

Finance Committee

Meeting Minutes

April, 9 2024

7:00 PM

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

Ms. Andersen called the meeting to order.

1. Citizen's Concerns

None

2. Tax Increment Financing Warrant Article

Kevin Curos of Western Mass Regional Director for MOBD. Primary responsibility is to manage economic development programs. Summarized the definition of TIF.

Mr. Jarboe asked about how a TIF is brought to the community. It is not just a tax break.

Mr. Curos explained: Parcel is a greenfield, therefore tax revenue is a fairly low level. Investor will be putting several million dollars to build. So, tax assessment will increase. TIF doesn't affect the tax payer's baseline taxes. The TIF allows relief thru an incremental tax. If tax liability goes up \$40,000/year, offer a 50% thru a TIF, town still collecting \$20,000. End of TIF, it's like no TIF ever existed, taxes become whole again.

Mr. Cole: Natural Stonewall Solutions will be given an 18-year TIF? Mr. Curos: No, this information that was just handed out is old. It is a 5-year agreement, not 18-year. For these 5 years, town wouldn't be collecting all taxes it could, but then becomes whole after 5 years. Goal is to create additional jobs.

Mr. Noone inquired - draft of article is different as currently written? Yes.

Mr. Curos commented: One can see a 5% to 100% reduction, from 5 years to 20 years. Most common is 10 years. This is a fairly conservative TIF.

Mr. Cole commented on the 2 different types of TIF's and 1 is preferred over the other.

The town will ensure the agreement is attached to the link we list in Article 15.

Mr. Curos: Of 351 Massachusetts Cities and Towns, about 145 take advantage of the TIF program. Business friendly, want to diversify your tax base.

Mr. Wellinghoff inquired if project moves forward, what happens at State level? Mr Curos: Next meeting is in June, internal team will make recommendations of what is a reasonable tax credit. \$5,000 - \$15,000/job created, for example. Skew higher for manufacturing jobs. So, probably \$7,500 - \$10,000/job. $\$7,500 \times 20 \text{ jobs} = \$150,000$.

Mr. Jarboe - Would like to hear about the owner and his business model.

3. Special Town Meeting

Ms. Friedrichs presented what she was asked to present from the last Finance Committee meeting on March 26, 2024, a matrix template:

- Study done in 2001 (The “Mullen” study, a clip from that study; for example, cost factors)
- Cumulative impact on open space, water, community value, traffic, displacement of residents, etc....
- A template that one can use to calculate future costs
- A Socio-economic metric template was also included
- An affordability template
- A page from the Milton impact analysis, they didn’t include cumulative
- What happens if town is no longer eligible for grants.

Mr. Jarboe inquired why this STM is happening. Ms. Friedrichs answered that she did not receive answers/information when first asked a few years ago.

Mr. Wellinghoff inquired how to ensure this data is correct. How people need to do their due diligence.

Ms. Andersen asked if Ms. Friedrichs is looking for Select Board to make such decisions project-by-project? Mr. Friedrichs answered yes, to ensure incremental changes. As a comparison: Stormwater. Ms. Andersen inquired, though, about enforcement and maybe that is part of issue.

Mr. Noone - what is the cutoff on this? Ms. Friedrichs commented about the Kmart parcel don’t need to make a threshold maximum now, but if it creates a need for a new school, for example, there should be discussion someday about creating thresholds. But, Mr. Noone commented that projects come up when they come up and what, for example, is the water capacity, etc.. Ms. Friedrichs commented maybe one starts with traffic/street capacity, as an example. Mr. Noone commented how do we, then, not put the burden on the last guy? Ms. Friedrichs is suggesting the opposite, discuss thresholds now.

Mr. Cole commented does not like non-binding resolutions. Respect the Select Board saying they'll seriously consider the resident's vote. Appreciate what Ms. Friedrichs presented, hit almost every issue FinCom brought up at last meeting. Like the maximum "doomsday" range. Recommend what is "probable" and what is "likely". Have a list of trip wires (i.e. maximum capacity in schools). What resource(s) will the town first run out of. Important to involve town staff. Don't hire outside consultants. Truly minimal information that is needed.

