



Finance Committee

Meeting Minutes

March 5, 2019

7:30 PM

Public Safety Facility, 371 Main Street
Emergency Operation Center

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

Absent: none

1. Opening

Chair Jason Cole opened the meeting at 7:31 p.m.

Recorded by Acton TV

2. Public Participation

none

3. Acton Boxborough Regional School District Input on Warrant Articles

a. School District Budget and Capital Plan Presentation

Superintendent Light and Finance Director Verdolino presented about the proposed school budget and their desire to create a stabilization fund for capital projects. Deputy Superintendent Marie Altieri was present to answer questions.

Apart from general cost increases from salaries, etc, the increased budget request includes the following highlights:

- 8.6 new FTEs
- A full time project manager to manage the multi-year capital plan
- Additions to mental health and social/emotional learning
- Funding of Junior High nurse previously paid for by a grant
- Floating custodian position to decrease the need for custodial overtime.
- The band director now directs multiple schools.
- Hi buy-in to high deductible health plan = lower projected health insurance costs.
- Previously conservative expectations of state funding brought in line with actual historical receipts.
- Elementary school student and classroom supplies are now fully budgeted



- Field trip assistance fund has been created to help students who receive free/reduced lunch.

Proposed Capital Plan:

- Capital plan developed with a bond of \$7.5 million for planned capital improvements. (This borrowing will accelerate the plan rather than working at the pace of the annual capital line item. It will then be paid back over time within the operating budget without needing to do a debt exclusion.)
- Proposed improvements from Dore and Whittier report. Recommendations were whittled down to the current capital improvement plan by eliminating unnecessary projects and wishlist items, removing redundancies from the D&W report, adjusting the very high cost estimates from the report, doing work in house at substantial cost savings, and removing already finished projects and maintenance that are in the ongoing budget.
- District plans to increase capital line item at a rate of 2.5% per year to approximately \$2m per year. Aims for a funding level of approximately 1% of property value. (The expected total value of district properties is \$200m after the twin school is built.)
- Comprehensive planning process will be reviewed and updated in 4 years and again in 10 years.

Proposed Stabilization Fund:

- District proposes creating a stabilization fund to save for capital projects based on the long range capital plan.
- Recommended by the district's auditors.
- Looked upon favorably by the rating agencies as it allows the school to save more than the 5% state cap on the E&D fund. (More money put aside creates a safer investment and improves the bonding position for the building of the new school.)
- Funded through the regular budgeting process.
- Creation requires a budget amendment in June to put in approximately \$1m of money that wasn't used in this year's budget. Situation not expected to arise next year.
- Policies around the funding and use of the stabilization fund will be determined by the school committee at a future date.

Members of the Finance Committee discussed:

- the proposed stabilization fund, including what it could be used for, what limits it had, and how it would be funded going forward,



- the \$7.5m bond for the Capital Improvement Plan, including when and how it will be paid back,
- the Dore & Whittier report.

Vote on Acton Boxborough Regional School District funding articles

Christine Russell made a motion to recommend the Acton Boxborough Regional School District assessment of \$61,235,254. The motion was seconded by Steve Noone. The motion was withdrawn because it was out of order with the agenda.

Vote on postponing agenda item Second Quarter Financial Update

Steve Noone moved to postpone the agenda item Second Quarter Financial Update until after the committee's review of warrant articles 7 (Acton Boxborough Regional School District assessment), 8 (Acton Boxborough Regional School District Capital Improvement Plan), and 9 (Acton Boxborough School District - Authorize Regional Stabilization Fund). Christine Russell seconded the motion. The motion passed unanimously.

b. Acton-Boxborough Regional School District Assessment, Warrant article 7

Committee briefly discussed budget assessment, as more detailed discussion occurred in prior meetings.

Vote on Acton Boxborough Regional School District Assessment

Christine Russell moved to recommend the Acton Boxborough Regional School District assessment of \$61,235,254. Steve Noone seconded the motion. The motion passed unanimously.

c. Warrant Article 8. Acton-Boxborough Regional School District Capital (bonding)

Committee briefly discussed the proposed \$7.5 million bonding to pay for capital improvements, requested to accelerate capital improvements beyond the speed that would be possible relying solely on annual budget capital requests.

Vote on Acton Boxborough Regional School District Capital (bonding)

Christine Russell moved to recommend the article for the Acton Boxborough Regional School District Capital Improvement Plan. Roland Bourdon seconded the motion. The motion passed unanimously.

d. Warrant Article 9. Acton-Boxborough Regional School District Stabilization Fund

The proposed stabilization fund, as defined under state law Chapter 71, section 16G1/2, could only be used for capital items that could otherwise be borrowed for. Use of the funds would need to be approved by 2/3rds of the school committee.



