

DRAFT Minutes – Acton Finance Committee
Date June 5, 2007
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 June 5, 2007, to review various matters.

Members present for the meeting: Mary Ann Ashton, Steve Noone, Pat Clifford, Herman Kabakoff, Pat Easterly, Bob Evans, Bill Mullin, Kent Sharp and Allen Nitschelm.

Others Present: Joanne Berry, Terra Friedrichs, John Murray

Mr. Mullin moved to approve the DRAFT minutes of the FINCOM meeting on May 15, 2007. Mr. Noone seconded. Minutes approved unanimously.

The Chair distributed a memo from J.D. Head to Bill Ryan indicating that the cost of the Douglas modulars project will be \$376,290, which is approximately \$70,000 less than expected.

During Public Participation, Terra Friedrichs discussed the sidewalk plan for Route 27. She wanted our opinion. Next week an urban planning consultant is going to walk the route of the proposed sidewalk and show the Town how to construct the sidewalk to save trees. She pointed out the process was such that the plan was 90% done before the public hearing. The Chair agreed that the FINCOM will follow this project. Terra also pointed out that the Selectmen voted to support the latest proposed change to the Community Preservation Act. Terra asked that the FINCOM do the same. The FINCOM members listened attentively but made no commitments.

Since John Murray was at the meeting the Chair took up agenda item 6 next. John pointed out that the money available to spend at year end (~\$500K) did not come from revenues being higher but instead came from less spending than was approved by Town Meeting. The main drivers of the under spending were the Health Insurance Trust, lower legal fee expense than budgeted, not spending the entire budget for snow and ice removal, and fire department overtime spending less than anticipated. The Selectmen debated how to distribute these funds at their meeting on June 4 (last night) and were going to vote to spend the entire amount this fiscal year as year-end spending. Members of the FINCOM were at the meeting and asked the Selectmen to delay the decision to spend this money until we had a chance to discuss this matter at our next meeting which was the next night. The Selectmen agreed, hence this discussion.

John pointed out that the Selectmen must cover budget overruns and can legally spend budget under spending. John agreed to come to the FINCOM quarterly to communicate the status of the current budget process next year. John pointed out that in September, 2006 non-recurring expenditures were considered, and a priority list established (this list is attached to these minutes for reference). This list evolved through the budget process.

All questions were answered. Now the Selectmen want to work from this list by using this extra money to fund items not funded because they were prioritized further after the cut off. This proposed spending will not affect the plan to not tax to the maximum as advocated by the FINCOM and with agreed to by the Selectmen. John also stated that contracts must be entered into by June 30. Thus some items higher in priority on the list can not be done due to time constraints.

The Chair observed that although this is good news it should not deter the Selectmen from communicating the plans to spend to the FINCOM and the citizens prior to actually committing to spend the money.

Mr. Nitschelm agreed that we saw the list but stated that the FINCOM was not given the chance to comment on items not chosen to be funded during the budget discussions last year. Allen understood the desire to spend money on replacement equipment but questioned the urgency of having to purchase new equipment.

John provided the following explanations:

- The fitness equipment we have, although new when donated, doesn't pass insurance standards and can not be used.

- Unified Command and Incident Command equipment is needed at the new Public Safety Facility to coordinate and manage activities in an emergency.

- Cruiser lights are replacements and will be an improvement over what we have now.

- Ball field fencing is a replacement.

- Widening the walkway at NARA is an amenity designed to improve usage.

- PSF security upgrades will improve the current security system.

- Routine Recreation playground maintenance is required to make current unsafe equipment safer.

- The Fire Chief needs a new vehicle.

- PSF conference furniture is an upgrade from what we have now.

- Money for a storm water compliance study (NPDES) is needed to get started on a required study.

- A street light test program was requested by the Outdoor Lighting Advisory Committee.

