



Finance Committee

Meeting Minutes

September 28, 2010

7:30 PM

Room 204 Town Hall

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 p.m. on September 28, 2010 to review various matters.

Members present for the meeting: Mary Ann Ashton, Chair, Bill Mullin, Vice Chair, Doug Tindal, Clerk, Bob Evans, Steve Noone, Kent Sharp, Pat Clifford, Clint Seward, and Brandy Brandon, Members.

Also present was Xuan Kong from Acton Schools.

Chairman Ashton called the meeting to order at 7:30pm.

- I. Chairman's Introduction: The Chair provided the members an overview of matters to be discussed from this meeting's agenda.
- II. Public Participation: None
- III. Approval of Minutes: The committee voted approval of the minutes of the meetings held August 10th and September 7th.
- IV. Report from ALG Meeting, September 16th:

Waterfall: The ALG discussion centered at the outset on how to apply the "Waterfall" mechanism which was accepted previously by the Town Manager and Superintendent of Schools, the Finance Committee, the School Committee, and the Board of Selectmen, and supported in the budgets voted upon by the citizens at Town Meeting. Subsequent to the preparation and approval of the town budget the Schools received supplemental federal funding in the amount of approximately \$1.2M, and the question has arisen as to whether or not the Waterfall mechanism would apply in this instance.

There are differing definitions of what the use of the term "Chapter 70 funds" should mean in the context of the original Waterfall formula. Vice Chair Mullin, the author of the Waterfall, asserted in the ALG meeting that the purpose of the Waterfall was to arrange in advance for an agreement as to what should happen with unanticipated additional funds which became available after all the terms of our current budget were established and approved by the voters. If a windfall came in, it was to be broken down into the agreed upon steps in the Waterfall formula. Since at the time the only known source of a potential windfall was Chapter 70, that was the terminology which was adopted in the text, although the spirit of the agreement was that it was meant to

encompass new funds from any source. Some participants favored adopting a strict interpretation of “Chapter 70” to mean just what it says, funds from that source only. Their conclusion would be that since the new funds did not come to the Schools from Chapter 70, the Windfall formula does not apply.

The FinCom members then discussed the substance of the ALG meeting. Bill Mullin emphasized that the adoption of the Waterfall formula was not an informal agreement, but involved a vote of the people, and as such is the law of the land in Acton. It seemed to him that the discussion in ALG indicated a willingness to finesse the Waterfall agreement on a technicality (use of the term Chapter 70). He advised against approaching this issue casually and reiterated that the Waterfall represented a pledge made to the taxpayers.

Chair Ashton emphasized that there was a need to develop a common vision of what to do in FY11 and FY12 with particular regard to Step Three of the Windfall which calls for allocating up to \$500,000 of the windfall to the taxpayers by not taxing the full 2.5 percent increase in property taxes. Steve Noone and Clint Seward agreed that if there is extra money the taxpayers should receive this benefit through a reduction in property tax increases. Bob Evans reminded us that the Recession is not over and the financial picture for the next few fiscal years is very grim. He felt that we should not be expending funds which should be held for future shortfalls. Pat Clifford said that the spirit of cooperation which prevailed at the time the Waterfall formula was first agreed on should be carried forward.

The members discussed the uncertainty which is apparent in the economy and the potential impact which lowered revenues from sales taxes, income taxes, and the lottery would have on the State’s ability to continue to fund Local Aid among other things. In the background is the ballot question number three in the upcoming election which calls for a drastic reduction in the sales tax. Mary Ann Ashton pointed out the work of the Mass Municipal Association estimating the local impacts of a passage of Question 3. Bill Mullin mentioned the status of the NESWC reserve funds, especially the status of the \$1M being held back for liability based on a 2006 assessment of need. He recommended that that assessment be reevaluated.

The committee agreed to revisit this discussion later in the month of October after the Board of Selectmen and the School Committee have had a chance to discuss.

V. Special Town Meeting Update: Members discussed each of the articles which have been included in the warrant for the Special Town Meeting scheduled for October 12th. Ryan Bettez, Chairman of the Planning Board was present to offer explanations of warrant articles 4 through 6.

A. Article One: The first article relates to the purchase of land known as the Simeone-Caouette property which was approved at the 2010 Annual Town Meeting. The article involves an appropriation of funds to provide for additional work in environmental study and remediation as well as extension of the purchase agreement. There was limited discussion of this article beyond what was discussed at the last Fincom meeting as the Phase III

environmental report has not yet been issued. The public information session on the environmental report is scheduled for October 4th. Several members expressed concern as to the direction the Town was taking in that the terms of purchase of this parcel seemed to be one sided. While the purchase price seems to remain fixed, the parcel surveyed out at less land than the original plot indicated, and the cost of environmental cleanup was going to be over \$200,000, apparently on the Town's account. Some members asked why the Town should bear the cost of all these shortcomings in the land while the seller continues to receive full price. Steve Noone requested that the Chairman invite town counsel to attend our next meeting. The Chair agreed to do so and reported that counsel had already volunteered to appear if that was needed.