Mr. Cole moves to recommend this Article without a final template at this time and all parties come together to create a template over the next fiscal year. Ms. Andersen seconded. Further discussion: Mr. Noone commented not against planning, but in the end this is just a non-binding resolution. Mr. Cole commented that he was surprised he couldn't get number of parcels and bedrooms in residential homes when asked for it last week, and didn't receive it.

Vote: Mr. Bourdon-yes, Mr. Noone-no, Mr. Cole-yes, Ms. Andersen-yes, Mr. Jarboe-no, Mr. Wellinghoff-yes, Mr. Sullivan-yes. The motion was approved 5-2

4. Annual Town Meeting

Articles 30 - 35: (Authorize Easements, Ch 90, Insurance proceeds, Federal & State Reimbursement, Performance bonds, Sale of Foreclosed property)
Allows the town to acquire money. Mr. Cole moved to Recommend, Mr. Jarboe seconded. Unanimous.

Article 25: (Septage Disposal Enterprise Budget)

Mr. Noone removes the hold on Article 25 as he received information from Town Manager John Mangiaratti.

Articles 22 - 29 (Amend General ByLaw Revolving, Revolving, Commuter Lot, Septage Disposal, Transfer Station, Sewer, Ambulance, Transportation)
Mr. Noone moves to Recommend Articles 22 - 29, Mr. Jarboe seconded. Unanimous.

Article 21: (Prudent Investor)

Mr. Mangiaratti explained the Prudent Investor rule allows the town to go beyond the list of limited investments. The town uses Bartholomew. Treasurer/Collector would work with our investors to make the best recommendation to the Town Manager for optimal return.

Mr. Wellinghoff confirmed Prudent Man versus Prudent Investor? Ms. Fleckner confirmed.

Mr. Bourdon moves to Recommend, Mr. Noone seconded. Unanimous.

Article 20: (38 Piper Road)

Mr. Cole inquired any dams, contamination, etc..? Mr. Mangiaratti: only allows the Select Board to accept and will allow that due diligence to happen before actual purchase. Mr. Cole moves to Recommend with due diligence, Mr. Noone seconded. Unanimous.

Article 3: (Budget Transfer)

This is the budget shortfall due to health insurance. Mr. Mangiaratti anticipates Article may not be needed. Mr. Cole moves to Defer, Mr. Bourdon seconded. Unanimous.

Article 4: (Town Operating Budget)

Already Recommended at previous FinCom meeting. Unanimous.

Article 5: (Town Capital Public Works, Public Safety, and Public Celebrations)

Mr. Mangiaratti commented this list was discussed at various meetings. Mr. Cole inquired about the fleet. Mr. Cole requested to pull out the \$30,000 for vehicles and \$200,000 additional, which the town did, but was the vehicle line item actually reduced? Mr. Mangiaratti commented that the vehicle replacement plan did not have to change, but the reduction did happen. But, didn't commit to change fleet schedule? Correct.

Mr. Noone moved to Recommend, Mr. Jarboe seconded. Mr. Bourdon - yes, Mr. Noone - yes, Mr. Cole - no, Ms. Andersen - yes, Mr. Jarboe - yes, Mr. Sullivan - yes, Mr. Wellinghoff - abstain. 5-1-1.

Article 6: (Town Capital, Infrastructure, Design and Construction)

Ms. Andersen commented that Christine is not present tonight.

Mr. Andersen inquired if ABRSD and CASE are willing to invest in the DPW fueling Station? Mr. Mangiaratti said yes.

Mr. Wellinghoff - End of useful life? Mr. Mangiaratti - we are nearing the end of its useful life.

Mr. Wellinghoff - longer term vision to sell 19-21 Maple Street? Mr. Mangiaratti: Intent of the purchase is still in line with the town voter's wishes, so no intention now to sell. Mr. Wellinghoff - Is there any plan for the town to have to pay more money, do more investments for a future tenant? Mr. Mangiaratti: not now.

Hold on vote.

Article 7: (ABRSD Assessment)

Scott moves to recommend, Mr. Cole seconded. Mr. Cole commented already voted to Recommend. Unanimous.

Article 8: (Minuteman Regional School District)

Mr. Noone commented chapter 70 went up significantly. Assessment going up 9.6%, 8.7% due to enrollment growth, remainder is normal assessment growth. Cost of the success of the school.

