

Town of Acton Finance Committee

September 8, 2015

Acton Memorial Library 7:30 PM

**In attendance:** Chairman Michael Majors, Vice Chair Margaret Busse, Roland Bourdon, Jason Cole, Shuyu Lee, Steve Noone and David Wellinghoff,

**Absent:** Bob Evans and Doug Tindal.

The meeting was called to order by Chairman Majors at 7:35PM

There was no public comment

Point of View (POV) Subcommittee update by Steve Noone:

**Economic Indicators:** Employment, Decrease in Fuel Prices, Turmoil in the Middle East and the Economic Slowdown in China.

More context may be needed as to where the financial numbers and the use of reserves have been trending over the years. How have the overall financial numbers been trending over the years.

If revenues are up and expenses are up why does the town need to use reserves to balance the budget. We may need those reserves in the future. Last few years expenses have been lower than budgeted and revenues have been better than budgeted.

#### **Acton Boxborough Regional School District (ABRSD):**

Recent negative rating of the (ABRSD) to negative by Moody's and was assigned because the use of reserves by the district, establish a balanced budget and not to rely on reserves to balance the budget. So the POV will reflect that.

The ABRSD had a 6% increase in their budget last year with not adding any headcount. Why such a large increase?

Does Acton have to many teachers or administrators in the ABRSD vs. the enrollment.

There is a decline though it may not be a big decline. Blanchard Kindergarten and First Grades are crowded: 44 Kids from Acton to Blanchard, 31 from Boxborough going to Acton.

There are two sources for the projections: 1. State 2. Peter and Maryanne Ashton who provide this data free of charge to the town and do this for a living.

ABRSD has 1,000 employees and not all are full time. 350 are teachers

We need to understand the compensation of ABRSD vs. other towns in the area.

ABRSD is in the process of doing a review of their capital assets and are working on their long range plan.

**Capital Projects:** West Acton Sewers, North Acton Fire Station, Senior/Community Center, Kelly's Corner Improvement, ABRSD Capital Projects, Minuteman Tech Building, Large Open Space Purchases. Do the town need a Capital Committee to prioritize and recommend funding vehicles for capital projects.

**Reserves:** Do we want to keep using reserves to balance the budget or do we want to put them into a Capital Fund? We have been using reserves at about \$2 million per year and sometimes up to \$3 million. Maybe the town needs to keep reserves at 5% and return the rest to the taxpayers and then if we have a capital project the town bonds that project.

**Balance Budget:** Is the Finance Committee going to call for a balance budget this year?

**Stabilization Fund:** Should that be replenished with the monies used for the Walker Property from Free Cash once it is certified by the state.

**In the Point of View:** We need to address the un-used tax levy capacity. Are we going to say 2.5% tax increase with no-override and no use of un-used tax levy capacity as a starting point.

**Other Post Employment Benefits (OPEB) Working Committee:** Steve reported that the ABRSD has completed their report and the town has not. So therefore at this point there is nothing we can do until we have the town's report. There were items that were disturbing in the ABRSD report when it came to healthcare. In order to compare year over year we need the town's report.

**ABRSD School Committee:** Steve indicated at their last meeting that they want an Administration Assistant to support the School Committee. They did not agree with the Moody's downgrade since they funded OPEB with reserves and are not intending to use reserves this year.

**ALG Three Board Meeting:** Margaret indicated that we need to schedule that as soon as we can.

**Board of Selectman Meeting:** Margaret said that the BOS will be deciding tonight if there will be a special fall town meeting.

**Minute Man School District:** Mike reported that three informational meetings to be held this month to go over the building plans of the school.

Next meeting September 22nd in Room 304 at the Town Hall at 7:30PM.

Meeting adjourned at 9:00PM

Respectfully submitted,

Roland Bourdon