

Acton Finance Committee – March 8, 2005 - Minutes

Members Present: Jonathan Chinitz, Pat Clifford, Pat Easterly, Bob Evans, Gim Hom, Herman Kabakoff, Rheta Roeber, John Ryder, David Stone

Municipal Budget Presentation – Peter Ashton – Mr. Ashton showed a chart of year to year revenue increases available to the town. Most years the amount is about \$2.5M. This year, without an override, the amount would be negative \$350K. In response to a question, Mr. Ashton explained that the main factor is the use of free cash as “revenue” last year, which is not available this year.

The \$3.8M override is split between the Town and Schools, with a slight (0.5%) increase in the Town share. The additional \$700K pyramid amount, to \$4.5M total, is primarily for capital, and is split 50:50 between the town and the schools.

The “A budget” is \$18,971K or \$21,646K with excluded debt.

The budget contains no new capital or personnel (and a 2.6 FTE reduction at the transfer station). There is an increase in the Assessor’s budget due to the mandated revaluation once every nine years. There is a \$1M need for capital identified in the capital plan, which is not being funded in the A budget.

If the larger override amount passes, the municipal share of \$350K will be spent on replacement of several trucks and a front-end loader.

The B budget requires \$1.4M of cuts, including police, fire, library, and other municipal departments.

[The slides shown by Mr. Ashton are attached.]

The Town has yet to hire the planned civilian dispatchers because the Public Safety Building hasn’t opened yet. So we haven’t yet seen any savings of fire department personnel. Also, the firemen’s union has voiced a desire to maintain at least some involvement in dispatch and this issue is expected to come up in collective bargaining. Dr. Evans asked whether the firemen’s union has any current bargaining authority with respect to dispatchers and Mr. Ashton said no.

In response to a question, Mr. Ashton noted that we are still in a battle with the Middlesex Pension Trust over getting their documents.

The municipal budget includes a 25% rate increase for health insurance, which is above the 18% estimate needed to break even. This is intended to allow some rebuilding of the trust balance.

The Committee voted 7-1 to recommend the Municipal budget (Rheta Roeber had left to attend the Planning Board meeting).

School Budgets – Marie Altieri presented the APS budget and Maryanne Ashton presented the Regional budget.

[These slides are also attached.]

There is an open issue regarding health insurance budgets. More employees migrated to the HMO, so lower premiums were paid from the schools to the health insurance trust, leaving money left in this year's budget. Also, the APS budget includes a lower estimate of health insurance cost increases than are now expected.

The increase in class size if the override fails will result in classes of 29-37. The school budget will fund about 2.5 more FTEs per building for classroom assistants. The B budget also includes a \$250 per student fee, capped at \$500 per family, for bussing. However, students who live more than two miles from school cannot be charged per State law.

FY06 projected enrollment at the region is 2,621 and expected to peak at 2,800 in 2010.

There is a person at the High School whose salary was transferred to the building project for the last few years while she focused full time on that. In this year's budget, she is back on the Principal's staff. The school committee does not characterize this as an increase in staffing.

The School budgets were recommended by FinCom on a vote of 7-0-2.

Rheta Roeber reported on the planning board meeting. The planning board drafted Article 25A of the warrant on ham radio antennas; the selectmen drafted article 25B. The two sides are still negotiating on the language. They are afraid not to go forward with something since litigation is already in progress. The thinking is that if this isn't done by town meeting, then "anybody can put up an antenna as big as they want".

John Ryder added to the Health Insurance trust information from the earlier discussions. John wanted to emphasize the "compounding effect" of increasing health insurance claims, compared to our prop 2 ½ revenue increases. The second issue is the fund balance. Our audit from the prior year was materially written down by our current auditor. Our prior auditor is now our bookkeeper, who has yet to provide us with a reliable set of numbers. Some members think that rates need to increase almost 40% to rebuild fund balance.

Rheta Roeber asked if this is the time to stop self-insuring. John Ryder explained that at least over FY2000 to FY2004, we have saved about \$5M compared to what we would have paid for our policies, which are very generous compared to most products in the market.

The Public Safety building will be turned over to the Town on Friday. We will have 30 days to move out of the old building. After that, there will be about a week of abatement. E-911 will go live on April 13<sup>th</sup>. Fire will not move in until the collective bargaining issue is resolved.

FinCom will not meet on the 15<sup>th</sup> as there is a LAN meeting. We will go through the warrant on the 22<sup>nd</sup>. FinCom members should also plan on meeting at 6 p.m. before town meeting.



