



Town of Acton

Finance Committee

Meeting Minutes

Date: December 11th, 2018
Town Hall Room 204 7:30 pm

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Approved January 8, 2019

Members in Attendance:

Steve Noone, Jason Cole, Mike Majors, Roland Bourdon, Dave Wellinghoff, Jeff Bergart, Christi Andersen, Tom Farley, Christine Russell, Sahana Purohit (associate)

Absent: none

Other: Stephen Barrett Director of Finance, Town of Acton
Jon Benson, Board of Selectmen

Called to order at: 7:32

The meeting was recorded by Acton TV.

Public Participation:

John Petersen expressed dismay that the committee could not present a financial argument for or against Article 1 at the town meeting. In a situation in which consensus could not be reached, hearing both sides of the argument would be appreciated.

ALG Update and Conversation

There was an unexpected \$540k charge from Middlesex retirement. The town's contribution is adjusted every other year. The assessment is based on the idea that pension requirements will increase 8 ½% each year on average. Mortality assumptions in the original study are not being realized. Additionally, the increase in the size of the police department size a few years back helped cause need for

increased contribution. Pension assumed rate of return is 7 ½%. There is concern that this is a high expected rate of return based on our economy.

The ALG would like for the Minuteman building expenses to be presented as a debt exclusion override at the spring town meeting.

The Acton Boxborough Regional School District preliminary budget is lower than initially discussed.

Some members of the ALG asked the Finance Committee to consider increasing the reserves floor. They were concerned that there would not be enough money for a rainy day. The town and district not using reserves for operating expenses would mitigate this. In speculating why this concern was raised, one possible idea is that the town reserves might come into account when the schools get bonds for the twin school. It will affect their bond rating. Member towns' abilities and willingness to pay for district issued bonds is key to the bond rating.

There is still a \$700k deficit to be worked out in the ALG consensus.

The current plan is to use the remainder of the untaxed levy capacity in FY20. This is slightly over \$600k.

First Discussion of the School Budget

School Budget Saturday January 26th.

The budget increased less than in previous years owing to:

- More staff changes than in previous years. The new staff members have lower pay.
- Increase in chapter 70 aide received.
- Regional transportation aid increase.
- Health Insurance Trust savings of ~\$500k because the high deductible plan was higher subscribed than predicted. There is no expected increase in costs. The Health Insurance Trust Committee won't have data for months to know how this changes rates. They project a 3% decrease and based the budget on that.

John Petersen explained that rates are set as best as possible, but there can be big variations in how it plays out.

Increased transportation expenses (buses and drivers) are included in the FY20 budget.

Town Budget Saturday is January 5th.

Get Town Budget Saturday questions in by Dec 24, school questions in by January 14th

Update on the School Capital Plan

CIP plan funding (not twin schools) with a \$7.5 million bond to be paid back by existing capital budget line. This will be used to accelerate work funded with currently low interest rates. This bond does not take into account required repairs of

the school that does not make it into the twin school (Conant or Gates). Annual payments for this bond will not use the entire annual capital budget. It also includes money for maintenance. The goal going forward is for the annual budget for capital expenditures to be in line with recommendation of allocating 1% of the total property val

John Petersen questions whether the acceleration of currently identified repairs is worth the added interest expense from using a bond. He recommends we compare interest costs to acceleration value.

These are, in fact, mostly health and safety issues that required immediate attention which we have been trying to get the schools to address.

Quick Update on the School Building Project

Meeting tomorrow night. There will be a vote on December 19th for a preferred site recommendation. The plan will be sent to the MSBA for January 5th.

Committee Business

Minutes:

Movement for the approval of the November 27th minutes –

Moved by Christi Andersen, seconded by Christine Russell

Aye – Jason Cole, Mike Majors, Roland Bourdon, Dave Wellinghoff, Jeff Bergart, Christi Andersen, Tom Farley, Christine Russell

Abstained – Steve Noone and Sahana Purohit

Movement for the approval of the December 3rd minutes -

Moved by Jason Cole, seconded by Dave Wellinghoff

Aye - Steve Noone, Jason Cole, Mike Majors, Jeff Bergart, Christi Andersen, Tom Farley, Christine Russell, Sahana Purohit

Abstained – Dave Wellinghoff and Roland Bourdon

Committee Reports:

School committee – Christine Russell

See the above ALG report.

The district is looking to hire 3 more bus drivers and obtain 3 new buses. They will be investing more in CIP year over year going forward.

Kelley's Corner – Christi Andersen

The next meeting is Thursday December 13th.

Economic Development Committee – Mike Majors

Acton Manufacturing Collaborative will have a meeting on January 8th.

Minuteman – Mike Majors

The building has been winterized. Construction is continuing to move ahead. 94.5% of the budget has been committed and it is 50.2% complete.

School Building Committee – Jason Cole

See above.

Walker Property – Mike Majors

There will be a public forum on the Walker property in January.

CPA - Roland

ACHC put in a request.

The Acton Historic Commission wants a historic to turn documents into an electronic format so that they are more searchable. This would cost \$20k and they would get \$10k matching from a fund.

Trust Funds – Jeff Bergart

Met with finance office to review the existing trust funds to understand what they are and what they are being used for.

Health Insurance Trust – Steve Noone

See above

PTO/PTSO Planning

Sahana will send out emails to the PTSOs.

Jason and Christine will present to the LWV Acton on the 24th at 7:30

Sahana moved to adjourn.

Steve Noone seconded.

All but Dave Wellinghoff said Aye.

Meeting adjourned at 8:36

Respectfully submitted,

Christi Andersen

Finance Committee Clerk

Referenced Documents entered into the public record:

ABRSD potential debt service analysis

[http://doc.acton-ma.gov/dsweb/Get/Document-66336/ABRSD potential debt service analysis.PDF](http://doc.acton-ma.gov/dsweb/Get/Document-66336/ABRSD%20potential%20debt%20service%20analysis.PDF)

Superintendent's Update letter from December 6th School Committee packet

[https://www.abschools.org/UserFiles/Servers/Server_216027/File/School%20Committee/Meeting%20Agendas%20and%20Minutes/12-06-18 SC packet.pdf](https://www.abschools.org/UserFiles/Servers/Server_216027/File/School%20Committee/Meeting%20Agendas%20and%20Minutes/12-06-18%20SC%20packet.pdf)