

Finance Committee

Meeting Minutes

June 11, 2024

7:30 PM

Present: Jason Cole (Chair), Roland Bourdon (Vice Chair), Steve Noone, Scott Sullivan, Dave Wellinghoff, Adam Nolde and Greg Jarboe (remote)

Ms. Andersen called the meeting to order.

1. Citizen's Concerns

None

2. Discussion of OPEB Use and Contributions

Mr. Mangiaratti gave an update on OPEB policy. Last discussion was in December/January. During budget season Select Board accepted a new policy that addressed a contribution of at least \$600,000/year plus, if approved at Town Meeting, a withdrawal of up to \$300,000/year.

The intention is to make the contribution at the beginning of the year, but will hold the \$300,000 until it is needed. As a note, 1,800 people approved this Article at the Annual Town Meeting.

Instead of 2034 fully funded, this plan pushes it out until 2037.

Mr. Mangiaratti commented an audit is conducted every 2 years by Segal. A particular chart was created to show contributions of \$600,000 each year and use of \$300,000 each year. The town is very proud that OPEB will be paid down by 2037; the town is in very good shape. This new policy doesn't significantly impact the plan of being fully funded. Mr. Mangiaratti may recommend same approach in FY26.

Mr. Noone commented the April balance is \$11,242,000. The \$300,000 will have a minimal impact. Next valuation and summary will be December 31, 2024. If actuarials don't come out as strong next time, we'll reevaluate.

Mr. Cole inquired any conversation about changing state law? Mr. Mangiaratti commented have not heard anything.

Mr. Cole inquired if we assume using \$0 as the base. How to implement that? Mr. Mangiaratti answered taking into account our Rating Agency's response, the plan is to

use a reasonable amount of the \$300,000 to pay for retiree health insurance. Mr. Cole would prefer a “trigger” plan. Mr. Mangiaratti commented that need is now, we’re spending \$1.1m every year on retiree health insurance costs, that is the purpose of OPEB. There could be a discussion of how much we’re contributing. Mr. Cole has requested to see codified figures. Mr. Noone responded we could reevaluate after receiving the December 31, 2024 bi-annual report. All agreed.

Mr. Jarboe commented happy to hear we’re ahead of other communities.

Mr. Cole commented that contributing \$600,000 is a good plan.

Mr. Wellinghoff asked Mr. Noone, are assumptions the same for all communities. Mr. Noone commented yes, for the most part. Segal actually used Acton as a sample town with assumptions using government standards.

Mr. Martin asked a question if Actuarial will be affected by health insurance rates? Mr. Noone answered yes. Also, they look at other factors such as mortality rates, investment returns. Mr. Wellinghoff also commented about the favor of discounted rates. Mr. Noone commented a 7% discounted rate.

Mr. Bourdon commented last 10 years low interest rates, but interest rates are rising. Mr. Noone added that our investments are managed by MassPRIM. Mr. Noone agreed with Mr. Bourdon’s comment our money/investment is in a blended portfolio.

3. Cost Cutting Task Force

This discussion was put on hold until meeting when Ms. Andersen is present.

4. Population Growth Cost Estimation

Mr. Cole will be coordinating this effort. Capturing data such as:

- Number of Firefighters and Police Officers by population; also, what are national standards, data using agencies/groups’ data
- Number of school seats - lower enrollment of students, what is that effect?
- Use and need of sewer
- Use and need of water
- Mr. Bourdon added: Amount of developable land - not town-owned - purpose to forecast new population levels
- Mr. Jarboe added: we look to the MMA for data
- Mr. Noone added: Age stratification, looking at yearly census

- Mr. Noone added: commented the Schools receive annual data on growth projections
- Mr. Jarboe added: we should decide upon our comparable communities - based on things such as school structure, crime rates, etc.. Mr. Cole commented that is not the overall goal of this task force
- Mr. Sullivan summarized the goal of this task force. There are 3 buckets: Constraints (i.e. availability of sewer) , Multiples (i.e. “x” number of students drive “x”) and Factors (i.e. age factor)Mr. Sullivan will put this in a chart format for Mr. Cole
- Mr. Noone added: road miles
- Mr. Jarboe commented out-migration of young people, can’t find affordable housing, working remotely, so don’t have to live in the Boston area/Massachusetts. So, what happens if growth doesn’t happen, but decreases. Mr. Cole commented they’ll be looking at last 20 years’ of Census data for these trends
- Mr. Cole added: transportation

Ms. Friedrichs requested FinCom to consider:

- Number of FTE’s per population
- Zoning requirements. Concept of property values

Costs we should take on/should be doing (i.e. rent relief)

Ms. Friedrichs asked will it be a sub-committee? Mr. Cole anticipating assignments will be given to each FinCom meeting to be discussed at future FinCom meetings.

Mr. Cole asked all FinCom members to consider what else needs to be added to the list, then will divide up the list/tasks at next meeting.

5. Finance Committee Business

No minutes presented to be voted on.

Review of Liaison Assignments:

Greg Jarboe - EDC

Dave Wellinghoff - South Acton Train Station and West Acton Sewer

Roland Bourdon - CPC and Planning Board

Adam Nolde - DPW

Scott Sullivan - HIT

Steve Noone - Minuteman

Mr. Cole will talk with Ms. Andersen to offer her Select Board or ABRSD, he will take whichever one is left over

Liaison Reports:

Boardwalk School Campus - Mr. Cole reported the Committee is dissolved. Mr. Bourdon inquired about the Battery back-up? Mr. Cole responded all postponed by 1 year and external from this committee anyway.

Mr. Bourdon - no reporting out on CPC or Planning Board

Mr. Wellinghoff - No reporting out on West Acton Sewer District and South Acton Train Station

Mr. Jarboe - EDC meeting this coming Friday, 6/14. Wrap-up of the year. Some members are stepping down.

Next Meeting Date:

June 25, 2024 at 7:30pm. Mr. Cole will conduct a quorum check.

Mr. Wellinghoff made a motion to adjourn at 8:28pm, Mr. Bourdon seconded. Roll Call Vote: motion passed unanimously.

Documents and Exhibits Used During this Meeting

Segal report, Page 1, "Projection of actuarially determined contribution"