

Acton Finance Committee

Acton Town Hall, Room 204

September 28, 2010

7:30 PM

Agenda

7:30 p.m. Call to Order

1. Chairman's Introduction

2. Public Participation

3. Approval of Minutes – August 10, September 9

4. Report from ALG meeting, September 16 (7:35 p.m.)

- Waterfall implementation, update on FY11 budget
 - Ed Jobs money impact
 - Shortfall in local receipts
 - Potential impact of state budget shortfall – revenue, Ballot Questions
- Revised ALG workbook – comments, suggestions
- ALG reps will need guidance before next ALG Meeting, October 28

5. Special Town Meeting Update – Tuesday, October 12

- Update on Articles 1-3
 - Public Info session on environmental report, Monday, October 4
- Assignments
- Pre-Town Meeting scheduled for 6 p.m., October 12
- Articles 4, 5, 6 – Ryan Bettez, Chair of Planning Board (8:10 p.m.)

6. Progress on Budget Drivers, Issues (8:30 p.m.)

- Progress on assignments
- Point of View – draft ready by October 26?

7. Committee Reports (8:45 p.m.)

8. Adjournment – 9:15 p.m.

Next meetings:

Finance Committee – October 5 (PSF), October 12 (ABRHS), October 26 (Rm 204)

Information Meeting regarding land purchase – October 4, 7 p.m., Room 204

Special Town Meeting – Tuesday, October 12, 2010

BOS – October 18, October 25

Acton Leadership Group – Thursday, October 27, 7:15 a.m.

DRAFT



**Finance Committee
Meeting Minutes**

September 7, 2010

7:30 PM

Memorial Library Conference Room

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 p.m. on September 7, 2010 to review various matters.

Members present for the meeting: Mary Ann Ashton, Chair, Bill Mullin, Vice Chair, Doug Tindal, Clerk, Bob Evans, Steve Noone, Kent Sharp, Pat Clifford, Pat Easterly, and Brandy Brandon, Members.

Also present were Steven Mills, Don Aicardi, and John Petersen, all from Acton Schools.

Chairman Ashton called the meeting to order at 7:30pm.

Pat Easterly announced her resignation as a member of the Committee. Pat expressed her pleasure at having had the opportunity to serve as a member of the committee for six years and her gratitude to her fellow committee members for their support and friendship. The feelings were reciprocated as the members applauded Pat's service as Chair and Vice Chair of the Committee and her many contributions to the Committee dialogue over many important issues. The Chair announced that Moderator Don Mackenzie has appointed Clint Seward to fill her seat.

- I. Chairman's Introduction: The Chair provided the members an overview of matters to be discussed from this meeting's agenda.
- II. Public Participation: None
- III. Approval of Minutes: The committee voted approval of the minutes of the meeting held on July 27th.
- IV. Update on Schools' Budgets: Superintendent Mills and Finance Director Don Aicardi made a presentation to the Committee on the status of the schools' budget process. Two principal issues were described.
 - A. First the impact of the new federal Education Jobs Grant which will provide funding of \$335k for APS and \$440k for AB. The Schools' goal is to retain much of these new funds in FY12 and perhaps FY13 against what are expected to be much more lean times in the two out years of this three year cycle.

- B. Second, the status of salary negotiations between the Schools and four groups: non-union workers, teachers (AEA), custodians and maintenance workers (AFSCME), and office workers (OSA.) Gross salary costs represent approximately 80% of the total school budgets. Costs related to teachers represent the majority of that expense.

Negotiations have concluded with all except the teachers. Salient features of the new contracts are: Severance arrangements which had previously been in place for employees with more than ten years of service have been negotiated out of the pending new contracts. Changes to salary and health care costs, described below, over the period FY11 through FY13 will amount to 14.5% for OSA/AFSCME/support staff and transportation hourly employees. Changes in health care premium ratios have reduced the employer portion of these costs from 85/15% to 75/25% on July 1 of this year. Master health plus participants will go to 50/50% on July 1 of 2011. These health care changes will result in savings of approximately \$1 million over the three years of the contracts.

