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**Revenue and Expenditure Task Force**  
**Tuesday, October 8, 2019 7:30PM**  
**MHL – Memorial Hall**

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**I. Call to Order**

Chair Vaill called the meeting to order at 7:33PM in MHL-Memorial Hall. Present were Tim Vaill, Tom Hartwell, Paul MacKay, Kevin Connors, Dan Esdale, Melissa Danisch and Joe Guilmartin. Also present were Eugenie Moffitt, Finance Committee, Patrick Lawlor, Management Analyst, Shannon Scully, School Committee, Donna Walsh, Finance Director and Andrew Flanagan, Town Manager. Absent was Greg Eliassen and Don Robb. The meeting was taped and live cablecast.

**II. Approval of Minutes – September 18, 2019**

Upon motion duly made by Mr. Hartwell and seconded by Mr. MacKay, it was unanimously voted to approve above minutes. Motion passed 7-0.

**III. Opening Remarks - Mr. Vaill and Mr. Lawlor**

Mr. Vaill commented that this meeting was the third phase of topic review and discussion of Retirement, at the end of which the task force would advise the Town Manager of its recommendations. He also commented that the overarching goal was to address the structural deficit as fixed costs were continuing to grow faster than revenue.

Mr. Lawlor then addressed deliverables, suggesting that the recommendations of the task force not only reflect the substance of their work, but recommendations that are indeed attainable and achievable within the limited timeframe of report submission by mid-December. At the next meeting the Town Manager will present Revenue recommendations, and the task force will either adopt those recommendations or suggest modifications. Additionally, the task force will identify “major threats” to fixed costs and suggest an outline of an action plan to address those threats. Above all, the goal is to produce a deliverable that is understood by the community as thoughtful and legitimate.

**IV. Overview and Presentation – Town Manager**

The Town Manager thanked the task force for their commitment. He then addressed a) the role of the task force within the limited timeframe; b) the responsibility of town management to deliver a balanced budget to Town Meeting; c) the expected evolution of the task force in addressing long-range topics in future budget cycles; d) the importance of citizen review of this task force in the process of creating the budget and its complementary role with that of the Finance Committee; and e) using the subject of Revenue as the basis for the budget process for FY2021 as “Deliverable 1” and as an introductory precursor to future budget considerations.

Discussion ensued including the impact of budgetary threats on the preservation of services and capital improvements, i.e. a) pension and retirement and unfunded OPEB liability; b) the rising costs of employee health insurance; and c) other fixed costs subject to collective bargaining. Also discussed was the impact on taxes of a) new school building and debt exclusions; and b) the possibility of an override.

Additional topics included: a) potential economic downturn and the anticipated decrease in new growth and the tools for estimation including trends, permitting and local receipt collections as well as motor vehicle excise tax; and b) anticipated commercial projects of Dascomb Rd. and old Town Yard and its impact on new growth over several years.

**V. Review and Discussion – Retirement**

Mr. Lawlor reviewed management’s impact statement and analysis of the town’s contribution at an amount consistent with a 6.25% discount rate from FY2020-2035 (see attached.) The differential between 6.25% and 7.0% was shown. He suggested that the task force focus only on FY2021 and not make its recommendation beyond that fiscal year at this time.

Discussion ensued including: a) the overall funding schedule; b) the advisability of actuarial valuations performed every year and not every two years to better reflect accurate numbers that are recorded on financial statements; c) the impact of recent update of mortality tables; d) the comparison of other communities’ contributions; e) the impact of *not* meeting the 2035 funding schedule; f) the history of the funding schedule change in dates; g) gaining actuarial information for future modeling purposes; h) impact on bond rating and borrowing impact and advice from Standard and Poor’s to address pension and OPEB unfunded liability; i) impact of change in eligibility for retirement benefits and seeking actuarial information; and j) state legislative changes re employee “sharing in risk”.

**VI. Vote on Recommendation – Retirement**

Following discussion, and upon motion duly made by Mr. Hartwell and seconded by Mr. Connors, it was unanimously voted to endorse the Town Manager’s position in funding the retirement schedule commensurate with a minimum 6.25% discount rate for FY2021. Motion passed 7-0.

**VII. Future Meetings**

Mr. Lawlor will “doodle poll” members’ availability for following meetings.  
October 15, October 30, November 7 and November 13

**Adjournment**

Upon motion duly made by Mr. Esdale and seconded by Mr. MacKay, it was unanimously voted to adjourn. Motion passed 7-0. Meeting adjourned at 8:53PM.

Respectfully submitted,

Christine Martin Barraford  
Recording Clerk

*Attachments: Town Contribution to Retirement Impact Statement and Analysis*