# Municipal Budget Presentation FY06

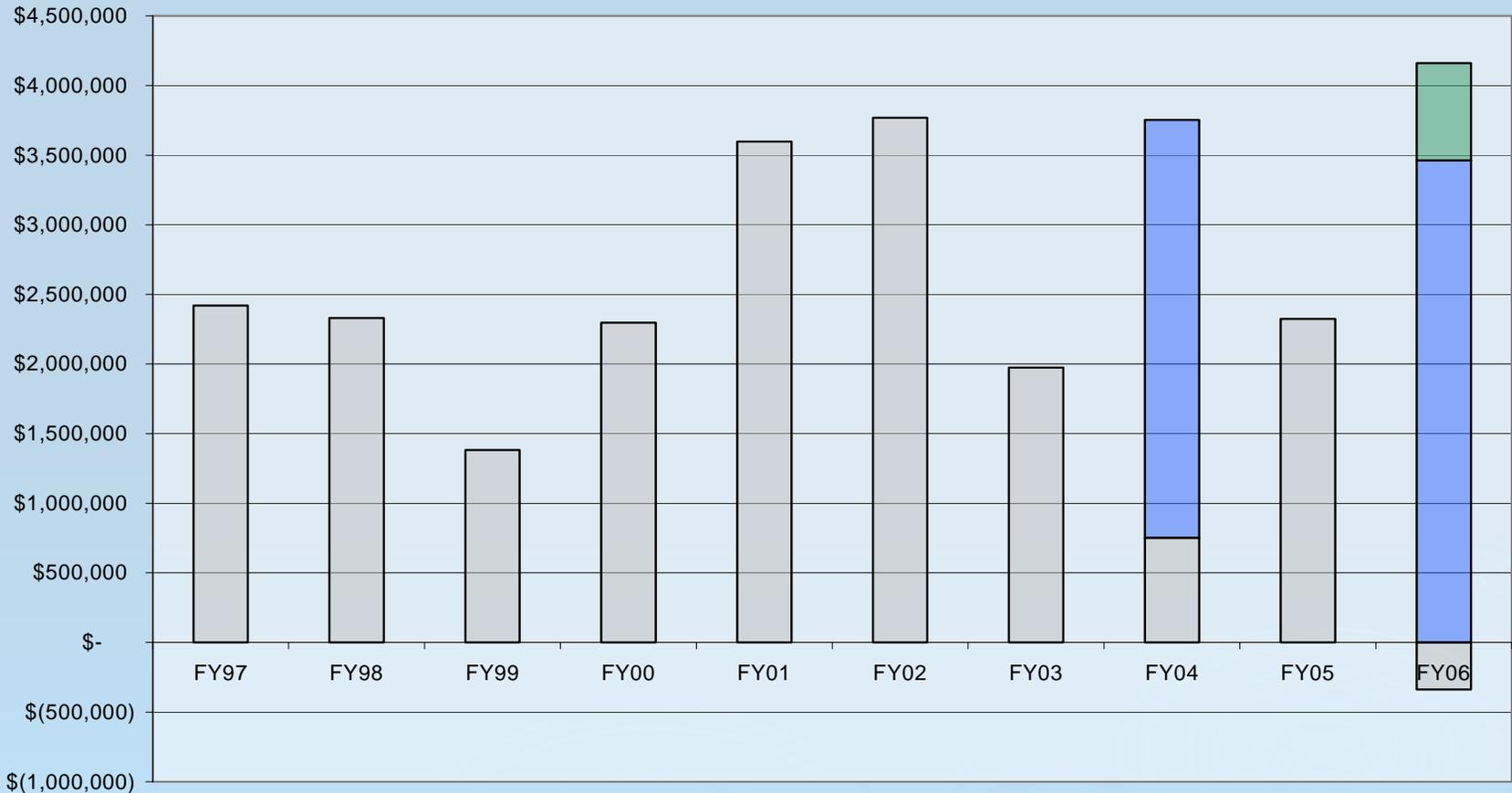
Finance Committee Budget Hearing

March 8, 2005



# Revenues

**Year to Year Revenue\* Increase Available to the Town  
FY97-FY06**



\* Excludes excluded debt

□ Additional Revenue excl. Debt    ■ Operating Override    ■ Additional \$700,000



# ALG Plan

- A Budgets include a \$3.8 million operating override request
  - Municipal budget increases share of total revenue
- Pyramid option requests \$4.5 million operating override
  - Additional \$700,000 for capital split 50/50



# Municipal “A” Budget

- Municipal “A” budget target:
  - \$18,971,000 without excluded debt
  - \$21,646,000 including excluded debt



