

Minutes of the Acton Finance Committee Meeting February 7, 2012 7:30 pm – Faulkner Room,
Acton 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 February 7, 2012, to review various matters.

Members Present: Mary Ann Ashton, Maynard Brandon, Patricia Clifford, Bob Evans, Paulina Knibbe, Bill Mullin, Steve Noone, Clint Seward, and Doug Tindal.

Others Present: Assistant Town Manager John Murray

Acting Chairman Tindal called the meeting to order at 7:35 pm. There was no response to the invitation for public participation.

Minutes

Mr. Mullin moved approval of the minutes from the January 10 and January 24, 2012, meetings. Mr. Noone supported the motion which was unanimously adopted.

Community Preservation Committee

The Chair welcomed Walter Foster, CPC Chair, and Roland Bourdon, CPC Vice Chair, to review the roster of projects under consideration for funding. Mr. Foster reported that CPC has 10 projects under consideration for funding in FY13. The total requested is approximately \$1.4 million while the total in the fund is \$1.3 million. No votes had been taken by the CPC.

To update the Finance Committee on the proposals listed on the CPC website, Mr. Foster said that the Windsor Avenue Restoration had been reduced to \$50,000 and the Friends of Lower Fields has amended its request, reducing it from \$980,000 to \$210,000 for the Skateboard Park work only.

In response to Mr. Seward, Mr. Foster said that with the anticipated award of \$400,000 for the Open Space set aside, the fund will reach \$1.6 million. Mrs. Noone added that the sale of the Piper Lane house would return approximately \$200,000 to the fund.

In regard to the requests for funds designated historic, (train station landscaping and the loan program, Mr. Foster explained that Town Counsel has raised a number of concerns about eligibility that may delay or eliminate funding. Responding to Mr. Mullin, Mr. Foster said that the CPC funds would leverage funds from the MBTA for the train station landscaping. The loan program and the Open Space set aside did not involve any leveraging.

Mr. Foster described the Acton Community Housing request for support in joining a housing collaborative to provide administrative support as regionalization at its best; the support is for a two year membership. In response to Mrs. Ashton, he said there was no requirement that ongoing support be determined for subsequent participation in the collaborative. There is no funding leverage; however, the Town will not have to use staff to provide any of the services the collaborative will provide.

Mr. Foster said that the CPC had not received the scope of the new proposal for the Windsor Building, but they expected it to be a rough finish of the first floor area including electrical and

plumbing. Mr. Tindal questioned whether there is a constituency for the building or whether it should simply be left as an artifact, noting that more than \$175,000 had already been spent on the building, beyond the original scope of preserving the envelope.

Health Insurance Working Group

The Chair welcomed Marie Altieri, Director of Personnel and Administrative Services for the Schools, to review the results of the Health Insurance Working Group collaboration. She highlighted the fact that all Town and School employees would, upon ratification by eight bargaining groups, have the same plan coverage. As of February 7, 5 of the 8 unions had ratified the agreement, along with the two School Committees and the Board of Selectmen.

After reviewing the estimated total savings, she explained actual plan design savings would be calculated when rates are set. It is expected that the estimated \$960K in savings could be incorporated into the FY13 budgets; it was unclear when the ALG model reflecting the savings would be available. Mr. Murray explained that Segal would handle the underwriting and the numbers would be fine tuned; the potential swing could be plus/minus 15 percent.

Friends of Lower Fields

Mr. Tindal asked Mr. Mullin, an advocate of the Lower Fields project to introduce Dave Wilson, Chair of the Friends of Lower Fields, who presented a proposal to renovate fields on land owned by the Regional School District near the T. J. O'Grady Skate Park. The project is supported by a coalition of community groups and will result in creation of an estimated \$3 million asset financed primarily with private and nonprofit dollars. The multipurpose fields will be used by the school teams and physical education departments as well as youth and adult leagues.

In answer to committee questions, Mr. Wilson said that financing is not complete, but that a bank had stepped forward to work with the group and the original \$900,000 request from the CPC had been scaled back to about \$200,000 to be used on the Skate Park part of the plans. They expect the financing plan to be set by late February. The fields have an expected life of over 15 years and ongoing maintenance will be paid for by all of the users, including the school district.

ALG

Mr. Noone suggested that ALG needed to focus on assumptions for the out years on the model.

The Chair summarized activity at the last ALG meeting agreement regarding reserve spending: above the \$1.5 million threshold in the Point of View: reserve usage to be reduced by amount of health insurance savings, OPEB funded at \$500,000, leaving a balance of about \$600-700,000. FinCom suggested adding \$200,000 in reserve use if the operating entities would reduce their spending at absorb the difference with sustainable cuts.