- B. Articles 2 and 3 were not discussed, and the Chair indicated that there was no information at this time about whether there would be any action proposed under these two articles which involve Collective Bargaining Agreements with two municipal unions.
- C. Article 4: Chairman Bettez provided a brief overview of the proposed article explaining that it was intended to make the process easier to gain approval for ancillary facilities such as restrooms, access ways, and parking lots along walkway or bike paths. He said that this was an outgrowth of the Town's desire to learn from the experiences of other towns which are further along than Acton in constructing new trailways. The Committee briefly discussed this Article and found no fault with it.
- D. Article 5: Chairman Bettez described the changes to the Town's zoning bylaw as minor but necessary improvements with respect to commercial signage and indicated that the Planning Board was supportive of the proposed Article. Doug Tindal reported that the EDC had reviewed these changes and was wholly supportive of the changes as necessary housekeeping in addressing inconsistencies in the bylaw.
- E. Article 6: Chairman Bettez described the background behind this article as one of dealing with a single lot and its problem with size limitations. He stated that the article did not make policy for other lots in the future, but was intended to allow this property owner to remove an unsightly dwelling and construct a new replacement. The article is supported by the abutters. The Committee found no fault with this article.

Pat Clifford moved that the Committee recommend approval of Articles 4, 5, and 6. Bill Mullin seconded the motion and the Committee voted unanimously in favor of the motion.

Chairman Ashton asked which committee members would be willing to respond at the Special Town Meeting and express the Committee's recommendation with respect to each article. Steve Noone will respond for the Article 1 and Pat Clifford and Kent Sharp will respond for the zoning articles.

VI. Budget Drivers: The Committee discussed the status of budget driver assignments and the fact that deadlines were uncertain given the status of major change makers which could be coming in the November elections. Chairman Ashton asked the members to rethink the schedule for deliveries, and the Committee agreed that we would update progress on our individual assignments during the two meetings in October, but would not produce a draft of the POV until our meeting on November 9, which would follow the general election.

VII. Committee Reports:

- A. BoS: Mary Ann Ashton and Pat Clifford reported on the Board of Selectmen meeting. Principal points of interest were the status of the Nursing Service consultant's evaluation of our current operation and discussion of sewer service to a small property near Hosmer House on Main Street.
- B. WANT: Kent Sharp reported that the Wastewater Advisory Neighborhood Task Force has been working on the possible use of Wastewater Management Districts as one of three tools available to deal with sewerage questions. Ron Beck, Chair of the Water Resources Advisory Committee, discussed with WANT the applicability of such districts and indicated that time lines were expected to be long.
- C. Health Insurance Trust: Bob Evans reported that the Trustees discussed the potential impacts of the new national health care legislation and concluded that the impacts with regard to children on parental health plans were not entirely clear, although the timing is such that the impacts will not be immediate. He reported that approximately 25 children on the Schools side and the same number on the Town side would be affected by the new law.
- D. EDC: Doug Tindal reported that the EDC has fielded four of its members to sit on a series of Sign Review Panels designed to resolve signage disputes between individual businesses and the Town. The panel is already in action and expects to shortly conclude the present batch of issues and move on to evaluating the signage bylaw.
- E. Transportation: Pat Clifford reported that the train station project continues to move forward, and discussions are now underway regarding bringing in expert opinion to evaluate intermodal opportunities. She reported that the preliminary budget for the maintenance of elevator equipment, exclusive of janitorial, security, and repairs, was looking like about \$1000 per month. Doug Tindal thought that number was too high and that a full elevator budget was needed. Bill Mullin asked about the progress of the new shuttle service, and Pat said it was new and still adjusting.
- F. Acton 2020: Clint Seward reported that October 20 is the date for a review of the goals of the original Phase I with a look ahead to Phase II.

- G. Community Preservation Committee: Steve Noone reported that the CPC has been engaged in discussion of the program for projects and their costs in the new year. There has been some concern as to the potential impacts on ACHC from a repeal of the 40B laws.

- H. Schools: Brandy Brandon reported that the Schools are considering the adoption of new software technology for tracking student progress.

Chairman Ashton reviewed the calendar for the scheduling of future meetings of the FinCom. She also reminded the Committee of the Association of Town Finance Committees gathering which will occur in October and asked if any were interested in attending. Doug Tindal indicated that he would like to attend.

At approximately 9:05 Kent Sharp moved adjournment of the Finance Committee. Bill Mullin seconded, and the committee voted unanimously to adjourn.

The Committee's next meeting is set for Tuesday, October 5 at 7:30 p.m. and again at 6pm on October 12th in advance of the Special Town Meeting.