

## REPORT OF THE TOWN MANAGER TO THE 2014 FALL TOWN MEETING

The 2014 Fall Town Meeting Warrant contains several warrant articles that seek appropriations, some of which will affect the Tax Rate and some which will have no further impact on taxes. The purpose of this report is to provide the residents and taxpayers with a summary of these articles and what impact they will have on the Fiscal Year 2015 Tax Rate.

As you will recall, the 2014 Spring Town Meeting voted a budget of \$33,240,844 which was \$74,780 under the levy limit based on our best estimate of revenues at that time. Since that time, we have begun to get a better picture of our estimates. Most importantly, in July, the Commonwealth finalized its budget and provided the Town with its final State Aid Estimates. Further, the Assessors continue to work toward the finalization of the Town's new growth. They should have it certified by the end of October. At this time, I am pleased to say that both of these amounts have come in higher than anticipated last December when the Fiscal Year 2015 Operating Budget was first developed. The following chart provides the difference between what was originally estimated and what we are estimating at this time:

	<u>Original</u>	<u>Current</u>	<u>Difference</u>
State Aid	\$ 805,868	\$ 828,915	\$ 23,047
State Charges	\$ 110,776	\$ 106,992	\$ 3,784
Snow & Ice Deficit	\$ 200,000	\$ 221,729	\$(21,729)
Off-Set Receipts	\$ 20,000	\$ 17,617	\$ 2,383
New Growth	\$ 260,700 (\$15m)	\$ 347,600 (\$20m)	\$ 86,900
Local Receipts	\$3,488,100	\$3,564,000	<u>\$ 75,900</u>
	<b>Additional Revenues</b>		<b><u>\$170,285</u></b>

With this additional revenue, the approved budget is now \$245,065 under the levy limit. Since the original budget was voted, we have been attempting to address several issues that require attention. With this additional revenue, we would like to address these issues at the Fall Town Meeting before we set the Fiscal Year 2015 Tax Rate. Article 2 of the Warrant proposes to amend the original budget in some line items. In addition, The Department of Revenue has certified the Town's Free Cash at \$1,181,587. Some of this Free Cash will be used to fund several of the Articles contained in the Warrant. The use of "Free Cash" will not impact the tax rate.

The following is a summary of Warrant Articles requesting funding and how it will impact the anticipated FY 2015 Tax Rate:

**Article 1: Unpaid Bills** **Amount Requested: \$229**

The following unpaid bills will be funded through Free Cash and will not affect the Tax Rate:

Bain Pest Control - \$49

Carrot-Top Industries -	\$95
Eastern Industrial Automation -	<u>\$85</u>
Total	\$229

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**Article 2: Budget Amendments**

**Amount Requested: \$81,222**

The proposed funding for this Article will come from taxation and will impact the Tax Rate (at the conclusion of the summary and explanation will be a chart showing the impact on the FY 2015 Tax Rate). The following is a breakdown of the requests, followed by an explanation:

<u>Line Item</u>	<u>Original Appropriation</u>	<u>New Appropriation</u>	<u>Difference</u>
Board of Selectmen Expenses	\$ 2,000	\$ 6,500	\$ 4,500
Town Accountant Wages	\$ 33,065	\$ 39,135	\$ 6,070
Treasurer/Collector Wages	\$ 92,471	\$ 96,125	\$ 3,654
IT Wages	\$ 34,640	\$ 44,538	\$ 9,898
Fire Department Expenses	\$ 115,059	\$128,059	\$ 13,000
Police & Fire Communications	\$ 392,082	\$436,182	\$ 44,100
Country Club Salary	\$ 133,150	\$ 62,689	\$(70,461)
Country Club Wages	\$ 154,200	\$184,738	\$ 30,538
Country Club Expenses	<u>\$ 257,650</u>	<u>\$297,573</u>	<u>\$ 39,923</u>
Total	\$1,214,317	\$1,295,539	\$ 81,222