Mr. Noone, who observed the meeting, was surprised the FinCom suggestion did not get greater support and said he would only support adding \$200,000 only if there is a positive response from the other Boards. We should not offer \$200,000 without getting anything back. Mr. Seward who also attended the meeting indicated that \$200,000 was a de minimus amount and that the sustainability of the cost cutting was important going forward. Mrs. Ashton, who attended the meeting, supported efforts to move forward. She agreed with Mr. Noone that the out years

needed attention and suggested the long range plan model update should be used by ALG to talk about FY14 and FY15.

The updated favorable scenario LRP, which reflects the proposed FY13 budgets, shows the deficits are still growing. Referring to the Town Charter, Mr. Noone reminded the committee that it is the Finance Committee's responsibility to prepare a long range financial plan. Mr. Noone moved that the Committee adopt the assumptions in the favorable scenario of the Long Range Plan and convey that information to ALG. Mrs. Ashton seconded the motion.

Mr. Seward said the scenario is too optimistic and that the OPEB contributions are too low. Mr. Mullin said the intention of the motion is excellent and that it sends the message that if nothing else changes there will be a gap. He agreed with Mr. Seward about OPEB funding. Ms. Knibbe said she would support the motion, characterizing the Long Range Plan as important because it gives substance and a directional signal. She also said she was comfortable with increasing the use of reserves this year, and believes that a comprehensive solution at the State level will be required to resolve the matter of unfunded post retirement benefits.

Mr. Murray said he believed there are three strongly held views at ALG and hoped that the Long Range Plan perspective would not be adopted at the expense of negotiation and the evolution of a unified solution. In response to Mr. Brandon and Mr. Mullin, Mr. Noone confirmed that he was addressing FY14 and FY15. The chair called the vote which was adopted 8-0-1 (Mullin).

Mr. Evans suggested the Committee vote to support the proposal to add an additional \$200,000 to the Finance Committee's reserve position. Mrs. Ashton moved that FinCom support the ALG reps to increase the use of reserves in consideration of commensurate sustainable cuts by the operating entities. Mr. Noone seconded the motion. Mr. Seward asked if a dollar amount was appropriate. Mr. Mullin offered the rationale that the Chapter 70 dollar amount in the plan is formulaic and creates a gap between the plan estimates and actual amounts allocated by the State. The motion was adopted unanimously.

Nursing Service

The Chair reported that the Town Manager would include a full review of the Nursing Service on February 28 and asked the Committee about including the consultant who presented to the Board of Selectmen join him. Mr. Evans stated there is no need for the consultant to come as it was not clear she was engaged to make specific recommendations. He summarized the report to the Board of Selectmen as too much overhead that would require a 30-40 percent increase in business to overcome. He questioned the apparent absence of managerial leadership.

Mr. Noone 's reaction is that the service is losing money on every visit; the problem seems to be that a private entity is competing in the private marketplace without an adequate number of patients to offset the public cost structure.

The Chair reminded the Committee that we had tabled a motion not to fund on January 10 while we waited for more information. He asked if the committee wanted to take action on that motion.

Mr. Evans said it would be a mistake to take it off at this time as it was clear the Board of Selectmen and Town Manager were presumably still working to identify any salvageable parts of the program. Mrs. Clifford agreed that it would be premature and that the Finance Committee schedule was out of synch with the Board of Selectmen on this subject. She said we had not put forward a positive argument to change and was therefore not ready to vote.

Mrs. Knibbe said she is concerned about the public health function, particularly as it impacts the mission of the Council on Aging and would like to find a way to maintain those programs. Mrs. Ashton agreed with Mr. Evans and suggested we could provide questions for the consultant. Mr. Tindal would like to hear the consultant's recommendations about what is salvageable.

Minuteman High School

Mrs. Ashton referenced material she had given to the Committee and said that the Minuteman Superintendent (or Staff) would join the Finance Committee and Board of Selectmen on March 6. There are three pending Minuteman Articles.

Committee Reports

Ms. Knibbe reminded the committee that the 2020 Committee would hold a public forum on March 16 to present their final report. The Senior Center Building Committee scheduled a public information session on February 13 at Town Hall.

Other Matters

Mr. Brandon asked about the status of funding for the transportation plan. Mr. Mullin asked that a member of the town's finance staff to present information. Mrs. Ashton reported that she had spoken with Franny Osman who was working with the Town Manager to gather the financial data to accompany her operational reports.

Adjournment

At 10:55 Mr. Brandon moved adjournment. Mrs. Clifford supported the motion which was adopted unanimously.

Respectfully submitted,

Patricia Clifford
Clerk