

Minutes – Acton Finance Committee

Date March 11, 2008

Town Hall Room 204

Pursuant to a notice duly posted with the Town Clerk and with a quorum of members present, the Acton Finance Committee convened at 7:30 pm on March 11, 2008 to review various matters.

Members present for the meeting: Steve Noone (SN), Pat Clifford (PC), Herman Kabakoff (HK), Allen Nitschelm (AN), Kent Sharp (KS), and Pat Easterly (PE), Bill Mullin (BM), Mary Ann Ashton (MA), Bob Evans (BE).

Others Present: Will Tuffin (WT), Chuck Olmstead (CO), Jan Benson, Clint Seward (CS), Jim Monahan, JoAnn Berry, Sharon McManus (SM), Terra Friedrichs.

WT made a presentation regarding the Cell Tower Article during Citizens' Concerns. A copy of his presentation is attached to these minutes without the attachments.

CO led a discussion regarding the Minuteman Schools. He reported that enrollment is level or declining. This is a problem and is being addressed by increased marketing. The new Superintendent is experienced at community relations and building construction. Minuteman is looking at a \$5MM - \$8MM energy savings project. They are considering using an ESCO proposal, the same as was considered by the town of Acton. The project should take one year to complete. Minuteman is starting a strategic building renovation plan (the building is 30 years old). The estimated cost is \$10MM. The state is expected to provide a 50% - 55% reimbursement. Thus Minuteman will need \$4.5MM - \$5MM. This will be a two to three year project. MA observed that the new Superintendent is a good communicator. CO agreed. KS asked if other vocational schools were experiencing declining enrollment. CO said no. Minuteman has declining enrollment due to our demographics. He pointed out that Minuteman provides students the opportunity to learn "hands on". KS asked how the project to replace the roof qualifies for ESCO utility savings. CO said that replacing the roof lessens heat loss from the building. AN asked CO to explain ESCO. CO said that the project is in two phases. First, there is an evaluation and then a proposal which will result in utility savings. There are benchmarks to insure that the savings are real. The savings pay for the project. If there are not enough savings to pay for the project then the company (ESCO) makes up the difference. After the project is paid for (with savings) then the school gets to keep all succeeding savings. AN asked if Minuteman had a Finance Committee. CO said no, and that this function would have to be performed by each town's Finance Committee. AN asked if the School Choice option had been considered. CO said that the reimbursement for Choice did not cover the incremental costs. BE asked how the capital cost would be allocated among member towns. CO did not know. BM observed that Acton's assessment has been stable over the last years. CO indicated that Acton pays \$19,483/student. BM asked if students could do post graduate work. CO said yes, if they want to. PE asked how we are going to market for more students. CO indicated that they are looking to increase in-district enrollment (Minuteman has capacity for 1200 students,

but now has 800 students). BM asked if there are still internal political problems on the board. CO said no, there has been a change in personalities. KS asked if post graduate studies are paid for by the Town. CO said yes. PC suggested that CO should come to our meetings often as plans for the school construction progress.