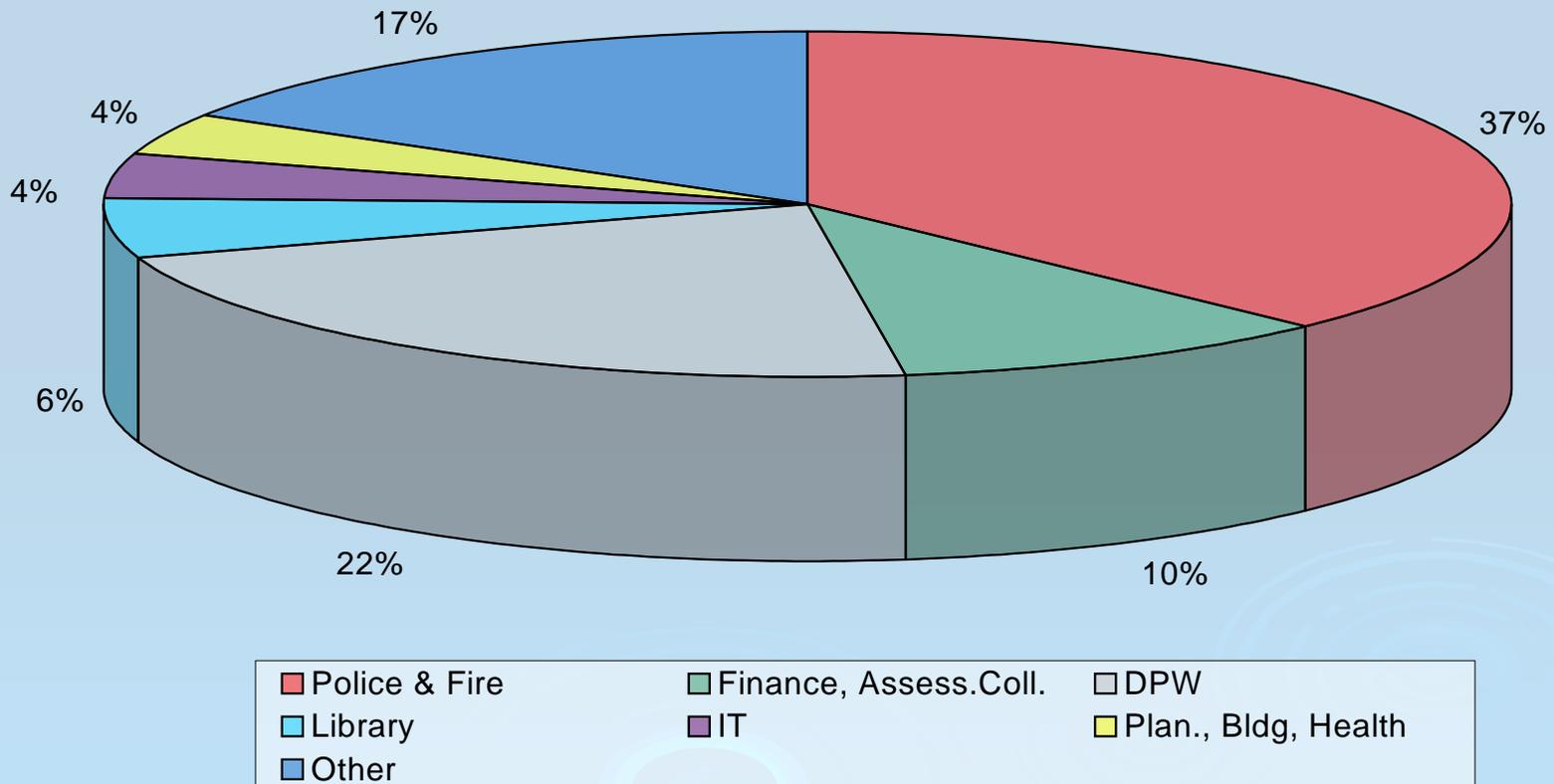
# Municipal “A” Budget

- No New Capital or Personnel
  - Actual decrease of 2.6 FTEs (transfer station)
- Mandated 9<sup>th</sup> Year Revaluation
- “Status quo” although capital plan identified \$1 million in capital needs not being funded in “A” budget



