

Finance Committee Meeting  
October 8, 2013  
MINUTES

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**Members Present:** Pat Clifford, Mike Majors, Bill Mullin, Mary Ann Ashton, Margaret Busse, Steve Noone, Bob Evans, Herman Kabakoff, Doug Tindal and Liaison-Brian McMullen

Chairperson Pat Clifford called the meeting to order at 7:30 p.m.

The Chairperson led a brief overview of this evening's agenda items.

I. Public Comment. – None

II. Finance Committee Point of View for Fiscal Year 2015 – Bill Mullin

Bill Mullin presented the latest draft of the FY 2015 Point of View Document. Highlights include:

- The POV acknowledges several strong years of economic growth and stability for the Town of Acton, including its AAA bond rating and increase in financial reserves.
- It is intended to be a multi-year program and introduces the concept of "Acton's Quantitative Easing" or AQE.
- Revenues are expected to grow at a modest level and should be sufficient to support existing services, but we are also aware the decisions at the federal level may have an impact on our plan.
- Expenses appear to be well managed at this point.
- Reserves are substantial ensuring no need for an operating budget override.
- Operating entities are prepared for "level service" budgets.
- OPEB liability funding requirements are being addressed.

Comments from the committee included the following:

- Steve indicated that the OPEB group has not yet met, and will review the LRP at that time.
- Bob indicated that the Health Insurance costs appear to be okay.
- Mary Ann stated that the rationale for the health care costs were based on the Segal OPEB report. She explained the differences in budget assumptions.
- Doug questioned Acton's level of reserves as compared to other towns.
- Motion was made by Bill Mullin and seconded by Mary Ann Ashton to accept the FY 2015 Finance Committee POV Document. Motion passed unanimously.

III. Discussion of New Growth – Brian McMullen

- Brian gave the committee a brief tutorial regarding "Valuations" and it was followed by a lively discussion.
- New Growth includes any new construction, new building permits, new lots (splits), new valuation changes that are taxed for the first time, in effect for

July 1. It is a snap shot of new valuations for the purpose of fiscal year planning. Valuations are based on prior year conditions.

- All properties will be examined and evaluated in FY16.

#### IV. Acton Leadership Group Guidance

Bob asked the ALG to clarify the nature of the savings from School regionalization as outlined by Dr. Mills

#### V. Finance Committee Business

- Minutes –motion was made and seconded to approve the FinCom minutes of the **September 24, 2013**. Motion approved with two abstentions (Herman and Doug).
- Mary Ann gave an update of the Long Range Plan.
- Herman updated the committee with regard to the latest BOS meeting.
- There was a discussion regarding the upcoming Association of Town Finance Committees Annual Meeting that will take place on October 19<sup>th</sup> in Franklin. Mike Majors will be Acton's FinCom representative.
- A motion was made by Margaret and seconded by Herman to adjourn. The motion passed and the meeting adjourned at 8:55 pm.

Documents presented at Meeting:

1. ***FY2015 Finance Committee Point of View – Draft document***
2. ***Long Range Financial Planning Model in support of POV.***