

## Acton FinCom 1-25-05 Minutes

Members Present: Jonathan Chinitz, Pat Clifford, Pat Easterly, Bob Evans, Gim Hom, Herman Kabakoff, Rheta Roeber, David Stone. John Ryder joined the meeting in progress.

Minutes of 1/11/05 Approved

### Committee Reports:

ALG – Jonathan Chinitz – There was continued discussion regarding the amount of the proposed override and the timing of the vote, either before or after Town Meeting. Concern was also expressed about the budget needs going forward, and the possibility of more frequent overrides. Both the Selectmen and School Committee are planning fee increases, but these will not have a large impact on the overall budget. It is likely that the ballot will have two override amounts, with the increment to the larger amount describe as “capital”.

BOS – Herman Kabakoff – Last night’s meeting included a discussion of the lack of fire suppression at Burger King, which burned. Bonds to fund the Douglas School heating system were sold. NSTAR gave a \$16,000 rebate for the public safety building, which will be used as an addition to the building budget. We heard on Saturday that the Selectmen and School Committee have entered an inter-municipal agreement regarding the use of Leary Field.

Rheta Roeber has circulated an e-mail about the possibility of having a parade on Armed Services Day, May 21<sup>st</sup>, to honor Acton Residents who are serving in Iraq.

Dore Hunter drafted a letter regarding the need for Acton to provide emergency services to the Westford part of the proposed Nagog Woods 40B project.

Regarding the override, all of the department heads were asked to come up with a scenario of what cuts would be made under the “B” budget, needed if an override does not pass. Herman noted that some of these cuts seemed rather draconian and wondered whether alternative actions might actually be taken. There was a decision to have a pyramid override, with \$0, \$3.8M and \$4.5M amounts. The vote will be held on the day of the general election, March 29<sup>th</sup>. It is hoped that the LWV forum will help to educate the voters on the mechanics. Since this will occur before Town Meeting, there will only need to be one budget discussion with the results of the election known.

There was a discussion of what steps FinCom and other Town Officials can take to educate voters on the mechanics of a pyramid override. Town resources cannot be used to advocate one way or the other, but can be used for educational purposes. Mr. Kabakoff suggested that we may need to have anything we do vetted by Town Counsel, to make sure that we don’t cross the line. Gim Hom has written a one-page FAQ, which he will circulate to the committee.

CPA – John Ryder – The committee continues to hear and discuss proposals. One policy issue they face is how to characterize a project like the rail trail, as either open space, recreation, or

both. In response to a question, John said that he believes the CPC will want to meet with FinCom in mid-February.

Health Insurance Trust – John Ryder – Although John was out of town on business during the HIT meeting, another member phoned to tell him that we are facing a series of large claims this year. Unfortunately, these have been big enough to cause a problem, but not large enough to trigger our re-insurance. We are drawing down the fund balance at a faster than expected pace. The 12% estimate we had been using for a rate increase will not hold, and may end up more like 22%, although the analysis is ongoing and the trustees have not yet voted rates.

School Building Projects – Bob Evans -- The open house was held on MLK day. Student guides provided tours. Dr. Evans said he believes the Town should be pleased with how the project turned out.

Life After NESWC – David Stone – At last week’s meeting, Town Staff presented an analysis of a plan for continued operation of the transfer station for Town residents only. This would keep the facility open two days per week, with no change or a small increase to the sticker price, and essentially break-even operations. If the Town decides to continue the transfer station operation long term, it will invest in additional roll-off containers for recyclable materials and purchase a truck for handling them.

ACHC – Pat Clifford – One of the small 40B projects has been dropped in favor of building two houses on the site, owing to one of the abutters agreeing to sell the developer enough land to support a conventional development. The Executive Director of ACHC is retiring and it isn’t clear how ongoing administrative support will be provided.

Public Safety Facility – Jonathan Chinitz – There was “a little hiccup” with an electrical contractor that went out of business. Fortunately, the general contractor stepped in to hire the needed subs and keep the project essentially on track. There are discussions ongoing regarding the possibility of Acton providing dispatch services for Boxborough.

#### Old Business

Capital Planning – Jonathan Chinitz said that both boards intend to come back to this issue.

#### New Business

Approval of increase to Fire Alarm Revolving Fund – The statute requires approval for increased expenditure levels, even though there are sufficient balances in the revolving fund. The Finance Committee approved a \$30,000 increase to \$78,525.

#### Comments on the School Budget Workshop

Pat Easterly said it was interesting, but she felt that there was a lot of discussion of the impact on students, but less on the impacts on teachers and on their contracts. The biggest issue for her was how to narrow down the three options presented by the public schools (increased class size,

program cuts, or closing a school). Financially, closing a school seems to make sense, but it may be less attractive from a social sense.

Pat Clifford said that she found the presentations very helpful. There seems to be some room still to maneuver at the regional level. At the Acton public schools, any cut seems to be more visceral.

Gim Hom thought that the two school committees made an honest effort to present the various options if an override does not pass. He is concerned about the proposed increases in fees, such as for parking. This is not a luxury for students who must drive to an after-school job. The discussion of the last agenda item, regarding capital, was cut short, and was inadequate to allow us to be proactive about needed maintenance.

David Stone said that the public school and Junior High presentations outlined clearly what choices they would have to consider if the override does not pass. The High School was less successful in saying clearly what would change, amid a long list of cuts that would be made to various line items.

Herman Kabakoff said he was disappointed that there was not more study of alternatives, such as consolidating overhead departments with the Town.

Bob Evans said the schools still need to be encouraged to place more emphasis on capital, as does the Town. He feels that FinCom should clarify the need, or lack thereof, to spend \$80,000 on a study of the long term capital needs. He feels that closing a school is the best of the terrible alternatives. It's better than taking out Art, Music and Gym, and it doesn't increase class size as much as just cutting teachers. There are also creative things that could be done with one less building. He doesn't see large savings from consolidating overhead departments.

John Ryder said the "B" budgets don't sound very pleasant no matter how you look at them. The solution that preserves the most certified staff is the better one. Reluctantly, this may mean closing a school.

Jonathan Chinitz said his biggest concern is that we are pushing the limits of what our budget structure can sustain going forward. He thinks the other boards probably realize this is the case, but that they find it difficult to consider the necessary bold steps. Closing a school, for example, would have a very significant, multi-year impact on the society of the Town. He expects similar choices to confront the Town as well at its budget workshop. Even though we always start the budget process trying to think long term, like a deer in the headlights, we end up focused on solving the short term problem.

Responding to Dr. Evans' concerns, Jonathan Chinitz explained that he hasn't insisted that the Schools spend \$80,000 to survey their capital needs. He just wants them to come up with a long-term plan. Dr. Evans moved and the Committee voted unanimously that the Chairman convey this message to ALG.