# Municipal "A" Budget

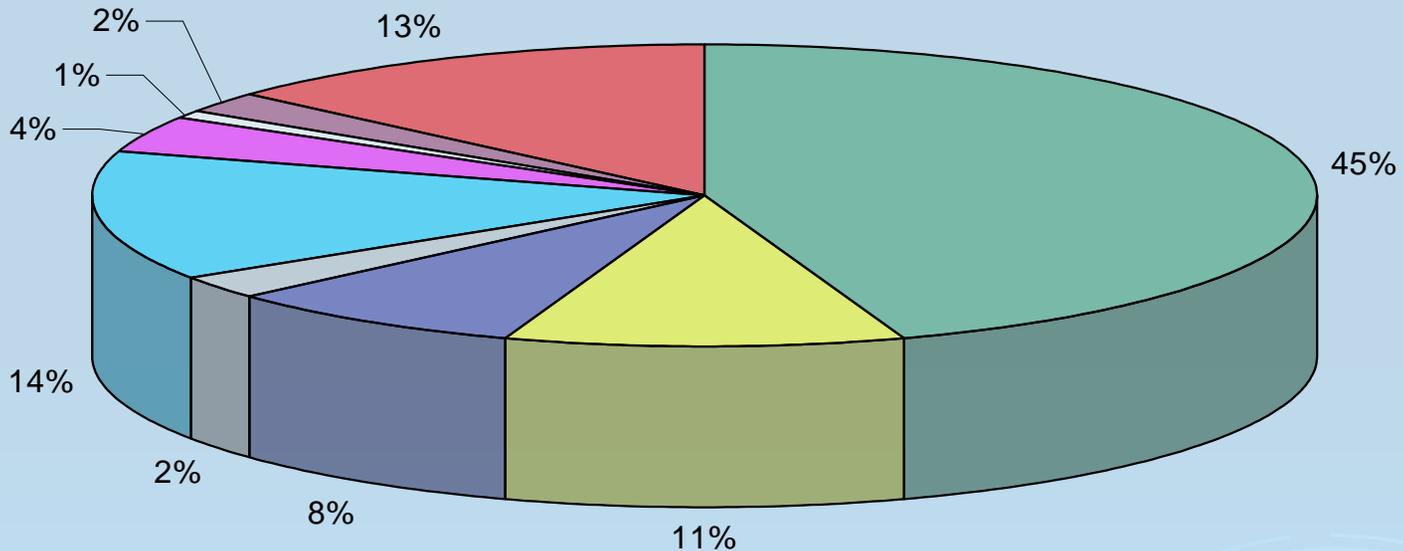
## Municipal Budget By Function - Excluding Debt FY06





