

Finance Committee Meeting
Acton Water District
693 Massachusetts Avenue
Acton, MA 01720

November 14, 2014 12:00 noon

In attendance were Finance Committee Members Chuck Bradley, Bill Guthlein David Butler. Also in attendance were Chris Allen, District Manager, Mary J. Bates, District Treasurer, Karen Bottar from Boston Financial Management, Bill Kingman and Brewster Conant.

The meeting was called to order 12:05.

Approve Minutes

Mr. Bradley made a motion to approve the minutes of the April 17, 2014 meeting as presented. Mr. Butler seconded the motion and it was unanimously approved.

Boston Financial Management Update

Karen Bottar of Boston Financial Management presented the semi-annual fund update to the Board.

The Grace Fund has a current market value of \$2,386,862. Bonds account for 56.1% of the portfolio.

The OPEB Fund has a current market value of \$402,916. Bonds account for 42.2% of the portfolio.

The presentation is attached.

Investment Policy

The Committee reviewed the current investment policy. It was suggested that the Grace and OPEB funds should be differentiated within the policy.

The Grace Investment Policy will basically remain the same. The only change will be to the percentages. The Equity investment range will be from 30%-70% and the Fixed Income range will be from 30% to 70%. There is an intentional overlap in percentages.

A draft will be circulated and final approval will be done at the next meeting.

FY 2016 Budget

The FY 2016 Budget was presented by Mr. Allen. The major change will be to the Bonds , Interest and Fees account, which will increase \$850,000 due to the South Acton Water Treatment Plant debt.

The FY 2016 Warrant was reviewed with the Committee. Mr. Allen recommends that the Grace Fund be utilized this year to fund the \$150,000 appropriation for maintenance and operations. The Grace Fund has not been used for the past 5 years.

The Bond Debt Fee for FY 2016 will be \$46 per unit per quarter, in order to fund the S. Acton debt. The Committee would like to see some of that fee mitigated by a rate increase. Staff will present some rate scenarios at the next meeting.

Mr. Bradley made a motion to adjourn the meeting at 2:45 pm. It was seconded by Mr. Butler and unanimously approved.