



Town of Acton

Finance Committee

Meeting Minutes

Date: January 8th, 2019

Public Safety Facility 7:30 pm

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Members in Attendance: Jason Cole, Roland Bourdon, Steve Noone, Mike Majors, Tom Farley, Christine Russell, Sahana Purohit (associate)

Absent: Dave Wellinghoff, Jeff Bergart, Christi Andersen

Other: Brian McMullen - Town of Acton, Jon Benson - Board of Selectmen

Called to order at: 7:32

The meeting was recorded by Acton TV.

Public Participation: none

ALG Update and Conversation:

Discussed allocation of Unused Tax Levy and/or Overlay Account and/or Reserves for funding FY20 Budget gap. Currently, the town's Overlay Account contains \$1.6m. The town spends \$500k/year handling exemptions and abatements on average over the past 3 years.

The committee was split on whether to use reserves or a combination of 1/3 of the unused tax levy and reserves to cover the town budget gap.

Steve Noone pointed out that lower budget increase tends to lead to less money replenishing the Reserve fund year over year. Therefore a tighter budget for FY19 leads to less in turnbacks. He would like to see the outlook for FY21/22 before committing to using reserves for the operating budget. Low Reserves could threaten bond rating and we have borrowing coming.

Jon Benson from the Board of Selectmen stated that the Board of Selectmen needs to

revisit this funding issue. For FY15, FY16, and FY17, town and school Reserve replenishment was \$1.7M/year. FY18, replenishment was down to \$1M while the estimate had been \$1.7M. The estimate for FY19 is \$1.7M.

The reserve funds at the close of FY17 were \$3.4M and FY18 was \$2.6M (not counting Free Cash and Stabilization).

Jason Cole pointed out that the Reserve ceiling per our policy is currently \$4.8M and we are currently at \$4.6M in reserves. Using $\frac{1}{3}$ of Tax Levy Capacity and some reserves leaves \$2M in Reserves with the expectation of \$1.7M in turnbacks.

Steve Noone reminded the committee that we have never signed off on a budget year without seeing the next two years of projections.

Jason and Roland will return to ALG with request for FY20 and FY21 projections and express our desire to fund the budget gap potentially with a mix of tax levy and reserves.

Minutes:

December 11th minutes unanimously approved as amended.

PTO/PTSO Point of View Presentations:

1. Council on aging- February 6th, 8:30 am (Mike and Steve)
2. Conant PTO- March 13th at 7pm (Tom and Jason)
3. Douglas PTO- January 31st at 9:00 am (Dave and Christi)
4. LWV-AA - January 24th at 7:30pm - public safety building. (Jason and Christine)
5. Acton Chinese School & Indian Community - March 3rd 2pm (Steve and Mike)

Committee Reports:

Kelley's Corner –

The planning department will be presenting at our next meeting. The committee requested information about the final design, how much it will cost, and when it will be done. Concerns about future development should be allayed by the fact that the Board of Selectmen controls the zoning for the property. Any development will need to go through them. Given that the land is currently zoned retail, any residential projects will require the town to approve a change.

The Kelley's Corner committee continues to do outreach for the project.

School Committee

Christine Russell - The original Dore & Whittier report has been whittled down to \$24M in Capital needs, planning to address within the next 2 years.

Minuteman

Mike Majors - On schedule, under/on budget. They are running tours of the new building. Wednesdays are best but tours can be scheduled for any day of the week. The

building will be complete this spring and open by the start of school this September. Several communities that originally opted out of the new building want to opt back in, and some other communities are asking to join.

School Building Committee/Capital Committee

Jason Cole - Building Committee and Capital Committee will be meeting tomorrow night. He is anticipating that they plan to choose Gates as the upcoming new building site.

Health Insurance Trust

Steve Noone - Meeting next week.

BoS

Tom Farley - Largely consent agenda and ALG meeting discussion.

Acton Farmers Market may be losing its location.

Katie Green announced that she will not be returning next year.

The next meeting will be on January 28, 2019.

FYI

- Steve would like to commend Town Manager and Town Staff for a successful Budget Saturday. Very efficient.
- Jon Benson followed up on the Library presentation from Budget Saturday. Library must be state accredited, and has trustees. It has other structures that it must be accountable to.
- Peter Ashton is departing after the upcoming Town Meeting.

Meeting adjourned at 9:03.

Respectfully submitted,
Christine Russell
Finance Committee Clerk (Acting)

Associated Files:

Analysis of Unused Levy Capacity

[http://doc.acton-ma.gov/dsweb/Get/Document-66875/Analysis of unused levy capacity.PDF](http://doc.acton-ma.gov/dsweb/Get/Document-66875/Analysis%20of%20unused%20levy%20capacity.PDF)