# Municipal "A" Budget

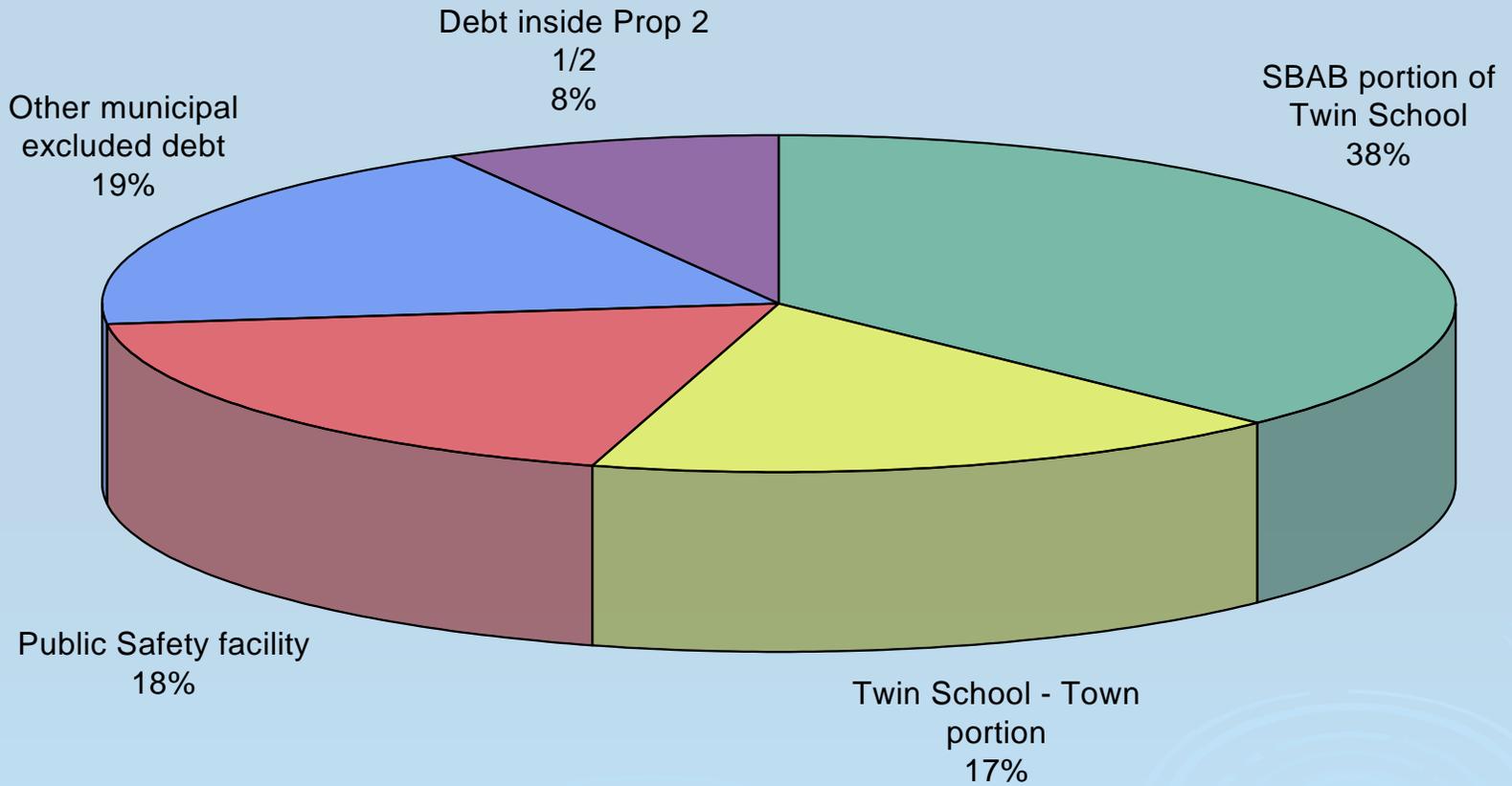
Municipal Budget by Object  
FY06



Salaries	Health Insurance	Retirement
Other fringes	Services	Supplies
Triennial Reval	Other	Total Debt



# Components of Debt





# Municipal “A+” Budget

- Additional \$350,000 will be used as follows:
  - Front end loader                      \$150,000
  - 3 one-ton trucks                      \$110,000
  - Mechanics truck                      \$ 37,000
  - Replace truck 100                      \$ 53,000
  
- All items are listed on municipal 5 year capital plan as FY06 priorities



# Municipal “B” Budget

- “B” Budget according to ALG Plan requires cuts of \$1.4 million to municipal budget
- “Desperate Choices”
  - FY06 “B” Budget would be \$75K less than FY05
- Bookends
  - All cuts by the “Big” Four
  - Eliminate departments that support Boards and perform only statutory functions
    - This bookend still required \$500,000 in cuts to Big Four



# Municipal “B” Budget

- Compromise between the bookends:
  - Approximately \$1million out of the Big Four with remaining \$400K from other departments



# Municipal "B" Budget Cuts

## NATURAL RESOURCES DEPARTMENT

Reduce Rodent (Beaver) Control

## RECREATION DEPARTMENT

Return Entire Tax Subsidy to the Municipal Budget

## PLANNING DEPARTMENT

Eliminate Clerical Support

## DEPARTMENT OF PUBLIC WORKS – HIGHWAY DIVISION

Eliminate 1 FTE

Reduce Paving Program \$60,000

Reduce Snow Removal Budget 12.5%

Reduce/Deplete Stockpiles of Inventory Materials

## DEPARTMENT OF PUBLIC WORKS – TRANSFER STATION

Reduce Operation to 2 Days per Week,  
for Acton Residents Only

## DEPARTMENT OF PUBLIC WORKS – ENGINEERING DEPARTMENT

Eliminate 1 FTE Engineer (1/3 of Department)

## FIRE DEPARTMENT

Eliminate 8 FTE Firefighters (1/5 of Department)

Close 1 Station

## HEALTH DEPARTMENT

Eliminate 1 FTE Clerical Position

Eliminate 1 of 2 Hazardous Waste Collection Days

## HEALTH DEPARTMENT - NURSING DIVISION

Indirect Overhead Chargeback (\$20,000)

## POLICE DEPARTMENT

Eliminate 4 FTE Police Officers

Replace Only 1 Cruiser

Reduce Coverage

## MEMORIAL LIBRARY

Eliminate 3.75 FTE

Cut Materials Budget

Close 3 Days/Week

## ASSESSORS DEPARTMENT

Eliminate 1 FTE Clerical (1/3 of Department)

Reduce Appraisal Services for Appellate Tax Board Defenses

## COUNCIL ON AGING

Reduce Staff Support Hours

Reduce Programs

Reduce Hours of Operation

# Acton Public Schools

FY '06 Budget  
Finance Committee  
Presentation

# APS Budget

	Budget	\$ Increase	% Increase
FY '05	\$19.2M		
FY '06 No OR	\$18.9M	(\$330K)	-1.6%
FY '06 with \$3.8M OR	\$20.2M	\$987K	+5.05%
FY '06 with \$4.5M OR	\$20.5M	\$1.32M	+6.87%
Additional Health Ins	Estimate	\$260K- \$350K	1.3% - 1.8%

# Capital Planning Process

- Yearly list of classroom and building needs feeds into 5 year plan.
- Previous years capital warrant article to work through list.
- Unable to have capital warrant article the last two years.

