

Finance Committee Meeting  
August 28, 2012

Members Present: Herman Kabakoff, Steve Noone, Pat Clifford, Doug Tindal, Bill Mullin, Mary Ann Ashton, Paulina Knibbe, Brandy Brandon, Bob Evans

Meeting was called to order at 7:30 p.m. by Chair Doug Tindal

- I. Public Comment. None
- II. Approval of Minutes. Minutes from June 26<sup>th</sup> and July 24<sup>th</sup> were approved.
- III. Energy Conservation – Dean Charter  
Dean Charter presented data about approximately 10 years worth of energy savings projects that have been executed by the municipal properties department. He also presented information about some upcoming projects that the dept would like to do pending budget approval.

Some highlights: converting traffic signals from incandescent to LEDs resulted in 90% reduction in energy usage; converting streets lights from MV to MH resulted in 44% reduction in energy usage.

Many energy reduction programs are partially funded through grants from NSTAR, state government and/or federal government programs.

#### Solar Farm at the landfill

Largest upcoming project is the creation of a solar farm at the landfill. This project requires no capital investment from the town of Acton. Ameresco will build and maintain the solar farm at an initial cost of between \$6 and \$8 million dollars. Acton must purchase all of the energy produced at approximately \$.10 per KWH. The contract will run for 20 years. Ameresco will pay \$60K in rent annually for the use of the space at the landfill.

The system is expected to produce sufficient energy to cover almost all of the electricity used by the municipal government buildings in Acton. (1,717,334 KWH produced; 1,851,311 KWH consumed in 2012). Acton will purchase the entire production at a fixed rate of approximately 10 cents per KWH. If the solar array produces more energy than is needed by the municipal buildings, the town can use the excess in the Acton Public School Buildings or sell it to NSTAR at net-metering prices.

The upside for this project is the ability to use locally produced green energy to supply electricity for all municipal needs at a known cost. If the

cost of electricity continues to rise, this will be an even better deal. The downside is the continuing uncertainty about energy prices. If market rate energy prices drop below \$.10 per KWH, this deal will not be as good.

This project is expected to come online in July of 2013.

#### IV. Status Updates

- a. Long Range Financial Plan (Doug Tindal).  
Consensus is building around using the FinCom Model. The next ALG Meeting will be on Sept 13<sup>th</sup>
- b. Morrison Farm (Bill Mullin).  
Slow start due to summer schedule and other logistical complications. Committee has not reached consensus on the order of the components of the plan. Goal is to have a proposal ready to take to the CPC this fall. The committee is likely to have a proposal for BoS in late September.
- c. OPEB (Steve Noone).  
Goal is to develop a framework for a solution that the three major boards (BoS, SC, FinCom) can agree to. The ALG is forming a working group to address this.
- d. School Regionalization (Bob Evans).  
Subcommittees are meeting. Progress coming on agreements.
- e. Bank of America Exposure (Brandy Brandon).  
Premise of presentation is that the town has approximately \$4 million in deposits with Bank of America; Steve Barrett, Town Finance Director, said that the Town has not more than approximately \$400K in BOA. Brandy presented a proposal that would trigger a request for B of A to collateralize Acton's deposit if the price of a credit default swap exceeds a set threshold.

Steve Barrett – Acton has an investment committee that monitors all town investments. This committee looks first to protect assets and second to produce yield. The committee looks for FDIC (or other comparable) guarantees and considers collateral backed vehicles favorably.

#### V. Focus on upcoming Budget Process

- a. Last ALG meeting had no quorum. ALG is working on FY12 wrapup and a charter for OPEB, and has circulated a calendar for the FY14 budget process for comment.
- b. Overall theme for next budget year. Limited discussion.
- c. FinCom Point of View. If we are going to do this again, someone needs to step up to be the primary author/driver. To have value, this needs to occur before operating entities have started their decision making processes
- d. Items we would like to have on our agenda for fall meetings:
  - i. Discussion of Reserve Position (first meeting in September ?)

- ii. Update on Nursing Service
- iii. Invite chairs of BoS and SCs to discuss their budget plans before decision making has occurred
- iv. Revenue Projections
- v. Tax position (maintain tax payer easing / tax to the max / override)
- vi. split allocation
- vii. Impact of long range plan

VI. Committee Updates

- a. CPC – Herman / Steve. Approved their plan for the year. The state government has increased the state match for CPC funds to 44%.
- b. Regional Schools / MaryAnn.
  - i. The schools have signed a new lease with a busing company. Cost - \$360K per year for 5 years. The first year's cost is in the FY13 budget approved by town meeting.
  - ii. The bonding for the Lower Fields project has been approved. The region has received a bond rating of AA2.
  - iii. FY12 wrap-up. Chapter 70 aid is up above what was projected. The schools will return \$200K to E & D. The regional school will need to revote assessment, probably in October. They are likely to consider either reducing the amount of E&D used in the FY13 budget or reducing the town assessments.
- c. SATSAC / Pat. neighbors are starting to feel the impact of the commuter rail construction. A public hearing will be held.
- d. Lower Fields / Bill. On time and on budget
- e. Health Insurance Trust / Bob. Too early to judge the impact of the plan re-structuring on the overall financial health of the Trust.

VII. Upcoming Events

- a. Suggested dates for FinCom meetings: January 8<sup>th</sup>, January 22<sup>nd</sup>, January 29<sup>th</sup>, February 12<sup>th</sup>, February 26<sup>th</sup>, March 5<sup>th</sup>, March 12<sup>th</sup>, March 26<sup>th</sup>

VIII. Committee Membership

- a. Brandy Brandon has tendered his resignation due to the fact that he will soon be moving out of town
- b. The town moderator has appointed Mike Majors to take over the remainder of Brandy's term.
- c. The town moderator is looking for additional members to fill the associate seats.
- d. We currently have no FinCom member who is covering the Planning Board. Perhaps a new member can take this on ?
- e. Should we open up a dialog with the Water District Finance Committee due to their plans to build a new well ?? Will this impact town finances ?

Meeting was adjourned at 10 p.m.

*Minutes approved on Sept 25, 2012*