

Finance Committee Meeting
October 8, 2013
MINUTES



Members Present: Pat Clifford, Mike Majors, Bill Mullin, Mary Ann Ashton, Margaret Busse, Steve Noone, Bob Evans, Herman Kabakoff, Doug Tindal and Liaison-Brian McMullen

TOWN CLERK, ACTON

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

The Chairperson led a brief overview of this evening's agenda items.

- I. Public Comment. – None

- II. Finance Committee Point of View for Fiscal Year 2015 – Bill Mullin

Bill Mullin presented the latest draft of the FY 2015 Point of View Document. Highlights include:

- The POV acknowledges several strong years of economic growth and stability for the Town of Acton, including its AAA bond rating and increase in financial reserves.
- It is intended to be a multi-year program and introduces the concept of "Acton's Quantitative Easing "or AQE.
- Revenues are expected to grow at a modest level and should be sufficient to support existing services, but we are also aware the decisions at the federal level may have an impact on our plan.
- Expenses appear to be well managed at this point.
- Reserves are substantial ensuring no need for an operating budget override.
- Operating entities are prepared for "level service" budgets.
- OPEB liability funding requirements are being addressed.

Comments from the committee included the following:

- Steve indicated that the OPEB group has not yet met, and will review the LRP at that time.
- Bob indicted that the Health Insurance costs appear to be okay.
- Mary Ann stated that the rationale for the health care costs were based on the Segal OPEB report. She explained the differences in budget assumptions.
- Doug questioned Acton's level of reserves as compared to other towns.
- Motion was made by Bill Mullin and seconded by Mary Ann Ashton to accept the FY 2015 Finance Committee POV Document. Motion passed unanimously.

- III. Discussion of New Growth – Brian McMullen
 - Brian gave the committee a brief tutorial regarding "Valuations" and it was followed by a lively discussion.
 - New Growth includes any new construction, new building permits, new lots (splits), new valuation changes that are taxed for the first time, in effect for

July 1. It is a snap shot of new valuations for the purpose of fiscal year planning. Valuations are based on prior year conditions.

- All properties will be examined and evaluated in FY16.

IV. Acton Leadership Group Guidance

Bob asked the ALG to clarify the nature of the savings from School regionalization as outlined by Dr. Mills

V. Finance Committee Business

- Minutes –motion was made and seconded to approve the FinCom minutes of the **September 24, 2013**. Motion approved with two abstentions (Herman and Doug).
- Mary Ann gave an update of the Long Range Plan.
- Herman updated the committee with regard to the latest BOS meeting.
- There was a discussion regarding the upcoming Association of Town Finance Committees Annual Meeting that will take place on October 19th in Franklin. Mike Majors will be Acton's FinCom representative.
- A motion was made by Margaret and seconded by Herman to adjourn. The motion passed and the meeting adjourned at 8:55 pm.

Documents presented at Meeting:

- 1. FY2015 Finance Committee Point of View – Draft document**
- 2. Long Range Financial Planning Model in support of POV.**