



Town of Acton Finance Committee Meeting Minutes

Date: November 27, 2018
Town Hall Room 204 7:30 pm

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Members in Attendance: Jason Cole, Mike Majors, Roland Bourdon, Dave Wellinghoff, Jeff Bergart, Christi Andersen, Tom Farley, Christine Russell

Absent: Steve Noone, Sahana Purohit (associate)

Other: Stephen Barrett Director of Finance, Town of Acton
Jon Benson, Board of Selectmen

Members of the public: Angie Tso, Astrid Trostorff, and Corinne Laksa
(spelling of last name estimated from recording)

Called to order at: 7:31

Meeting recorded by Acton TV

Public Participation:

Angie Tso expressed concern that it would be hard to ensure proper tax collections from a cash-only business. To address this, Maynard is expecting to use town employee time to track sales. This is an added town expense.

She is also concerned that loss in tax revenue from decreased property values will not offset excise tax revenue increases from retail marijuana shops.

Astrid Trostorff pointed out that retail marijuana establishments would need to negotiate a Host Community Agreement (HCA) that could include a requirement that the store pay for police details during peak sales hours such as weekends as well as drug addiction education programs.

Corrinne Laksa questioned the validity of the projected tax revenues provided by Mass Wellspring given the unknown effects of stores soon to be opened in nearby towns.

Quarterly Financial Report – FY19Q1

Presented by Stephen Barrett

Local receipts are lower than last year at this time because last year there were one time Insulet permit fees. That said, general fund revenues are in line with last year.

Town operating budget expenditures are in line with previous years. The town uses a purchase order system for some items such utilities, so having allocated more than 25% of the annual expenses in the first quarter is not a cause for concern.

The state of enterprise funds was reviewed:

Septage – Revenues are a little behind expenses, but not perceived to be an issue. The same thing happened last year. The projected revenue includes some retained earnings from FY18.

Transfer Station – Expected revenues were on target and similar to last year's. The effects of the switch to pay-as-you-throw and lower annual permyty prices are still being seen in the budget. This budget also includes some purchase orders allocating expenses upfront that haven't been incurred yet.

Sewer – Expenses include construction debt service from the existing wastewater management system. They haven't billed out betterment fees yes that are used to pay for the bond.

The sewer processing facility is almost 20 years old, but well maintained. The sewer system was built with excess capacity. At last year's spring town meeting retained earnings were used to do a long-term capital plan study of the system and a study of expanding the Adams Street leach field. These expenses from retained earnings are one-time capital improvements. Certified Free Cash above what would normally be seen. The fund was designed to be net zero.

Ambulance – Last year, advanced life support (ALS) was added to the ambulance system. Expenses were up a little to retrofit equipment for this using money from retained earnings and some general fund support. Stephen expressed the ALS's importance as a town service as a benefit that is not visible in the budget. This benefit is why there is historically an annual subsidy from the town general fund. All insurance reimbursements are revenue into the enterprise fund. State accounting rules make it important to have a not-very-low fund balance, so it is important to not cut the subsidy in spite of it looking like an easy place to save some money in the budget.

Transportation – The majority of its revenue comes from a General Fund subsidy. Parking lot revenues, and some retained earnings are also used.

Special Town Meeting Preparation

Vote on Article Positions

Committee members reported results of research to help with making a decision about what the financial impacts on the town are likely to be.

Regardless of whether Article 1 passes, there will be some increased policing and first aid demands because nearby towns already have licensed marijuana facilities.
2 licenses in Maynard, 1 in Harvard, 2 in Littleton
Boxborough has deferred a decision on a ban.
Stow, Concord, and Westford have instituted bans.

Local real estate professionals were unwilling to speculate about possible effects on housing values. It was inferred from these conversations that medical marijuana would have less of a broader town effect than on properties close to retail locations.

The state allows a 3% tax above town excise tax on gross revenue for 5 years. This tax is intended to cover the cost of the impact on the town as the town adjusts to changes from having a retail location. After five years the additional tax goes away.

Massachusetts state experience with the local costs of retail pot locations is limited given that the first shops just opened. The town of Leicester experienced significant traffic jams and general public disturbances, but this was a unique situation given that it was the first store of its kind to open in Eastern Massachusetts. Colorado has a more established history including the fact that many communities opted out of allowing retail sales establishments. Denver's Attorney General says that they have experienced a significant increase in consumption among youths, traffic accidents have increased, and there has been a growth in the black market as criminals are attracted to the cash only side of the business.

A discussion of potential town infrastructure stresses focused on increased water use if growth facilities come to town. Farming uses 2.2 liters water per plant per day when grown indoors.

Mass Wellspring has a license for medical marijuana and could expand into retail marijuana sales if Article 1 does not pass (a ban on marijuana establishments is not put in place). Its location is within the zoning proposed in Article 2.

