

Finance Committee Meeting

August 26, 2025

7:30pm

Acton Town Hall, Room 204

Present: Scott Sullivan (Chair), Christi Andersen, Corinne Hogseth, Alex Lenz, Steve Noone, Jason Cole, Greg Jarboe (remote), Roland Bourdon (7:38)

Mr. Sullivan called the meeting to order at 7:31pm

Public Comments: None

Intern Presentations

Avi Khatri: Analyzing the Post Covid Baby Boom in Acton

- Reviewed data from NE School Development Council and focused on children born in 2020. There were 22 more children born in 2020 than the annual average. There are more students born in the COVID year than in other years—enrollment in grade years increases as years progress.
- The cost of one student enrolled is \$22,500 per year—times 22 extra students equals \$495k per year—equivalent to \$4.4M capital project at 5% interest
- Based on the data, there is a spike in enrollment due to the COVID baby boom resulting in higher expenses and requiring a reallocation of resources.

Mr. Cole: Is this conclusion Acton specific or for Acton and Boxborough?

Ms. Khatri: Unsure, but likely applies to Acton and Boxborough

Mr. Cole: Independent of population growth, are you anticipating any changes in enrollment due to housing?

Ms. Khatri: Project focused on birth and not housing or transportation.

Ms. Andersen: This is interesting data—the COVID baby boom is a blip that moves through and has multiyear impact

John Peterson: It is interesting that there was an increase in enrollment which has been associated with the COVID year—schools have a choice when enrollment increases, the school could either increase the number of sections and increase costs or increase classroom sizes to negate costs—did you look at class sizes to see if there were any differences?

Ms. Khatri: No

Mr. Noone: Appreciates that cost per students was kept the same in this analysis, but the cost per student likely increases at least 2.5% per year.

Evan Andrews: Budgetary Impacts of Forecasted Demographic Changes in Acton

- Property taxes make up the vast majority of revenues-- education is the largest expense and then the Town budget. The average property tax bill is about \$13,500 per household or \$4,500 per household member on average—meaning that \$4,500 is spent per person on Town services
- Average annual town budget growth of 2.7% over the last 10 years, but 3.6% inflation rate over the past 10 years meaning that the Town's buying power has declined—property values have increased by 6% annually meaning that the Town will be more reliant on property taxes
- RKG is a real estate developer based in Boston which published a report about the ease of development in Acton
- The number of residents aged 60 years or older is expected to increase by 20% or more. Proposing the development of a 55+ community in Acton—right now in Acton, the 55-59 age cohort is the largest age cohort and is the wealthiest in the country, amplifying returns for real estate developers and tax returns. Creates more opportunity for tax revenue because of services this age group is more likely to hire out (snow removal, landscaping, trash removal, etc.)—would create a budget surplus
 - o 60-year-old couple might live in a house that is too big for them—this would add a more manageable property size for them and make their previous residence available for younger families to move into
 - o Proposal is based on the Enclave community in Boxborough—set on 60 acres with 25 buildings with 2 units per building—residences are \$800k to \$1.2M
- Results: estimated \$17,150 in tax revenue per household or \$8.5k per person assuming a two-person household. Building more 55+ housing means less kids and could save \$1.2M over regular family style houses
- Proper adjustment for growing and changing demographics and retaining aging populations and allows new families to move into those homes

Ms. Hogseth: What is the average sale price at the Enclave?

Mr. Andrews: \$800k to \$1.2M, depending on the floorplan

Ms. Hogseth: Has heard from people that when they try to downsize, they cannot afford to buy something smaller—have you considered more affordable options?

Mr. Cole: What's the breakeven point? If you building 50 units of 55+ housing and they move out of their single-family housing—are you creating backfill? Just filling vacant houses with more families and thus increasing costs.

Mr. Andrews: Would have to be more senior houses than regular homes, but did not calculate a breakeven point.

Mr. Noone: Excellent analysis—laid out the impact on the town, but if you were a developer who had acreage available, is it more profitable to building housing for families or housing for seniors?

Mr. Andrews: According to the RKG report it is likely that condos would be the best investment for the town.

Mr. Peterson: In terms of students for household, 5,000 students and about 9,000 housing units, so the students per household is about half—there are a lot of fixed costs that are built into the budget—what's fixed and what's a variable cost which is population based?

Mr. Andrews: Did not separate fixed and variable costs in the analysis.

Peter Maxwell: Suburbs Post Covid: The Financial Impact of Remote Employees on Acton

- Focused on the under 35 age group—significant drop in population from 2020 to 2024, meaning that young families are moving out. Can partially attribute this to COVID—remote work created flexibility and cramped spaces the need for more space
- The over 65 community has grown significantly and is set to grow
- K-12 enrollment at ABRSD from NESDC—slight decline in enrollment, slightly larger drop in 2020—would make sense if people left to live in more remote spaces
- Immediate impact: Who's moving in and out of Acton? Who's taking remote jobs and leaving? Who's tied to Acton and staying?
- Strategic Economic Development Plan- largest increases in management services, professional services, real estate, and health—Information has the highest paying jobs on average in the community—estimated growth of 9% over 10 years
- Housing prices are increasing—increase in the percentage of homes which cost more than \$1M—median cost is approaching \$900k
- The detractions of Acton for families: high housing costs, increasing flexibility of work for remote positions—might be able to get more acreage or square footage for the same money
- Attractions: proximity to Boston and Concord, good schools and more space than cities, and for older adults being closer to family and access to good healthcare

