



## Finance Committee

Meeting Minutes

November 19, 2019

7:30 PM

Public Safety Facility - EOC

**Present:** Christi Andersen, Roland Bourdon, Jason Cole, Tom Farley, Mike Majors, Sahana Purohit, Christine Russell, Al Vlajinac (Associate), Dave Wellinghoff

**Absent:** Steve Noone

### 1. Opening

Chair Roland Bourdon opened the meeting at 7:30 pm

This meeting was recorded by Acton TV.

### 2. Public Participation

There was no public participation.

### 3. First Quarter Results

Principal Assessor Brian McMullen went over the Town's First Quarter Results, which are based off of the budget approved at the Annual Town Meeting in April 2019. The Results and supporting documentation can be found on the Town's Website in the Budget Section.

Revenues:

- Trending right where we want them to be at 24%.
- Broken down into:
  - Property tax 25% - Subject to DOR's approval of the tax rate, which will be set next month.
  - State Aid 33% - Net of aid coming in and Town's assessments being paid. Number is inflated because State reimbursements for property tax exemptions have mostly come in the 1<sup>st</sup> quarter.
  - MSBA 0% - Twin School reimbursement will come in the 2<sup>nd</sup> quarter.
  - Local Receipts 13% - Made up primarily of motor vehicle excise which is billed in the 3<sup>rd</sup> quarter. Also includes licenses & permits, investment income, miscellaneous non-recurring revenues.

Expenditures:

- The figure of 33% is higher than you would expect for the 1<sup>st</sup> Quarter due to:
  - Paying the assessment for Middlesex County up front to get a 2% discount, which saves the Town \$70,000 to \$80,000
  - Also paying the Town's Insurance, MIIA, up front for a discount and money savings in the long run
  - The OPEB Assessment of \$630,000 to \$640,000



- Mike Majors questioned what the budget was like for snow removal this year. Fund kept level.

#### Enterprise Funds:

- These funds are complex and each have unique nuances
- Jason Cole questioned whether there are restrictions or targets for how much these funds can build up in reserves.
  - There is no standing policy on reserve amounts.
  - Reserve funds sometimes built up and used for capital replacements.
  - Will obtain a copy of the master list of capital replacements put out annually by the BOS from the Town Manager and schedule future review of it.
- Septage Fund
  - Revenues 25%, Expenses 26%
  - Mainly from Title IV from Home Sales. Fall & spring best time to sell houses. Expect revenue to be boosted in the spring.
  - Have \$20,000 in retained earnings as a precautionary safety net.
- Transfer Station & Recycling Fund
  - Revenues 35% come in at beginning of year when they sell stickers.
  - Expenses 18% Director York doing a good job managing the fund. They are seeing less trash and more recycling with programs like pay-as-you-throw. Less money spent on land fill haulers.
  - Expect fund to have positive results at the end of year.
- Sewer Fund
  - Complex model, but comfortable with the numbers
  - Revenues 22% come primarily from betterments, also sewer monthly usage fees.
  - Some of the betterments have already been paid through home sales, and are not reflected in the quarterly revenue results. That money would already be in the Sewer Enterprise Fund.
  - Expenses 26%, but if you take out the \$400,000 of debt service payments from the original project, the actual expenses are relatively low.
- Ambulance Fund
  - Expect this fund to do well this year.
  - Revenues 28% trending a little better than anticipated. Chief raised ambulance fees last year.
  - Expense 36% bumped by debt service fee that was due in 1<sup>st</sup> quarter.
- Transportation Fund
  - Revenues 30%, Expenses 14%. Running a small deficit through the 1<sup>st</sup> quarter of \$15,720.
  - Subsidies and commuter lot revenues were taken out of the figures to present a more linear look at the data. Helps to see if we are hitting our quarterly fee benchmarks.
  - Factoring in the commuter lot revenues, which now include the Maple St, this is a healthy fund.



#### 4. West Acton Sewer Project

Board of Selectmen member, David Martin went over an updated West Acton Sewer Continuation slideshow with the Committee.