SN gave an ALG update. There is now a shift in the revenue split to increase the Town to 31.67% from the original 31.25%. NESWC fund money will be spent for capital projects only. Schools will cut \$380K from their budget. Schools will receive \$250K from the NESWC fund and \$450K from Free Cash. The Selectmen voted to reduce their capital spending from the NESWC fund to \$500K. This plan is sustainable as reserves are preserved. A copy of this plan is attached to these minutes. HK asked if SN thought that the School Committee would accept this proposal. SN thought that they would. AN indicated that he thought that the schools would fund this budget reduction by restructuring bond debt service and using the Health Insurance (HI) premium reductions. AN is also disappointed that the school committee did not reduce the number of new FTE's in their budget. In addition, AN thought that this proposal came too late in the process to thoroughly analyze. SN pointed out that we have been talking about sustainability since September. The ball is now in the Selectmen's and School Committee's court. BM indicated that he thought that the school committee needs to be specific regarding the budget reductions they will make. BM asked if we know the Town's capital plan. PC said no. BM opined that if the Selectmen can make cuts now then he is less confident in their initial recommendations. MA said that the School Committee estimated that they will save \$200K due to the HI premium savings. The school committee will fund 50% of their required reduction by reducing HI costs and the other 50% will come from staff reductions. The Selectmen have not quantified their expected HI savings. HK is of the opinion that all savings should come from a reduction of proposed new FTE's. BE agreed with HK. KS observed that this proposal calls for taxing to the maximum and not spending all of the revenue. He asked what the assumption is in this budget regarding casino license revenues. PC did not know. KS thinks that each board should know what is going to be reduced if this revenue doesn't come. Not being allowed to use HI premium savings seems unfair to KS. PE asked what the Free Cash regeneration assumptions were. SN indicated that it is expected that Free Cash will regenerate by .5% to 1%. The budget also assumes that state aid increases 6% per year over the next three years. CS asked how future capital items are planned to be funded. SN indicated that there are no plans for debt exclusion overrides. However, capital spending debt service within proposition 2 ½ may not be possible in the future. MA reminded us that the debt service for boilers and univents (\$115K - \$125K) are being funded within the budget. Next year the MSBA program may help with the Conant roof and maybe all roofs. SM indicated that the School Committee is considering asking for \$4MM for all borrowing. AN observed that there is no capital spending indicated on the plan for FY10 and FY11. He wants to set up a stabilization fund to fund capital in the future.

There was no discussion regarding Warrant Articles. PC announced that next week the schools will come to our meeting to present their budget. AN asked when we will discuss the Selectmen's budget. PE indicated that will take place on March 25. AN wanted to discuss some Town budget matters at this meeting. HK and PE indicated that we should wait.

BM observed that the Ambulance Enterprise fund is able to purchase the Pumper truck (\$300K), the Ladder truck (\$800K), and the second Ambulance (\$200K). BE recommended that we use this fund to purchase the Pumper and the Ambulance. We should borrow to purchase the Ladder truck.

AN opined that the salary parity proposal discourages but does not preclude unionization.

SN informed us that \$50K will be put back into the open space fund because the proposed land purchase is cancelled. Also, \$30K has been taken out of the ACHC proposal. It is now \$170K.

AN asked if we can make the Exchange Hall expenditure from the CPC a loan. SN indicated that the owner needed this to be a grant in order to secure his requested bank financing. BM recused himself from the discussion of the Exchange Hall CPC proposal due to having a business conflict.

KS moved to adjourn at 9:10PM.

SN Seconded. Passed unanimously.

Respectfully submitted,

Herman Kabakoff
Clerk

PRESENTATION TO ACTON FINANCE COMMITTEE

GOOD EVENING. I'M WILL TUFFIN AND I HAVE LIVED FOR OVER 40 YEARS WITH MY WIFE JANICE AT 23 ARLINGTON ST. FOLLOWING A COUPLE OF YEARS ON SYLVIA ST. ACTON HAS BEEN GOOD TO US AND TO OUR THREE CHILDREN WHO SPENT ALL THEIR PUBLIC SCHOOL YEARS HERE.

I WOULD LIKE TO THANK CHAIRMAN PATRICIA CLIFFORD FOR GIVING ME THE OPPORTUNITY TO SPEAK. AND I WOULD LIKE TO THANK ALL COMMITTEE MEMBERS FOR LISTENING. KINDLY ASK ME SOME TOUGH QUESTIONS.

“I THINK EVERYONE AGREES THAT WE WANT TO KEEP CELL TOWERS AWAY FROM RESIDENCES AND SCHOOLS.” THOSE WERE THE WORDS OF SELECTMAN PETER BERRY AS QUOTED IN THE APRIL 19, 2007 EDITION OF THE BEACON ON HIS BECOMING CHAIRMAN OF THE CELL TOWER COMMITTEE. THESE WORDS REFLECT THE OBJECTIVE OF THE COMMITTEE AND THE HOPES AND EXPECTATIONS OF THOSE CONCERNED ABOUT POSSIBLE ADVERSE SITING OF CELL TOWERS.

SADLY IN A 4000 WORD NEW BYLAW THE WORD SCHOOLS DOES NOT APPEAR ONCE, ARE NOT THE PROTECTION OF SCHOOLS AND THE MENTION OF SCHOOLS ABSOLUTELY INSEPARABLE? OF COURSE THEY ARE.