A lively discussion followed the slide presentation. The Committee posed numerous questions related to the impacts of various alternatives which may affect state funding and as related to labor costs. It is anticipated that the federal support which has carried us through the last couple of years may be absent in the future, and all agreed that FY12 and FY13 are potentially quite painful. Bill Mullin asked about the apparent contradiction between the “Waterfall Plan” which was adopted earlier in the ALG process and the Schools’ desire to bank the new federal funds. The Schools responded that the unused Ed Jobs funds, approximately \$775k, came in the form of a grant rather than the Chapter 70 funds which were explicitly referenced in the Waterfall. Dr. Mills replied that he had not considered the application of the Waterfall in this context and that this would be a good discussion topic for the ALG.

- V. Special Town Meeting Update: Mary Ann Ashton reviewed the upcoming scheduling of the Fincom meetings in relation to the Special Town Meeting planned for the 28th of this month. Members discussed some of the warrant articles which may appear when the warrant is posted on the 14th. Several expressed concern that the main purpose of the STM involved the purchase of certain lands on Stow Street, but the Committee and certainly the public had not had an opportunity to carefully consider the acquisition and the terms of the deal which are on the table. Steve Noone made a motion to the effect that the Town might wish to postpone the STM. The motion was withdrawn, and a new motion introduced, seconded and approved, which was that the Chair should express our reservations about timing to the Board of Selectmen.
- VI. Planning for the Upcoming Year: Mary Ann Ashton prepared and distributed a roster of potential assignments of individual members to take responsibility for eight potential budget drivers. Members were asked to consider the proposed assignments and signal to the Chair their acceptance of the proposed match ups. Members were encouraged to offer suggestions for reassignments, for potentially collaborating or even swapping with other members, and to come back to the Chair with any proposed changes. The Committee discussed the need for a Point of View document and its schedule for issuance.

VII. Committee Reports:

ALG: Mary Ann Ashton described the first ALG meeting as an organizing session which served to go over ground rules, dates and times for meetings, and scheduling. They are working on revisions to the ALG spreadsheet format to make it clearer. The next ALG meeting is September 16th.

WANT: Kent Sharp reported that the Wastewater Advisory Neighborhood Task Force has been working on suggestions to reduce the costs to homeowners of sewerage in the Spencer/Tuttle/Flint neighborhood. In parallel, they are trying to understand the impact of creation of a Wastewater Management District, which might be an alternative if the neighborhood is not sewerage.

Health Insurance Trust: Bob Evans reported that the numbers are positive for the current 12 month period, although there have been net shortfalls for the last two years on balance, primarily due to lower interest rates. The capital fund now consists of \$2.9M and is generally in good shape.

EDC: Doug Tindal reported that the EDC is working closely with the Planning Department to resolve outstanding sign violation citations, to evaluate and, as needed, re-write portions of the signage bylaw, and to develop an on-going education plan for the community with respect to the bylaw and its requirements.

Cost-Savings Subcommittee: Steve Noone reported that the subcommittee had reconvened after a several month hiatus, and was working on completing assignments.

Transportation: Pat Clifford reported that the shuttle service has officially been 'launched' and is now operating. She also reported that the train station project continues to move forward

At approximately 9:05 Kent Sharp moved adjournment of the Finance Committee. Bill Mullin seconded, and the committee voted unanimously to adjourn.

The committee's next meeting is tentatively scheduled for September 21st in anticipation of the Special Town Meeting on the 28th.

DRAFT



**Finance Committee
Meeting Minutes
August 10, 2010
7:30 PM
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 p.m. on August 10, 2010 to review various matters.

Members present for the meeting: Mary Ann Ashton, Chair, Bill Mullin, Vice Chair, Doug Tindal, Clerk, Bob Evans, Steve Noone, Kent Sharp, Pat Clifford, and Brandy Brandon, Members.

Also present was Karen Kucala, Town of Acton, in her capacity as liaison to the Committee.

Chairman Ashton called the meeting to order at 7:30pm.

- I. Executive Session: The Chair then announced that the Committee would enter executive session in order to discuss land acquisition strategy with respect to 2 Stow Street. The Clerk moved that the committee enter Executive Session, the motion was seconded, and the Clerk called the roll. All members present voted to go into executive session, and at 7:35 the Committee did so. At approximately 8:00 the Chair called the Committee back into open session.

When the Committee reconvened, Chairman Ashton gave a brief overview of the night's agenda.

