

Minutes of the Acton Finance Committee Meeting December 13, 2011 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 December 13, 2011, to review various matters.

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

Members Not Present: Robert Evans

Others Present: Assistant Town Manager John Murray

Chairman Mullin called the meeting to order at 7:30 pm and advised the committee that he was evaluating his availability for civic activity in light of new employment considerations and would determine his status with the Finance Committee by January 15, 2012.

In the absence of any public participation, he recognized Mrs. Clifford for a report of the minutes for the November 8th, November 29th and December 7th meetings which were presented in draft to the committee prior to the meeting. Mr. Tindal moved approval of all three sets of minutes; Mr. Noone seconded the motion which was adopted without objection.

ALG Report

Mr. Tindal reported he had circulated the draft POV to the members of ALG prior to the meeting. His essential message from the Finance Committee to the ALG was “steady as she goes” with two exceptions: more focus on sustainability and consideration of the OPEB obligation. He also acquainted the group with the Long Range Plan subcommittee’s work to create a tool with a standard set of cost and economic assumptions for all Boards to use to augment the revenue projections in the ALG model.

Mr. Seward, who attended the ALG meeting, said the group did not receive the POV message well; at this time there are approximately \$1.8 million in potential expenses above level service budgets.

In response to Mr. Mullin’s question about the current budget figure for OPEB retiree benefits for the Town, Mrs. Clifford and Mr. Murray confirmed that the figure is approximately \$1 million.

Several ALG members offered comments regarding revenue expectations, however, there is no clarity on state aid at this time, which is impacting particularly school budget development. Both John Murray and Don Aicardi confirmed that their contacts have suggested level funding from the State. Ms. Knibbe questioned the potential impact of lower enrollment on the formula for state aid.

Mr. Murray reported that Steve Ledoux shared guidance from Rep. Atkins at ALG and that a 10 percent cut in state aid should be the budget target. Mr. Seward shared an observation made by the State Treasurer that he expects less than an 8 percent rate of return on investments. Mrs. Clifford said legislators have indicated their concerns about fully funding state aid relate to federal government risks.

In response to Mr. Mullin’s question, Mr. Murray confirmed that the AAA bond rating had been reaffirmed after Moody’s reviewed both the susceptibility to federal spending and exposure to the health care industry. He mentioned that Bedford, where Hanscom is impacted by both these considerations, had been downgraded.

Long Range Financial Planning Subcommittee

Mr. Noone said that subsequent to the adoption by the Finance Committee, the subcommittee planned to circulate the planning tool to the Town Manager and Superintendent of Schools for feedback, particularly on the assumptions. They also planned to present the project to other relevant boards to assess viability and to begin to get others to think about different ways to do budgeting, as opposed to the traditional revenue based practice.

Mr. Mullin asked Mr. Seward to comment on questions raised by Mr. Gowing about an article that appeared in the Acton Forum written by Mr. Seward. Mr. Seward wrote the report as a factual piece after speaking with the AG's office because the last Finance Committee meeting had not been televised. Mr. Mullin explained there had been confusion because it appeared Mr. Seward was representing the Finance Committee and suggested a disclaimer be added to the piece. Mr. Seward agreed to amend the article. Mr. Tindal expressed concern about the releasing of the article during the ALG meeting, particularly as it appeared that the author was speaking for the FinCom, and disrupting the ALG process.

White Paper Project

Mrs. Ashton recommended the Committee put a hold on the metrics project and reactivate the editing committee to work toward an early January deadline. In response to Mr. Noone, Mr. Mullin said he preferred individual papers not be released separately.

Budget

The Committee reviewed the budget calendar for January and agreed to the Town Manger's suggestion that FinCom offer a presentation on OPEB on Budget Saturday. Mr. Seward shared a memo about possible areas for savings in the proposed budgets to change the need for reserve use. Mr. Mullin commented he preferred a clear recommendation to eliminate or keep expenditures, rather than a passive/aggressive consideration of consequences. Mr. Noone noted that the funding for the Lower Fields in the school budget did not represent a level service. Mrs. Ashton said she wants to see the actual budgets, not work on conversations between staff and committees, commenting that currently the gap in the ALG model is \$2.9 million.

Mr. Murray clarified the status of the ALG plan: no consensus on revenues, no consensus on use of reserves; the \$2.9 million includes OPEB contribution and use funds for the Nursing service.

Mr. Tindal cautioned that Finance Committee has not taken a position on Nursing service; it is clearly in crisis; Mrs. Ashton asked the ALG reps to reexamine the definition of level service. Mr. Mullin commented that specific proposals that are presented with convincing analysis should be considered by the Boards.

Committee Updates

Mr. Noone reported that the CPC has started its project review that will continue through January.

Mr. Murray reported that Town staff is focused on continuing Budget work, weekly health insurance negotiations, pending work with DOR to finalize certification and complete BOS votes, and Patrol

arbitration for FY09, 10, and 11. Finance staff is also researching the Town's exposure through its banking relationships to the European bank crisis to determine if any Treasury moves are appropriate.

Mrs. Clifford advised the Committee that there would be a sense of the meeting resolution on the Annual Town Meeting warrant regarding the potential regionalization of the Acton and Boxboro elementary schools.

Mr. Kong advised the Committee that the School Budget Saturday had been changed to January 28.

Adjournment

At 9:05 pm, Mr. Brandon moved adjournment. Mr. Noone seconded the motion which was unanimously adopted.

Respectfully submitted,

Patricia Clifford
Clerk