

Finance Committee

Meeting Minutes

November 10, 2020

7:00 PM

* VIRTUAL MEETING *

Present: Christi Andersen, Roland Bourdon, Jason Cole, Esha Gangolli, Sahana Purohit, Mike Majors, Adam Nolde, Steve Noone, Christine Russell (Vice-Chair)

Ms. Andersen called the meeting to order at 7:05 PM via a virtual meeting with no Committee members in physical attendance and broadcasted via Zoom and ActonTV.

1. Citizen's Concerns

There were no citizen's concerns.

2. Taxes and Reserve Use

Mr. John Mangiaratti, Town Manager provided a brief update on Free Cash and Reserve use. Referring to a memo sent to the Committee, the Town reduced Free Cash usage from \$2.6 million in FY16 to \$1.16 million in FY21. The rationale for doing so is because of the Town's reduced replenishment of reserves over the past few years. The replenishments were based on lower than anticipated spending and unexpected revenues.

Mr. Cole asked if the retained earnings for Enterprise funds may be used for general fund expenditures. Mr. Mangiaratti replied no, the retained earnings certainly may be used for the overall calculation of reserve balances, however, the funding itself must be used within the Enterprise Funds for their related expenditures. Steve Barrett, Finance Director added the rating agencies only have asked about General Fund reserve balances.

Mr. Noone asked if the Town has a reserve policy. Mr. Mangiaratti responded while there is no formal policy, his goal is to maintain roughly 3-5% reserve levels in line with Department of Revenue guidance.

Ms. Russell noted the school district is challenged with their reserve position, as the rating agencies have looked for at least 5% reserve levels, however, the state caps their Excess and Deficiency levels at 5%.

The Committee reviewed their current Reserve policy slide of the Point of View document. The committee will continue their conversation at subsequent meetings after additional information and deliberation on preferred policy recommendations.

3. Point of View

The Committee reviewed the latest draft of the Point of View document and provided feedback to Ms. Russell for additional revisions.

4. Finance Committee Business

Ms. Gangolli moved to adjourn. Mr. Cole seconded. Ms. Andersen called the roll:

Mr. Nolde – aye
Ms. Gangolli – aye
Ms. Russell – aye
Mr. Noone – aye
Mr. Cole – aye
Mr. Bourdon – aye
Mr. Wellinghoff – aye
Mr. Majors – aye
Ms. Andersen – aye

The Committee voted 9-0, the motion carried. The meeting adjourned at 8:41 PM.