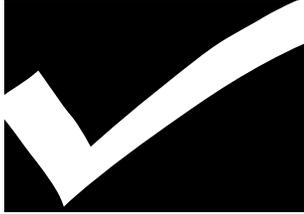
- II. Public Participation: None
- III. Minutes: The Committee deferred approval of the minutes of the meeting of July 27th until the next meeting.
- IV. Nursing Enterprise Fund: Karen Kucala presented a number of slides updating the status of the effort by the Town's consultants, HMS, to evaluate the performance of the Nursing Service. The consultants are in the first and second phases of the study and Town has provided the consultants with detailed information on the various moving parts of the enterprise, including scheduling, reimbursement rates, payment schedules, personnel and administrative costs, risk management data, and performance of mandated activities. In the third phase over the next few weeks, town staff will be meeting with the consultant's team to evaluate the results and develop an appropriately comprehensive report. The consultant's report is expected to be delivered in September and will include recommendations for process improvement as well as evaluation of funding sources. Pat Clifford reminded us of the discussion which originated at the Town Meeting on this matter, and emphasized that comparability with the experiences of other municipalities should be part of the process. Bill Mullin spoke to the need to put this fund on a sound business footing. It was pointed out that the expense side of the equation is pretty stable,

and that the success of the enterprise is wholly dependent on the reimbursement rates which feed the income side. The key question seems to be whether or not we can develop a stronger mix of payments as a result of a reinvigorated marketing process. Mary Ann Ashton asked that Karen confirm that regionalization is part of the thinking about solutions. Selectman Friedrichs commented on the need to fully understand our cost structure as well as the impacts on the Town of losing the nursing service as a tool to retain residents.

- V. Planning for the Year: Mary Ann Ashton recapped the Committee's discussion on the planning process. Bill Mullin emphasized the differentials between public sector and private sector employment. He asked that we track compensation patterns between comparable job levels in different communities and within our departments over time, over the last three years as against forecasts for the upcoming three year period. He committed to produce a chart describing the framework he has in mind.
- VI. Committee Reports: The results of several committee meetings including the EDC and public schools were reported briefly. Mary Ann Ashton previewed the end of year financial results for the public schools. Given summer season schedules, many committees are not active at this time.

At approximately 8:40 Kent Sharp moved adjournment of the Finance Committee. Bill Mullin seconded, and the committee voted unanimously to adjourn.

The committee's next meeting is scheduled for September 7, 2010 in the conference room in Memorial Library.



Acton Leadership Group Meeting

September 16, 2010

7:15 AM

Town Hall, Faulkner Hearing Room

Bart Wendell Facilitating

----- Agenda Topics -----		
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----- Agenda Topics -----		
1. Approval of Draft Minutes – 08/17/2010	General Discussion	
2. Budget Revenue Update	Steve Ledoux Steve Mills	(1) Certification of free cash, E&D, other accounts. Compare with ALG projections from TM of April 2010 (2) Discussion/Status Waterfall proposal
3. ALG Spreadsheet	General Discussion	(1) New ALG Format
4. Master Calander	General Discussion	
5. Final Meeting Schedule for FY 2010-2011	General Discussion	
6. Adjourn		

#1
ALG 9/1/10

ALG (draft) Minutes August 17, 2010

Present: Bart Wendell, facilitator; Mary Ann Ashton, FinCom; Lauren R. Morton & Mike Gowing, BoS; John Petersen, SC; Steve Ledoux, John Murray, Steve Mills, Dan Arcardi , staff. Absent: Xuan Kong, SC, Bill Mullen, FinCom.

Audience: Steve Barrett, Finance director, Marie Altieri, school finance dept., Ruth Kohls, LWV; Becki, Beacon reporter, Clint Seward & Charles Kadlec.

The Minutes of March 24 were accepted with the suggestion that the whole of Xuan's suggestion be added to the minutes.

Steve Ledoux announced that the ALG may no longer add agenda items at the meeting because of the OML changes. So at the end of the printed agenda there may no longer be a line for "Other" Instead, agenda items must be generated at the close of the present meeting or by email request at least 48 hours prior to the posting of the agenda.

II. Review of ALG Charter and Ground Rules

Extra info: ALG Charter & Ground Rules (revised 6/09) 2007-2008

Bart: the ground rules have essentially been the same for the past seven-eight years

John Petersen suggested that the Town manager and Superintendent be allowed to bring along what ever staff member would be the most helpful & not be confined to the Assistant Town Manager & the Assistant Superintendent (there is not one)

Lauren suggested that a change in wording from plan to model

JP: I think it's a good idea to move away from a multi-year plan—ALG is tasked with projecting revenues—once that's done then we can build a model. I would like to see the revenue projection task split.