**Explanation of Requests:**

**Board of Selectmen Expenses - \$4,500**

The Trails Committee has applied for a State Grant that will fund the creation of the Nashua River Accessible Trail. It will be the first trail of any kind in Groton to provide access for people of all abilities to a peaceful forest experience as well as beautiful views of the Nashua River and one of its oxbow ponds. The proposed trail will provide a unique recreational experience along the Nashua River for all, including parents with children in strollers, wheelchair-bound individuals, and anyone who needs a flat stable surface upon which to travel. The Nashua River Accessible Trail will be entirely within the J. Harry Rich State Forest, which is managed by the Department of Conservation and Recreation (DCR). The proposed trail will intersect Nod Rd. about 0.5 miles east of where Rte. 119 crosses the Nashua River. The grant application is for \$22,290.41. The grant has a requirement for 20% matching funds, which means the Town must provide \$4,500 towards the project.

**Board of Selectmen: *Recommended Unanimously***  
**Finance Committee: *Recommended Unanimously***

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**Town Accountant Wages - \$6,070**

This request is for both three (3) additional hours per week for the Assistant Town Accountant and a reclassification of the position. The Assistant Town Accountant's position is budgeted for 27 hours per week. More often than not, the Town Accountant has been forced to alter the

Assistant's hours to meet the needs of a very busy office. This position has been averaging almost 30 hours per week on a regular basis which has forced the reduction of hours in other weeks to meet the budget. The workload demand in the office requires at least 30 hours per week for this position. This increase is needed to keep up with current workflow. With regard to the second request, the Assistant Treasurer/Collector and the Assistant Assessor are classified as Grade 9 positions. The Assistant Town Accountant is classified as a Grade 7 position. Based on a request from the Town Accountant and pursuant to the Collective Bargaining Agreement between the Town and SEIU, Local 888, the Human Resources Director and Town Manager undertook a review of the position to determine if a reclassification was required. Based on this review and grading of the position, a reclassification to Grade 9 is required to meet the requirements of the job and to keep in line with similar positions within the Finance Offices at Town Hall. The cost of the reclassification and increased hours is \$6,070.

**Board of Selectmen: *Not Recommended – 3 Against, 2 In Favor (Cunningham, Schulman)***  
**Finance Committee: *Recommended Unanimously***

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#### **Treasurer/Collector Wages - \$3,654**

Similar to the Assistant Town Accountant's reclassification, the Treasurer/Collector, pursuant to the Collective Bargaining Agreement between the Town and SEIU, Local 888, requested that a review of the position of Payroll Coordinator/Assistant to the Treasurer be undertaken. Currently, this position is classified as a Grade 6 position. Based on the review of this position by the Human Resources Director and Town Manager, it was determined that a reclassification of the position to Grade 7 is required to meet the requirements of the job. The cost of this reclassification is \$3,654.

**Board of Selectmen: *Not Recommended – 3 Against, 2 In Favor (Cunningham, Schulman)***  
**Finance Committee: *Recommended Unanimously***

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#### **IT Wages - \$9,898**

When the former IT Director resigned, a complete study of the IT Department was undertaken to determine how to continue the high level of services provided by our IT Department. A key part of the study was the in-depth Exit Interview conducted by the Town Manager and Human Resources Director of the outgoing IT Director Jason Bulger. Through this discussion, it was determined that the role of the Desk Top Specialist had increased significantly by taking on additional duties over the past year. The Human Resources Director and Town Manager reviewed the position, currently classified as a Grade 5 position, and determined that an upgrade to Grade 6 was warranted. In addition, both the outgoing IT Director and the new IT Director, Brian Davis, requested that this position be increased from 35 hours per week to 40 hours per week based on the work load and actual hours worked by the current Desk Top Specialist. This funding is necessary to cover both the additional hours, as well as the position reclassification. The cost of this change is \$9,898.