AND RESIDENCES ARE GREATLY LESS PROTECTED. IN THE NEW BYLAW ALL OF OUR FIVE VILLAGE DISTRICTS LOSE THEIR ABSOLUTE PROTECTION; SETBACKS FROM HOMES ARE LOWERED BY MEASURING FROM THE TOWER RATHER THAN FROM THE FACILITIES. AND THE PLANNING BOARD USURPS THE POWER OF ALL OTHER BOARDS BY TAKING UNTO THEMSELVES THE WAIVER POWER TO PLACE CELL TOWERS ZERO FEET FROM OUR HOMES AND VIRTUALLY ANYWHERE ELSE IN ACTON.

THESE ILL ADVISED CHANGES IN OUR ALREADY WEAK CELL TOWER BYLAW WOULD HAVE FINANCIAL RAMIFICATIONS FOR ACTON. NOTE THAT THE

TWO CELL TOWERS NEAR POST OFFICE SQUARE ARE ON A THREE PLUS ACRE SITE ASSESSED FOR SOMEWHAT OVER \$600,000. THIS SITE JUST WENT ON THE MARKET FOR \$1,195,000. THE ADDED VALUE IS FROM THE RENTAL INCOME OF THE TWO TOWERS. THUS WHEN THE PROPERTY IS SOLD THE \$3.5 BILLION VALUATION OF ACTON REAL ESTATE WILL RISE BY ABOUT \$0.5 MILLION. AND TAX REVENUE WILL INCREASE BY ABOUT \$8,000. THESE ARE SMALL BUT POSITIVE CHANGES.

NOW IF CELL TOWERS ARE SITED ON RESIDENTIAL LAND THE VALUE OF THAT NEIGHBORHOOD WILL BE DEPRESSED. I OFFER A PETITION STATING JUST THAT AND SIGNED BY JOAN MEYER, PRESIDENT AND OWNER OF ACTON REAL ESTATE, BY CALDWELL BANKER, BY POULTE, BY ROWE, BY YORK AND BY OTHERS. THREE OR FOUR ADVERSELY SITED CELL TOWERS COULD MEAN A 1% DECREASE IN \$3.5 BILLION VALUATION OF ACTON. BUT THAT IS NOT A SMALL NUMBER – THAT IS \$35 MILION.

FURTHER JOAN MEYER SAYS A SINGLE SITING OF A CELL TOWER ON RESIDENTIAL LAND WOULD BECOME A DISCLOSURE ISSUE. AND A CLOSE READING OF MATTERS SHOWS THAT THE SITING OF A SINGLE TOWER IN A RESIDENTIAL AREA LEAVES ALL OTHER RESIDENTIAL AREAS VULNERABLE UNDER THE NON-DISCRIMINATION LIMITATION OF THE FEDERAL ACT. THIS IS NOT JUST MY OPINION; THIS HAPPENED IN CARLISLE IN THE ANDEREGG CASE; AND IT IS HAPPENING IN AN INDUSTRIAL AREA NEAR HOMES IN STOW IN THE SKINNER CASE. YOU CANNOT LET ONE CELL TOWER COMPANY SITE IN A RESIDENTIAL AREA AND THEN SAY NO TO ANOTHER COMPANY.

KINDLY NOTE THAT POTENTIAL FIRST TIME BUYERS IN ACTON USUALLY GO AND SEE THE SCHOOL CAMPUS. IF THEY SEE A CELL TOWER ON THE ROOF OF A SCHOOL, OR NEAR THE FRONT DOOR, OR A SHORT DISTANCE AWAY AND THEY REALIZE IT NOT ONLY IS INTRUSIVE BUT IS ACTUALLY A RADIATION

EMITTING TOWER, THEY ARE FAR LESS LIKELY TO BUY A HOME IN ACTON.
FEWER BUYERS MEAN LOWER DEMAND. LOWER DEMAND MEANS LOWER
PRICES. LOWER PRICES MEAN LOWER VALUATION.

