



Finance Committee

Meeting Minutes
February 25, 2020
7:30 PM
Acton TV Studios

Present: Christi Andersen, Roland Bourdon, Mike Majors, Adam Nolde (Associate), Steve Noone, Sahana Purohit, Christine Russell

Absent: Jason Cole, Tom Farley, Dave Wellingshoff, Al Vlajinac (Associate)

1. Opening

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

2. Public Participation

There was no public participation.

3. Minuteman Regional Technical High School

Superintendent of Minuteman Dr. Bouquillon went over the FY 21 Budget Proposal with a slideshow entitled “Managing Our Success.” Director of Finance Bob Gerardi & School Committee Member Diane Baum also contributed to the conversation.

Successes – Fulfilled obligations & expectations

- New regional agreement 2016. Uses rolling average of past 4 years.
- Capital fee on non-district towns approved by State.
- New building is 1 year ahead of schedule & on budget.
- Increased enrollment from member towns resulting in:
 - No out of district freshmen this fall & no non-members at all by FY24
 - Enrollment beyond the design capacity of 628 (based on 85% enrollment)
 - A waiting list for member & non-member students
- New programs: Advanced Manufacturing, Multimedia Engineering & Veterinary Assistant.

Challenges

- Withdrawal of towns. Belmont will no longer be a member as of July 1, 2020.
- Elimination of non-member enrollment means no additional revenue to reduce assessments for member towns.
- Increased enrollment leading to a waiting list for students from member towns.

Financial Implications

- FY 21 Total assessment \$1,732,983. FY 21 Budget up 6.46 %. Major increases include:
 - Belmont’s withdrawal from the district increased Acton’s assessment \$150,000
 - Technology



- Transportation. Now required to offer health insurance to bus drivers. Already a high cost because of geographical size of district.
- Athletic Services. There are no home fields.
- 8% increase in Health Insurance
- Debt prior bonds & New 3rd round bond
- Salary COLA increase (in negotiation). At end of 3 year contract.
- Cost per pupil of \$48,000 takes debt into account. \$15,000 without debt. Average \$16,000 - \$22,000.
- Bump in enrollment from 36 Acton students this year up to an estimated 60 students in FY 21. Increase will start to effect assessment in FY 22.
- State minimum foundation increased significantly. Acton on higher end of minimum contribution because of its relative wealth.
- Debt service up about 47% over last year. The full cost of debt service now hitting the towns. Just completed 3rd round of borrowing. There will be one more small round towards the end of the project, but 90% of project already borrowed.

4. Capital Needs Presentation & Discussion

Town Manager John Mangiaratti went over the Capital Needs of the town and the future time line. Fire Chief Hart also spoke regarding Fire Department appropriations.

FY 21 Revised Capital Plan

- General Fund Borrowing 1,800,000
 - DPW building expansion & sidewalk program
 - Estimated borrowing cost \$150,000
- Capital Requests Funded in Operating Budget \$450,700.
 - Received \$2.2 million in requests.
 - Among the requests funded: Town Hall Flooring, PSF HVAC replacement design, Police fleet replacement, DPW paving of streets, sidewalks & replacing equipment, Bridge repair/replacement
 - Grant & CPC funding will be used whenever possible
- Appropriations from Free Cash \$740,000
 - Kelley's Corner pedestrian lighting, Quarry Rd street lighting, complete streets & intersections, & traffic calming study
- Enterprise Funds: Ambulance, Sewer, Transportation, & Recycling \$575,000
 - Sewer plant improvement, FD fleet replacement, ambulance replacement, Transfer Station roll-off truck
- Total 3,565,700

Fire Stations

- Deputy Fire Chief Bob Vanderhoof led a tour of each Fire Station via video which emphasized the need for updating as identified in the Long Term Facility Capital Plan.

DPW Facility



- Town Meeting already appropriated funds to complete a feasibility study.
- Goals are to improve functionality, operational efficiency, safety & security, increase sustainability & to provide enhanced customer service for the public.
- Placeholders have been put in the 5 year projected budget to accommodate for the next steps if the project moves forward.

5. Enterprise and Revolving Fund Primer

Assistant Finance Director, Brian McMullen gave an overview of the Enterprise and Revolving Funds. He will speak more on the individual budget numbers at the next Finance Committee meeting.

- Flexibility to take certain programs & services out of the general fund so the whole Town does not have to pay for services that only some use.
- These operations have their own revenue sources, such as user fees or program fees which cover expenses. Draw down of funds usually for capital improvements or purchases. Transportation Fund does require additional money from General Fund.
- Rules & regulations for the funds are set by Mass General Law.
- Each fund has its own financial statement outside of the general fund which makes it easier to analyze fund performance & to determine proper fees are in place.

Enterprise Funds

- State determines the categories that can be used such as Public Utility, Health Care, & Recreation.
- Impact the tax rate & can accommodate a tax subsidy. Go through the tax rate final determination with the State Dept. of Revenue.
- Allow for fixed assets which can be depreciated within the fund. Also allow for debt services to be paid.
- Acton has 5 Enterprise Funds: Ambulance, Septage, Sewers, Transfer Station & Recycling, & Transportation.

Revolving funds

- Typically authorized by State Law for programs or services with expenses that fluxuate.
- Special Revenue Funds. They have their own revenues & expenses, but do not impact the tax rate, accommodate for tax subsidies, carry assets or debt service.
- Appropriation of funds does require Town Meeting approval.
- Acton's Revolving Funds: HDC, Building Department (Inspectional Services), Sealer of Weights, Hazardous Material Inspection, Food Service Inspection, Storm Water, CrossTown Connect, Fire Alarm Network & Roadway Maintenance.

6. Continuation of Budget Discussions

The Finance Committee briefly continued to discuss the school budgets. Town Meeting Warrant Articles will be discussed at the next meeting.



- Research will be done to obtain a cost of pupil for Acton Schools which is inclusive of debt
- The Committee also wants a total budgetary breakdown with new numbers for Minuteman & school building project
- Diane Baum went over some items that are excluded from the cost per pupil.

7. Finance Committee Business

Associate Member Al Vlajinac communicated to the Chair that he needs to step away from the Committee for family reasons. After speaking with the Committee, the Chair decided that a leave of absence would be allowed in lieu of a resignation. Adam Nolde will take over as the Board of Selectmen Liaison and Christi Andersen will take over the Warrant Articles that were assigned to Al.

Approval of Meeting Minutes

The minutes of January 28th were reviewed and approved as amended.

Committee Liaison Reports

Board of Selectmen Liaison Jon Benson gave an update on litigation stemming from a recent Board Open Meeting Law violation.

8. Adjournment

At 9:51 pm, it was moved and seconded to adjourn the meeting.

Documents and Exhibits Used During this Meeting

Minuteman Slideshow

Proposed FY2021 Five Year Capital Plan Slideshow

Town Manager's Recommended Budget Handout

Copy of Brian's text from Enterprise & Revolving fund

January 28, 2020 Draft Minutes

Draft Warrant

Respectfully submitted,
Finance Committee