Questions from the Committee and Audience Members:

- Have we identified how many gas leaks will be fixed when National Grid has access to the pipes during the project's repaving period?
  - The number is not known. Will try to find out.
- Has the numerical value in new economic activity anticipated as a result of the septic to sewer change been calculated?
  - The Economic Development Committee has given a preliminary endorsement of the project and will vote on the project at their next meeting.
  - It's hard to quantify. Restaurants could use silverware instead of disposable items. Their seating numbers wouldn't be limited by the size of their septic systems.
- It doesn't seem like a significant amount of the roads that will need to be repaved as part of the project and are part of the general benefit cost are on the list to be repaved in the next 5 years.
  - Regardless of when they were scheduled to be repaved, having them repaved now will mean that they will need to be repaved again further off in the future, which is still a general benefit to the Town.
- A request was made for further clarification on the Septic System Replacements Slide.
  - 80% of septic system repairs in West Acton = roughly 70
  - 20% requiring advanced systems = roughly 14
  - This slide is only referring to residential systems using data going back 8 years. All of them are from West Acton, but not all of them are from the proposed project district.
  - 200-ish residential systems in West Acton will be effected by the project
  - The number is not known as to what percentage of septic systems in the project area have recently been replaced.
- When is the Clean Water Trust Loan rate locked in?
  - The rate is 2.4%, but communities that meet Housing Choice Guidelines, which Acton does, are given an extra 0.5% to make it 1.9%
  - The first phase is locked in.
  - The Clean Water Trust rates are very stable. Don't anticipate them changing when it comes to approval for phase II of the project.
- Wouldn't silent failures be noticed as part of the annual or semi-annual pumping inspection?
  - A pumping only addresses the tank. Doesn't usually check the leeching field or the cesspool. Water going through the soil isn't an issue in West Acton. The high groundwater levels are the issue.
- Concern was expressed over the betterment amount, if they will fluctuate and if wetlands abatements will be pushed to the residents.
  - The betterments will be fixed at the end of the project.



- South Acton betterments changed originally because the project size changed. A need was recognized during that project. The West Acton project size is already defined.

## 5. Special Town Meeting Warrant

### Warrant Article 3

The Committee opted to first review December 10<sup>th</sup> Special Town Meeting Warrant Article 3 regarding sewer district expansion into West Acton.

- Dave Wellinghoff made a motion to recommend the article. The motion was seconded. Further discussion was requested and granted to Jason Cole.
- Jason Cole: Against
  - Does not feel the 22% to be paid by all taxpayers, not just those benefitting from the new sewers, is justified as a general benefit. No hard numbers were given for economic development. Police details are an operating cost, not an ongoing value for the Town.
  - Will not raise property values. Buyers may shy away from buying a house with septic, but that's why Title IV exists.
  - Will invalidate any current value from the existing septic systems in the district.
  - May lead to higher population density which will challenge the new school's capacity levels.
- Christi Andersen: Against
  - As a West Acton homeowner, she is already looking at a \$923 increase in her tax bill
  - Sewer will add \$1,800 betterment fee to her tax bill, plus \$1,000 a year in usage fees. It currently costs her \$100 a year to pump her septic. Feels better off doing that and buying a new one when needed.
- Al Vlajinac: Not a voting member.
  - Thinks numbers for the retail betterments seem high. As a business man, he sees business owners looking toward buildouts for additional income to compensate.
- Sahana Purohit: Pro
  - As a former member of the Acton 2020 Masterplan Committee, she remembered that people wanted sewers back in 2012 as a means toward economic growth. She thinks that the sewer expansion will help see their vision through.
  - Quoted statistics to show that there was a large population growth during a time without sewers, and a smaller growth during a time with sewers.
  - Feels it's a better option for the schools.
- Mike Majors: Pro
  - Need to move forward with sewers for economic and environmental health. It would take just one environmental disaster and EPA involvement to become a big problem.
  - Seems like it should be the responsibility of the entire Town instead of the burden of the individual owners. Wishes there was another way to pay for it.



