

Finance Committee

Meeting Minutes

March 11, 2025

7:30 PM

Acton Town Hall – Room 204

Present: Jason Cole (Chair), Scott Sullivan (Vice Chair), Alex Lenz, Dr. Gang Chen, Roland Bourdon, Greg Jarboe, Steve Noone

Mr. Cole called the meeting to order at 7:33pm

PUBLIC PARTICIPATION:

Alyssa Nicol - shared thoughts from March 3, 2025 Select Board meeting.

Ms. Nicol referenced the March 2024 FinCom POV for FY25:

- No new debt until old debt rolled off. There was a mistake in bar chart, instead of FY29, should have been this year.
- DPW facility was added starting in FY27 at an amount of \$35,000,000
- Residents requesting not to have excluded debt in a year which also includes an override
- 99% on-time tax payments from residents
- Discussed smoothing-out of tax increases
- FinCom has been stating it gave direction to town to keep total spending at a maximum of 3%. Ms. Nicol reviewed the meeting 3 times. Instead, keep tax increases at 3% or below, not total spending.

Mr. Cole - To the conversation of bonding sidewalks. As a refresher, was FinCom willing to have as part of a larger project, or entertain bonding one big sidewalk project? Mr. Cole recalls FinCom decided not to go the route of one big sidewalk project. Is that correct?

Mr. Noone quoted most recent CIP: a sidewalk project would be general fund debt.

Mr. Cole responded to Ms. Nicol's comments:

- FinCom was very clear about avoiding future overrides without first considering structural change
- 3% increase follows the constraints of Prop 2 1/2% and .5% for New Growth
- Surveyed FinCom that members were comfortable with that approach
- Acknowledges where Ms. Nicol is interpreting what was discussed in March 2024, but have to combine that discussion with the override discussion

Mr. Cole confirmed with FinCom members of his recollection the 3% included both debt and operating; overall, tax increases should only be 3%. Mr. Jarboe confirmed Mr. Cole's recollection.

FY'25 Q2 FINANCIAL RESULTS:

Ms. Fleckner and Ms. Anderson presented the Finance Q2 Quarterly report. In addition, a memo was distributed by Ms. Andersen to answer outstanding questions and comments posed at the Q1 presentation.

Q3 will be presented at the April 22, 2025 FinCom meeting.

Questions and comments posed to Ms. Fleckner and Ms. Anderson:

- Mr. Lenz - please add a 'favorable' or 'adverse' comment to each fund
- Dr. Chen - spending down of Septage and Sewer funds - hold for future maintenance needs
- Finance team will look into the 24.08% of Septage expenses and why on the low side
- Finance team will look into the 38.88% of Transfer Station expenses and why on the low side
- Finance team will look into the 64.55% of Sewer revenues and why more than 50%

ALG UPDATE/GUIDANCE:

Mr. Cole summarized this morning's ALG meeting of March 11, 2025. For FY25 updates, the School is working on roof repairs. Town side - Fire Station pilot program started, ending in May. \$2.9m excise tax has come in thus far, on target.

Tori Campbell, School Committee member, brought up a "monkey wrench" on behalf of the School Committee. They scrubbed the budget to arrive at the 3.12% operating increase for FY26, but they cannot envision keeping it below 6 1/3% for foreseeable future years. 5.25% increase overall, Acton's assessment share 6.33%. Hence, an override in FY27, FY28, FY29 and FY30. 6.33% eats up entire budget increase for both sides. A full court press on the Legislative body is planned regarding the formula method for Chapter 70 funding. The Schools are hiring an outside consultant to review and recommend reductions, results due December 2025. Ms. Campbell requested consensus from ALG for these out years, ALG did not approve until town side has an opportunity to respond. Mr. Cole suspects the town will present an increase in numbers as well. Ms. Campbell quoted a \$1,204 tax increase to average single family home in FY27.

Mr. Cole summarized the discussion of the cost of the DPW Facility.

Ms. Campbell commented the School Committee supports the DPW Facility so long as the Select Board and FinCom can come to an agreement on the Facility.

Mr. Noone - Always felt amounts were understated in the out years. Noticed no increase in town's debt service amount, but in CIP mentions \$26m-\$27m of spending. Should, then, see increase in debt service in ALG equal to CIP. Also, historically, spending without excluded debt averaged about 4%, absent a concrete plan of decreasing operating expenses. 4.25% is probably a better assumption to use, not 3%.

Mr. Noone is fine with town FY26 budget as it stands.

Can ignore all of this, but should give at least an accurate 5-year forecast.

Mr. Lenz - Financial planning and analysis, having a 5-year forecast is the crux of what FinCom should be doing. If we do this, we can avoid these "monkey wrenches". Wants to see the details behind this 6.33% proposed by the School Committee.

Mr. Martin - Select Board has not specifically discussed excluded debt service. Historically, Select Board approves as excluded debt new buildings or significant renovations.

Mr. Mangiaratti - Presented CIP in November 2024, explaining the capital needs. Also stated it is a fluid document. From year 2 to year 10, the CIP shows where the costs may fall in which year. Amount of debt service matches what we're appropriating in the free cash and debt lines. Can't put into the plan what future Select Board members may vote on for future projects. But, can present a reasonable model and continue to refine throughout time.