# 2004-2005 Capital Planning

- Acton 2020 process May-September
- Capital Planning Group – we would like to see a long term capital planning group
- Withdrew \$80K building study
- Facilities Director evaluated top priorities for Douglas, Gates, Conant, and Admin.
- Developed list of high priorities that would fit into \$350K

# Capital Items for \$4.5M Override

- Conant

Install new thermostats	\$ 4,500
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Misc. HVAC Repairs	\$36,500
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- Douglas

Roof Seam Repairs	\$18,000
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Repair ventilation fans	\$ 2,000
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Boiler Overhaul	\$10,000
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# Capital Items for \$4.5M Override

- Gates
  - Paving driveway entrance \$76,000
  - Install new thermostats \$ 5,400
  - Misc HVAC repairs \$ 4,500
  - Exhaust Fans \$12,000
- Administration Building
  - Misc. HVAC Repairs \$30,000
  - Install new thermostats \$ 3,000
  - Upgrade DDC Controls \$14,600
  - Roof seam repairs \$ 5,000

# Capital Items for \$4.5M Override

- Systemwide

2 1 ton dump trucks \$80,000

*to replace 10 year old trucks for field maintenance and plowing.*

42 teacher's computers \$30,000

*for teachers where the only computer in their classroom is an 8-10 year old Macintosh 5400*

# Current Class Sizes

## Maintain with override

Grade	Conant			Total	Douglas			Total	Gates			Total	McCarthy-Towne				Total	Merriam			Total	Total	#Sec.	Avg. Siz	
Rm	CAD	CB	CC		DAD	DB	DC		GAD	GB	GC	2#	TAD	TB	TC	[2]		MAD	MB	MC		2#			
<b>K</b>	23	23	20	66	23	21	22	66	22	22	22	66	23	20	22	65		22	22	23	67	330	15	22.0	
<b>Gr. 1</b>	25	22	24	71	24	24	22	70	22	24	24	70	23	23	24	70		24	23	24	71	352	15	23.5	
<b>Gr. 2</b>	23	23	24	70	24	23	24	71	24	24	23	71	22	22	22	66		22	22	22	22	88	366	16	22.9
<b>Gr. 3</b>	23	23	24	70	23	23	24	70	23	24	24	71	24	24	24	72		24	23	24	24	95	378	16	23.6
<b>Gr. 4</b>	22	22	21	65	24	24	24	72	24	23	23	70	24	25	25	74		22	22	21	22	87	368	16	23.0
<b>Gr. 5</b>	25	24	25	74	24	23	24	71	24	23	23	70	22	21	21	85		22	22	22	66	366	16	22.9	
<b>Gr. 6</b>	25	26	25	76	26	26	25	77	26	25	27	78	25	25	25	75		26	23	26	75	381	15	25.4	
<b>Total</b>	21 Sec Average 23.4			<b>492</b>	21 Sec Average 23.7			<b>497</b>	21 Sec Average 23.6			<b>496</b>	[14] Average 23.7 521				<b>507</b>	24 Sec Average 22.9			<b>549</b>	<b>2541</b>	<b>109</b>	<b>23.3</b>	
Range	20	26			21	26			22	27			20	25				21	26			20	27		

# B Budget Cuts

- 5 classroom sections per school would be cut; one each in grades 2-6
- Class sizes in grades K-1 would be preserved, as well as programs
- Class sizes in grades 2-6 would increase 33%-50%; ranging between 29-37
- Go from current 109 sections to 84 sections (23% reduction)

# Acton Public Schools

## FY '06 Budget Reductions

### Scenario: "Increase Class Size"

<b>FTE</b>	<b>Position Cut</b>	<b>Amount</b>
<b>1.0</b>	<b>Central Office/Systemwide Staff (2 @ .5 FTE)</b>	<b>\$40,000</b>
<b>25.0</b>	<b>Classroom Teachers</b>	<b>\$1,125,000</b>
<b>2.7</b>	<b>Art, Music, PE Teachers</b>	<b>\$119,500</b>
<b>28.7</b>		<b>\$1,284,500</b>