Article 1: Whether to amend the town bylaws to ban marijuana businesses in town (not including medical dispensaries)

Tom Farley moved to choose no recommendation on Article 1 given the lack of concrete information on which to make a financial decision. Roland Bourdon seconded it. The motion passed with 5 votes for it (Christi Andersen, Jeff Bergart, Mike Majors, Tom Farley, Roland Bourdon), 3 against (Christine Russell, Jason Cole, Dave Wellinghoff)

Article 2: An update to the zoning bylaws on where to allow marijuana businesses. The committee had two different recommendations based on whether Article 1 passes.

Tom Farley moved that if Article 1 passes, that the committee recommend No Action. Jeff Bergart seconded it. The motion passed unanimously.
Jeff Bergart moved that if Article 1 doesn't pass, that the committee recommended it. Christine Russell seconded the motion. The motion passed unanimously.

Article 3: Add a 3% excise tax to any retail sales of non-medical marijuana products in the town.

Dave Wellinghoff moved that the article be Recommended by the committee regardless of Article 1's outcome. Christine Russell seconded the motion. The motion passed unanimously.

Article 4: Extends the temporary moratorium on non-medical marijuana establishments until the Attorney General's office has time to review either the ban in Article 1 or the zoning bylaw change in Article 2.

Dave Wellinghoff moved that the committee Recommend the article. The motion passed unanimously.

Committee Business

Minutes:

November 13th minutes

Dave Wellinghoff moved to approve the minutes as presented to the committee. Christine Russell seconded the motion.

The motion passed with support from Jason Cole, Mike Majors, Roland Bourdon, Dave Wellinghoff, Jeff Bergart, Christi Andersen, and Tom Farley. Christine Russell abstained having not been present at that meeting.

Committee Reports:

School committee – Jeff Bergart

The twin school site option that would require getting property from the town was deemed not feasible.

Population growth predictions have not played out with the projected dip in school age students. The population of school age children has stayed about level.

The committee and administration do not foresee needing an operating override.

The health insurance trust is expected to have no increase.

Board of Selectmen – Jeff Bergart

40B for 4 Piper Road: The Board of Selectmen sent a letter to Mass Housing against the proposed development. They were criticized by the South Acton Committee for not having worded the letter strongly enough.

Municipal monthly will be posted to website rather than just mailed out in the quarterly tax bill.

Gas leak and roadway maintenance – Align costs for digging up for gas and relative to the repaving schedule. There is an exception for gas leaks.

Kelley's Corner – The current plan says that the town will maintain the raised islands. Bueno y Sano will be able to keep three more parking spaces. Trees removed as part of the process will be more than replaced around town.

All liquor licenses were renewed.

There was an executive session at the end to discuss whether to be a Friend of the Court with regards to Concord's lawsuit against Littleton for their plans to take water from Nagog Pond.

There was a discussion of OML complaint against ALG for selectmen attending the meeting without speaking.

Kelley's Corner – Christi Andersen

In addition to the details presented by Jeff Bergart, the roadway plan was changed to take 2 feet in front of shops on 27 rather than continue trying to get support from the Acton Historic Society and Acton Historic Commission to take two feet from the yard in front of Hosmer House. Moving the required two feet to the eastern side of the road will result in tree removal in front of the plaza containing Not Your Average Joes.

ALG – Jason Cole

The committee reviewed an OML complaint that minutes were not released in appropriate amount of time.

The next ALG meeting on will be on the morning of Thursday, November 29th.

Walker Property – Mike Majors

The RFI that the town put out got 4 responses.

1. Dog park – This plan would still require the town to do something with Kennedy landscaping parcel. No money would be paid to the town to offset the purchase of the land.
2. Acton Community Housing Corporation (ACHC) – 31 units for seniors, all would be affordable. They would pay the town \$1 million for the land.
3. Now Communities (developed River Walk in West Concord) – 16 cottage style single-family homes with 2-4 affordable units. Open space would be used for a dog park and community gardens. They would pay \$1.8 million to town for the land. This is what the town paid to purchase the property.
4. Wynn Stanley – 22 small modular single family homes. They would pay the town \$500k for the land.

Proposals will go to a public forum in January with the goal of being brought to the spring town meeting.

Schedule:

Meeting adjourned at 9:33

Respectfully submitted,
Christi Andersen
Finance Committee Clerk

Referenced documents posted on DocuShare:

FY19Q1 Town Financial Results

<http://doc.acton-ma.gov/dsweb/Get/Document-66099/FINCOM%20PRES%20FY19%20Q1.pdf>

Mass Wellsprings sales estimate

<http://doc.acton-ma.gov/dsweb/Get/Document-66199/Mass%20Wellspring%20sales%20estimate.pdf>

Article 1 Police and EMS Responses Nov 27

<http://doc.acton-ma.gov/dsweb/Get/Document-66197/Article%201%20Police%20and%20EMS%20responses%20Nov%2027.pdf>