

## Acton Finance Committee Minutes

### January 13, 2015 Acton Town Hall Room 204

Present: Chairman Steve Noone, Vice Chair Mike Majors, Clerk, Margaret Woolley Busse, Doug Tindal, Mary Ann Ashton, Bob Evans, Bill Mullin, Herman Kabakoff

Absent: Roland Bourdon

Chairman Noone called the meeting to order at 7:34pm

- I. Public Participation: None heard
- II. Discussion of FY16 municipal budget—Steve N. went over preliminary effects of FY16 municipal and school budget—would have to rely on \$4.1 million in reserves, plus using unused levy and increasing taxes full 2.5%
  - a. Bill said we should stick with what our recommendation should be until someone comes and asks us to change it. Doug supports this position—looks like the schools are increasing a lot
  - b. MaryAnn: Schools budget expenditures are going up by 5.2%, but also loss of \$700,000 in revenues (state aid has gone down, because enrollment has gone down; and also not willing to commit much of E&D because their E&D (reserves) are really low)
  - c. Bill: the issues of the split of the reserves use should be split according to the ratio of roughly 2/3 schools, 1/3 municipal—this discussion should be on the table
    - i. Margaret: Seems like we may not be able to operate from a position of strength because the schools could force the town's hand—town wouldn't be willing to ask for an override if there are ample reserves
    - ii. MaryAnn: Could be something like \$2 million comes from reserves, and then budgets would be reduced for the balance, splitting 2/3 to 1/3, schools to municipal
  - d. Bob: Effort needs to be focused on the expense of the schools
  - e. Bill: If we have to decide between having a stabilization fund and lower tax increase, in favor of lower tax increase
  - f. Herman: Supports Fincom's Point of View; and another elephant in the room—uncertainty of Middlesex Retirement assessment—because of misclassification of employees—could add another \$600K to our assessment—also part of this will be in school budget—both public safety employees and also when we moved Acton Public Schools employees to regional district
  - g. Bob: Lack of clarity on the transportation budget--\$94K in parking lot slush fund to be added to this
  - h. Margaret: We seem to usually be over-budgeting a lot, can we cut the municipal budget down the line to get rid of some of that fluff? Also incorporating Nursing Service does affect the numbers a lot, and the municipal needs to reflect this—perhaps some of the budget items have to be cut to compensate for the Nursing Service
  - i. Doug: These budgets will eventually lead us down the path to an override
  - j. Bill: The proposed painting of Town Hall—could it be funded by CPC? Unclear—may be considered maintenance
  - k. Steve: So we agree that the unused tax levy should not be used, and that full 2.5% increase should not be used; what about proposed meals tax to fund Economic Development Director position?
    - i. Herman: If TM votes for meals tax, then we get the ED Director

- ii. Margaret: It may be that the meals tax wouldn't have a huge impact on the customers or restaurant owners, but it seems like it's tax creep—we need to be able to “live within our means.”
    - iii. Bill: Examples of Marlborough and Southborough—they implemented meal and hotel tax, but did it cooperatively with the business community—this could be a model
    - iv. Steve: What about Town's proposed Economic Development Director position? Doug—definitely supports this—we need to understand what is happening in town and this takes focus. Margaret—wholeheartedly supports this, but perhaps use consultant first to do upfront, low-hanging fruit work; but not the Land Use Director (seems too redundant); Mike also supports the idea of ED director, also likes the idea of using a consultant initially. Herman: ED director invaluable resource for his business in Lowell; MaryAnn—not convinced of the need, but if we did it, would want to see in a 3-4 year time period with measurable benchmarks
  - I. Steve N: What about proposed Land Use Director? Herman: This is a another layer of bureaucracy; MaryAnn: can see the value, but not convinced now is the time; Mike—agrees with Herman; Bob: Part of the problem is the title, person would be over Health? But maybe just need for re-organization, not new FTE. Doug: Not convinced of need for Land Use director position
  - m. Steve N: So Fincom will stick with other recommendations on OPEB and \$2 million stabilization fund, and reserve use
  - n. Doug: We need to be able understand what it means when school enrollment declines, how does that translate into reduced cost
- III. Minutes approved unanimously except abstentions by those who were not in attendance on 12-23-14
- IV. Committee reports
- a. Herman at BoS: Mike G. officially announced that he is not seeking re-election; Heather York who had resigned from Nursing Service Director has come back; Makaha restaurant lost their liquor license permanently
  - b. MaryAnn: recommends watching last school committee meeting—brought their regional auditor in to review the audit with the School Committee
  - c. Bill: Southborough 2040—a symposium about economic development in that town—could be useful to watch on Youtube
  - d. Margaret: Kelley's Corner committee hosting informational session to KC neighbors on January 21<sup>st</sup> at 7:30pm in Exchange Hall
- V. Bill moved and Herman seconded motion to adjourn at 9:07pm