# B Budget Increase Class Size Class Size Projections

Grade	Conant				Total	Douglas				Total	Gates				Total	McCarthy-Towne				Total	Merriam			Total	Total	#Sec.	Avg. Siz
Rm	CAD	CB	CC		DAD	DB	DC		GAD	GB	GC	2#	TAD	TB	TC	[2]	MAD	MB	MC		2#						
<b>K</b>	21	21	21	63	21	21	21	63	21	21	21	63	21	21	21	63	21	21	22	64	316	15	21.1				
<b>Gr. 1</b>	23	23	23	69	23	23	23	69	23	23	23	69	23	23	23	69	24	23	23	70	346	15	23.1				
<b>Gr. 2</b>		36	36	72		36	36	72		36	36	72		36	36	72		36	36	72	360	10	36.0				
<b>Gr. 3</b>		35	35	70		35	36	71		35	36	71		33	33	66		31	31	32	94	372	11	33.8			
<b>Gr. 4</b>		35	36	71		35	36	71		35	36	71		36	36	72		31	31	32	94	379	11	34.5			
<b>Gr. 5</b>		32	33	65		36	36	72		35	35	70		37	37	74		30	31	31	92	373	11	33.9			
<b>Gr. 6</b>		37	37	74		35	35	70		35	35	70		29	29	87		33	33	66	367	11	33.4				
<b>Total</b>	21 Sec Averag 23.0				<b>484</b>	21 Sec Averag 23.2				<b>488</b>	21 Sec Averag 23.1				<b>486</b>	[14] Averag 23.5				517	24 Sec Averag 23.0			<b>552</b>	<b>2513</b>	<b>84</b>	<b>29.9</b>
Range	21 37					21 36					21 36					21 37					21 36				21 37		

# Transportation Fee

- Each of the three “B” budget options includes a transportation fee
- Families would be charged \$250 per student for bussing, with a \$500 family cap
- Projected revenues \$200,000

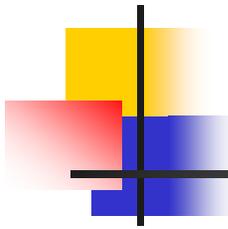
**Acton-Boxborough**

**Regional School District**

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Finance Committee Budget Hearing