**Board of Selectmen: *Not Recommended – 3 Against, 2 In Favor (Cunningham, Schulman)***  
**Finance Committee: *Recommended Unanimously***

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### **Fire Department Expenses - \$13,000**

The Town recently hired a new Fire Chief. During his initial review of Department operations he found that the budget for training was very low. One of the areas where the Chief would like to see additional opportunities is in Professional Development. Some of the areas for this type of training would be in Leadership, Internal & External Communications and Effective Writing, Supervision and Management, Ethics, Problem Solving and Decision Making and Conflict Management, Coaching, and Counseling. This funding would be used to provide this for the Department's Officers. This funding would be used in future years to provide additional training opportunities.

**Board of Selectmen:** *Recommended Unanimously*  
**Finance Committee:** *Recommended Unanimously*

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### **Police & Fire Communications - \$44,100**

During the preparation of the Fiscal Year 2015 Proposed Operating Budget, the Town Manager proposed to add an additional Dispatcher Position to the Town's Communications Department. The Town now has five (5) full-time and one (1) part-time dispatcher. As stated in the Budget Message provided last December, the Fiscal Year 2014 Budget had added an additional position because new state mandates had created more work for the dispatchers by requiring them to obtain and follow Emergency Medical Dispatch (EMD) procedures and requirements. In order to become a certified EMD dispatcher, the employee must become a certified E911 telecommunicator, obtain and maintain CPR certification, and obtain and maintain EMD certification. Each employee must also complete sixteen (16) hours of state approved continuing education training each year. This new mandate has created more work for the dispatcher(s). The position approved last year has enhanced our dispatching capabilities by allowing the Town to have the busiest times covered by two (2) dispatchers on duty and continue to meet State mandates without impacting public safety. The remaining shifts have been covered by relief dispatchers. Unfortunately this one (1) additional position only scratched the surface of the Department's needs. A review of the Communications operations and increased call volume has proven that more shifts should be covered by two (2) dispatchers. While the relief dispatchers have filled some of these shifts, scheduling is not easy since the relief dispatchers work other full-time jobs. Based on this, it was proposed for the second consecutive year that the Town add an additional full-time dispatcher in Fiscal Year 2015. This proposal was originally accepted by the Board of Selectmen and Finance Committee. However, due to the needs of the Groton Dunstable Regional School Department, it was removed from the proposed budget in April. Now that additional funding is available and the need is still paramount, it is requested that this position be added to the Communications Department. The cost to add this position to the Budget is \$44,100.

**Board of Selectmen:** *Recommended – 3 In Favor, 2 Against (Eliot, Petropoulos)*  
**Finance Committee:** *Recommended Unanimously*

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**Country Club Salary - (\$70,461)**  
**Country Club Wages - \$ 30,538**  
**Country Club Expenses - \$ 39,923**

Similar to what occurred within the IT Department when the former Director resigned, an Exit Interview was conducted by the Town Manager and Human Resources Director when the Country Club General Manager retired in May. During that discussion, it was determined not to fill the vacancy during the current season and have the Town Manager serve as the General Manager of the Country Club. There was no interruption of services during the Summer of 2014 as the Department Directors at the Country Club continued to manage their departments and provide excellent services to its members and the general public. In order to have coverage at the Club, the Administrative Assistant's position was increased from 15 hours per week to 40 hours per week and a consultant was hired (at a cost of \$12,000) to help the Town Manager determine improvements to the Club's Golf Operation. To pay for both of these changes, as well as cover the cost of needed repairs at the facility, the former General Manager's Salary is being transferred to the Wage and Expense Accounts. There is no impact on the FY 2015 Operating Budget with these changes.

