

Minutes – Acton Finance Committee  
Date January 29, 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 January 29, 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: Terra Friedrichs (TF), Lauren Rosensweig (LR), Sharon McManus

TF spoke during Public Participation. She indicated that she liked the thought of having a reserve for emergencies. She observed that it seems that our strategy is to figure out how much we have to spend and then spend it. She suggested that we set aside certain percentages of available money for specific purposes (like land acquisition). PC indicated that this will be a good topic for a future meeting but there will be no action taken this meeting.

SN moved to approve the draft minutes of the FINCOM meeting on January 8, 2008.

BM seconded

Passed unanimously

Comments regarding the town budget workshop:

BM – Meeting went well. He was impressed with John Murray's expertise and professionalism.

MA – Meeting was well done and informative.

KS – Meeting went smoothly.

SN – Good meeting. It was more of a discussion than in prior years. The FINCOM participated equally. We submitted fewer questions than in the past and the written answers were provided too late for follow-up.

HK – Meeting was an informative exchange.

BE – Pleased with the meeting. He thinks that the update of the Master Plan for \$100K is a waste of money. Using an outside company to finance utilities (ESCO) is a mystery. The Senior Center proposal for \$100K will not be ready by Town Meeting.

PE – Thought that the meeting was good. She liked the format. She would have liked to see the total plan versus the current ALG plan.

AN – Issues include hiring a Deputy Police Chief, part time staffing, need for backup equipment, and a general over exuberance with spending. Salary increases may not be sustainable. Spending from NESWC fund, E&D, and Free Cash should be for one time expenditures only.

BE – Salaries and Health Insurance costs are separated in the budget. They should not be. These expenses should be combined.

PC – She pointed out the Free Cash and E&D spending on the ALG worksheet. She also distributed the list of capital spending recommendations.

BM – He observed that this is a high risk budget. We are spending all of our reserves this year. We are saying that current citizens are paying for long term benefits. We are not matching long term benefits with current dollars. We should leverage. NESWC should not be spent. We need to finance long term capital items and fund the debt service within proposition 2 ½.

AN – agreed with BM. We should put a down payment on some things and finance the rest of the debt. We are spending too much this year. For instance, he asked if we considered refurbishing the fire truck. He saw no analysis of this option. We need to vet spending proposals in more depth.

BE – Paying for the fire truck from NESWC funds is the incorrect strategy.

SN – He agreed that long term assets be financed with long term borrowing.

PE and HK – Agreed with BM and SN. The balance in the NESWC reserve should be preserved.

SN – He observed that the NESWC reserve will be needed in the near future to offset the coming recession. He questioned what the \$100K Compensation reserve set aside is. LR indicated that it is a set aside to allow the new HR Manager money to adjust salary inequities when they are discovered.

KS – He disagreed with the salary parity plan. We are not building reserves.

AN – He agreed with BE. The cost of benefits should be added to the salary expense line.

BM – We voted for the salary parity and NESWC funding piece meal. However, now in the totality of the current budget the risk profile has changed. No longer can we not tax to the max. We should urge the Selectmen and the School Committee to fund long term liabilities with long term borrowing, leaving \$3.7MM in the NESWC fund.

PC – The reserve dollars we are spending are more than we need to spend.

MA – Other towns are looking at sizable overrides or cuts. She thinks that there is revenue in the Governor's budget that is not going to be funded. We are trying to make up for past needs all in one year. We should urge the Selectmen and School Committee to prioritize. We may find that we may not have state aid in the future.

BE – Observed that the municipal budget on the ALG worksheet (\$23.8MM) does not agree with the municipal budget on the Capital Recommendations worksheet (\$26.1MM). They should be the same.

KS – Doesn't recall supporting salary parity. We just said that it needed to be looked at.

BM – By including school capital spending and purchasing the fire truck we have a very risky budget.

SN – Does not think that we need a resolution.

AN – The sense of our committee will be communicated.

PC – John Murray will submit the Selectmen's budget to us by our next meeting.

HK – Asked PC to take our message to the Selectmen.