Members of the Finance Committee discussed

- Fund's positive effect on lower borrowing costs and interest rates.
- Concern about current lack of policy regarding proposed fund.
- Strictures in place under state law.
- Concern about the removal of town control over how the money is spent.

Vote on Acton Boxborough Regional School District Stabilization Fund

Christine Russell moved to recommend the article for the Acton Boxborough School District - Authorize Regional Stabilization Fund. Steve Noone seconded the motion. The motion passed 8-1, with Christi Andersen voting nay.

4. Second Quarter Financial Update

Assistant Finance Director Brian McMullen presented town's second quarter financial status.

Town is mid-way through the annual expenditures and revenues, with revenues at a lower percent than last year because people pre-paid their property taxes last year due to federal tax law change; an unusual situation and the difference is not a cause for concern. State aid is lower than the previous year. Motor excise tax is billed in the 3rd quarter, so it's revenues will show up later. Expenses are on target for being halfway through the year. 51% of the budget has been expended.

The enterprise funds were presented individually.

Septage Fund

There are no concerns about the revenues and expenses. 48% of revenues has been received and 42% of expenses have been incurred. Regarding retained earnings, Brian explained that these are only used at the end of the year if needed. \$70,000 of retained earnings are in the revenues number but will only be spent at the end of the year if needed.

Transfer Station & Recycling Fund

The 67% of revenue at this point in the year is because most of the revenue comes from sticker sales that happen in the fall. Since the creation of the pay as you throw program, less trash is generated leading to lower hauling expenses. Expenses are linear except for encumbrances which set aside the entire year's expenses in the first quarter. The current level of expenses at 76% of the year to date budget is not expected to be a problem.

Sewer Fund

The bulk of the fund's revenue is linear in the form of quarterly betterment fees. However, the \$184,000 assessment from the schools does not come in until the 3rd



quarter. They are looking to use some of the fund's money for projects such as the consideration of expanding the sewer network.

Ambulance Fund

This fund is not intended to be self-funding. It is expected to have General Fund support each year. This year, \$243,000 was provided by the general fund. This is the first full year with Advanced Life Support (ALS) services. It will take a few years to understand how this affects general revenues and make future budget predictions.

Transportation Fund

The transportation fund's revenues include \$235,000 from the general fund, \$119,562 from Commuter Lot Support and \$22,000 from retained earnings. It is slightly ahead in expenses than it was last year. This will need to be monitored closely as we approach the end of the fiscal year.

5. Warrant Article Discussion

Article numbers listed are based on the March 5th Draft Warrant 2019 v09. The committee member's name after the article title indicates who researched and presented information about the article.

a. Presentation regarding the proposed ban on single use plastic bags

Town resident Carolyn Platt spoke in favor of article 32, the Citizen's Petition to ban single use plastic checkout bags. She said that the paper bags used to replace the banned plastic bags would need to be made of 40% post consumer waste and would need to be 100% recyclable. While she agreed that this was not a fix for the problem, it would be a move in the right direction. A ban in our town would show increased support for a ban at the state level.

Members of the Finance Committee discussed:

- Whether it would be possible to have stores charge for the use of paper bags such as you see in some other towns. (Carolyn Platt said that the towns cannot legislate this as a requirement.)
- Doubt that this would change behavior much given how environmentally conscious town residents are, and the limiting of access to plastic bags for those who want them.
- The increased cost that stores would bear from using paper bags.
- The large number of single use plastic bags creating pollution in third world countries.

The committee did not choose to change its position on this article.

b. Article 4: Town Capital - Sidewalks and Traffic Calming - Christine Russell



Request to appropriate funds used to improve sidewalks and build new ones based on the recommendations of the Sidewalk Committee, and to give funds to the highway department to implement traffic calming measures around town. There are currently 12 listed sites for building/improvement.

Vote on Article 4: Town Capital - Sidewalks and Traffic Calming

Christine Russell move that the committee recommend the article. Steve Noone seconded the motion. The motion passed unanimously.

c. Article 11: Community Preservation Program: Direct Appropriations from Fund Balances- Roland Bourdon

This article shows the proposed spending of money from the Community Preservation Fund. 10% of money in the fund needs to be set aside for open space, historic preservation, and affordable housing. Money does not need to be set aside for these purposes if more than that much money is going to be spent.

