



TOWN OF GROTON

173 Main Street
Groton, MA 01450

SUSTAINABLE BUDGET STUDY COMMITTEE

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

MEETING MINUTES

Date: Thursday, October 27, 2016
Time: 7:00 AM
Location: Fire Station Meeting Room, 45 Farmers Row, Groton
Members Present: Mark Haddad, Kevin Forsmo, Bud Robertson, Art Prest, Patricia DuFresne, Alison Manugian
Absent Members: Kevin Brogan, Michael Hartnett, Jack Petropoulos

The meeting was called to order at 8:06 a.m., and Mark Haddad introduced Chairman, Kevin Forsmo.

SBC FINDINGS AND RECOMMENDATIONS REPORT

Kevin Forsmo welcomed attendees and gave a brief overview of the Committee Charter and Charge.

Mr. Forsmo provided a definition of sustainability, discussed projection assumptions, and explained the Big 3 as % of Budget w/o Override slide. Mr. Forsmo provided a brief overview of deficit projections with a 5% growth vs. a 2.4% growth, and went on to say that 5% growth would require continuous overrides or reduction in services vs. a 2.4% growth rate that would require no overrides.

Mr. Forsmo discussed the Town's options and increasing revenue with annual overrides as well as adding new revenue sources every year, and decreasing costs by slowing cost growth to be equal to, or less than, revenue growth. Mr. Forsmo explained the rationale behind the 2.4% growth guidance.

FY2018 Impact of Recommendations was discussed, specifically the following:

- \$64K savings with the elimination of the Health Reimbursement account benefit given to town employees
- \$17K savings with increasing retiree medical cost share
- \$15K with expansion of regional collaboration
- \$10K with enterprise intergovernmental standardization
- \$25K in new or increased user fees
- \$0K implement a room occupancy tax of 6%. Mr. Forsmo said the \$0K is due to the fact that the BOS voted against implementing a room occupancy tax.

Mr. Forsmo explained the SBC's Long Term Recommendations and said that the tracking of revenue and expense growth as well as a more thorough five-year projection should be a planning exercise for each budget cycle, and the SBC could be a standing committee working over each summer to explore current options before each budget cycle.

Bud Robertson introduced himself and explained that benefits are growing by 7%-8% annually, which is unsustainable.

A lengthy discussion ensued about taxes, wages and what the Town is doing compared to other communities within the Commonwealth.

The meeting adjourned at 9:55 a.m.

Respectfully submitted by Robin Eibye, Executive Assistant

APPROVED: November 3, 2016

APPROVED