

Draft Minutes – Acton Finance Committee
October 11, 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 October 11, 2005. The Agenda for this meeting is made by part the Minutes and is attached.

Members present for the meeting: Jonathan Chinitz, Pat Clifford, Pat Easterly, Bob Evans, Steve Noone, Rheta Roeber, and David Stone, Chair.

Associate members present: Allen Nitschelm and Kent Sharp.

League of Women Voters Observer: MaryAnn Ashton

NEW BUSINESS

Acton-Boxborough Regional High School

The Chairman introduced Superintendent of Schools Bill Ryan and ABRHS Principal Steve Donovan who were invited to present information on how the High School has dealt with the tightening budget. In addition to a packet of general information on the High School provided by Mr. Ryan, Mr. Donovan distributed several charts were are attached to the minutes for reference.

Mr. Donovan explained that the primary goal in dealing with the financial challenges of the current fiscal year was to maintain class size at about 24.8 students. This goal was reached by adding five teachers funded by the revenue received through the School Choice program and by dropping some electives and reallocating staff to the core curriculum. He pointed out that one side effect of this strategy is that there are a large number of students with free time (see chart) during the day and some corresponding issues with supervision. He characterized the school as having the feel of a community college with students using the library, commons area, language labs, gym and outside areas when they are not in class. The overall average of instructional time per student is 850 hours; the state mandate is 990 hours.

There is little in the budget for capital outlay because the building project encompassed current capital needs. There is a need to get the capital funding back to the 2001 level; the materials and supplies budget are also minimal and have decreased from FY03. Funding for enrichment and extracurricular activities come from fees, gifts, and outside sources, including ABSAF, which raises and donates approximately \$100,000 to the Region annually.

There are three alternative programs that serve underserved populations, all of which have some tuition revenue.

Mr. Ryan said that the budget issues are still structural and estimated that there could be as much as a \$1.2 million revenue gap before any programmatic increases are considered. The Junior High should go to permanent borrowing this year and the High School will at least partially be locked into long term funding. In response to a question from Mr. Chinitz regarding the possible regionalization of the K-6 programs in Acton and Boxborough, Mr. Ryan said there would be more efficiencies and that from a common sense point of view there would be a cleaner administrative structure and more organized approaches to problem solving.

COMMITTEE REPORTS

ALG: (Stone) Deferred to discussion of Free Cash. Mike Coppolino has drafted a letter to Senator Resor that was signed by all three board chairs requesting state assistance with anticipated increased fuel costs.

ACHC: (Clifford) No substantive activities to report; no new Lottery date set for Fort Pond Brook project.

CPC: (Noone) State funds have come through; last meeting heard presentations from Open Space groups as well as feedback from projects already funded. Application deadline is November 14.

EDC: (Roeber) Committee has been preparing for State of the Town meeting discussion on Economic Development.

HIT: (Chinitz) As follow up to the 2020 discussion a subgroup is forming to keep the dialogue going. Fiscal year for Trust is showing claims higher than projected; analyzing data to determine cause.

LAN: (Clifford) Letter from DEP with provisional permit received and undergoing staff review; there is a 21 day comment period.

APS/ABRD: (Easterly) More discussion on utility cost projections and staff recommendations for conservation. Current estimates for increases are \$184K in regional budget and \$240K in local budget. Did not support the ALG consensus regarding free cash and voted to direct representatives to return the line item to available revenue rather than a separate balance sheet item.

OLD BUSINESS:

The Chairman reported that he has taken the position with the ALG that Free Cash should be a balance sheet item until utilization is determined. The ALG has compromised by not showing the funds as a revenue item, but asterisking them elsewhere on the budget page. Mr. Noone noted that this might be a source of funding for unexpected items like the fuel cost overrun. Mr. Evans felt strategy was workable for planning purposes and that there might be an educational issue involved in changing the process. Ms. Easterly indicated

that unknown amounts should not be used until deeper in the planning and budgeting process. Mr. Nitschelm noted that the amount was less than 1% of the budget and did not provide a significant cushion but that it should be on balance sheet. Mr. Sharp said the group should not assume the funds would be spent but should make a conscious decision to use the money. Ms. Roeber noted Fincom had been asking for more attention to capital spending and reserves and asked if there is any updated analysis on whether free cash actually does regenerate.

Mr. Noone moved that the committee support the Chairman's position the free cash be treated as a balance sheet item until utilization is determined. Mr. Evans supported the motion, which was adopted without objection.

APPROVAL OF THE MINUTES

Mr. Nitschelm moved approval of the draft minutes of the September 27 meeting. Ms. Roeber seconded the motion; there was no objection.

Mr. Noone moved adjournment at 9:45; seconded by Ms. Clifford and unanimously agreed to.

Respectfully submitted,

Patricia Clifford
Clerk