Mill Place Condominium - Bell Tower Preservation - Currently outside of the historic district and has no need to maintain any historic elements. Property would become deed restricted saying that they need to maintain it as a historic site. Other privately owned projects that have received funding from the CPC: South Acton Exchange Hall and Powers Gallery.

Asa Parlin House - Committee discussed concern about giving money for repairs. If this money is spent now, how much more will be asked for in the future.

Vote Article 11: Community Preservation Program: Direct Appropriations from Fund Balances

Roland Bourdon made a motion to recommend all but lines J (Asa Parlin House preservation) and I (Mill Place Condominium - Bell Tower Preservation). Steve Noone seconded the motion. The vote passed 8-1 Dave Wellinghoff voted nay.

Roland Bourdon made a motion to not recommend lines I and J due to lack of information. Steve Noone seconded the motion. The motion passed unanimously.

d. Article 12: Transfer Real Property - 53 River Street

This was a new article that had no one assigned to it.

Jason Cole said that discussions with a town employee indicated that this article would remove the option of housing and using the lot for municipal purposes. He asked whether this would preclude it being used for parking. Steve Noone thought that this was the case. The property would be restricted to being used as open space, historic preservations, and for recreation.



Members of the Finance Committee discussed

- This was another example of a property that was bought without a purpose in mind.
- The dam on the property requires a lot of money to be fixed.
- We had already recommended giving \$75,000 from the Community Preservation Fund to look into turning this lot into a park and to doing a feasibility study on how to handle the dam.
- What level of repair and issues would occur with turning the land into a park.
- Taking housing off the table even if it cost the town money by not being purchased.
- Proposed restrictions might allow this property to be taken over by the CPA thereby paying the town back for the property purchase.
- Property was reviewed by a variety of experts including developers who all determined that it was not feasible to put housing on the property.
- Desire to see the Board of Selectmen's plans set out more explicitly in the article.
- Article only limits the use of the property which does not serve any financial purpose. For example, it would no longer be possible for it to be used for parking.
- Concern about the lack of information and intent for the property.
- Potential estimate of ballpark \$500k to breach the dam and the cost of millions of dollars to fix it.

Vote Article 12: Transfer Real Property - 53 River Street

Dave Wellinghoff moved to not recommend this article. Steve Noone seconded the motion. The motion passed 8-1. Jeff Bergart opposed the motion.

- Article 13. Disposition of Real Property: 348-364 Main Street - Mike Majors**
Recommended a deferral as there were still no details in the warrant article at this time.
- Land Acquisition or Lease: 19 & 21 Maple Street - Jeff Bergart**
Recommended a deferral as there is currently not enough financial information in the article as written.
- 15. Land Acquisition: 257 Central Street - Jeff Bergart**
Jeff Bergart said that the owners had already divided the lot by right and the lot was under agreement with a developer. The developer has asked for a permit to build a duplex there. The Zoning Board of Appeals (ZBA) deferred final recommendation on granting the permit until April 8.



Members of the Finance Committee discussed:

- If the duplex permit was rejected, lot would be buildable for a single family home.
- We don't know what the price would be and given the significant investment made by the seller and developer, we don't know what the lot would cost.
- Approval of this article would be giving the Board of Selectmen a blank check with which to purchase the lot which already has a purchaser.
- The Board of Selectmen did not recommend this article.

Vote on 15. Land Acquisition: 257 Central Street

Jeff Bergart made a motion to not recommend the article. Steve Noone seconded the motion. The motion passed unanimously.

h. Article 18: Commuter Lot & Station Maintenance - Dave Wellinghoff

As in the past, the expenses will be used on routine maintenance and fees associated with new electronics for parking charging.

Vote on Article 18: Commuter Lot & Station Maintenance

Dave Wellinghoff moved to recommend the article. Christine Russell seconded the motion. The motion passed unanimously.

i. Article 19: Septage Disposal Enterprise Budget - Dave Wellinghoff

The expenses are routine. The increase in revenue is from a large septage fee increase that was put through in the last year.

Vote on Article 19: Septage Disposal Enterprise Budget

Dave Wellinghoff moved to recommend the article. Steve Noone seconded the motion. The motion passed unanimously.

j. Article 21: Sewer Enterprise Budget - Dave Wellinghoff

In addition to general operating expenses, there is a \$225k capital request for a preliminary design for extending service into West Acton.

