



Town of Acton

Finance Committee

Meeting Minutes

Date: September 26th, 2017

Town Hall Room 204 • 7:30 pm

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Members in attendance: Christiana Andersen, Jeff Bergart, Tom Farley, Jason Cole (Vice-chair), Mike Majors, Steve Noone (Chair), Roland Bourdon, John Benson (Associate), Christine Russell (Associate),

Members absent: Bob Evans, David Wellinghoff (Clerk)

Other: Stephen Barrett (Finance Director), Marianne Fleckner (Human Resources Director), Janet Adachi (Board of Selectmen)

Chair Noone called meeting to order at 7:31

Public Participation - None

Collective Bargaining Tutorial - Ms. Fleckner presented an overview of the process of Collective Bargaining, and answered questions about current and upcoming Collective Bargaining negotiations (next year); AFSCME, Control, Superiors, and Dispatch. Representing the town in these negotiations are the Town Manager, the HR Manager, and any subject-matter expert that may also be appropriate (e.g. Police Chief, Fire Chief).

Minuteman Capital Costs - Discussed the \$250,000 annual (20 year) debt service owed to the Minuteman School project. Options per Mr. Barrett are to include the debt in the ALG plan or to include it in a Debt Exclusion. This would add about $\frac{1}{2}$ of 1% to the average single family tax bill. All other participating communities but one have included this payment in a Debt Exclusion. Per Ms. Adachi, it is unclear at this time how many Articles will be included in the December special town meeting warrant, aside from the school proposal, some possible zoning issues, and a proposed moratorium on a marijuana

dispensary. Ms. Adachi's preference would be to bring the Minuteman vote to the April town meeting, rather than December. Mr. Barrett stated that the project/debt will not be negatively impacted by putting off the vote until April. Historically the Minuteman assessment has belonged to the Town budget and not the School budget. It would be a separate warrant article. Jason Cole proposed keeping the debt on the town budget until we are ready to borrow for the new building project, thus allowing us to roll the entire debt into one capital exclusion. Ms. Adachi brought up the financing of a portion of the Minuteman expense for the Jr High exploratory program that is utilized by Boxborough children, as a result of Boxborough opting out of the Minuteman program. Roland Bourdon asked if the debt changes based on future enrollment numbers. Ms. Adachi mentioned that the capital contribution is based on town wealth as well as past and projected enrollment. Wealthier communities pay a greater amount. Mike Majors stated that Minuteman is reaching out to add new towns to the region, which could potentially effect our future debt responsibility. Committee determined long term Capital Exclusion is the way to go, shorter term we attempt to absorb into Town Budget for a year or two.

FY17 Results - Mr. Barrett presented the FY17 Results of Operation.

- Revenue: Tax collection rate is a highlight of our town. Revenues will return ~\$800k back to reserves. Motor vehicle excise revenue ~\$204k. Meals tax revenue ~\$309k. Nursing revenue ~\$338k. Very favorable activity.
- Expense: Municipal Operating turnback will be \$334k. Snow and Ice budget was exceeded by \$139k.
- Estimated Free Cash: \$3.0 - \$3.5 million
- Upcoming internal budget retreat takes place 9/27, 9/28
- 9/28 ALG works FY19 plan
- Will be proposing adjustment to the FY18 & 19 excise tax rate by ~5%

Point of View Discussion and Vote - Committee voted to accept Point of View document with minor amendments.

Committee Reports -

- Roland Bourdon: CPC met. River St. property will not be submitted as a proposal to CPC anytime soon. May be looking at another land purchase at 161 Newtown road.
- John Benson: Kelly's Corner project held a meeting of the Steering Committee, Economic Development Committee et al. Stop & Shop has decided not to renew Kmart's lease, expiring in April of 2021. Winn-Stanley Development (local developers) would like to redevelop that parcel. Considering a beginning attempt at "town center". Mixed use parcel on Main St, 2 story commercial development. Upscale restaurant and retail on 1st floor, professional space on 2nd floor. Also, drive through property with residential rental units on both sides of road (1, 2 bedroom high-end apartments). Not meant as kid community, though not officially age restricted. Zoning would have to pass for mix-use development. Kmart would

be gone from site. If we don't address, Stop & Shop could potentially sell to other developer. 10% of units would be affordable housing. ~\$1600/month. Mike Majors went on to posit that this sort of developer/development is a positive direction for Kelly's Corner. Needs more specificity. Good group to work with. Steve Noone said key to the potential success of this project is involvement of Stop & Shop. Good chance to do something with this piece of property. Road changes/infrastructure changes are in state plan for the same time period. Jeff Bergart requested a running tab, ie. Current tax revenue +/- future revenue - potential influx of school aged children. Jason Cole expressed concern of influx of families. Concerned this could not become tax revenue for town, especially as it sits across from all the schools, if it goes forward as heavily residential.

- Jason Cole: School Committee voted to take \$1.3m out of E&D for Building Project Feasibility Study (\$710,000 after reimbursement of MSBA funding). MSBA will allow amendment of enrollment numbers to show Oct. 1st numbers. We had 52 more Kindergartners than projected, 70 more than the MSBA numbers. Still working out later start time for Jr. High/High School.
- Mike Majors- Minuteman building project has broken ground.

Meeting adjourned at 8:54.

Respectfully submitted,
Christine Russell
Acting Finance Committee Clerk