



Town of Acton Finance Committee Meeting Minutes

Date: September 27th, 2016

Acton Town Hall, Room 240 • 7:30 pm

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Members in attendance: Bob Evans, Mike Majors, Margaret Busse (Chair), Shuyu Lee, David Wellinghoff (Clerk), John Benson (Associate), Kristen Connell (Associate), Steve Noone, Roland Bourdon

Members absent: Jason Cole, Doug Tindal (Vice-chair),

Other: Janet Adachi (BoS), Amy Krishnamurthy (School Committee)

Chair Busse called meeting to order at 7:35

Public participation – None.

Approve minutes –Motion to approve Sept 20th meeting minutes, all affirmative except Roland who abstains.

Finish Reserves Policy and Agree on Policy – Should 5% ceiling be applied to town budget or town and school budgets in total? Town, school, and Minuteman are around \$90 million total. School can have up to 5% in reserves (E&D) set by law, likely close to 2% currently. Suggestion to have town keep amount at 5% of total and keep what is required to get schools to 5% (e.g. 3% when they are at 2%). Amy notes that using reserves each year is why Moodys moved outlook to Negative. Finance committee has not opined in the past on Schools reserves policy so why not limit this to Municipal only? Chair suggests compromise of Town reserves policy having a floor 5% of Municipal only, ceiling at 3% of total combined spending. Motion to make this compromise the Finance Committee Reserves Policy, 6 ayes and 1 against. The Finance Committee includes the Stabilization fund as counting towards the reserves.

Can excess reserves be applied to near term capital needs at the school to address safety issues among others as longer term solutions are developed? JD (School facilities) has a very specific list of near term needs at the school. Unclear if this would be captured with current budget or would be a use of reserves. Consultants had identified near term needs that should be done in the next one or two years and this was a year ago. BoS hasn't considered this list yet. If you spend more than 30% of the buildings value then it has to be completely brought up to code.

Excess of current ceiling is \$4 million which should be used for critical, high priority capital needs. We recommend using no more than \$1.6 million of reserves to balance the operating budget. Move this is the fincoms format recommendation for use of reserves - 7 ayes.

Agree on ALG Plan Structure – Other towns provide much more detail on budgets but do not do much forecasting. Would like to look at FY18 and FY17 budgets versus FY16 actuals. Do not believe we need to reach consensus on forecasts. Next ALG meeting on Oct 13. Steve to provide financial mockup.

Discuss points for Point of View – Steve presents the Finance Committee Point-of-View powerpoint. Move that we, for purposes of POV, assume FY18 revenue will increase 3.3% with \$1.6 million used of reserves with property taxes increasing by 2.5% - 7 ayes.

Review committee updates – CPC can reimburse the town for the River Street property if the town will buy it from free cash (Warrant article). Unilateral rescission clause is part of the Purchase and sale agreement giving town flexibility for due diligence of property if it moves forward. BoS meeting covered four topics, judgment regarding citizen's lawsuit on separation of church and state which was rejected. Acton Nursing visits have increased 25% y/y due to outreach. Financials were not available but weren't the purpose of the presentation. Actual issue with Nursing Service is the increase in marginal costs so adding more visits is problematic given reimbursement issues. Martin Street properties are being consolidated and moved to create 40B housing. Health insurance trust from last FY has surplus of \$1 million. Minuteman building committee kicked off Module 6 for detailed design with new school to be completed in 5 years. Capital planning committee met with Steve and Janet assigned as co-chairs. There is a tour of the fire station planned. There is an Oct. 6th presentation from Dore/Whittier regarding the school committee upcoming capital needs, recommend all Fincom members attend or watch if possible.

Chair's minute – none.

Next meeting October 11th.

Meeting adjourned at 9:45 pm.

Respectfully submitted,
Dave Wellinghoff
Finance Committee Clerk

Documents referenced:
Finance Committee Point-of-View 2016 DRAFT