Mr. Noone - Reiterated the purpose of the 10-year CIP. Can't ignore inputs that have been entered in previous years by former Select Board members.

Mr. Jarboe - Commented on U.S. tariffs going into effect tomorrow, March 12, 2025; for example price of steel increasing. Also, Department of Education may get abolished, which represents \$1.6m in grants the Schools receive. How do we plan, taking these issues and others into consideration?

Also, take into consideration that some positions generate revenue like the Fire Prevention Officer, what Marianne Fleckner mentioned at last FinCom meeting. How do we fund a level services budget while not counting on the federal government or State funding?

Ms. Friedrichs - Agrees that forecasting is important so as not to have to revisit everything year-to-year. This is not the time to make huge decisions.

Dr. Chen - Must keep in mind price of steel and other tariff increases. Due to pension, there is a structural deficit, bring to labor negotiations to possibly reopen contracts. Recommend cutting pension benefits.

Mr. Sullivan - Strong believer in scenario analysis. Create forecast scenarios. For example: all capital projects are accepted/funded, etc.... Portray total dollars we're going to be short in each scenario and potential ways of decreasing the budget to balance the budget.

Mr. Cole - With Mr. Sullivan's suggestion, be cautious of falling into an expectation of an override.

Mr. Bourdon - Regarding steel tariffs, also vehicle increases due to tariffs. If we bring DPW Facility to town now, concerned it won't pass. Also, remember with sidewalk construction the town will have corresponding maintenance costs forever. In summary, have to keep in mind cost of maintenance.

Mr. Cole - Brought members back to the two (2) outstanding questions on the ALG model:

First question: Any FinCom member change their mind on unanimously not supporting the DPW building? No, still unanimous.

Second: Municipal Budget for FY26: 3.81% total spending, 4.56% without excluded debt offsets. \$319 average tax bill increase:

Mr. Cole spoke for Ms. Andersen - support

Mr. Jarboe - support, cost savings with new positions not fully funded in FY26

Mr. Bourdon - support

Mr. Sullivan - support, believe cost savings will be covered by vacancies

Mr. Wellinghoff - support

Mr. Cole will inform the Town Manager that FinCom supports the town's FY26 budget. Also, regarding Municipal forecast, the "New Capital" of \$1.25m, currently not consistent with the 10-year CIP.

Mr. Martin - Plans existed for a very long time with Capital at a similar level and the town has been okay.

WARRANT ARTICLE ASSIGNMENTS:

Mr. Cole shared electronically the draft Warrant that was provided today by Mr. Mangiaratti. Assignments were made:

Article 4 - Mr. Cole
Article 5 - Mr. Cole
Article 6 - Mr. Cole
Article 7 - Mr. Jarboe and will work with another FinCom member on speech
Article 8 - Ms. Andersen
Article 9 - Mr. Noone
Article 10 - Mr. Bourdon
Article 11 - Mr. Noone
Article 12 - Mr. Lenz
Article 13 - Mr. Sullivan
Article 14 - Mr. Noone
Article 15 - Mr. Noone
Article 16 - Mr. Noone
Article 17 - consent usually, Mr. Wellinghoff
Article 18 - Mr. Wellinghoff
Article 19 - 24 consent usually, Dr. Chen
Article 25 - 29 - consent usually, Mr. Lenz
Article 30 - Ms. Jones
Article 31 - Ms. Jones
Article 32 - Ms. Hogseth
Article 33 - Ms. Hogseth

Ms. Nicol - Ms. Andersen reached out to Ms. Nicol regarding Habit for All. Recommends Mr. Cole reach out to Ms. Andersen to discuss further.

Mr. Martin - Article 30 makes the town more compliant, Article 31 is more involved. Mr. Martin has leaf blower Article and Mr. Snyder-Grant has tree clearing Article.

Next FinCom meeting, March 25th: Minuteman School will be present and Mr. Bourdon will invite CPC, next meeting after that is April 8th. Everything has to be written by April 14, 2025.

Next ALG meeting is April 8, 2025. Possibly first time in history ALG will not be in consensus due to DPW Facility.

FINANCE COMMITTEE BUSINESS:

Meeting Minutes Review:

Mr. Cole proposed changes and corrections to the following meeting minutes:

January 15, 2025

January 21, 2025

February 11, 2025

February 25, 2025

Mr. Noone made motion to accept all minutes as amended, Mr. Bourdon seconded
Passed unanimously 7-0-0

Liaison Reports:

Economic Development Committee - Mr. Jarboe reported out there was a ribbon cutting at Silver Girl this past Friday, March 7th, went very well.

Upcoming Ribbon Cutting at New Mexican restaurant Luna.

Encourages everyone to attend these ribbon cuttings.

Mr. Lenz made motion to adjourn, Mr. Bourdon seconded

Passed Unanimously, 7-0-0

9:37pm

Shared Documents:

Memo from Ellie Anderson to John Mangiaratti and Marianne Fleckner

Q2 Finance Quarterly Report

FY26 Warrant Articles