

Minutes of the Acton Finance Committee Meeting January 10, 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 January 10, 2012, to review various matters.

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

Members Not Present: Paulina Knibbe

Others Present: Assistant Town Manager John Murray

Acting Chair Tindal called the meeting to order at 7:30 pm. In the absence of any public participation, he recognized Mrs. Clifford for a report of the minutes for the December 23, 2011, meeting which were presented in draft to the committee prior to the meeting. Mr. Noone moved approval of the minutes; Mr. Mullin seconded the motion which was adopted without objection.

Mr. Tindal then recognized Mr. Mullin who reported to the committee that he would not be resuming his duties as Chair for the remainder of the budget year and that Mr. Tindal had agreed to continue as Acting Chair. Mrs. Ashton thanked both Mr. Mullin and Mr. Tindal for their flexibility and openness.

### **Budget Saturday**

Mr. Tindal asked for reactions and comments on the meeting with the Board of Selectmen on January 5, 2012 to review budgets with staff.

Evans: Most obvious problem is the Nursing Service. There has been no careful budgetary analysis. How can we go to Town Meeting with a cogent opinion on either the current program or a replacement without that information?

Mullin: Good meeting; important to allow boards to discuss and exchange opinions in compliance with Open Meeting Law.

Seward: Impressed by staff work; reports from Personnel. Overall question: what is level service and does the budget reflect that concept? Sees the need to focus on sustainability in view of the new economic reality. Asked by Mr. Tindal if he meant level service or level funding, Mr. Seward confirmed he meant try to maintain a set level of services without adding personnel.

Ashton: Thanked Town staff and confirmed that follow-up questions should be submitted through the Chair. Agreed with Mr. Mullin regarding the dialogue and discourse and felt there was significant progress made toward reaching agreement on OPEB. She had looked forward to hearing more about capital items as some items seemed like an overreaction to the storms.

Noone: Reiterated comments that overall it was a good day and observed that the level of dialogue has increased over his tenure. Would like to see actuals in the 26 liner ahead of time and receive the enterprise and revolving fund balances and FTE charts automatically as part of the meeting preparation materials.

Clifford: Concurred with Mr. Noone's comments about discussion; described this budget as busy internally with the capital borrowing package and the unusual number of enterprise fund subsidies. Particularly concerned with the Town Hall renovation and nursing service requests; challenge is to crystalize what needs to be done before approving funding levels.

Tindal: Agreed that there was good give and take at the meeting; Town Hall renovations need more conceptual work, Senior Center design raises questions of whether the facility can really do the job and whether we should approve design funds without agreeing to the whole project. Wants to pursue the study of appropriate level of police services.

### **Ongoing Discussion Budgets and Financial Requests**

Mr. Tindal opened discussion on budget issues, specifically the nursing service, transportation, the Lower Fields project and the Town Hall renovation proposal.

Mr. Mullin reported that the Lower Field project is in flux partly because of its complexity. The project involves CPA funding, a bank loan, opinions of counsel and possible bonding. The project will be presented at CPC on January 26.

Mr. Murray reviewed the status of the ALG spreadsheet and comments provided at their meeting. Specifically, school spending is reduced to reflect actual budget work, Minuteman has increased and taxation increased, for a net decrease of \$383,000.

Mr. Mullin said he was clear on his thinking about the Nursing Service but wanted to see more information on both the transportation programs and the renovation at Town Hall. Stating he believed that the clients of the current Nursing Service would be able to get similar services from other resources and that the program has trended negatively, Mr. Mullin moved that FY13 subsidy for the Nursing Service be eliminated. Mr. Noone seconded the motion.

During discussion, Mr. Noone summarized three years of discussion of negative news, highlighted by engaging consultants and marketing plans which have not changed the performance. In fact, it has gotten worse.

Mr. Seward said he believed the situation boiled down to needing a third party opinion to determine the viability of the service and asked if the motion could be tabled pending such a review. Mrs. Clifford asked what the mechanics of winding down the Enterprise Fund and meeting legal responsibilities would be.