- Tom Farley: Pro
  - Would feel better about it if the property owners being most impacted were able to have a special vote.
  - Will benefit the Town as a whole.
- Christine Russell: Against
  - We should revisit how the original sewer by-law, which places the burden on the home owner instead of the whole Town, came about.
  - It's unfair for the entire Town to cast a vote when the outcome financially impacts just a subset of residents.
- Roland Bourdon: Undecided. Will Abstain from Voting
  - Mentioned the large betterment for Sal's Auto. Thinks the owner will be forced to develop the land in order to pay it.
  - Betterment is a lot of money for a homeowner to pay regardless of whether they connect or not.
- Dave Wellinghoff: Pro
  - Thinks Town Meeting will decide whether to move forward with the project.
  - The general benefit portion of the project that will be paid by the Town is a relatively small amount (Christi Andersen debated that 3% of the general fund is not a small number)

A motion was made to recommend Warrant Article 3 regarding the West Acton Sewer District Expansion. The motion was seconded and carried 4 to 3, with one member abstaining.

#### Warrant Article 1

The Committee felt that they did not need to reopen discussion on Warrant Article 1. Jason Cole made a motion to recommend Warrant Article 1 regarding the Twin School. The motion was seconded. The Committee Members voted and the motion carried unanimously.

#### Warrant Article 2

The Finance Committee discussed Warrant Article 2, regarding the North Acton Fire Station, before voting.

- Christi Andersen questioned whether moving the ladder truck from South Acton would put residents of that area at risk. Selectmen David Martin had spoken with the Chief on this matter. He said there are more buildings in North Acton that are tall and don't have sprinklers.
- Jason Cole questioned why the impact to the single family tax bill was such a wide range given the cost was already known. Town Manager John Mangiaratti said that he could tighten up the numbers.
- Christi Andersen also questioned why we need this now. Sahana Purohit mentioned the need and the low interest rates. Al Vlajinic sited the upward trajectory of materials cost and said it's never a wrong time to enhance safety. Selectman David Martin added that it be used in the future when during the remodeling of the other stations.



Sahana Purohit made a motion to recommend Warrant Article 2. The motion was seconded and carried.

#### Presenting at Town Meeting

The Committee assigned members to present the Finance Committee's Warrant Article recommendations at Town Meeting:

- Jason Cole will present on the schools
- Al Vlajinac will present on the North Acton Fire Station
- Dave Wellinghoff to present on the West Acton Sewer Expansion
- Mike will speak on behalf of Minuteman, which is not a warrant article but has been allotted time by the moderator.

#### Citizens' Petition Special Town Meeting

The Committee's recommendation regarding the December 3<sup>rd</sup> Special Town Meeting Warrant Article will not make it into that Warrant as it has already been posted. Therefore, the Committee opted to review that Article at a future meeting.

### **6. Finance Committee Business**

#### Approval of meeting minutes

The meeting minutes of October 8<sup>th</sup>, 2019 were reviewed and approved.

The meeting minutes of October 22<sup>nd</sup>, 2019 were reviewed and approved.

#### Committee Liaison Reports

As Minuteman School Committee Liaison, Mike Majors gave a quick report on the recent open house. Dave Wellinghoff motioned that they skip through the rest of the reports given the late hour.

### **7. Adjournment**

At 9:47 pm, it was moved by Wellinghoff to adjourn the meeting; the motion was seconded and approved.

### **Documents and Exhibits Used During this Meeting**

First Quarter Results Slideshow

Town of Acton Sewer District West Acton Continuation Slideshow

List of roads to be repaved in the next 5 years

December 10<sup>th</sup> Special Town Meeting Warrant

December 3<sup>rd</sup> Special Town Meeting Warrant

Interdepartmental Communication Handout

October 8<sup>th</sup>, 2019 Meeting Minutes

October 22<sup>nd</sup>, 2019 Meeting Minutes



Respectfully submitted,

Finance Committee