SO IT IS ABUNDANTLY CLEAR THAT SITING OF CELL TOWERS ON
COMMERCIAL PROPERTY RAISES VALUATION. AND SITING NEAR SCHOOLS AND
RESIDENCES LOWERS VALUATION. LET US MAKE A CLEAR FINANCIAL CHOICE
AND HAVE A STRONG BYLAW WITH ROBUST LANGUAGE PROTECTING OUR
SCHOOLS AND OUR HOMES.

OPPONENTS SAY IT CAN'T BE DONE BECAUSE WE ARE 65% RESIDENTIAL.
CONCORD IS 92% RESIDENTIAL AND THEY HAVE A ROBUST BYLAW PROTECTING
SCHOOLS AND HOMES. CAN 8 POSSIBLY BE BIGGER THAN 35? JUST XEROXING
CONCORD'S BYLAW WOULD BE A VAST IMPROVEMENT. IT SHOWS IT CAN BE
DONE.

SO LET'S DRASTICALLY CHANGE THE NEW BYLAW, OR EXTEND THE
MORATORIUM TWO OR THREE MONTHS, OR DEFEAT THE NEW BYLAW AND
PROCEED WITH THE FLAWED EXISTING BYLAW WHICH IS BETTER THAN THE
PROPOSED NEW ONE.

THANK YOU

I WILL GLADLY ANSWER ANY QUESTIONS.

WILL TUFFIN

23 ARLINGTON ST.

(978) 263-7201

Revenue Sharing Proposal

Fiscal Year	2007	2008	2009	Prior Plan
Municipal Revenue:				
Allocation Percentage	30.305%	31.25%	31.67%	31.25%
Fees	\$ 1,300	\$ 1,365	\$ 1,233	Town gets an additional \$256 from increase in split
Int. Income	\$ 350	\$ 368	\$ 450	Town get an increase of \$125 from change in reserves usage
Cherry Sheet (M)	\$ 1,721	\$ 1,836	\$ 1,793	Total spending does not change
Tax Levy less excl. debt	\$ 16,508	\$ 17,359	\$ 18,346	Changes:
Excise Tax	\$ 860	\$ 959	\$ 933	\$ 243
Free cash	\$ -	\$ 500	\$ -	\$ 12
Windfall Adjustment	\$ -	\$ 100	\$ 359	\$ 125
NESWC				
Total Municipal Revenue	\$ 20,739	\$ 22,487	\$ 23,614	\$ 23,234
Municipal Share	30.66%	30.88%	30.64%	30.14%
Municipal increase in revenue		8.43%	5.01%	3.32%
School Revenue:				
Cherry Sheet (S)	\$ 3,258	\$ 4,168	\$ 5,228	\$ 5,228
Pothole	\$ -	\$ -	\$ -	\$ -
Regional Rev	\$ 3,868	\$ 4,823	\$ 5,787	\$ 5,787
Regional E&D	\$ 337	\$ 286	\$ 511	\$ 511
Tax Levy less excl. debt	\$ 37,353	\$ 37,914	\$ 39,584	\$ 39,827
Excise Tax	\$ 1,945	\$ 2,131	\$ 2,012	\$ 2,025
Free Cash	\$ 137	\$ 1,100	\$ 450	\$ 825
Adjustment	\$ -	\$ (100)	\$ (359)	\$ (359)
NESWC				
Total School Revenue	\$ 46,898	\$ 50,322	\$ 53,463	\$ 53,843
School Share	69.34%	69.12%	69.36%	68.61%
School increase in revenue		7.30%	6.24%	7.00%
TOTAL ALG REVENUE	\$ 67,637	\$ 72,809	\$ 77,077	\$ 77,077
increase in total revenue		7.65%	5.86%	5.86%