Members of the Finance Committee discussed:

- Public concern asking why current sewer users should pay for studies for future sewer users. Current users were subsidized because someone payed for the survey to get service to them. Their costs could potentially go down as operating costs are spread across more uses.
- The treatment center currently has excess capacity that would be used if this project went forward.



- The decision of whether to extend the sewer into West Acton is further complicated by the building of the twin schools at the Gate lot and whether it would use the potential sewer extension.
- This is a preliminary study and not a commitment to do what would be a very expensive project.
- Fluctuations in the fund balance.
- Capital improvements are paid for as part of users' bills.
- Corey York has taken over the management of the sewer project and would like to switch to running more of these capital repairs out of the general operating budget, so fund balance was being drawn down but some will be maintained to cover emergencies that come up.

Vote on Article 21: Sewer Enterprise Budget

Dave Wellinghoff moved to recommend the article. Christine Russell seconded the motion. The motion passed 8-0-1, Jason Cole abstained.

k. Article 22: Ambulance Enterprise Budget - Christine Russell

The budget presents a \$68k increase in appropriations compared to the previous year. Receipts are up, however, so the general fund request is \$60k less than it was last year.

Members of the Finance Committee discussed that it is unlikely this fund will become a self-sustaining service, but we are moving as close as we can to it.

Vote on Article 22: Ambulance Enterprise Budget

Christine moved to recommend the article. Mike Majors seconded the motion. The motion passed unanimously.

l. Article 23: Transportation Enterprise Budget - Christi Andersen

The budget increase was general regular items. The only one that stood out is a 9% increase in contractual services. This is mostly because of increased ridership.

Assistant Finance Director McMullen pointed out that gas was put into this budget where it had previously been located elsewhere.

Vote on Article 23: Transportation Enterprise Budget

Christi Andersen moved to recommend the article. Roland Bourdon seconded the motion. The motion passed unanimously.

m. Article 25: Accept Legislation: Agricultural Commission (MGL c.40 s.8L) - Sahana Purohit



The creation of an agricultural commission would be based on state law. It would not change any health or zoning laws. Currently, farming is allowed in all zoning districts. Citizens would not lose any rights. Acton currently has 26 farms with an average of 12.5 acres. This adds up to a total of 327 acres. This land is used for a combination of crops, livestock, and horse farms.

Members of the Finance Committee discussed:

- Concern about the rights of landowners who unknowingly purchase land next to a farm. Any complaints they had would then go to the Agriculture Commission. The Board of Selectmen currently handle these issues and have had no complaints in the last decade.
- Concern that farming could be conducted on wetlands, but wetlands are already protected by the town.
- There is nothing of a financial nature to be lost by doing this. Any land bought for agricultural purposes needs to get a permit from the Zoning Board of Appeals, so it can be approved on a case by case basis.
- Concern about the additional complexity of adding another board and another layer of complexity.
- Current lack of protection for farmers. The addition of concessions from the state if the town becomes a Right to Farm town makes it easier for future generations of farmers to continue to farm on the same land.
- Protection of open space by helping to keep small farms in business.
- Lack of financially relevance in this article.
- In order to become a Right to Farm community, there needs to be an Agricultural Commission in place.

n. Article 25: Accept Legislation: Agricultural Commission (MGL c.40 s.8L)

Sahana Purohit moved to recommend the article. Mike Majors seconded the motion. The motion failed 2-7 with support from Mike Majors and Steve Noone. Jason Cole, Roland Bourdon, Christi Andersen, Jeff Bergart, Tom Farley, Dave Wellinghoff and Christine Russell opposed the motion.

Christine Russell moved that the committee make no recommendation on the article. Dave Wellinghoff seconded the motion. The motion passed 7-0-2, Steve Noone and Jason Cole abstained.

o. Article 26: Amend General Bylaws: Right to Farm - Sahana Purohit

Members of the Finance Committee discussed:

- Law has already been adopted in all neighboring towns.



- Farmers in a Right to Farm community get access to additional state benefits including protections that make it easier for future generations to farm there.
- Concessions from the state promote keeping open space by making it easier for small farms to stay in business.
- Concern about the financial impact of maintaining farm land.
- Assistant Finance Director McMullen confirmed that farm land currently in use is assessed at a lower value and therefore generates less taxes. This comes with a tax lien that gives the town right of first refusal if the property is ever sold.
- Becoming a Right to Farm town doesn't change any of this because these tax laws are already in place.

