. Petropoulos explained that the State determined that Groton is a wealthy town, so less aid is needed. A brief discussion ensued about Chapter 70.

Mr. Petropoulos discussed the Big 3 (salaries & wages, benefits and expenses) as % of Budget w/o override and noted that it's impossible for expenses to go from 20% to 0% of the budget. Mr. Petropoulos compared FY 2017 to FY 2036 municipal budgets and noted that the Town's options on the municipal side are to

increase revenues with annual overrides, add new revenue sources every year, decrease costs, slow growth to be equal to, or less than, revenue growth, and/or cut services annually.

Bud Robertson noted that slowing the growth of both the wage and salary line items is necessary. Art Prest said that the fastest growing percent of the budget is benefits. Peter Cunningham noted that the school population is going down and asked at what point will that impact the needs of the GDRSD? Jack Petropoulos agreed it will at some point. Anna Eliot said that the Town and GDRSD need to work together to find a remedy to the problem.

FEEDBACK AND IDEAS

Mr. Petropoulos asked the group to take time to think about the presentation before providing feedback. A discussion ensued about increasing revenues through overrides or new sources of revenues. Mark Haddad said that buildable commercial land in town translates into approximately \$80,000 in new tax revenues, which is not a significant impact over time.

Mark Haddad said that health care and pension budgets are the biggest challenge and input from the employees is crucial.

Patricia DuFresne said it's important for budget presentations should be held jointly with the Town and GDRSD so there's less of an "Us vs. Them" mentality.

Gary Green inquired about Groton's percentage of conservation land compared to similar towns. Mr. Petropoulos replied stating that Groton landed in the middle when compared to similar towns.

Gary Green said it's important to educate the citizens along with the employees.

MINUTES

Draft minutes from June 30, 2016, and July 14, 2016, will be reviewed at the next meeting.

Mr. Haddad moved to adjourn the meeting at 8:35 a.m., Mr. Petropoulos seconded and the motion carried 7:0. (Alison Manugian, absent; Kevin Forsmo, absent)

Respectfully submitted by Robin Eibye, Executive Assistant

APPROVED: JULY 21, 2016