Mr. Noone moves to Recommend, Mr. Jarboe seconded. Unanimous.

Article 9: (Community Preservation)

Mr. Bourdon did not see any updates since March 28th. Mr. Mangiaratti commented, just like the Capital Article, nothing has changed since last presentation/discussions. Can ask CPC to come to next meeting, if needed.

Mr. Bourdon moves to Recommend except for subsection C, Community Dog Park, Mr. Jarboe seconded. Unanimous.

Article 10: (Amend Zoning Bylaw - Vehicle Sales, Rental)

Hold, Mr. Jarboe has to conduct more due diligence. As a note, is the town making it more difficult for businesses? Mr. Martin commented: After Nagog Park, needed to control more car dealerships. Options discussed: Restrict on Great Road; or, not restrict on Great Road but require a special permit. Mr. Jarboe feels there are still some outstanding issues and would like to still defer. Ms. Andersen commented that the April 2nd Planning Board meeting had it on their agenda, for reference. But, will hold vote to April 23rd meeting.

Article 11: (Amend Zoning Bylaw and Map - Assabet River Overlay District)

Hold, Mr. Jarboe has to conduct more due diligence.

Article 12: (Amend Zoning Bylaw and Map - MBTA Overlay District)

See above for discussion and vote.

Article 13: (Amend Zoning Bylaw and Map - South Acton Village District)

Hold, Mr. Nolde is not present.

Article 14: (Authorize Long-term Lease - 19-21 Maple Street)

Mr. Wellinghoff summarized the purchase from 2019. Partially occupied now. 3-year lease in 2018, this Article seeks a longer lease, Acton Food Pantry for 10 years. Spoke with staff today about parking availability for this building, reasonable. \$1.1m purchase, interest paid on that borrowing. Makes sense to have a longer-term lease. Mr. Mangiaratti commented debt service paid by revenues now. Substantial renovations from proposed tenant and rent from current tenant. Don't have to rely on rent to pay for debt service. Town issued an RFP over the winter, a presentation will happen at end of month by Acton Food Pantry. This article is solely for the purpose of leasing beyond the current 3 years. Mr. Wellinghoff asked about lease restrictions, Select Board decision? Yes, under recommendation of Town Manager. Mr. Wellinghoff recommends the tenant(s) to cover the debt service; saying this because of the concern the authority would shift more to Select Board because lease would then be long-term.

Also commented the commuter lot has funded the Transportation program in the past. Mr. Mangiaratti commented building is currently used for ambulance and storage. There is no way, cost-wise, the tenant could cover the debt service. Mr. Wellinghoff commented there is a good fund balance of about \$135,000.

Mr. Wellinghoff moves to Recommend, Mr. Jarboe seconded. Unanimous.

Article 15: (Tax Increment Financing)

See above for vote.

Article 16: (Citizen's Petition, Gas-Powered Leaf Blowers)
Hold, Christine Russell not here tonight.

Articles 17 and 18:(AFSCME and Dispatch CBA's)
Hold, not enough information yet.

Article 19: (Amend Town Charter: Historic District Commission)
Mr. Bourdon summarized going from 6 to 7 members. Stops deadlock votes. Mr. Bourdon moves to Recommend, Mr. Noone seconded. Unanimous.

5. ALG

Placeholder if override fails on ballot. Currently scheduled for May 1, 2024, 7:30am
Ms. Andersen and Mr. Cole presented Override to School Committee. It was well received.

6. Public Education Update

None

7. Finance Committee Business

Confirm Future Meeting Dates -
April 17th, is it needed? Mr. Cole commented a good idea in case of last minute discussions, recommends at 6:45, on the stage, before STM. Therefore, not a formal meeting.

Next meeting FinCom April 23, 2024, 7:00pm start.

First evening of Annual Town Meeting, May 6, 2024; location TBD

Announcements, Other Committee Business - none

Mr. Jarboe moved to adjourn. Mr. Cole seconded. The motion was approved unanimously.

Documents and Exhibits Used During this Meeting

Terra Friedrich's impact matrix template
Natural Stonewall Solutions Company Information
Tax Increment Financing (TIF) agreement documentation
April 7, 2024 draft Annual Town Warrant