Multi-Year Plan

	FY08	FY09	FY10	FY11	
Revenues:					
Tax Levy:	Adjusted (3/7/08)				
Base	\$ 54,361	\$ 56,521	\$ 58,735	\$ 60,854	
2 1/2%	\$ 761	\$ 1,413	\$ 1,468	\$ 1,521	
New Growth	\$ 801	\$ 650	\$ 500	\$ 500	
Debt Excl.	\$ 3,332	\$ 3,102	\$ 3,067	\$ 3,012	
Overlay	\$ (605)	\$ (650)	\$ (650)	\$ (650)	
Total Tax Levy (excl. current yr. override)	\$ 58,604	\$ 61,037	\$ 63,121	\$ 65,238	
Cherry Sheet	\$ 6,066	\$ 7,021	\$ 8,017	\$ 8,880	
SBAB - Twin School	\$ 1,086	\$ 1,086	\$ 1,086	\$ 1,086	
Excise Taxes	\$ 2,690	\$ 2,945	\$ 3,033	\$ 3,124	
Fees	\$ 1,004	\$ 1,233	\$ 1,270	\$ 1,308	
Int. Income	\$ 724	\$ 450	\$ 450	\$ 450	
Pension/Pothole/Other	\$ -	\$ -	\$ -	\$ -	
Regional Revenue	\$ 4,825	\$ 5,787	\$ 6,601	\$ 7,399	
Regional E&D Acton's share	\$ 286	\$ 511	\$ 425	\$ 446	
HS Interest/Bond Prem.	\$ -	\$ -	\$ -	\$ -	
Free Cash	\$ 1,594	\$ 450	\$ 430	\$ 1,277	
NESWC for capital	\$ -	\$ 750	\$ 1,400	\$ 1,200	
Operating Override					
Capital Override					
Revenues before Overrides	\$ 77,294	\$ 81,270	\$ 85,834	\$ 90,408	
Revenues including Overrides	\$ 77,294	\$ 81,270	\$ 85,834	\$ 90,408	
Revenue incl override excluding debt/SBAB	\$ 72,876	\$ 77,081	\$ 81,680	\$ 86,310	
Debt Exclusion:					
Debt on APS	\$ 517	\$ 527	\$ 527	\$ 527	
Debt on JHS/SHS	\$ 1,778	\$ 1,612	\$ 1,600	\$ 1,575	estimates
Municipal Debt Incurred	\$ 520	\$ 454	\$ 440	\$ 420	"
Debt on Police station	\$ 517	\$ 509	\$ 500	\$ 490	"
Total Debt Exclusions	\$ 3,332	\$ 3,102	\$ 3,067	\$ 3,012	
Budgets Excluding Debt:					
Municipal Budget	\$ 22,325	\$ 23,614	\$ 24,795	\$ 26,034	
APS Budget	\$ 23,397	\$ 25,170	\$ 26,932	\$ 28,548	
ABRSD Budget - Acton Share *	\$ 25,811	\$ 27,522	\$ 29,160	\$ 30,909	
MM Assumption	\$ 787	\$ 771	\$ 794	\$ 818	
Subtotal schools	\$ 49,995	\$ 53,463	\$ 56,885	\$ 60,275	
TOTAL	\$ 72,320	\$ 77,077	\$ 81,680	\$ 86,309	
% increase		6.6%	6.0%	5.7%	
NET POSITION	\$ 556	\$ 4	\$ (0)	\$ 0	
Reserves:					
Free Cash	\$ 1,900	\$ 2,006	\$ 1,826	\$ 799	
NESWC	\$ 4,886	\$ 4,136	\$ 2,736	\$ 1,536	
E&D	\$ 1,100	\$ 726	\$ 446	\$ 154	
TOTAL	\$ 7,886	\$ 6,868	\$ 5,008	\$ 2,489	
Tax Impact:					
Existing Valuation ('000s)	\$ 3,851,376	\$ 3,658,807	\$ 3,701,042	\$ 3,917,234	
New Growth value ('000s)		\$ 42,235	\$ 29,656	\$ 29,018	
Total Valuation ('000s)	\$ 3,851,376	\$ 3,701,042	\$ 3,730,699	\$ 3,946,252	
Tax Rate	\$ 15.39	\$ 16.86	\$ 17.23	\$ 16.82	
SF Value	\$ 542,140	\$ 523,109	\$ 496,954	\$ 521,801	
SF Tax Bill	\$ 7,928	\$ 8,051	\$ 8,379	\$ 8,777	
% Change	1.55%	4.07%	2.20%	2.50%	

FY09 budget and split based on compromise proposal

Revenue increases based on S. Noone Plan - no attempt to adjust split

% incr in budgets based on S. Noone Plan - no attempt to adjust split

Future year split of revenue to be decided in the future

Valuation falls 5% in FY09, remains level in FY10 and increases 5% in FY11