Stephen Starr: Financial and Economic Impact of MCI Concord Development on Acton

- Retail: used Maynard Crossing as a template for how MCI Concord might look—both about 50 acres and features a combination of mixed use and housing—
 - o currently anchored by Market Basket, but the anchor is currently unknown for MCI—this unknown could be detrimental to Acton—big box stores could threaten smaller businesses in Acton or could attract existing businesses to move—could syphon businesses from Acton
- Why would businesses want to move? —Concord's tax rates are lower than Acton's both commercially and residentially and Concord has a more affluent tax base
- Impact on elderly population—the Strategic Economic Development Plan is forecasting a 15% population growth—projection does not consider potential affordable housing developments which could impact Acton's population
- Water and sewer: Acton has about 10% sewer capacity to about 35% capacity in Concord, which would increase if MCI ties into Concord's sewer plant—if Nagog water

were to be treated in Concord, Concord could stop providing water to businesses on Great Road

- The Concord rotary's crash rate is 5 times greater than the average—closure of the rotary would decrease traffic in the Great Road corridor and could impact businesses
- Acton plan: Acton should rethink its tax policies to include a split tax rate—Acton should assist Concord and MCI Concord should be incorporated into the Strategic Economic Development Plan

Mr. Bourdon: if MCI is developed, envisions that businesses would be syphoned in West Concord and in Concord in general, not just in Acton

Mr. Cole: Used the tax rates between the two towns as if they were apples to apples comparisons—did you look into house values to calculate tax bills since tax rates cannot be uniformly applied?

Mr. Starr: The tax rate applies more so to businesses and seniors looking to downsize—average home is bigger and costs more, but seniors and empty nesters are looking to downsize into more affordable homes

Mr. Peterson: Appreciated how Maynard Crossing was used as an example—thinks that in redevelopment process, the rotary would likely be reconfigured

Mr. Starr: MA DOT did a presentation about the rotary and showed 5 options for how the rotary could be reconfigured—one option was cutting off the Great Road exit which would impact Acton businesses—can only predict and prepare for outcomes

Mr. Sullivan: Concord having sewer capacity might give it an edge in attracting businesses

Approval of meeting minutes: Mr. Sullivan is not prepared for this meeting, going to address at the next meeting.

8/12 Intern Presentation Lookback:

Mr. Sullivan: Are there any adjustments or corrections to the previous presentations that members would like to discuss?

Mr. Cole: Was happy with the variety of presentation topics covered by the interns—wants to point out a couple of things said in the last meeting's presentation—does not want any confusion about where taxes come from

Mr. Sullivan: Interns were given a wide variety of subjects to pick. They picked their topics and worked independently. They presented to each other to get feedback among themselves, but the content was not scrutinized. Might do it differently next year. Happy to have 11 interns who were willing to participate.

Mr. Lenz: Aggregates with comments—phenomenal first round. It is helpful to have a lessons learned for when this is done again. Discussing these projects might be beneficial.

Mr. Sullivan: Agrees—interns, will receive a summary that they can use on their resume. When they're applying for jobs and internships they can show the employer an example where they're talking about something that they're interested in. Will solicit feedback from interns and then will share with FinCom. Thankful to John and staff for assisting and responding to data inquiries. The Strategic Economic Development Plan came out at a great time and gave the interns plenty of data and a good understanding of how this sort of town analysis works

Mr. Lenz was appreciative of the amount of work that Mr. Sullivan put in.

Mr. Bourdon: A presentation from last time discussed commercial tax rates. The town has also offered TIFs and other agreements in the past—felt that something like that could have been incorporated in analysis—Concord might have a lower tax rate, but their values are significantly higher—tax rates are not apples to apples comparisons—town that he grew up in has a harbor and mooring fees and owned a country club, more tools available to lower tax bills

Ms. Andersen: As we've seen, a lot of people do not understand tax rates—might be helpful to explain that right away

Mr. Sullivan: The presentations explained complicated things that most people don't understand, were informative and helpful

Ms. Hogseth: Enjoyed presentations and felt that they highlighted the tensions between different demographics—showed competing desires

Mr. Jarboe asked if all of the interns were from Acton.

Mr. Sullivan confirmed that all grew up in Acton, though they may not live here currently.

Mr. Mangiaratti was very impressed with the college students who did internships and appreciates Mr. Sullivan for taking his time to create this program and get students interested and involved in local government

Open/Cover Any Pressing Items:

Mr. Sullivan: There is a tri-board meeting planned with ABRSD, at last night's Select Board meeting Mr. Charter said that members of the Select Board are welcome to attend—same thing goes for the FinCom—9/3 at 7PM at the administrative building on Charter Road—agenda is to discuss where the schools are now

Mr. Sullivan attended the Select Board meeting last night—Ms. Nichol and Mr. Mangiaratti updated regarding the Acton HIT and they're saying that the retirees on insurance are facing a large increase—40%. The HIT is hoping to receive \$1.2M back from the insurance companies. The Town is recruiting for a HR Director and a Director of Administration and Finance. There was a nice summary of the FY2027 Budget Process and the presentation should be published on the Town website.

Mr. Cole wants to discuss the FinCom Point of View presentation at the next meeting

Mr. Jarboe: The DPW Building Committee met last month. They are looking at 4 scenarios and should be getting cost estimates in some time this week and meeting again sometime in September. Arrowstreet is approaching project by looking at a range of options—should be plenty to digest.

Mr. Sullivan confirmed that the committee will transition back to a regular meeting schedule.

Mr. Lenz made a motion to adjourn. Mr. Cole seconded. Roll Call vote passed unanimously at 8:45pm.