

Finance Committee Meeting
Acton Town Hall, Room 204
April 3, 2014
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.

Chairperson Pat Clifford called the meeting to order at 7:00 p.m.

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

- I. Public Participation – None
- II. Consideration of Annual Town Meeting Warrant Articles *Pat Clifford*

Articles 10 – Establish Transportation Revolving Fund *Doug Halley, Health Dir.*

- Mr. Halley presented an overview of the regional transportation program as presented in the warrant article. The goal is to establish the Cross Town Connect Transportation revolving fund.
- Doug Halley indicated that \$419k in grant awards have been received to date. Revenues are estimated to be \$279k and authorized expenditures are estimated at \$166k.
- Bill Mullin recused himself from the discussion.
- Doug Tindal thought this was an exciting development for the town.
- Herman asked a pragmatic question regarding how a “ride” is administered and the call dispatched. Mr. Halley indicated that an exact pickup time is not guaranteed but should take place in a reasonable amount of time.
- Steve Barrett, Town Treasurer, presented a brief overview of how revolving funds operate.
- A MOTION was made and seconded to recommend Warrant Article 10 as presented. MOTION APPROVED with a vote of 8-0-1 (Mullin).

Articles 11 – Transportation Program *Doug Halley, Health Dir.*

- Mr. Halley presented an overview of the town transportation program as presented in the warrant article. The goal is to establish continued funding for the program.
- Doug Halley indicated that this is the fifth year of the program and now includes the following programs:
 - MinuteVan (aka Dial-A-Ride) – available to general population
 - Rail Shuttle – commuters
 - Road Runner – available to Seniors and people with disabilities
 - COA Van - Seniors
- FY 15 revenue is estimated to be \$215, 345 consisting of \$120,845 from General Revenues and \$94,500 from Commuter Parking Lot.
- Bob Evans questioned Steve Barrett regarding consolidating transportation activities within the Enterprise Fund.
- Margaret questioned Mr. Halley regarding the various types of transportation services.

- Mary Ann asked Doug if the 5-year plan is still on target. Doug responded that it was still on target.
- There was a brief discussion of the Commuter Lot revenue stream. Bob Evans suggested that all spending, and all revenues, should be documented in one budget.
- Margaret asked Doug what is the main thrust of the transportation program. Mr. Halley responded that the purpose is to cover all diverse transportation needs of the community.
- Mr. Halley stated that they are closing out the COA Van Enterprise Fund and creating a new Transportation Enterprise Fund next year.
- Doug Tindal suggested that each transportation entity should be clearer, i.e., budget, expenses, ridership, trends and so forth.
- A MOTION was made and seconded to recommend Warrant Article 11 as presented.
 - Margaret questioned that the program does not seem to be the best value for our dollar, based on the level of increasing subsidies.
 - Doug Tindal suggested that revenues generated based on this level of subsidy is small, but is typical. Eventually it will reach equilibrium.
 - Bill Mullin recommended a debate within the town to gauge how much we want or need this transportation program.
- The MOTION to recommend Warrant Article 11 was passed unanimously.

Articles 7 – Nursing Enterprise Fund

*Doug Halley, Health Dir.
Heather York, RN Administrator*

- Mr. Halley presented an overview of the Public Health and Visiting Nurse Service as presented in the warrant article. The Warrant asks the town to appropriate \$664,977 for operations, including \$529,977 from department receipts, \$75,000 from retained earnings and \$60,000 from general revenues.

FY 14 Nursing Service Enterprise Budget

	<u>FY14 Town Mtg</u>	<u>FY14</u>	<u>FY14</u>
	<u>Projections</u>	<u>Actuals</u>	<u>Est. 6/30/2014</u>
<i>Program Fees</i>	\$ 508,501.	\$ 210,000.	\$ 315,000.
<i>Subsidy</i>	135,000.	135,000.	135,000.
<i>Total Expenses</i>	\$ 643,501.	\$ 345,000.	\$ 450,000.
<i>FY15 Budgeted Exp</i>	\$640,501.	389,000.	515,000.
<i>Variance</i>	< \$ 3,000.>	<\$ 44,000.>	<\$ 65,000.>

