

Draft Minutes – Acton Finance Committee
December 20, 2005
Acton Town Hall – Room 204 7:30 PM

Pursuant to a notice duly posted with the Town Clerk and with a quorum of members present, the Acton Finance Committee convened at 7:30 pm on December 20, 2005. The Agenda for this meeting is made by part the Minutes and is attached.

Members present for the meeting: Pat Clifford, Pat Easterly, Bob Evans, Herman Kabakoff, Allen Nitschelm, Steve Noone, and David Stone, Chair, and associate member Kent Sharp.

CHAIRMAN’S INTRODUCTION/ FY07 Budget

Mr. Stone reported that the ALG spreadsheets are currently showing a revenue increase of 3-3.5 percent and a projected budget with a 6-7 percent increase. Current discussion includes changing the split between town and schools from 30/70 so that some additional revenue might go to the town budget. The Town Manager’s budget requests a 10 percent overall increase in spending. Mr. Stone invited discussion about how FinCom should weigh in on the budget process and what kind of budget meeting we should hold.

Ms. Easterly reported that the schools are taking a different approach to looking at their capital needs, aggregating similar types of work across the district to look for any economies that might be realized. There will be a discussion on how to manage capital spending and there has been discussion about including a capital override article for the schools in the warrant.

Mr. Kabakoff observed that the voters supported the last override with the understanding that there would be no override request this year. Such a reconsideration would be politically dangerous.

Mr. Evans agreed with Mr. Kabakoff and indicated he was not sympathetic with the proposal for an override request .

Mr. Nitschelm asked what percent of the current budgets are actually going to capital costs. He said that last year only the operating override passed and that it would be legitimate to come back for a capital override since the request had not been approved by the voters last year.

Mr. Sharp said that the budget numbers seemed to require an override every year and that the promise of not having an override was puzzling. Ms. Clifford commented that additional revenue could alter that scenario.

Mr. Nitschelm distributed two handouts as part of his comments on closing the projected FY07 deficit. He asked FinCom to explore the idea of not funding raises by moving a budget with insufficient money to support the personnel request and thereby forcing the chief executive to delay raises for 9-12 months until funding might be available.

Mr. Stone observed that such a strategy could have the impact of reopening the negotiated labor contracts. He has suggested at ALG that the school/town split be used only on real tax dollars and that other revenue stay where it is generated.

Mr. Evans said that there is no specific designation in the budget for salaries as it is a bottom line budget. He did not support Mr. Nitschelm's idea.

Mr. Kabakoff observed that it would be possible to cut FTEs (layoffs).

There was discussion of raising fees by charging for certain types of courses at the regional school level and also by putting a surcharge on items borrowed by library patrons to limit circulation.

OTHER OLD/NEW BUSINESS

NESWC Fund Balance Subcommittee: Mr. Noone reported that the committee had convened and outlined questions that are to be researched regarding how to actually get the money.

Ms. Easterly reported that the Financial Reporting Subcommittee had not met but that she had continued to work on the sources of YTD spending numbers on the object budget and ways of tying together actual salary costs with budget numbers.

In response to Mr. Nitschelm's question regarding the status of the quarterly reports, Mr. Stone said that the schools were providing the information electronically and that the town report was still paper.

COMMITTEE REPORTS

ACHC: (Clifford) ZBA approved the Woodlands at Laurel Hills project by a 3-0 vote; expect approximately 300 units of housing.

BOS: (Kabakoff) Warrant closes on December 30; Town Manager made budget presentation 12/19; most FinCom members attended.

CPC: (Noone) Continuing to review applications for housing requests and a proposal by a "Friends" group to renovate the Elm Street playground.

APS/ABRSD: (Easterly) Eldridge and Atkins met with the school committee to discuss the question of allocating Chapter 70 money. They stressed that any new plan had to be marketed to other legislators and that for a new proposal there would need to be a dedicated revenue source. Mr. Kabakoff added the Selectman Ashton had met recently with the Chair of the Education Committee to discuss the proposals to adjust the Chapter 70 formula.

MINUTES OF PREVIOUS MEETING

Motion to approve the minutes with corrections covered by email made by Mr. Kabakoff and seconded by Ms. Easterly was adopted without objection.

Mr. Kabakoff reminded the group that at the end of the Town Manager's Budget presentation Mr. Johnson requested that all communications go from committee members to the Chair who would then forward the questions to the Board of Selectmen.

ADJOURNMENT

The meeting adjourned at 8:59 pm.

Respectfully Submitted,

Patricia Clifford
Clerk