

Minutes of the Acton Finance Committee Meeting October 25, 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 October 25, 2011, to review various matters.

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

Members Not Present: Bill Mullin

Others Present: Assistant Town Manager John Murray

Acting Chairman Tindal called the meeting to order at 7:30 pm. In the absence of any public participation, he recognized Mrs. Clifford for a report on Minutes for the September 27<sup>th</sup> meeting which were presented in draft to the committee. Mr. Noone moved approval; Mrs. Ashton seconded the motion which was adopted without objection.

**Acton 2020 Sub Goals:** Mr. Tindal welcomed Assistant Town Manager John Murray to address some of the questions and concerns expressed by committee members in regard to the staff generated comments on Sub Goals in Section 7 of the 2020 draft report. Mr. Murray cited a number of examples whereby the financial impact of the goal might result in either a decrease in marginal revenue or an increase in marginal costs and also explained that to accomplish some of the goals, long term practices will have to be adjusted with commensurate costs.

Ms. Knibbe pointed out that some short term costs, such as adding an Economic Development Officer, could have longer term financial benefits. She asked about changing the proportion of students to non students to reduce the demand on taxpayers. Mr. Murray pointed out that the 2020 goal to keep older citizens in town longer would require many changes in orientation such as sidewalk repairs and addition of a third ambulance to make Acton “senior friendly.” Conversely, the investment in the infrastructure to service schools and children is in place and there is some elasticity as students are added and lost.

Mr. Tindal reflected that the Economic Development Committee had looked at the cost of adding and economic development officer and providing the database and resources needed to support the position. EDC’s estimate of these combined costs was approximately \$150,000 in the first year. He also questioned the assumption that “empty nesters” were choosing to stay in Acton. He suggested some of these residents were biding their time waiting for improvement in the real estate market and that the growth projections for that segment might be inflated.

Mr. Seward agreed that keeping the 55+ population of empty nesters would have an impact on the schools.

**Health Insurance Trust / GIC Updates:** The Chair asked Mr. Evans for a report on the Health Insurance Trust and, at Mrs. Ashton’s request, the status of the GIC issue. Mr. Evans reported that the actual increase in expenses has been about 4 percent vs. the Segal estimate of 10%. To the extent the Trust makes any money, it flows back to the employees.

In regard to the GIC, Mr. Evans announced that the Regional School Committee and the Board of Selectmen would meet jointly on November 3 to hear the report of the Health Insurance Trust analyzing information from the Segal Report.

HIT has discussed the Segal Report in detail; the fundamental numbers have not changed. The potential savings identified in the report is approximately 15 percent, which is derived from plan design (8%) and entering into the GIC (7%). These estimates reflect a wide range of uncertainty in several assumption areas.

HIT has voted two motions: to develop a program to emulate Tufts Navigator (most popular GIC plan) and to work to standardize plans as a means of minimizing the number of plan design variances. Next actions will be decisions by the BOS and RSC to negotiate with employee groups.

**Nursing Service:** Mrs. Clifford distributed information developed by staff summarizing the financial status of the Acton Nursing Service as of the end of FY11. The fund continues to absorb internal assets for subsidies and requires significant levels of staff time to manage costs and adjust to the internal budget of the enterprise fund. During discussion, Ms. Knibbe indicated that the 2020 committee would consider this service; Mr. Noone reminded the committee that in addition to the internal subsidies, a portion of the Public Health Service costs were now in the Health Department’s operating budget. Mrs. Ashton shared observations on the meeting with staff and recommended that a community conversation could be organized now to gather viewpoints as part of the FY13 Budget development. Mr. Brandon observed that current data suggest a \$150,000 operating loss and asked if the fund can continue to limp along. Mr. Evans asked if there are citizens using the service that would not otherwise be able to get nursing assistance and suggested part of the research should include alternative vendors of similar sources such as Emerson home health care.

**Regional School District E&D:** Mrs. Ashton reported that the Regional School District discussed the three options for resolving the overfunding of the Excess & Deficiency Fund at their October 6 meeting. The RSD selected option #1 which changes the use of E&D money in the budget but does not change the assessments.

**White Paper Projects:**

Long Range Planning (Noone)	Continuing model development; 3 scenarios current, pessimistic, optimistic; meeting in mid-November
OPEB/ AAL (Noone)	New study from consultants with updated calculations for 2010; scheduled to meet first week in November to agree on recommendation

**Committee Administration:** Mr. Tindal reported that because Mr. Mullin’s travel schedule continued to restrict his participation in the Acton Leadership Group, they had agreed to petition the ALG to accept a permanent substitute for Mr. Mullin by appointing the Clerk to fill the vacancy. After discussion, Mr. Noone moved that the Committee endorse the proposal to designate the Vice Chair and Clerk as representatives to the ALG. Mr. Brandon seconded the motion which was approved unanimously.

Following the distribution of a calendar for the remaining six months of the budget cycle, Mr. Tindal asked the Committee to consider the Point of View as a priority for November. It was agreed that the White Paper work would generate content for specific recommendations. Mr. Seward and Ms. Knibbe agreed to draft the section on macroeconomic observations.

Mr. Evans requested that the School Superintendent, as a representative to CASE, raise the issue of internal controls to deter financial mismanagement uncovered in similar regional organizations.

Mr. Seward suggested the possibility of an additional meeting in either November or December.

**Committee Reports:**

Economic Development	Tindal	Continuing on signage bylaw; coordination with HDC; launching education effort
Senior Center	Knibbe	Survey to senior residents focusing on utilization
School Committees	Ashton/Brandon	RSC will take first look at long range strategic plan 11/3; APS had a lengthy discussion on funding classroom assistants ; Minuteman continuing work on capital fund - committee of town managers working on funding formula
ACHC	Clifford	Site Walk at The Meadows off 2A for BOS and ACHC on 11/5
CPC	Noone	\$961K current year funds; total funds available \$1,308,000; deadline for submissions November 14

At 8:59 pm, Mr. Brandon moved adjournment, which was unanimously adopted.

Respectfully submitted,

Patricia Clifford,  
Clerk