

Minutes – Acton Finance Committee  
July 15, 2008, 7:30 p.m.  
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 July 15, 2008 to review various matters.

Members present for the meeting: Steve Noone, Herman Kabakoff, Mary Ann Ashton, Pat Clifford, Kent Sharp, Bob Evans, Doug Tindal, Associate Member Maynard (Brandy) Brandon

Others Present: Jo-Ann Berry, Sharon Smith McManus

Chairman Noone called the meeting to order, welcomed new Associate Member Maynard (Brandy) Brandon, and provided an introduction to the agenda. Mr. Noone asked for public participation; there was none offered.

**Approval of Minutes**

Mr. Kabakoff presented minutes for the June 3 meeting. Several small changes were suggested, and then Mr. Evans moved and Ms. Clifford seconded that the minutes be approved. They were approved with one abstention (Ashton). Mrs. Ashton distributed minutes from the June 17 meeting. Mr. Kabakoff suggested that these minutes be approved at the next meeting so that members could have a chance to review carefully. All concurred.

**Budget Process Improvement**

Mr. Noone requested input from committee members on progress on budget drivers. Ms. Clifford reported on municipal staffing issues which were open issues from last year's budget process. Salary parity has been implemented as of July 1, 2008, new Human Resources Director Marianne Fleckner is on board, and the deputy police position is making its way through the statehouse. Two new officers are being added in the police department, and there are interviews underway for the planning/building position. The social worker job description has been approved by the BOS, and there is some work happening to fill the open positions in the finance department.

Mr. Tindal reported on some of the work that he has undertaken to understand the general state of the economy and in particular how that effects the Acton situation. He reported on research he has done, and individuals he has spoken with, as well as a number of written articles and reports he has reviewed. He said that people on Wall Street are using terms like "depression" or "severe recession." While the impact is severe in areas of the country that are dependent still on manufacturing and construction jobs, in Massachusetts the economy has already moved away from manufacturing. It is likely that the impact will reach Massachusetts later and be less severe because of the diversity of our economy.

He reported on speaking with realtors in Acton, who assert that the drop in real estate values in Acton has been on the order of 2 to 5 percent. Residential properties in Acton comprise about 85 percent of the total, and residents will feel the effects of any dip in property values. He believes, and his data collection supports, that the quality of life in Acton, including services, will continue to make Acton an attractive place to live, even in more depressed economic times.

Mr. Brandon asked whether Mr. Tindal has tried to track the change in real estate prices with an objective third-party source, such as Zillow. Mr. Tindal shared what he has done in his own neighborhood with Zillow. Mr. Brandon also inquired if Mr. Tindal had consulted the Case-Schiller index as a possible source. Mr. Tindal responded that he had looked at that index as well as others, but found that the data available there covered a large geographic area which obscured the Acton specific information he was seeking. As such, Mr. Tindal felt that the data available from cooperating local real estate brokers was more accurate for our purposes.

Mr. Noone reports that at the previous night's BOS meeting, the Town Manager has requested three-year operating budgets and five-year capital plans from each of the department heads. Several members support that the Town Manager is fostering a bottoms-up approach to budgeting.

### **ALG Follow Up Items**

Mr. Evans reported on work that he had done to develop a list of comparable communities. He distributed a memo sharing his thoughts. Mr. Evans summarizes that the split is driven by the fact that there are many children and a large proportion of the budget will be spent on educating students. He says that the BOS had talked about choosing a few towns and studying them more intently. Mr. Noone says that he has communicated with Peter Ashton about the work that he was asked to do, and has communicated to Mrs. Rosenzweig, BOS Chair, that the BOS should wait until Mr. Ashton has completed his work.

Mr. Noone distributes several handouts from the ALG meeting. First document is a slight variation on what Mr. Noone presented at the Comprehensive Community Plan session; biggest concern is increasing demand for services and facilities, and the increasing cost of providing services. Second document is Selectman Friedrichs' point of view document, distributed by Mr. Kabakoff, and third document is Selectman Rosenzweig's attempt at a consensus document from all the selectmen. Mr. Noone asks for others' thoughts about point of view.

