

## Finance Committee meeting minutes

February 10, 2015

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

Absent: Roland Bourdon

Chairman Noone convened the meeting at 7:31pm

- I. Public Participation—None heard
- II. Municipal FY15 Second Quarter Results—presented by Steve Barrett
  - a. In a strong general revenue position right now
  - b. Spent 55% of general expenditures so far
  - c. Other special/enterprise funds in fairly good shape
- III. Municipal FY16 Budget presentation—Presented by Steve LeDoux
  - a. Budget cut \$222,000 based on ALG compromise, including combining Land Use Director and Econ Dev Director into one FTE instead of 2, plus some OPEB funding cut
  - b. Bill—what is current position on establishing the Stabilization Fund? Steve L.: \$2 million proposed out of reserves to do this, but still need to discuss this more with BoS
  - c. Mary Ann—How did we get more in unused levy capacity (from ~ \$600K to ~\$900K?) Steve B.—basically had more in revenues in FY14, so added that in. Mary Ann—Have BoS initiated any public outreach/public input re: local meals tax and other priorities? Steve L.: none so far
  - d. Herman—clarified that local meals tax is NOT tied to Economic Development Director position
  - e. Doug: At 1.62% increase, budget looks pretty good.
  - f. Bob: Clarification on Middlesex retirement sought
  - g. Margaret: Will combined position be more Econ Dev or Land Use? Steve L.—probably more 60% Econ Dev and 40% Land Use
  - h. Mike: Budget looks pretty impressive; what about state aid? Steve L. Still unclear, but Governor says trying to avoid cuts to state aid, but we'll see
  - i. Steve N.: Appreciate the budget is pretty close to level service
  - j. Bill—If you take out all the new spending, only increase by 0.25%. How is that possible? Steve B. No clear answer.
- IV. Public Transportation—presentation by Doug Halley
  - a. Bob—is there some level of subsidies that we should expect or desire? Doug: Right now, with door to door, we have a cost of \$20-\$25, with fixed route, cost per rider should go down. Bob: How much does Westborough subsidize riders? Doug: Not sure.
  - b. Margaret: What is target market? Doug H. Residents that wish to go to different shops, workers who wish to get to those shops, commuters going train station. Any research done for these target markets? Doug H.: Not so much but somewhat based on users of existing transportation. Do we have any benchmarks for this to be reaching and if it

doesn't, will it be cancelled? Doug H. No specific benchmarks, but BoS would review every year

- c. Mike: Great idea. Suggests looking at getting businesses to sponsor shuttle.
- d. Doug: Potential subsidy of \$17 per rider, if we do 20% better than Westborough in 5 years. Agrees with Mike in getting business sponsors
- e. Herman—So cost is roughly \$20 per rider? Doug: Roughly
- f. Bill: Total cost for transportation roughly \$510,000 including this new fixed route—we need to think about promoting more tourism!

V. Acton Boxborough Regional School District FY16 Budget: Presented by Superintendent Glen Brand

- a. Bill: If we allocate revenue between town and schools—38% and 62% respectively, should we allocate the deficit (using which entity's reserves to fund deficits)? No clear answer from school folks. With declining enrollment which will cause decline in chapter 70 funding, but with fixed labor costs going up 3% every year, we have a fundamental budget problem going forward
- b. Mary Ann: Great that schools are going to do capital study. Can you clarify the risks in the "items that could change?" On Case, assumed 5% increase, range is 3-7%; Circuit breaker—budgeted for 68%, but expecting more like 72% reimbursement. Suggests having conversation with community about why it is enrollment is declining but FTEs are growing or at least replacing ones
- c. Herman: Not many people in Acton likely got 6% raise last year, so really an additional tax. Considers assessment excessive. Should not only adopt levels 1 and 2 in spending cuts but also reduce proposed additional FTEs
- d. Doug: Suggests that schools have a better way to explain clearly why FTEs are going up when enrollment is going down. Also need to have better comparables from other communities—are they facing the same things we are? Need to articulate as well the changing nature of the education product. May also want to look at old initiatives and see if they are still needed.
- e. Mike: We haven't seen cost savings from regionalization that were promised, even though understands that it must be difficult to make cuts in such a complex budget
- f. Margaret: Observation—seems like Town is adding all these new programs but budget going up a tiny bit, but schools not adding much at all, and budget going up so much. Is this just driven by personnel salary increases?
- g. Bob: We may really need to go through the budget with a much finer tip pencil to get small cuts out of budget that are no longer necessary (like the Junior High assistant athletic director)
- h. Steve N. In Town Meeting, have to have very concise presentation to get the point across and convince voters. We have two problems—this year, but also years ahead.
- i. Kristina Rychlik: Declining enrollment overall, but needs of the population are changing—have more high needs students now.

VI. Acton Leadership Group report: Taxing full 2.5% plus using all unused tax levy \$985k, looking at 5% tax increase overall on average single family tax bill

- a. Mary Ann: Numbers don't look good in the out years with this budget
- b. Bill: Would rather use more reserves than the unused tax levy capacity
- c. Bob: Agrees with this
- d. Doug: We should use more reserves to cover both not using unused tax levy capacity, and the additional .5%. Recommends only taxing 2%
- e. MOTION made by Bill, Margaret seconded—Support the ALG compromise to have overall budget reduced by \$585k, and a 2.5% tax increase, but no unused tax levy capacity, and instead increase reserve use by commensurate amount
- f. MOTION made by Herman, Bill seconded, to approve minutes from January 13, 2015. Unanimous approval
- g. Committee Reports: Margaret reported about Kelley's Corner, Herman reported that Makaha has the liquor license back because it is appealing the BoS decision.
- h. Steve N. made assignment for Town Meeting warrants:

TOWN OPERATING BUDGET

Mike

CAPITAL

Herman

PAT AS YOU THROW

Margaret

LOCAL OPTION MEALS TAX

Doug

LAND USE DIRECTOR

Doug

STABILIZATION FUND

Bill

REGIONAL ASSESSMENT

Mary Ann

MINUTEMAN ASSESSMENT

Mike

CPC APPROPRIATIONS

Roland

REPURPOSE OLD ARTICLES FOR HARISS ST.

Bill

FIXED ROUTE TRANSPORTATION (NOT DEFINITE )

Margaret

ACQUISITION PROPRTY ON MAPLE ST. (NOT DEFINITE)

Herman

SENIOR TAX RELIEF

Bob

- i. Meeting adjourned at 10:30pm

Documents used: Municipal FY15 Second Quarter Results Presentation; Municipal FY16 Budget Presentation; Fixed Route Shuttle presentation; ABRSD FY16 Budget Presentation; ALG budget; 1-13-15 draft minutes