

Minutes – Acton Finance Committee
Date June 3, 2008
R.J. Grey Junior High Library

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 3, 2008 to review various matters.

Members present for the meeting: Steve Noone (SN), Pat Clifford (PC), Herman Kabakoff (HK), Doug Tindal (DT), Kent Sharp (KS), Pat Easterly (PE), Bill Mullin (BM), Bob Evans (BE).

Others Present: Dore Hunter (DH), Xuan Kong, JoAnn Berry, Heather Harer (HH), and Sharon McManus.

SN welcomed Doug Tindal who is attending his first meeting as a member of the Finance Committee.

Approval of minutes of the meeting held on May 20 was postponed.

A discussion was held regarding suggestions for budget process improvements. PC suggested a joint meeting of all boards in September. The purpose of this meeting would be to determine spending priorities for the FY 2010 budget. PC's proposed agenda is attached to these minutes for reference. BE observed that the municipal budget changed many times last year, thus making it hard to analyze. SN commented that the capital spending list also changed frequently. PE said that the Fincom needs to develop a time table for budget preparation. BM thought that the budget process worked well last year. He thinks that the process must be iterative, by its very nature. Individual Fincom members should take an interest in items that interest them and become an expert regarding those items. HK thought that not having numbers in the warrant was the result of a flawed process. BM pointed out that the numbers were available on time but Town staff did not get them to the printer on time. DH agreed with BM. KS suggested that versions of the ALG budget be dated indicating the date of preparation. He also suggested that a short list of numbers subject to adjustment be prepared and that all other budget numbers not be changed after the short list is agreed to. PE said that we need a drop dead budget completion date. HK observed that the budget process would be easier if Town Meeting were held later in the year. PC indicated that the League of Women Voters is actually looking at changing the By-Law establishing the scheduling of Town Meeting. BM opined that the date of Town Meeting doesn't make a difference. Being a part of a regional school district makes it desirable to have an earlier Town Meeting.

A discussion was then held to plan for the coming year. SN asked the members what approach they recommended for this year. BM indicated that a focus on drivers, like we did last year worked well. PC agreed with BM. SN asked if a resolution or a Point of View end product was a good deliverable. PE thought that the Point of View is a good approach. A resolution should be prepared if needed.

BM asked PC what her proposed meeting in September would accomplish. PC indicated that it would push people early in the process to see where we are going. BM indicated that operating groups could indicate their objectives at that meeting. He pointed out that we did this kind of thing once in a 2020 meeting when three to five year capital and operating plans were developed. PE is not sure exactly what such a 2020 meeting would accomplish. SN indicated that having such a meeting is a Selectmen's goal. PC asked if the School Committee would be interested. HH said that they have not discussed this yet. DH said he likes the 2020 format. HK thinks that three to five year capital plan and an operating plan discussed at one meeting would be too much. KS said that such a meeting would have to be at a high level. BM thinks that such a meeting is a good idea when there are major capital items to plan for. That is not the case now. He thinks that due to the economy we should curtail capital spending. BE said that in his judgment state aid will be reduced in the future. Therefore long range plans will not work. PC thinks that such a 2020 meeting would be interesting but not pertinent to this year. SN concluded that the Fincom appears not to support such a 2020 meeting.

Suggestions and discussion regarding cost saving initiatives followed. BE reported that Health Insurance is currently not going to be subject to major volatility. He also suggested that in his opinion joint IT may work, as well as joint building management. BM suggested that we look into locking into current utility rates. PE thinks that we should look at shared services. The Fincom can not implement such a project; all other boards and staffs must agree and cooperate. SN thinks that we should revisit some of the ideas associated with re-engineering, but not redo that entire study. HK agreed with SN. BM observed that cost savings ideas require hard work. Re-engineering focused on 20% of the budget, not labor. PC indicated that we need a staff prepared space inventory. SN indicated that we must be prepared to explain GASB36, which deals with unfunded obligations based upon actual cost experience. BE said that obligations for any employee hired after 1988 are completely funded. It's the future retirees that are presenting the problem. The retiree HI obligation will grow significantly in the near future. KS indicated that we should try to develop policies to increase commercial development. PE thinks that we need a better understanding of the unfunded liability and that we should disclose this problem to the citizens.

A discussion of the financial information on the Town website then ensued. SN suggested that the Town website include Quarterly Reports, unused warrant authorizations, multi-year debt status, analysis of overlay reserve, and unfunded liabilities. HK suggested that the budget be put on the website in Excel format. BM asked if providing this information would require additional staff. SN said no. PC observed that the Selectmen control the website and they are concerned with the volume of data that would be available.

The following assignments were made:

WRAC – KS
EDC and Planning – DT
ACHC – PC
COA – HK

SN announced that the next Fincom meeting will be June 17. The Manager will be here to discuss Year End spending. The first meeting of the ALG will be June 16.

KS moved to adjourn at 8:50 PM.
PC Seconded. Passed unanimously.

Respectfully submitted,

Herman Kabakoff
Vice Chairman