Mr. Nitschelm is concerned that we are padding budgets. He asked if the Legal budget will be reduced next year based upon what happened this year. Mr. Murray explained that staff makes a best guess every year. Next year there could be major legal expense for Grace for example. The budget will be adjusted next year based upon the best estimates of expenses as much as one year from the time the budget is established.

Mr. Mullin observed that the total amount spent on capital items this year is \$400K - \$500K. The taxpayer is missing from this discussion. An additional \$500K is too much not to include the taxpayer in the conversation. Bill would not spend all of the \$500K available and send the unspent money to free cash. If 70% of free cash goes to the

schools it is not necessarily bad for the community. The FINCOM should be involved in the conversation from the beginning. If we are not then our only recourse is to complain publicly.

Mr. Sharp suggested that the money be used to fund just the first part of the list. Then next year do the last part of the list. John pointed out that it would take a Town Meeting vote to spend the money next year.

Mr. Evans had two concerns. First, the money not spent for snow and ice removal should flow to free cash and be used for that purpose only. Second, three years ago the FINCOM urged the Selectmen and the School Committee to send all available funds to free cash. Now we are moving away from this practice.

Mr. Kabakoff advocated that all of the \$500K go to free cash. He reminded the committee of the Stone agreement whereby all of this money would be available to the municipal government since that is the budget the money came from. Thus if the Selectmen take extra time to fully vet and discuss all alternative uses of the money the town will not lose the ability to access these funds after a consensus decision is reached.

Ms. Easterly pointed out that there are unfunded capital requirements. She thinks that some of the money should be saved and sent to free cash to be available to be spent in FY09 (not FY08)

Mr. Murray indicated that the Selectmen by consensus are leaning toward staff authority to spend the entire amount.

Ms. Clifford pointed out that the Selectmen seemed to really want the street light testing program and a new Town Manager's car.

Mr. Noone is of the opinion that this is too much too late in the process. The FINCOM didn't spend time looking at items far down the priority list (as far down as after 40 especially). There seems to be a conflict in the policy for this circumstance. He predicted that the Selectmen will not send this money to free cash.

Mr. Nitschelm reminded the committee that the Selectmen have agreed to meet next Monday if we have significant changes to recommend. John said that he was sure that the Selectmen would consider our recommendations. John also said that he thinks the Selectmen would accept a compromise.

Mr. Evans moved "The FINCOM send a resolution to the Board of Selectmen specifying that a reasonable amount of the \$500K be sent to free cash".

Mr. Nitschelm seconded.

Mr. Mullin asked where we are regarding certifying free cash. Also he asked where we are regarding revenue.

John responded that revenue for motor vehicle excise tax bills total \$300K. If it all comes in we will be in a surplus position next year. Laurel Hill is moving fast, that project could generate significant revenues next year. Cemetery fee income will double next year.

Motion passed; vote was 8 yes and 1 no (Mr. Mullin). The Chair agreed to write the resolution.

Mr. Noone led a discussion regarding his ideas for budget process improvements. He distributed version 2 of the presentation he first presented at the FINCOM meeting on May 15, 2007. A copy of this presentation is attached to these minutes for reference. The Chair provided a draft schedule for this effort. A copy of this schedule is also attached to these minutes for reference. Steve recommended that a FINCOM member be appointed as the point person for the analysis of the budget drivers. Meetings with the Town Manager and the School Superintendent will be required. Public meetings will also be held. He recommended that we work through the ALG process.

Mr. Mullin agreed that we should work through the ALG and suggested that we schedule meetings with entire committees (School Committee and Selectmen).

Mr. Nitschelm suggested including the Town Manager and the School Superintendent meeting with the public meeting. He also suggested that we track revenue as well as expenses. Mr. Noone agreed.

Ms. Easterly agreed with Bill regarding meeting with full committees.

Mr. Mullin recommended that we meet with the full committees after we have a resolution. Pat suggested that the Chairs of the two committees be asked when such a meeting would be advisable. Bill thinks we should schedule this meeting when we think it is appropriate.

