

DRAFT Minutes – Acton Finance Committee  
Date September 11, 2007  
Town Hall Room 204

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 September 11, 2007 to review various matters.

Members present for the meeting: Steve Noone (SN), Pat Clifford (PC), Herman Kabakoff (HK), Bob Evans (BE), and Allen Nitschelm (AN), Bill Mullin (BM), Pat Easterly (PE), Mary Ann Ashton (MA), Kent Sharp (KS).

Others Present: Susan McManus (SM), Heather Hare (HH), Andy McGee (AM), Jon Peterson (JP), JoAnn Berry (JB), Pauline Knibbe (PK), Bill Ryan (BR), Jon Chinitz (JC)

There was no public participation.

First, the Chair recognized that this was the 6<sup>th</sup> anniversary of 9-11. She acknowledged all who lost their lives then and in particular remembered the two Acton residents who died, Amy Sweeney and Phil Rosenswieg.

BR gave a presentation on the state of the schools. An outline of what was discussed is as follows:

1. Had Summer School activities at the HS, and Parker Damon.
2. Hired 41 new certified staff and 25 non-certified staff.
3. Facilities were repaired.
4. Modulars will be complete this week.
5. New lights in baseball field.
6. Concession booth at the football field powered by solar energy now.
7. Lots of paving done throughout the campus.
8. There is a bank in the High School now.
9. Obtained 24 new buses.
10. Challenges
  - a. We need more staff due to enrollment increases (274 students a 6% increase). KS pointed out that the Globe article that BR handed out showed that we have 18.2 students/class, our number is 22.7. BR indicated that the projection as of Oct 1 will be calculated soon.
  - b. Hiring a new High School Principal. Steve is retiring June 30. BR indicated that there will be other high ranking staff retirements but could not discuss the specifics at this time.
  - c. The schools have a capital plan. The need is \$3.9MM. BR recommends a Capital override.

11. The budget schedule for this year was discussed. See handout exhibit 1 to these Minutes. There is a change to the state law regarding allocating costs between communities within a region. We must either use the state method or our Regional Agreement. If we use the agreement both Town Meetings must approve every year.
12. Replacement technology will be funded through the Operating budget.
13. Demographics are changing. 20% of students are Asian.
14. SAT scores remain good. See handout as exhibit 2.
15. APS turned \$22K to Free Cash from last year.

AN asked if there is a plan to hire more teachers this year. BR said that it is too late. We could hire assistants however. AN thinks the class sizes are too large.

16. The region turned approximately \$49K to E&D. E&D balance will have \$1.3MM - \$1.4MM balance.

AN advocated for a Capital override.

BM asked if the actual \$6MM Chapter 70 aid was equal to our estimate. The answer was – yes.

BM asked if we are considering bonding capital needs, like we did for the modulars. BR indicated that he does not recommend doing this.

BM asked about the effect of the new labor agreement as regards the timing with the Town labor agreement negotiations. BR referred him to the School Committee.

MA asked for a sources and uses statement for the community education fund. BR agreed to prepare one.

KS asked about the salary and fringes surpluses. BR indicated that the surpluses are due to changes occurring after budget preparation. These surpluses will offset unexpected increases particularly in the SPED area. BR agreed to look at the timing of the estimating process.

SN proposed to use capital purchases to save energy costs.

BE asked how end of year spending decisions are made. BR indicated that these decisions are made from his office. There were very little year end funds available this past year.

BE inquired as to if there was any thought given to generating power using windmills. BR said no, but thought that it is a good idea and is willing to look into this.

PE indicated that the FINCOM is trying to understand the schools budget process. BR indicated that by moving the schedule up 1 month we will have more time to analyze budgets. This should help. PE also asked that the format of the budget meeting be changed to be more like the Town's budget meeting.

AN asked if there were any changes in state law encouraging regionalization. BR said no.

Jon Chinitz then presented his proposal for modifying the way revenues are allocated. A copy of his slides is attached as exhibit 3.

His proposal is designed to help avoid the appearance of confusion. It uses the ALG spreadsheet as a modeling tool.

BM asked if the NESWC fund balance is to be considered available as part of this procedure. JC said no.

BM observed that there is not repeatability. Each year is different. What might work this year may not work next.

AN observed that last year chapter 70 changed by \$350K. He asked how big changes are dealt with. JC indicated that big changes break the formula.

JC committed to move the budget cycle up this year to get us numbers earlier.

SN observed that this procedure is revenue driven. He thinks that it should be cost driven. He asked if it is intended that this be the same each year. JC responded that this is a new experiment with no stated duration.

BE stated that large deficits and surpluses are not handled by this proposal.

AN suggested that we establish a cut off date after which there will be no budget changes. JC responded that such a rule works only if you have more money than expected. Each year will be different in this regard.

The Chair thanked JC for his work and presentation.

PE reported that the Capital Planning committee plans to have a discussion at the ALG meeting on 9/17. Then the results of this discussion will be taken back to the boards and committees.

AN reported that we are using less than half of our allowed sewer capacity of 300K gals/day. The next meeting of the WRAC on Oct 2 will discuss how to use this excess capacity if at all. BM reminded AN that people have the right to choose if and when to use the capacity they paid for with their betterment assessment. BE indicated that he would be surprised if the state allows us to allow people to sell their capacity. HK said that we should not even consider allowing such transfers.

KS moved to adjourn at 10:00PM.

SN Seconded. Passed unanimously.

Respectfully submitted,

Herman Kabakoff  
Clerk