



## **Finance Committee**

Meeting Minutes

May 14, 2019

7:30 PM

Town Hall – Room 204

**Present:** Christi Andersen, Jeff Bergart, Roland Bourdon, Tom Farley, Mike Majors, Steve Noone, Sahana Purohit (Associate), Christine Russell, Dave Wellinghoff

**Absent:** Jason Cole, Al Vlajinac(Associate)

### **1. Opening**

Vice Chair Roland Bourdon opened the meeting at 7:30 PM  
This meeting was recorded by Acton TV.

### **2. Public Participation**

None

### **3. Third Quarter Financial Update**

Assistant Finance Director/Principal Assessor for the Town, Brian McMullan presented the Town's Third Quarter Financial Update. The Town is on the right track with all of its funds. The Finance Department is meeting every 2 weeks with Department Heads to make sure it stays that way through the end of the year.

#### FY19 General Fund - Revenues

The total revenue, which is comprised of the Town Operating Budget, ABRSC and Minuteman Regional Tech is at 75% of the Annual Town Meeting Budget. The total revenue is trending right where we want it to be at this point of the fiscal year. Some nuances in the revenue items:

- MSBA( School Reimbursement) is at 100% because those funds are generally received in the 3<sup>rd</sup> quarter.
- Local Receipts were boosted to 90% due to some additional unanticipated building permit fees received from Insulet Corporation.

#### FY19 General Fund - Expenditures

Expenditures are at 77% of the Annual Town Meeting Budget. The amount is inflated due to about \$1 million worth of costs that have not been paid out yet, but have been put into the system as known encumbrances. (Ex. Partially paid in-process contracts, reoccurring energy costs) If these items were not included, the % extended would be more like 73-74%.

#### FY19 Enterprise Funds Operating Results

Enterprise Funds are each balanced separately from the General Fund. Brian explained the nuances that effect each of the fund balances at this point of the fiscal year.



### **Septage Fund**

Revenues 95%, Expenses 68%

- Revenue for this fund is generated primarily from Title IV Inspections, new septic systems and pumping. The 4<sup>th</sup> quarter will align with the busy season for these types of revenue streams.

### **Transfer Station & Recycling**

Revenues 97%, Expenses 86%

- Revenues are high because most of the fees come in by the 2<sup>nd</sup> quarter from sticker sales. There will still be a linear revenue stream from sales of trash bags and recycling through the 4<sup>th</sup> quarter.
- Expenses are also high because the number includes \$132,000 worth of encumbrances like contracts for haulers. If that amount was netted out, the percentage would drop well below 75%.
- It was questioned how changes in China's role in the recycling market will affect next year's budget. A FinCom member will reach out to Director Corey York for more information.

### **Sewer**

Revenues 70%, Expenses 84%

- A larger amount of retained earnings was pledged to this fund than in the past in order to be proactive in meeting the budgetary needs of the aging sewer system infrastructure, which is 15 – 16 years old.
- Several studies were funded with the budget including system expansion and a capital needs assessment of the current infrastructure.
- Below average 3<sup>rd</sup> quarter revenue will be boosted in the 4<sup>th</sup> quarter with capital assessments and 3 months of O & M charges due. There is also \$250,000 worth of outstanding betterments.
- The expense figure includes \$300,000 of encumbrances such as contracts for services and past through costs. If those costs were netted, the figure would be closer to 71%.

### **Ambulance**

Revenues 93%, Expenses 85%

- The dynamic of this fund has changed. This will be the 1<sup>st</sup> full year with internal ALS in place. Revenues are anticipated to increase.
- \$243,000 General Support Fund gets transferred in at the beginning of the year. Revenue would be at 71-72% without that boost.

### **Transportation**

Revenues 85%, Expenses 100%

- Heavily subsidized. Revenue includes a large amount of general revenues, commuter lot revenues and governmental receipts (LRTA).



- Practically the whole expense budget is fully encumbered costs.
- There are two components to Transportation Funding. Revolving fund – Soft Services dispatch services. Enterprise Fund – Hard Services like the busses and drivers.

#### **4. Election of New Officers**

Mike Majors motioned to nominate the following officers:

- Chair – Roland Bourdon
- Vice Chair – Christi Anderson
- Clerk – Christine Russell

The motion was seconded and passed unanimously.

#### **5. Liaison Assignments**

Jeff mentioned that he will be missing a lot of meetings in the future. The possibility of remote participation was discussed but not decided upon at this time. He refrained from volunteering for any of the liaison assignments.

Board of Selectmen – Tom Farley stepped down as liaison. Al Vlajinac recommended as his replacement. It will be discussed at next meeting when Al is present.

Community Preservation Committee – Dave Wellinghoff will take this role over from Roland Bourdon.

Economic Development Committee – Mike Majors to continue as liaison.

Health Insurance Trust – Steve Noone to continue as liaison.

Kelley's Corner Steering Committee – Christi Anderson to continue as liaison.

Minuteman School Building Committee - Mike Majors to continue as liaison.

OPEB Committee – Steve Noone to continue as liaison.

School Committee - Christine Russell to resume. Sahana Purohit will now share this role.

School District Budget Subcommittee – Christi Anderson requested this assignment.

South Acton Train Station Advisory Committee – Dave Wellinghoff to continue as liaison.

West Acton Sewer Advisory Committee – Dave Wellinghoff to continue as liaison.

#### **6. Finance Committee Business**

##### **A. Open Meeting Law Complaint(s) - if applicable**

There were no new Open Meeting Law Complaints to review.

##### **B. Approval of meeting minutes**

The April 23<sup>rd</sup> minutes were reviewed and approved.

##### **C. Committee Liaison Reports**

Committee Members who are liaisons to Committees that met during the interim between last FinCom meeting and this meeting gave reports as to what occurred at those meetings.

##### **E. Miscellaneous Discussion**



Selectmen Jon Benson asked the FinCom if they would like to tour the Insulet Facility. The ribbon cutting was 2 weeks ago, but he thought that EDC and FinCom presence was lacking.

Jeff Bergart mentioned that he would like FinCom to maintain a calendar. He wanted to add some “to do” items for FinCom such as to review the School & Town Management Audit letters.

## **5. Adjournment**

At 8:28 PM it was moved and seconded to adjourn the meeting. The motion was approved unanimously.

## **Documents and Exhibits Used During this Meeting**

- 3<sup>rd</sup> Qtr Financial Update Powerpoint Presentation
- April 23<sup>rd</sup> Minutes

Respectfully submitted,

Finance Committee