Bill also suggested that we get an external non governmental Economist to speak to us regarding projections for the next 18 months. Allen suggested that the Mass. Municipal Association may know such a person. He volunteered to contact them. It was decided that this contact will be postponed until we are closer to scheduling such a meeting.

Committee Reports:

Mr. Nitschelm – WRAC – no meeting since we last met.

Ms. Clifford – ACHC – no new news. ALG Meeting scheduled for June 2 to develop a plan for next year.

Mr. Mullin – Traffic at Hayward Road (Traffic and Neighborhood Safety Committee - TANS) – Bill made a presentation to the Selectmen yesterday. He distributed a copy of his presentation which is attached to these minutes for reference. Bill pointed out that TANS is not a NIMBY organization. They intend to work closely with the Selectmen.

Mr. Noone – Selectmen – Options were discussed for the cross over from route 2A to the railroad station parking lot associated with the Bruce Freeman Rail Trail. The Leash Law implemented for NARA Park was discussed. It was decided to continue to require dogs to be on a leash at NARA Park.

Mr. Noone – CPA – The proposal to allow cities and towns which have not voted to participate in the CPA to access some CPA funds by augmenting the revenue stream to the CPA to include other sources like a Hotel Tax was discussed. Bill and Pat suggested that this might deplete the CPA and reduce the funding to the participating cities and towns. Steve indicated that the Selectmen supported this proposal although Selectman McGee worried that the Trust Fund would be depleted.

Mr. Sharp – Planning Board – They discussed the request from the Methods Machinery Company associated with their desire to expand and the possibility of receiving a TIF and zoning approval.

Mr. Evans – FEATG – Architects are being interviewed. The project is on schedule. Bob observed that there will be excess space for the Fire Department in the Town after the FEATG is constructed. There was a discussion at their last meeting and the Fire Chief responded. Bob also pointed out that only two Architects referred to the actual site which they visited. Ms. Clifford asked if any cost data were offered. Bob indicated that the Architects only referred to projects which they had built. Costs were at approximately \$260/sq. ft. Allen asked how much the donation from the Woodlands project would be and the overall funding plan. Bob indicated that there is a formula established such that as units are sold a donation will be made. Bob suspects that the entire project will be funded from bonds and donations will be used to pay off the bonds.

Mr. Evans – Health Insurance Trust – At a meeting on June 24 the Trustees will select a stop loss carrier.

Mr. Nitschelm – School Committees – Allen indicated that he needs someone to volunteer to share the duties associated with monitoring the School Committees. The Chair asked Allen to send an email to the FINCOM members in that regard. Allen reported that Jon Chinitz was elected Chairman of the local School Committee, and Heather Hare Vice Chairman. Allen asked the School Committee if they were going to have any unspent funds at the end of the year. They have not responded.

Mr. Nitschelm asked how to pursue getting information from town staff regarding an idea he has to regionalize dispatch. He is not sure if this is a good idea but wants to pursue it. He observed that this idea came from Governor Patrick. Allen could not get a meeting with the Police Chief because John Murray told him that this idea has been examined in the past and found to not be feasible. Nothing has changed since then. Bill suggested that Allen get a Selectman to buy in to the idea. After that, getting a meeting shouldn't be that hard. Steve said that this looks and sounds like reengineering. He suggested that

Allen find a case study where this has been done. Steve suggested that Allen needs facts. Bill observed the Chair of the FINCOM could help establish a meeting for Allen.

Mr. Mullin – Town Manager Search Committee – At the first meeting a schedule was discussed. Bill and Pat are on the committee. There will be a wide search. The next meeting of the Search Committee will be on June 13 at 7:30pm in room 204.

Mr. Sharp moved to adjourn and Mr. Noone seconded and the meeting adjourned at 9:30pm.

Respectfully submitted,

Herman Kabakoff
Clerk