Selectman Clough reported that he was seeking to identify third party consultants who could provide a detailed recommendation on the potential to turn around the service's performance. In response to a question from Mr. Mullin, Mr. Clough said there would be no clients who would not be able to receive the same services they currently receive if the service was terminated.

Mr. Brandon said that a turnaround analysis should show a break even point. Mr. Evans said he was sympathetic with the motion but cautioned against the statement that not one citizen would be left without service. He suggested putting a small amount of money in the budget to be expended by another Town Department in order to provide a safety net for those who might be receiving free services.

In response to Mr. Tindal's question, Mr. Murray confirmed that the fund is generating about fifty cents for every dollar spent. He said the shift to the Public Health budget last year was \$80,000. There have been multiple efforts over the years to reinforce and stabilize the program as patient mix has changed.

The BOS has directed the Town Manager to protect the service through Town Meeting. It was expected that the fund would run out of cash at the end of January 2012.

Mrs. Ashton observed that the reports from the BOS presentation in November 2011 suggest the fund was experiencing an average monthly loss of \$30,000. She asked if the program were wound down how it could be started up again and raised the issue of long term patients and their needs and expectations.

Mr. Mullin emphasized that he was addressing FY13 funding specifically as he understood the need for FY12 funding for current services. He suggested the no cost services available to a small number of patients could still be continued without supporting the entire program.

Mr. Noone observed that the Service has lived off the retained earnings for several years and that is it theoretically possible to zero out the subsidy and continue a smaller service within the Enterprise Fund.

Mr. Tindal described the financial situation of the Nursing Service as dire, but noted that many consider it emblematic of the character of Acton. He suggested the Town needs to determine how much pain we are willing to take in order to have the service. Recognizing that we have a moral obligation to ensure that the most vulnerable members of this population are not affected in any untoward way, he moved that the motion be suspended to allow the Board of Selectmen time to engage a consultant and develop an exit strategy. He further clarified that we want to get decision grade material from the consultant.

Mr. Brandon asked if tabling the motion meant that it could be voted at a future date. Upon confirmation from the Chair, Mr. Brandon seconded the motion to table which was adopted 6 ayes (Ashton, Brandon, Clifford, Evans, Seward, Tindal) to 2 noes (Mullin, Noone).

Mr. Mullin introduced the second subsidized program in the town budget: transportation. It is a growing program; the Town is the only entity providing any similar service and there does not appear to be a substitute or alternative available. To vote for a subsidy, the Finance Committee would need analysis including multi year cash flow, current and projected cost per ride, the revenue per ride and the subsidy per ride. At the Chair's request, Mr. Murray agreed to take a request for a multiyear P and L statement and information on trends in the various transportation programs receiving funding to the Town Manager. Mrs. Ashton asked for the basis of the \$246K request in the budget. Mr. Evans asked for the data on anticipated ridership in the original grant proposals and a report on actual ridership.

### **Future Meeting / Ongoing Planning**

The Chair suggested an additional meeting for February 7 and solicited requests for topics needing further review in order to prepare for Town Meeting. Members expressed interest in CPC, all capital projects in the Town budget, the Senior Center, a definition of level services, and interaction with the School representatives to review their budgets, including the Minuteman Regional High School requests.

In response to Mr. Mullin's question about the capital bonding in the budget, Mr. Murray said that the bond would be inside 2 ½. The impact of the FY13 budget would be about \$30K; in FY14 the impact would be \$260K.

The Chair asked for comment on the use of the LRFP model as part of the ALG work. Mr. Brandon said the information was sorely needed and supported its use by the ALG. Mr. Noone said that the subcommittee was working on a program to introduce the model to the Boards and then it would be appropriate to add it to an ALG agenda.

### **White Paper Project**

The Chair has reported that Mr. Mullin has taken ownership of the White Paper project which has been set aside during Town Meeting preparation. Mr. Mullin reported his plan is to complete the document in the early summer and release it at a time when it will have greater long term impact.

At 10:12, the Chair entertained a motion from Mr. Brandon to adjourn. Mr. Noone supported the motion which was adopted without objection.

Respectfully submitted,

Patricia Clifford  
Clerk