**Board of Selectmen: *Recommended – 4 In Favor, 1 Against (Eliot)***  
**Finance Committee: *Recommended Unanimously***

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This Article requests that the funding for these requests (\$81,222) come out of our excess levy capacity since almost all of these requests (with the exception of the Trails Grant) will be recurring expenses in FY 2016. The impact on the FY 2015 Tax Rate is as follows:

Original Budget -	\$32,048,878
Original Levy Capacity Used -	\$25,703,296
Amount Under the Levy Limit -	\$74,780
Original Proposed Tax Rate -	\$18.40
Average Tax Bill -	\$7,360 or \$408 increase over FY 2014
New Proposed Budget -	\$32,130,100
New Levy Capacity Used (w/Growth)	\$25,688,133
Amount Under the Levy Limit -	\$163,843
New Proposed Tax Rate -	\$18.37
Average Tax Bill -	\$7,348 or \$396 increase over FY 2014

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**Article 3 – Capital Stabilization Fund**

**Amount Requested: \$365,000**

The Fund has a balance of \$167,891. The financial management goal is to achieve and maintain a balance in the Capital Stabilization Fund equal to 1.5% of the total annual budget.

To meet this level, the Town will need to add \$365,000 to the fund. This funding will come from Free Cash and not affect the Tax Rate.

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**Article 4 – Stabilization Fund**

**Amount Requested: \$150,000**

The balance in this fund is \$1.46 million. The financial management goal is to achieve and maintain a balance in the Stabilization Fund equal to 5% of the total annual budget. To meet this level, the Town will need to add \$150,000 to the fund. This funding will come from Free Cash and not affect the Tax Rate.

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**Article 5 – Offset the Tax Rate**

**Amount Requested: \$150,000**

The Board of Selectmen is recommending that Town Meeting transfer \$150,000 from Free Cash to offset the tax rate in FY 2015. This will reduce the average tax bill (home valued at \$400,000) by \$40.00.

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**Article 8 – Police Department Data Conversion**

**Amount Requested: \$41,000**

From the Summary in the Warrant: “The Police Department currently maintains records extending back to the 1990s on three different servers. Searches for data must take place on three separate systems, lengthening the time searches take and increasing the chance that something is missed. Maintaining these servers is costly, and finding parts to replace failed components is becoming increasingly difficult. Last Spring, the oldest system suffered a hardware failure that resulted in the system being down for two months, with a cost to fix exceeding \$3,000. Many surrounding police departments simply gave up a decade or more of data when their similar-aged servers died or malfunctioned. This one-time expense will take data from two older systems and migrate it to the current system. It should take about three weeks to migrate the data, at which time the older systems can be removed from the network.” This funding will come from Free Cash and not affect the Tax Rate.

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**Article 9 – Improvements to Public Safety Building**

**Amount Requested: \$60,000**

From the Summary in the Warrant: “Now that the Fire Department has moved out of the Public Safety Building into their new headquarters on Farmers Row, the Police Department will be taking over the entire building. In order to convert the space formerly used by the Fire Department into usable space for the Police Department, various improvements and repairs are required. The purpose of this article is to provide the necessary funding to accomplish this task. Additionally, since the building will be occupied only by the Police Department, it should be renamed ‘Groton Police Department.’” This funding will come from Free Cash and not affect the Tax Rate.

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**Article 13 – Engineering Funding**

**Amount Requested: \$15,000**

From the Summary in the Warrant: “The Board of Selectmen recently expanded the Lost Lake Sewer Advisory Committee to a seven (7) member Committee and renamed it the Lost Lake Watershed Advisory Committee. The LLSAC had completed its work and determined that there is still the need for further study of the entire Watershed and that based on the information before them, the installation of a Sewer System may not be the only solution to nutrient loading in Lost Lake. In expanding and renaming this Committee, the Selectmen charged it with the responsibility of reviewing and studying all point and non-point source discharges in the entire Lost Lake Watershed that may impact Lost Lake and Knops Pond. The purpose of this article is to provide funding to the Committee to hire the necessary expertise to help it fulfill this charge.” This funding will come from Free Cash and not affect the Tax Rate.

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With the exception of Article 2 (\$81,222), all of the funding for the remaining money articles (\$781,229) will be appropriated from Surplus Revenue (“Free Cash”) and not impact the Fiscal Year 2015 Tax Rate. Should each of these articles pass, the Town will have a balance of \$400,358 in Free Cash.

Respectfully submitted,

*Mark W. Haddad*

Mark W. Haddad  
Town Manager