

Finance Committee

Meeting Minutes

November 19, 2024

7:30 PM

Acton Memorial Library – First Floor

Present: Jason Cole (Chair), Scott Sullivan (Vice Chair), Steve Noone, Corinne Hogseth, Roland Bourdon, Dave Wellinghoff (remote), Christi Andersen, Allison Jones, Greg Jarboe and Dr. Gang Chen

Mr. Cole called the meeting to order.

1. Citizen's Concern

None

2. Cost Cutting Initiative

Ms. Andersen summarized the purpose of these listening sessions:
Don't set the budget, but do get to argue initiatives with the town and the school.
Therefore, any recommendations commented on tonight, please share with Select Board. Task is to look at priorities. Can't afford taxes to increase, what should be cut, are these services that are used, etc.. Therefore, what is the trade-off?

Finance Committee will not be answering questions tonight, only listening.

Next listening session will be held on January 28, 2025, 6:00pm at the Senior Center.

A gentleman (Adrian Hancock) in the audience asked, what does FinCom mean by a "unified fiscal message"? People will advocate for what is important to them. So, this is a place for townspeople to hear other people's opinions. To have an informed policy.

Burke Allred - commented on the DPW station. Is there a budget and does it affect our taxes?

FinCom comment: Mr. Cole commented it is planned to be brought to next Town Meeting in May. Whether it affects FY26 is unknown.

Is there a process to vote like a ballot?

FinCom comment: Mr. Cole commented an override vote is a 2-step process, both paper ballot and town meeting.

Karen Dunn - How does one talk to the Select Board?

FinCom comment: email or attend Select Board meetings.

Feels like we're asked, "Hey we just want the best." Do we need all climate action requirements? We should discuss affordability.

Carolyn Kelly - Our tax rate (per thousand) is one of the highest in this area.

FinCom comment: Ms. Andersen said look at Tax per average single family rate. Ms. Kelly - Every line item should be looked at: "Is this a core function of government?" For example, we have DEI Officers in the School and in Town. Do we have enough of that? Not a good use of money.

Don't regulate what is going on in my home. Meaning, don't regulate whether or not I use gas in my home.

Even with increase in funding, we still went down in school ranking.

Town Meeting - live in a senior development. Sometimes, physically hard for seniors, so please allow adequate seating.

FinCom comment: The school has a public comment forum for their Elementary School Budget Task Force.

FinCom comment: Please talk with Town Moderator regarding lack of seating.

Lisa Franklin - lack of access to transportation has forced people with disabilities to live in institutions. Lives are on the line.

June Leslie - Raised family, worked for town, professional nurse. On a fixed income. Request for seniors to have some kind of tax relief. Don't want to live on the edge.

FinCom comment: Looked at abatement? Per Ms. Leslie she earns too much at this time, so not eligible.

Pesha Kokis - Chairperson of COD. As Lisa Franklin mentioned, very concerned about the issue of transportation. Consider expanding the program. People will suffer from the effects of isolation.

Kindell Hall - July 4th fireworks should be stopped.

9 school buses go by house, with most school buses empty. So, reduce number of school buses.

FinCom comment: Ms. Andersen commented that the town is "ridiculously efficient" with school buses.

Dr. John Petersen - AB regional agreement from 2013. Assessment was based on student population at that time. When it goes to Boxborough's favor or Acton's favor, this impacts the budget. Hope that FinCom will opine that it is time for School Committee to review that agreement to a fixed allocation.

Turn backs. School states they monitor throughout the year. Past practice: budget more than what you expect to spend. Therefore, he asks FinCom to pay more attention to town turnback and school E&D. Makes no sense to hold reserves at a fixed number. Allow it to go up when in a better financial situation and go down when funding is needed. School should be more aggressive with class size.

FinCom comment: Ms. Andersen commented that the Elementary task force looked at class size and we are very lean in Acton.

Mr. Petersen's comment back: Concern the financial policy isn't as prudent as it should be when it comes to class size.

FinCom comment: Mr. Cole summarized the definition of turnback.

Karen Dunn - where does one see all line items?

FinCom comment: Mr. Cole commented the Town Manager's proposed budget on the Town Manager page of the town's website.

What is the new little building at the DPW

FinCom comment: Mr. Bourdon commented that is the new Transfer Station shack.

Revisit core governmental services, add how they are delivered. Transfer Station employees turn into cashiers once/year. Can be re-routed to Town Hall?

National Energy Standards - we adopted the heightened standards. Adds about 20% to construction. Who decides in town that we get to spend more money.

FinCom comment: Mr. Cole commented the Acton voters voted for that. Maybe go back and ask for exceptions.

We also allowed for ADU's so that is a bit of a dichotomy

FinCom comment: Ms. Andersen commented go to Select Board

Regarding we can't pit the schools against the Senior Center, etc... So, can an amount first be put on the cost of something new.

David Manalan - please give thought to 40 acres of undeveloped land, can put houses on that land. Maybe \$30m with \$600,000 in new collected taxes. Or, put it in conservation and forever we'll be denied those additional tax collections. Also, have a liability with this conservation land. Maybe in between conservation land and development is the answer.

