

Finance Committee Meeting
September 10, 2013
MINUTES

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Members Present: Pat Clifford, Mike Majors, Bill Mullin, Mary Ann Ashton, Margaret Busse, Steve Noone, Herman Kabakoff, Bob Evans, Liaison-Brian McMullen **Not Present:** Doug Tindal

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

I. Public Comment. None

The Chairperson led a brief overview of this evenings agenda items.

II. Town of Acton "Look Ahead" presented by Steve Ledoux.

The Town Manager presented a brief status report that addressed the town's financial status. Highlights included the following:

- FY13 Revenues (unaudited results)
 - Revenues exceeded ALG plan ~ \$650k
 - Property tax revenue remained strong
 - Town hit our State Aid forecast number
 - Improvement in Excise Taxes
 - Investment Income - up
 - Fees, licenses, fines revenue - up
 - Miscellaneous revenue increased by ~ \$250k
- FY13 Expenses (unaudited results)
 - Expenses were less than budget ~ \$650k
 - Legal fees - below estimate
 - Health insurance turnback ~ \$195k
 - Unemployment insurance expenses - lower
 - Savings from departmental vacancies
- FY14 forecast
 - Refinancing town schools/debt will save about \$150k
 - Local receipts improvements
 - Looking at Advanced Life Support study - may have a capital impact
 - No foreseeable financial issues
- FY 15 look ahead
 - All union contracts are resolved
 - Challenges include Regionalization, OPEB, Minuteman Tech capital costs
 - Items that may not be seen in FY15 forecast include the North Acton Fire Station and the new Senior Center/Community Center.
- Bill had questions regarding FY15 town hall space issues, vacancies in departmental hiring and the \$7.5 million in Free Cash. He noted that the \$13 million in Total Reserves should be considered when preparing the FY15 financial plans.
- Herman commented on the transportation plan and asked Steve about the budget impact of the space needs study. Mr. Ledoux responded that the budget is in progress.

- Steve Noone asked about school regionalization accounting issues – any forecasted reduction in staff? Mr. Ledoux – “No”.
- Bob inquired about the MDFW property on Harris Street.
- Margaret – any enterprise funds issues? – No major issues at this point.
- Mary Ann – questioned the life support study’s impact on the budget. The project will require personnel training (budget undefined) and some capital expenses, which are unknown at this point.
- Pat asked when will the town spend the initial funds regarding Kelley’s Corner. – RFP due date is September 30. We may not see expenses hit until FY16. Solar farm status? – may not start to see energy savings until FY15, expected to be activated by Oct. 15.

III. Finance Committee Discussion / Assignments

- Bob noted that a good share of the town’s free cash should go into a Stabilization fund to avoid a Debt Exclusion override.
- Bob also noted that the plan calls for a 7-8% increase in the Health Insurance Trust. He believes that it should be increased to about 10% for planning purposes.

IV. Acton Leadership Group Guidance

Mary Ann distributed the updated ALG Assumptions worksheet

- Mary Ann led a discussion of the FY14 forecast.
- Steve suggested that we add a line or two to the ALG model that documents any savings from school regionalization.
- Brian noted that Stabilization Funds currently carry a zero balance. This led to a discussion by the entire committee regarding the history and philosophy behind the creation of a Stabilization Fund and how it can be utilized by the Town to smooth out the tax rate.

V. Point of View document discussion – Pat Clifford

- Bill volunteered to be responsible for producing the first draft of the POV document. Steve Mills will be giving the committee an additional perspective at our next meeting.

VI. Finance Committee Business

- Pat distributed the latest ALG minutes
- Minutes - Bill made a motion, seconded by Mary Ann, to approve the FinCom minutes of the **August 27, 2013**. Motion passed with two abstentions.

VII. Committee Reports

- Bob – regionalization savings committee meeting will meet September 11.

- Herman – reviewed the Board of Selectmen meeting. The CPC will meet on September 11.
- Mary Ann – gave a Morrison Farm update
- Margaret – Acton 2020 update
- Mike – Planning Board will meet September 17.
- Pat – South Acton Train Station update. No weekend train service. Scheduled completion is expected Spring 2014

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