



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, September 15, 2016
Time: 7:00 AM
Location: 1st Floor Meeting Room, Town Hall
Members Present: Mark Haddad, Kevin Forsmo, Alison Manugian, Jack Petropoulos, Kevin Brogan, Bud Robertson, Michael Hartnett, Art Prest, Patricia DuFresne, Robert DeGroot (CPC), Richard Hewitt (CPC), Timothy Siok (CPC), Ana Eliot (BOS)
Absent Members:
Others Present: Robin Eibye, Ellen Baxendale (Resident)

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

Mr. Forsmo asked Committee members if they are available to attend the Finance Committee meeting on Tuesday, September 27, 2016, at 7:00 p.m., and recommended that all members attend. All members agreed to attend the Finance Committee meeting.

RECOMMENDATIONS REVIEW

Kevin Forsmo said all options should be included in Committee recommendations to the BOS because it's ultimately up to the BOS. A discussion ensued about revenue and expense recommendations. Mark Haddad said during the BOS meeting this past Monday, the BOS voted against implementing a new hotel tax. Mr. Forsmo said he doesn't agree with taking anything off the table, and the new hotel tax should be included as a Committee recommendation. A discussion ensued about reasonable recommendations and the cost and benefit of revenues. Mr. Haddad asked the Committee if anyone had additional ideas to raise revenues. Alison Manugian asked if it's possible that grants are available to support any expenses. The Committee agreed to include a "Not Recommended" list, which would include full-time grant writer and parking meters on Main Street.

A discussion ensued about the pros and cons of the addition of a business development person to the staff. Robert DeGroot noted that the volunteer base in Groton is extremely active and provided the example of Bruce Easom, an excellent grant writer that may be willing to assist with grant writing for the Town. A discussion ensued about locating grant opportunities and how it should be captured in the report under recommendations.

The Committee discussed including an override as a revenue option in the report. Mr. Haddad said if the Town and school district stay within a 2.3% increase, then no override would be needed; if increases go above 2.3%, then an override would be required to fund the increase.

At 7:30 a.m., Patricia DuFresne joined the meeting.

Mr. Brogan said he would not recommend including an override as a recommendation. Mr. Forsmo agreed stating that it's not the Committee's objective to have an override take place. Mr. Petropoulos said he doesn't agree, and a discussion ensued about salary growth and overrides.

At 7:45 a.m., Ana Eliot joined the meeting.

The Committee reviewed their Charge and a discussion ensued about including overrides in the list of Committee recommendations. Expenses were reviewed line by line for accuracy and to confirm which recommended changes require contract renegotiation. Mr. Haddad provided an explanation about free cash. The Committee agreed that "Reduce Capital Expenditures by x%" would appear under the "Expenses" list in the report. The Committee discussed the reduction or elimination of services performed and whether or not they should be broken out. Also discussed was whether or not to include the recommendation of eliminating the Country Club subsidy and where it should be included within the report.

A discussion about the reduction or elimination of the CPA ensued. Mr. Petropoulos said there is no cost benefit, if eliminated, and explained that although the state matches CPA funds, the funds are restricted. Robert DeGroot said that the Town people have contributed \$5.3 million and the state \$3.3 million, which totals \$8.6 million for the Town of Groton. It was confirmed that for the cost of \$5.3 million dollars to tax payers, the Town received \$8.6 million in total. Mr. DeGroot said that due to the CPA, revenue services have been maintained and provided the examples of the Groton Grange and Sargisson Beach. Mr. Robertson said the Town should not consider the reduction or elimination of the CPA until FY2020. Richard Hewitt said the CPA brings in other sources of revenue that have not been discussed, and grant monies have been brought in solely because the CPA was in place. Mr. Hewitt went on to say that both the driving range and 134 Main Street generate revenue. Mr. Petropoulos said the topic has been discussed long enough and feels it's time to move on. Mr. DeGroot respectfully disagreed and the discussion continued. Mr. Forsmo said he would like to keep the "Elimination of CPA" in the report and the Town can decide whether or not they agree. The Committee agreed that "Elimination of CPA" should be included under "Possible Ideas to Explore" and not place it in the recommended list within the report. Mr. Prest said he would like to see additional revenue and provided the example of charging parking fees at beaches to pay for their preservation.

Mr. Petropoulos said he would like to discuss capital expenditures and start the initiative of looking at how, why and when vehicles are replaced. Mr. Haddad said he's hoping this will be included in the operational audit. It was decided that "Examine Capital Expenditures/Replacement Practices" be a recommendation in the report. Ana Eliot said she values the input of SBC members.

At 8:26 a.m., Ana Eliot, Robert DeGroot, and Mark Haddad left the meeting.

A discussion began about compensation expenses, COLA vs. merit increases, and renegotiation and contractual obligations. It was determined that merit increases equal 2/3 of payroll expenses. Benefit expenses were reviewed along with the following possible recommendations: health insurance premium cost share, limit payroll to a fixed portion of expenses, reduce town's share of retiree medical coverage, and eliminate the health reimbursement account. A discussion ensued about the "Unfunded Pension Liability Amortization Extension" recommendation. Mr. Petropoulos said the Committee should look at providing high level guidance with all SBC recommendations. Mr. Brogan said he feels the Committee should include multiple layers of recommendations in the report. Mr. Forsmo said he advocates for including everything the Committee has discussed thus far in the report so that the BOS can decide what's best for the Town.

Mr. Brogan brought forth the question: fundamentally to achieve sustainability, what does the Town need to do? The Committee agreed that decreasing wages and benefits and growing revenue is the only way the Town will achieve sustainability. Mr. Robertson said because the state controls health benefits, it really comes down to controlling wages and salaries, and we cannot continue giving 2% wage increases each year. He went on to say maybe the Town provide a bonus to employees in lieu of giving annual COLA wage increases.

Mr. Petropoulos said the report should include: the challenges the Town is facing, high level solutions and the challenges to get the solution implemented. A discussion ensued about how to include the fact that costs growth can only grow by 2.3% annually when revenue is growing by 3.5% in the report so that it's comprehensible.

At 9:03 a.m. Jack Petropoulos left the meeting.

Mr. Forsmo agreed to provide a draft for the Committee's review at the next SBC meeting.

MINUTES

Draft minutes from Thursday, September 8, 2016, were reviewed.

Bud Robertson moved to accept the September 8, 2016, minutes as written. Mr. Prest seconded and the motion carried 7:0. (Mark Haddad, absent; Jack Petropoulos, absent)

Mr. Prest moved to adjourn the meeting at 9:15 a.m.

Respectfully submitted by Robin Eibye, Executive Assistant

APPROVED: September 27, 2016

APPROVED