March 8, 2005

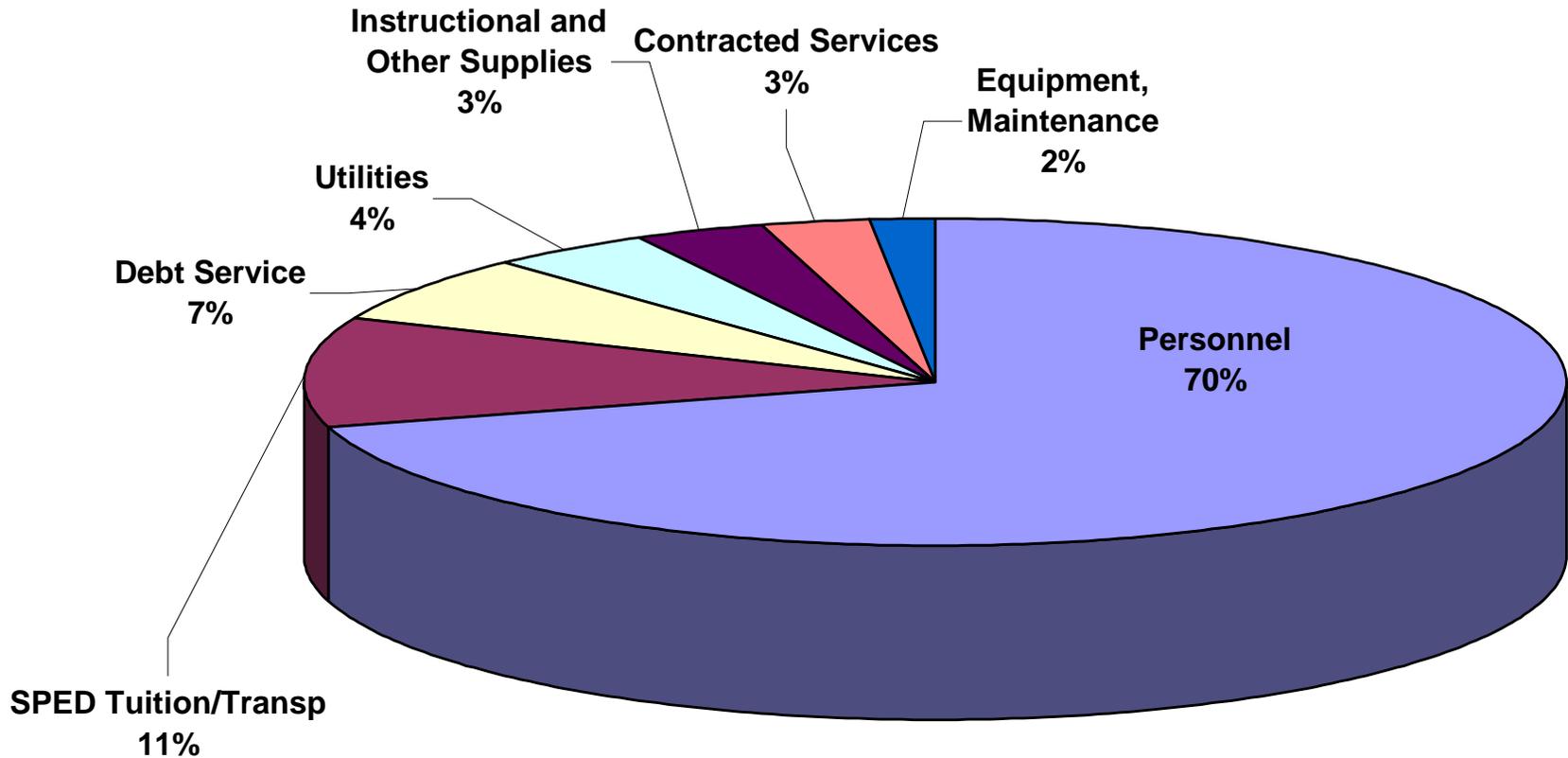


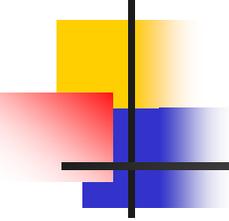
# AB "A" Budget

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- \$3.8/\$4.5 million override allows current staff and service levels to continue
- No additional capital for Region in \$4.5 million option

# AB "A" Budget - Categories

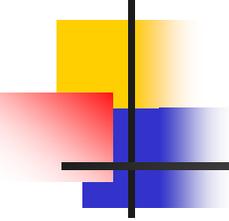




# AB "A" Budget

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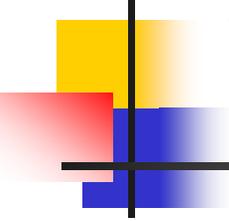
- No restoration of cuts over the last two years
  - \$900,000, including 15 FTE, of existing programs and staff eliminated
    - 8.7 teaching positions
    - 4.1 supervision positions
    - 2.3 other positions
  - Enrollment increase of 140, mostly at ABRHS



# AB "A" Budget

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- School Choice reinstated
  - Enroll up to 50 students for next year
  - Receive \$5,000 per student
  - Use funds to hire 4 new teachers
- Energy savings – gas contract and commissioning

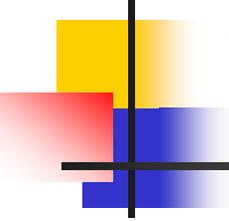


# AB "B" Budget – Jr. High School

B Budget = Reduce by \$411,000

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- Classroom
  - 4.0 Exploratory teacher positions
  - 1.8 Grade 8 teacher positions
  - Loss of teaming at Grade 8
- Supervision/Support
  - 0.5 Librarian
  - 1 Assistant Principal
  - 0.6 Teacher Assistant
- Student Activities/Intramurals support
  - Reduction of \$30,000
  - May be reinstated with new fees

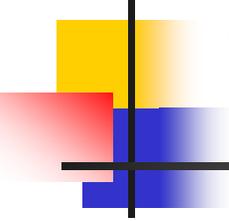


# AB "B" Budget – High School

B Budget = Reduce by \$821,500

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- Classroom
  - 6.5 teaching positions
  - 1.4 teaching positions from alternative program
- Supervision
  - 6.5 monitors
  - 3.5 program assistants
  - 1 Vice Principal
- Support
  - .5 counselor
  - 2.0 building support assistants

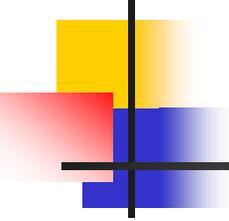


# AB "B" Budget

## B Budget – Other Sources of Funds

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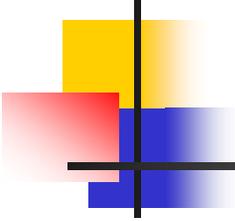
- Increase fees
  - Athletics increase from \$160 to \$195 per season
  - Band increase from \$75 to \$95 per year
  - "Competitive" activities pay \$50 per year
  - Parking increases from \$200 to \$230 per year
  - Transcripts charged at \$4 per transaction



# Future Challenges

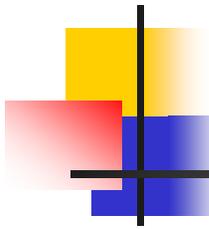
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- Need more teachers
- Regional enrollment peak in 2010;  
Acton and Boxborough split
- Renovation complete, but . . .
  - Technology
  - Continued maintenance



# Backup

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## AB B Budget – High School

School Choice FY06

$N = 50 \text{ students} (* \$5,000) = \$250,000$

English (1.0)	\$45,000
Mathematics (1.0)	\$45,000
Science (1.0)	\$45,000
Social Studies (1.0)	\$45,000
World Language (.6)	\$27,000
Counseling (.2)	\$9,000
Music (.2)	\$9,000
Health Insurance	\$25,000
Total	\$250,000