Vote on Article 26: Amend General Bylaws: Right to Farm

Roland Bourdon moved to make no recommendation on this article. The voted passed 8-0-1, Jason Cole abstained.

p. **Article 27: Amend General Bylaws: Chapter N, Demolition Delay - Mike Majors**
Discussion was deferred until the next meeting.

q. **Article 30: Amend Zoning Bylaw: Detached Accessory Apartments - Dave Wellinghoff**
Discussion was deferred until the next meeting.

r. **Article 31: Amend Zoning Bylaw: Accessory Apartments - Dave Wellinghoff**
Discussion was deferred until the next meeting.

s. **Article 38: Non-Binding Resolution: Register Intent to Purchase the Kmart Parcels - Jason Cole**
Jason Cole spoke to town counsel about whether registering intent to purchase would prevent a developer from buying the lot for a 40B development. He was told that only outright ownership or eminent domain taking would stop a 40B development from happening there.

Vote on Article 38: Non-Binding Resolution: Register Intent to Purchase the Kmart Parcels

Jason Cole moved to not recommend the motion. Roland Bourdon seconded the motion. It passed unanimously.

t. **Article 39. Remove Deed Restriction 670 Massachusetts Avenue - Roland Bourdon**



Discussion deferred until the next meeting.

u. Article 40. Amend General Bylaws: Storm Water - Dave Wellinghoff

Dave Wellinghoff says that this article is about cleaning up wording in the existing bylaw. There is no discernible financial impact.

Vote on Article 40. Amend General Bylaws: Storm Water

Dave Wellinghoff moved to make no recommendation on this article. Christine Russell seconded the motion. The motion passed unanimously.

v. Article 41. Amend Zoning Bylaw: Storm Water - Dave Wellinghoff

Dave Wellinghoff said that the same information as above applies to this article. There is no financial impact.

Vote on Article 41. Amend Zoning Bylaw: Storm Water

Dave moved to make no recommendation on this article. Christine Russell seconded the motion. The motion passed unanimously

The following articles will be reviewed at the next Finance Committee meeting on March 12th:

Article 42. Amend Zoning Map: 16 Knox Trail and 585 Main Street - Steve Noone

Article 43. Amend Zoning Bylaw: Housekeeping - Jeff Bergart

Article 44. Accept Street: Brabrook Road - Tom Farley

Article 45. Accept Land Gift: 49 Piper Road - Christine Russell

Article 46. Relocate Trail Easement: Guggins Brook - Roland Bourdon

Article 47. Authorize Selectmen to Accept Easements - Al Vlajinac

Article 48. Highway Reimbursement Program (Chapter 90) - Steve Noone

Article 49. Insurance Proceeds - Steve Noone

Article 50. Gifts or Grants - Christi Andersen

Article 51. Federal and State Reimbursement Aid - Christi Andersen

Article 52. Performance Bonds - Al Vlajinac

Article 53. Sale of Foreclosed Properties - Jeff Bergart

6. Finance Committee Business

a. Open Meeting Law Complaint

Regarding the February 25th complaint, we already responded to the complaint regarding the January 5th minutes. Those minutes had been filed under our name incorrectly and were, in fact, not approved by the committee. The town could not post the new minutes until they had confirmed that the other minutes were posted erroneously. Once that was established, the appropriate confirmed minutes were



were posted. In addition, there were no business hours in which to respond after the citizen's request for the new minutes was made and before the complaint was filed.

Jason Cole recommends responding that the minutes were approved in a timely fashion.

Response:

It was decided that Jason Cole respond to the complaint.

7. Minutes

No minutes were brought forth for approval.

8. Liaison Reports

School Committee - Christine Russell: The ABRSD has not met since the finance committee's last meeting.

Health Insurance Trust- Steve Noone: The trust revenues and expenses for 6 months are tracking as expected.

9. Point of View Outreach Update

March 11th, Gates PTSO - Dave Wellinghoff and Mike Majors

March 13th, Conant PTO - Jason Cole and Tom Farley

March 18th, McCarthy-Towne PTSO - Christine Russell and Christi Andersen

March 20th, Rotary club - Jeff Bargart and Mike Majors

There was a good turn out for the presentation to the Chinese School.

10. Adjournment

At 10:46 p.m., it was moved and seconded to adjourn the meeting.

The motion was approved unanimously.

Documents and Exhibits Used During this Meeting

Acton BoS Budget and Capital Presentation 3.4.19

Draft Warrant 2019 v09

Plastic Bag ban information Carolyn Platt

Q2 financial report

OML 2-25-19 Acton FinCom - Complaint on 2-15-19