

Finance Committee Meeting

July 8, 2013

MINUTES

R E C E I V E D
AUG 19 2013

TOWN CLERK, ACTON

Members Present: Steve Noone, Pat Clifford, Mike Majors, Bill Mullin, Mary Ann Ashton, Herman Kabakoff.

Chairperson Pat Clifford called the meeting to order at 7:30 p.m.

I. Public Comment. None

II. Minutes.

- Herman made a motion, seconded by Mary Ann, to approve the minutes of the **June 18, 2013**. Motion passed.

III. Board of Selectmen Annual Goals review

David Clough from the BOS presented the annual goals, divided into Short Term (less than 1 year) and Long Term (greater than 1 year). All Selectmen had to vote.

- Short term goals included Town Meeting improvements, implementing permitting software and shorten the permitting process, Open Meeting Law (OML) training and updates, implementing the Morrison Farm Plan, space needs study, commence work on Senior Center, vehicle storage plan, website and Docushare issues, continue monitoring school regionalization and its impact on ALG, and finally, create a 'Voice for Acton Businesses'.
- Long term goals included building new Senior Center and North Acton Fire Station, general zoning overhaul, development of long range capital plan, improving train station traffic flow and review of shuttle operations, identify space needs and develop plan, becoming self sustaining with OPEB, finalize Sewer District policies, and lastly, sign Bylaw Review.
- Herman led a discussion of OML issues (state law). What can the BOS do to change OML as a short term goal? David indicated that the BOS can be more efficient in their communication and have a better understanding of the law.
- Steve asked about the NA Fire Station. David indicated that a new committee will study the issue. Steve was also surprised that the Kelley's Corner Plan did not make the long term goals.
- Bill observed that 7 of the 9 goals are process oriented and that no short term goals involve money (taxes, spending, etc.) He indicated that the OML was Orwellian in nature and may prevent you from talking to people and suppresses open communication.
- Pat agrees with Bill's comments regarding the absence of monetary issues and that there is a need to define what the problems are with town meeting. She is concerned about the long term goals with "building" NA Fire Station and new Senior Center.
- Mike was concerned that economic development and taxes were absent in the priority list.

IV. Other Post Retirement Employment Benefits (OPEB) update from Steve Noone.

- Steve stated that we are awaiting the new Segal actuarial study to see if the assumptions and estimates made last spring have actually come to pass and our liability is lower.
- In the meantime, on June 25th the board of the Healthcare security trust accepted Acton's request that it be the custodian of the OPEB trust. The HCST is part of the State Retirees Benefit Trust which manages \$53 Billion in assets.
- On July 1 the Town transferred \$742,000 to the HCST which in turn invested in the Pension Reserve Investment Trust or PRIT.
- On June 26th the initial meeting of the Board of Advisors of the Acton Boxborough OPEB Trust Fund was held. The Custodian of the trust is the AB Treasurer, Tess Summers. The Board of advisors consists of Don Aicardi, Neal Hesler from the Boxborough FinCom, the AB Chair, Maria Neyland and Steve Noone. We reviewed a presentation from the investment advisors, the Commonwealth Financial Group on the investment allocations and goals. At the time there was \$248,000 invested and another \$302,000 was soon to be transferred.
- The two trust funds should total just under \$1,300,000.
- Herman indicated that the state is considering OPEB legislation. There is some state action and we need to determine how it affects the Town of Acton.
- Charlie Kadlec, citizen, indicated that at April TM, there was a discussion regarding how much control we have over these funds. We are still awaiting answers from Town Council. Steve indicated that Town Council did respond with a lengthy response. In response to a question from Bill, Steve indicated the report should be available soon.

V. Acton Leadership Group (ALG) Discussion

Pat presented a suggested calendar draft for budget planning for FY15.

- The discussion reviewed the status of the last meeting of the ALG on June 27. The ALG meeting covered:
 - i. Review of the ALG Charter and ground rules
 - ii. Approval of minutes
 - iii. Update on FY13 revenues and expenditures
 - iv. Citizen's comments
- Pat commented that one of the goals is not to "tax to the max", etc.
- Steve indicated that with the vote to expand the region, this is a good point in time to review our assumptions. The calendar needs to be changed due to practical reasons.
- Bill supports the Chairwoman's comments regarding the ALG and is anxious to hear the results of the Segal actuarial study. He is interested in sources and uses of cash as a result of OPEB. 80% of our budget is already known for the next two years. We may not have to increase our taxes by 2½ % this year.
- Mary Ann agrees with Bill's comments regarding the work that needs to be done between now and the Fall. She believed that we were very close last

year in creating a 5-year plan. We have an opportunity to think about long range goals. The ALG budget is an iterative process. She noted that debt retirement should be included in the capital plan.

- Herman agrees with all prior comments and that it is important to get a handle on the Long Range Plan. He questioned the blanks in the Capital Plan.
- Mike had a question about the Capital Plan.
- Pat stated that this is a year that we need to think of expenses first. People who supported regionalization will be looking for the proposed financial benefits.
- Steve clarified that the cash flow starting point is June 2012 and will compare to June 2013.
- Charlie K. stated that getting all the money coming in and going out onto one spreadsheet is a wonderful thing. We like to see more comprehensive budgets from all sources.
- Mary Ann would like to see all "off-budget" numbers included in the model.
- Bill asked what is the amount of cash available to service our needs. The financial details need to be in a format that we can all understand, a global cash flow model.

VI. Kelley's Corner RFP Comments

- Mary Ann was surprised that the Kelley's Corner RFP had dollar amounts included.
- Other comments were deferred.

VII. Committee Reports

- Morrison Farm Committee - Mary Ann is the new chairperson. A new plan will be developed.
- Herman gave an update on the BOS meeting. He reported that a new Red Raven pub will soon be in operation at the former Scupper Jack's location at Nagog Park. The Spruce Street Café was granted a carry-in liquor license. The Acton Housing Authority has a new Chair. The Audubon Hill septic systems must be replaced and they are looking for some tow funds to assist. The FY14 Sewer Rates were set.
- Mary Ann reported that the School Committee proposed to redo the track at Leary Field at an estimated cost of \$600K. There is a need to increase its size from a 6 lane to an 8 lane track.

VIII. A motion was made by Bill and seconded by Mary Ann to adjourn. The motion passed and the meeting adjourned at 9:10 pm.