Mr. Sharp thinks the documents present a good overview, along with the previous comments about split between commercial/residential and population shares of households with students versus households without students. Ms. Clifford observes that FY09's "increasing costs" turned out to be less than what we'd expected. She is concerned about the fact that state aid relies on "rainy day fund" that may be turned down very quickly. Mr. Kabakoff presents Selectman Friedrichs' document, and is impressed by the depth of her analysis.

### **Guidance to ALG Reps**

Mr. Noone requested guidance for the next ALG meeting, scheduled for July 28. Topics will include comparable communities, Fincom's initial view on budgetary issues. He states that we haven't done enough work yet on the drivers to offer any conclusions.

Mr. Evans thinks that it's important that everyone come to terms with the fact that increasing cost of providing services and the likely diminishing of state aid in the future means that there will be \$0 available for anything new. It will be hard for ALG to agree about sharing revenue until everyone understands better about state aid issues. The BOS talked last night about buying land – the BOS has a

budget and can do what they wish with those budget priorities. Recent growth in town has been associated with 40B housing, as opposed to other types of building.

Ms. Clifford says these are policy decisions which the BOS needs to step up and make. Mr. Sharp would encourage the ALG to have status quo budgets developed and compared with possible extra additions. Given the uncertainty in the state aid, are we going to know anything early ahead of ATM?

Mrs. Ashton requested that ALG clarify some of the “loose ends” from the previous meeting: agreement about comparable communities among all three groups, clarification of who is developing “points of view” documents, and progress on the idea of a joint budget meeting to hear summary high-level budget information. Mr. Kabakoff reported that the subcommittee to plan joint meetings has had trouble meeting. First meeting will be a teleconference next week.

### Committee Reports

APS/ABRSC	07/10 meeting – Superintendent expects a surplus from FY 08 of approx. \$10k at APS, and approx. \$170k at ABR. Will have final amounts for the August meeting; utility cost is the only significant open item. Hiring well underway for coming year. APS class sizes currently appear to be 13 over projection, mostly due to Kindergarten and 1 <sup>st</sup> Grade.
BOS	07/14 meeting – Oversight meetings with HDC, Planning Board; set sewer rates – average sewer bill was going down but the rate was going up; discussion about POV; criteria for comparable communities; discussion about the citizens’ petition – no petition presented, but Steve Ledoux said that in order for a STM to appropriate funds they would have to be certified, and schedule was such that they would not be ready for DOR until August – could be September.
CPC	Elected officers Ken Sghia-Hughes, chair; Jon Benson, vice-chair; Walter Foster, clerk. Rail trail funding jeopardized and will not be forthcoming.
EDC	6/19 Meeting. Terra Friedrichs is replacing Lauren Rosenzweig as selectmen liaison. EDC needs to elect new chair. Discussion about Kelley’s Corner developments, and which properties might be available. Signage came up – interesting discussion about the business community’s ability to communicate with the town.
Health Insurance Trust	Special meeting related to purchase of reinsurance; \$125,000 is the level which will trigger reinsurance.
WRAC	Meeting last month and meeting again on Thursday. Looking at a second alternative for Flint/Spencer Road for grinder pumps at each house; not a lot less (approximately \$35-50K per house). Have a technology subcommittee

	and an education subcommittee. Concern that they've spent so much time on this specific sewer issue instead of water resources for the WHOLE town. Other areas need attention but they're not going to be sewer solutions.
SPED Financial Task Force	Long hiatus, now moving ahead with three members. Looking at the process by which a student enters special education and the levels of services: how is this process working and are there changes that could be made to make it work more effectively. Kent has been spending time working with the numbers on the state web site – trying to clarify, especially related to collaborative which are classified as “substantially separate” but “in-district.” Acton/AB has a higher percentage of students handled in-district – this was a recommendation from previous study. Also dealing with comparable communities issue – previous study used four different groups of comparable communities.

Mr. Sharp motioned to adjourn, and it was seconded by Mr. Kabakoff and voted unanimously to adjourn at 9:05 p.m.

Next meetings: August 12, 2008, September 9, September 23

Respectfully submitted,

Mary Ann Ashton  
Clerk