SN distributed a list of preliminary Community Preservation Fund Applications. A copy of this list which contains a brief description of each project is attached to these minutes for reference. He briefly reviewed each project. BM suggested that the NARA Picnic Pavilion be added as an additional project as a Selectman proposal. AN asked if there is a plan for the Sachem Way project. SN said no. This project allows us to get such a plan. AN is against the Exchange Hall project because it is going to be run as a profit making endeavor. MA thinks that the procedure we used last year is good. SN will keep us informed and if we wish to discuss any particular project in more depth, then the people proposing the project will be invited to one of our meetings to discuss. HK agreed.

PC discussed the results of the latest ALG meeting. There is some comfort with the revenue numbers. The Governor's budget revenue numbers are as good as we have for now. MA asked what happens if the state revenues do not come. PC answered if this occurred then Jon Chinitz proposal is in effect. Costs will have to be adjusted. PC indicated that the ALG did not endorse not taxing to the max. The ALG said that it is a good idea, but should not be done two years in a row. MA observed that lottery revenue is down. It is important that the ALG has a good understanding of what happens if.... SN indicated that the ALG understands that if revenue doesn't come in then we will have to cut back. SN and PC both reported that the discussion regarding not taxing to the max was cordial.

BM indicated that the Howard, Stein, Hudson Hayward and Main traffic and neighborhood impact report was not presented at the last Selectmen's meeting because the presenter had an accident and could not attend the meeting. The report is on the Web site. The proposal to work on Brook Street for \$60K is recommended. Plan number 1 in the report is endorsed by TANS.

PC reminded us to vote this coming Tuesday.

AN moved to adjourn at 9:37PM.

KS Seconded. Passed unanimously.

Respectfully submitted,

Herman Kabakoff  
Clerk

Preliminary Community Preservation Fund Applications						Open Fund Balance	
Applicant	Project	CPA Category	Request	Amended Request	Status		
						\$	FY07 coll. surcharge
						\$	FY08 St. Trust Fund
						\$	FY07 interest income
						\$	FY07 unencumbered
						<b>1,703,292.14</b>	<b>Total</b>
#							
1	AHA	Pre-dev. Funds - Sachem Way	CH	\$ 136,000	\$ 136,000	Likely to be approved	Preliminary work to look into building 12 units. \$30,000 in leverage
2	ACHC	Administrative Fund	CH	\$ 15,000	\$ 15,000	Likely to be approved	3 years worth
3	ACHC	Com. Housing Program Fund	CH	\$ 100,000	\$ 200,000	Likely to be approved	Condo Buydown program. Increase allows 2 units instead of 1
4	Bluebird R. T.	Exchange Hall	HP	\$ 231,948	\$ 231,948	Still under discussion	CPC money will not be spent until project is complete and occupancy permit issued
5	Conant El. School	Conant Nature Trails Plan	R	\$ 15,000	\$ 15,000	Likely to be approved	Funds Consultant study to plan trails
6	Theater III	Window Restoration	HP	\$ 40,000	\$ 46,000	Likely to be approved	Restore 16 windows \$4000 in leverage. Increased to add contingency
7	ToA (Bos)	Trail Through Time	HP	\$ 30,000	\$ 30,000	Likely to be approved	1st phase. Restoration of stone remains at Wheeler Farm
8	ToA (OS Com.)	Open Space Set-Aside	OS	\$ 500,000	\$ 500,000	May be increased	Will increase total to \$1,750,000
9	ToA (Rec. Com.)	Elm Street Playground	R	\$ 75,000	\$ 75,000	Likely to be approved	Construction of new playground Expect \$25,000 in Private donations
#	West Acton Citizen's Library	Exterior Restoration	HP	\$ 67,500	\$ 119,500	Amount could be Less	Restore windows and doors, scrape and paint \$10,000 in leverage. Increased to
#	ToA (Bos)	Admin. 5% of '07 coll. surcharge		\$ 68,621	\$ 68,621	Likely to be approved	
				<b>\$ 1,279,069</b>	<b>\$ 1,437,069</b>	<b>0</b>	total balance

<b>Set-Aside Fund Balance - OPEN SPACE</b>	<b>\$ 1,250,000.00</b>
<b>Set-Aside Fund Balance - HIST. PRESERVATION</b>	<b>\$ 59,464.00</b>