

## **Finance Committee**

Meeting Minutes

October 27, 2020

7:00 PM

\* VIRTUAL MEETING \*

**Present:** Christi Andersen (joined at 7:43 pm), Roland Bourdon, Jason Cole, Esha Gangolli (Associate), Mike Majors, Adam Nolde, Steve Noone, Sahana Purohit, Christine Russell (Vice-Chair), David Wellingshoff

Ms. Russell called the meeting to order at 7:00 PM via a virtual meeting with no Committee members in physical attendance and broadcasted via Zoom and ActonTV.

### **1. Citizen's Concerns**

Ms. Terra Friedrichs asked for clarification on the proposed MassWorks grant application, specifically where a \$19 million commitment for the project will be coming from. Ms. Russell noted the inquiry will be forwarded to the appropriate party for the answer.

### **2. FY20 and FY21 Q1 Results**

Mr. Brian McMullen, Assistant Finance Director, and Principal Assessor presented the 1st Quarter FY2021 Financial Report. At the Annual Town Meeting held in June, voters approved a \$99.8 million FY21 budget (not inclusive of \$1.1 million in reserve use and \$3.3 million debt exclusion billings). The year to date revenue as of September 30th was \$24 million, roughly 24% of the total budget, which is in line with prior years tracking. Property tax and state aid actuals are also following previous year trends. Local receipts are trending with prior years as well, however, Mr. McMullen noted that Motor Vehicle Excise commitments are billed in the 3rd quarter, which explains the 11% FY21 Actuals figure. The free cash was also certified at \$3.75 million from the Department of Revenue.

On the expenditures side, General Fund expenditures as of September 30th were \$11,703,770 (out of \$35,615,202) which is roughly 33%. Mr. McMullen noted this figure includes \$5.1 million in pension and OBEP funding, which is paid in August each year.

Mr. McMullen presented reports on the Enterprise Funds: Septage, Transfer Station & Recycling, Sewer, Ambulance, and Transportation. All funds appear to be trending in line with previous years with no concerns at this time.

Mr. Bourdon asked what the timing of excise tax bills was. Mr. McMullen explained the process of the Registry of Motor Vehicles calculation methodology and timing, noting that the bulk of commitments from the Commonwealth is front-loaded in the year, then tapering down through the remaining calendar year.

### **3. FY22 Tax Increase and Reserve Use**

Mr. Noone presented an analysis of turnbacks and excess revenues against the tax increases from Fiscal Year 2011. Over the last nine years, the average budget turnback is \$2.7 million. Mr. Noone recommended the Town should not tax to the allowed 2.5% levy limit and offset any increase with the use of reserves.

Ms. Purohit did not recommend the use of reserves, as these funds are traditionally used for one-time expenses rather than operating expenses to offset tax revenues. There are three options: cut staff, reduce services or, modify fees for services (for example, school services). Ms. Purohit suggests the Town seek alternative revenue sources.

Mr. Cole noted Mr. Noone's analysis displays that a reduction in services is not needed at this time, and hopes to see a reduction in the budget with no tax increase.

Mr. Wellinghoff recommended the Finance Committee propose a 0% tax increase, with only a 3.25% budgetary increase for the Town and Schools, in light of the significant reserve balance during uncertain economic conditions for the population to provide modest tax relief for the taxpayers at the next ALG meeting.

### **4. Town Updates**

There were no further updates at this time from the Finance Department.

Selectman Jon Benson noted the Board is still negotiating with Issac Davis Way neighbors with respect to the potential future dog park.

### **5. Point of View**

There were no updates to the Point of View at this time.

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

There was no additional Finance Committee business.

Ms. Gangolli moved to adjourn. Mr. Cole seconded. Ms. Andersen called the roll:

Ms. Russell – aye

Mr. Majors – aye

Mr. Nolde – aye

Mr. Noone – aye

Mr. Bourdon – aye

Ms. Purohit – aye

Mr. Cole – aye

Mr. Wellinghoff – aye

Ms. Andersen – aye

The Committee voted 9-0, the motion carried. The meeting adjourned at 9:58 PM.