- Questions: Mary Ann stated surprise at the loss in revenue this year. We may have to pursue other funding options. Doug indicated that the budget has been increased to cover who they believe they have to cover.
- Bill Mullin stated his concern that if we did not provide these services, where else could the people receive these necessary services.
- Steve Noone is concerned about the fund balances.
- Bob Evans – the Nursing Service is losing \$200,000 every year. The numbers just don't make sense.
- There was a discussion about “uncompensated expenses” listed in the Nursing Service Annual Report and how they are funded.
- Margaret Busse made the point that providing free care to individuals that need it should not be a justification for keeping the Nursing Service when it

is chronically operating at a heavy loss. If the Town decides that it should giving free nursing care to individuals who can't pay, then we should use the money donated from the Lali Foundation and any money the Town wants to give and use it to pay for care—from another provider—for people that cannot pay for it themselves. This would be much more efficient and still address the needs of the town.

- Doug Tindal outlined the history of how the Nursing Service, as a business, is not successful. It should be up to the citizens to determine if we continue this service. The message regarding who we are serving, and why, should be clarified.
- Heather York indicated that we take care of 35-45 patients at any given time in response to a question regarding how many citizens are being served. Our Medicare percentage is about 45%.
- Charlie Kadlec – the Nursing Service provides lots of services. Do we know which services we lose money on, as well as which services we make money on?
- A MOTION was made not to recommend the \$60k subsidy for the Nursing Service. The MOTION was passed 8-1.
- A MOTION was made by Bob Evans to offer an alternative motion for Article 7 at Town Meeting that would read as follows:

“MOTION – Move that the Town appropriate \$664,977 for the purpose of operating the Public Health Nursing Service, and to raise such amount, \$529,977 be raised from department receipts, and \$135,000 from retained earnings.” The MOTION passed 9-0.

Articles 16 – Capital Infrastructure and Equipment

Bill Mullin

- Bill stated that he cannot support any of the items in the warrant article because there is not enough detailed information for each of the requested items.
- Janet Adachi, BoS, provided from her notes additional details for each of the capital infrastructure and equipment items.
- A MOTION was made by Bob Evans to defer voting on this article to Monday, April 7, 2014. The MOTION was passed 9-0.

Articles 15 – Other Post-Employment Benefits Liability Trust Fund Appropriation

Steve Noone

- A MOTION was made by Steve Noone to recommend appropriation of \$674,845 for the Town's OPEB warrant article. MOTION passed 9-0.

Articles 17 – Rescind Borrowing Authorizations

Steve Barrett

- A MOTION was made to recommend this article. MOTION passed 9-0.

Articles 18 – Use of Funds to Reduce the Tax Rate

Steve Barrett

- The ALG recommended using \$325,000 of Overlay Surplus for the purpose of reducing the fiscal year 2015 tax rate.
- A MOTION was made by Bill Mullin to recommend this article. MOTION passed 9-0.

Articles 22 – Transfer and Conveyance of School Properties

Bob Evans

- There was a lively discussion of the pros and cons of this article.
- A MOTION was made to recommend this article. MOTION passed 9-0.

Articles 23 – Transfer and Appropriation of School Revolving Fund Balances

- A MOTION was made to recommend this article. MOTION passed 9-0.

Articles 24 – Transfer of School Gifts and Grants

Bob Evans

- A MOTION was made to recommend this article. MOTION passed 9-0.

Articles 28 – Amend Zoning Bylaw – Groundwater Protection District

- Acton Water District and the Planning Board voted to take no action on this article. No action by the Finance Committee

Articles 21 – ABRSD Assessment - UPDATE

Mary Ann Ashton

- Mary Ann stated that the School Committee voted on a lower budget, which reflected a \$177k reduction.

III. Finance Committee Business

Pat Clifford

- A MOTION was made and seconded to approve the minutes from the meeting of March 18, 2014. MOTION approved.
- Next Meeting – Monday, April 7, 2014 at 6:00 pm prior to Town Meeting.
- Meeting adjourned at 10:15 pm