

Finance Committee

Meeting Minutes

October 13, 2020

7:00 PM

* VIRTUAL MEETING *

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

Ms. Andersen called the meeting to order at 7:08 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. Budget Increase and Reserve Use

Mr. Brian McMullen, Assistant Finance Director and Principal Assessor spoke with respect to the proposed use of Reserves for the upcoming Fiscal Year 2022 budget, to the extent of approximately \$2.2 million in lieu of property tax increase to maintain level services. The Finance Department analysis of this proposal presented depletion of all reserves within the next few years.

Mr. Noone asked if any publication materials referenced by the Finance Department could be supplied to the Committee to give a better understanding of recommended reserve levels for municipalities.

Ms. Andersen asked if there has been any feedback from the Department of Revenue on our reserve usage? Mr. McMullen noted both DOR and S&P had flagged Acton's lower than customary reserve levels in 2018.

Ms. Russell asked what the Department of Revenue reserve level recommendations were compared to Acton's informal reserve policy? Mr. McMullen noted our informal guidelines were between 3-8% of total spending. Finance is currently working on developing formal policies. The DOR recommends between 5-8%.

Ms. Russell asked if there is any indication budget turnbacks will be impacted in the current fiscal year? Mr. McMullen replied it will be difficult only a few months into the new budget season to project turnbacks, however, the Town is still operating under modified service levels. We will know more after the Q2 financial report.

Mr. Noone noted we have had turnbacks every year since Fiscal Year 2011.

Ms. Andersen asked what the FEMA reimbursement timeline looks like? She has heard the money comes within 18 months. Mr. McMullen replied FEMA is historically slow, however,

they have indicated the reimbursements will be expedited, but no indication on when the money will actually be received.

3. Town Updates

Selectman Jon Benson presented a brief update on Board of Selectmen actions. The Board has delayed the Annual Town Meeting in 2021 from April 6th to an undetermined date on or before June 30th. The Town will need to coordinate with the school district for a meeting date to make sure the schools are out of session. The budget will need to be presented not less than 100 days before Town Meeting per the Town Charter. Both the Town and Schools want to make sure revenue projections are clearer to ensure better budget projections.

4. Point of View

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

5. Finance Committee Business

Mr. Noone moved to approve the minutes of July 8, 2020. Ms. Russell seconded. Ms. Andersen called the roll:

Ms. Russell – aye

Mr. Bourdon – aye

Mr. Noone – aye

Mr. Majors – aye

Mr. Cole – abstain

Mr. Nolde – aye

Ms. Gangolli – abstain

Ms. Andersen – aye

The Committee voted 6-0-2, the motion carried.

Ms. Andersen provided a report for the Acton Leadership Group. There has been no indication that CARES Act revenues may be used for revenue replacement. The Chapter 70 State Aid has been lower than projected, however, the school district is looking for alternate revenue sources, including receiving a proportional share of the CARES Act funding provided to the community.

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

Ms. Russell – aye

Mr. Bourdon – aye

Mr. Noone – aye

Mr. Major – aye

Mr. Cole – aye

Ms. Nolde – aye

Ms. Gangolli – aye

Ms. Andersen – aye

The Committee voted 7-0, the motion carried. The meeting adjourned at 8:54 PM.