Victor Sun - What costs \$100/year and doesn't do good for anyone? It is debt. Looked at FY23, FY24 and FY25. Paying down interest on debt is \$5.6m. School side is \$6.1m. So, total \$260. Before Acton considers expansion projects, like DPW building and sidewalks, first pay down existing debt.

FinCom comment: Mr. Cole we have debt because we've made commitments in the past. Debt is coming down because of the schools coming off the schedule. Current debt is Minuteman School, Boardwalk school and North Acton Fire Station.

Burke Allred - Asked how many graduated from Acton Boxborough High School. If you looked at budgets from 1962 to today and looked at overhead, might give us a good mechanism to gauge an acceptable overhead.

FinCom comment: Mr. Cole commented in the POV is the rate of inflation indicator. Mr. Cole commented on unfunded mandates.

Mr. Allred commented there are many vacant storefronts in Acton.

Adrian Hancock - Picked Acton 42 years ago, we kept this character overall over the years. Regarding a "united fiscal message": what do we want the town to do, what do we want FinCom to do? For example, change to adapt to fiscal circumstances or something else? There are residents who are financially suffering.

Mr. Bourdon commented the fireworks are mostly paid by donors/sponsors.

Mary Smith - Town has changed. For most part, doing a very good job. How many people are needed to do each job? Compare to previous years. (Similar question above.)

Mr. Cole thanked Christi Andersen for spearheading this project.

3. Finance Committee Business

Mr. Cole presented two meeting minutes, 10/8 and 10/22, and forwarded to Committee for review.

Mr. Bourdon - suggest Dr. Chen throughout meeting minutes, stay consistent with salutation ("Doctor")

Mr. Noone made motion to approve, Mr. Jarboe seconded.

Passed unanimously 10-0-0

Liaison Reports:

ALG - Mr. Cole announced Wednesday before Thanksgiving, November 27th is the ALG meeting. DPW still being pursued as a debt exclusion. He and Mr. Sullivan are seeking community guidance. The DPW Committee did meet since last FinCom meeting. Cost of building has increased to \$46.9m. Value engineering is being discussed. Mr. Sullivan commented difference per square foot when creating a building underneath guidelines from 30 years ago compared to current codes. Memory is \$30 more/square foot is the difference.

Questions to bring forward to ALG:

What is differential in energy cost taking into consideration new requirements.

What is maintenance cost now to keep current building running?

Cost savings for indoor storage? Town Manager responded \$4m for 30 vehicles. But, how many vehicles do we have and over the life of how many years? Would like to see more detail on these numbers.

Town of Billerica just broke ground for a 70,000 sq ft facility for about \$46m. What is the difference between their project and Acton's project?

What is the \$46.9m impact on tax bill? Are there other funding sources?

Staffing at DPW building - planned 15 people. Want to better understand staffing needs at the DPW building. What is current FTE, positions not filled and expected growth; also, is business hoteling a possibility.

Mr. Cole then surveyed each FinCom member regarding where they stand with supporting the DPW facility:

Dr. Chen - FinCom should recommend a price to the town.

Mr. Cole commented on not accepting the 6% escalation cost every year. Town needs to pare this project down, to a needed size.

Ms. Jones requested a factual cross-walk: what "it" is and why "it" is needed. For example, a MGL requirement, etc.

Mr. Cole - This exercise, then, will tell us the wants on this building versus requirements.

Mr. Noone - looking to receive more cost cutting initiatives.

Mr. Jarboe - Looking for a trade-off analysis.

Ms. Andersen - The project needs to slow down.

Dr. Chen - Need discussions, just not yes or no to when it will go to a Town Meeting.

Mr. Sullivan - Needs to be a one-year project plus interest rates are going down.

Mr. Cole - concern year after an override and the current scope of this building

Mr. Bourdon - what is environmental impact and if geothermal, is that possible?

Ms. Hogseth - Agrees more value engineering needs to be conducted.

Mr. Wellinghoff - Looking at interest rates over 30 years at 3.25%, a \$46.9m project, \$2.6m/year for principal and interest. Remember the "normal" 2.5% that would be added to this. What does the average resident get out of this building?

Mr. Sullivan - How does this project compare to other projects, adjusted for inflation? Twin school \$76m total \$120m, Fire Station \$11-\$25m, Minuteman - Doesn't know, maybe \$10m. In the end, proportionately DPW is the cost of a School.

Mr. Wellinghoff - price per square foot per student, school was almost twice as expensive as other schools.

Ms. Andersen - \$40 in 2019 is \$49 today.

In closing, Mr. Cole - Still hearing no appetite with the information FinCom currently has thus far.

ECONOMIC DEVELOPMENT COMMITTEE - Mr. Jarboe reported out the new Development Director starts December 2, 2024
Saturday is small business day, shop local!

Next Meeting:

Was scheduled for December 10th, but Ms. Andersen commented that is the next Elementary School Budget Task Force.

Mr. Cole, then, will send out an email of next FinCom meeting.

Dr. Chen made motion to adjourn, Mr. Bourdon seconded.

Passed unanimously 9-0-0. (Mr. Wellinghoff was no longer on Zoom for the vote.)

Documents and Exhibits Used During this Meeting

None