Mary Ann: What the ALG has done over the long time is a plan—and we have made agreements to go forward. It is important that what we do has the boards behind us. It has to be the best plan for the year and the years beyond our best effort. What we do is for Town Meeting consumption ---saying that the revenue is not captured in a model---it is more interactive than a plan.

John M: The ALG is a one-year plan and a multi-year model. The intention is to plan for this year and present what will happen in the out-years

Recommended changes:

Revenue projections

Recommending a one-year plan and building a multi-year model

John M: Take the ALG plan (words) out of the warrant & entitle it a “plan from the three boards”

Bart asked if there should be changes in the public participation relegated to the end of the meeting?

Mary Ann: We need to ask the Town manager to update the ALG website to include minutes and the review materials used at the meetings.

Bart: The link is not up to date---there are no recent minutes. Minutes will be put up after accepted but the information must be made public on request even if not accepted.

John M: there needs to be financial plan column with a “change from previous run” so it will be easier to see the changes on the spreadsheet.

III Budget and revenue updates

Steve L: Local aid has come in as predicted---there is a shortfall in excise

Steve B: For FY 10 excise is down \$81k; fees are up \$59k; interest is down \$110k; state aid to the town is down \$23k leaving a shortfall of \$155k

Steve M: FY 10 closeout is better than forecast we have returned \$225 to E&D [AB region] and \$205k from APS

Mary Ann asked for information on the money from the federal government---she wanted to know how it would flow---Title I ? The answer from Don Arcardi is that he does not know anything other than what he reads in the paper but does expect the governor to make a proposal this week.

IV Spreadsheet maintenance

Mary Ann reported that last year the spreadsheet was maintained by Marie Altieri in consultation with Steve Barrett and herself. She noted that the spreadsheet has “grown” and the format does need to be changed to recognize that additional tools now available to keep records. There needs to be cover sheet with management info in detail & in part they can use the numbers that are already being generated by the schools---and there needs to be a way to keep a history of the sheets & their changes [she already does this for her personal use]

Suggestion: Mary Ann, Marie & Steve prepare a draft of a possible spreadsheet format for next meeting and make it an agenda item.

There was discussion on who would be the “point person” for the maintenance and changes and there was agreement that it was better to have someone from staff rather than someone from a volunteer board.

******Proposal: point person would be from the Town staff---agreed**

******Proposal: look at the past decisions that supported the agreements---agreed**

There was discussion on the levels of analysis and how the Town does estimates of revenues such as fees (which includes more than building permits) excise tax revenue and interest

*****Proposal: decision page with assumptions used for building plan---agreed**

There was further discussion on who exactly would do the maintenance. It was agreed once again that the person should be a "professional" [staff]

*****Proposal: allow Steve Ledoux & Steve Mills to decide---with the idea that the final product would be a collaborative work---agreed**

V. Meeting Calendar

Extra info: a proposed schedule of meet dates for 2010-11

The discussion centered on the best dates---Wednesday for Bill Mullin, but not good for Steve Ledoux and moving the start time to 7 AM which Bart said he could not make

Bart proposed meeting at 7:15 rather than 7:30 and members would confer by email on their best days of the week. Meanwhile ALG will next meet on September 16 at 7:15

Task: Steve Ledoux and Steve Mills will produce the Master Calendar that will show all the meeting dates for the selectmen, finance committee and school committee & holidays. From that, the best days for the ALG meetings will be established when the committee meets again in September.

VI: Agenda

Because of the new OML, the agenda must be set & posted 48 hours prior to the meeting time. Members were encouraged to set out agenda items now, for the next meeting and any other items were to be emailed to the Town Manager to be sent out with the meeting packet

The Agenda will have the following items: Approval of minutes; Budget revenue update; ALG spreadsheet; task calendar---for when things need to be done to get ready for Town Meeting; ALG meeting schedule.

Additional items must be submitted by noon on September 13

VI Public input

Mr. Kadlec suggested that the wording on the Charter be changed because there was no staff for the Finance Committee.

Under spreadsheet he said it would be useful to have an early decision on who would present the spreadsheet at Town Meeting. He said that "people take it as official [document] and under the charter it is the FC's job, so it would be nice to have the VC do the presentation.

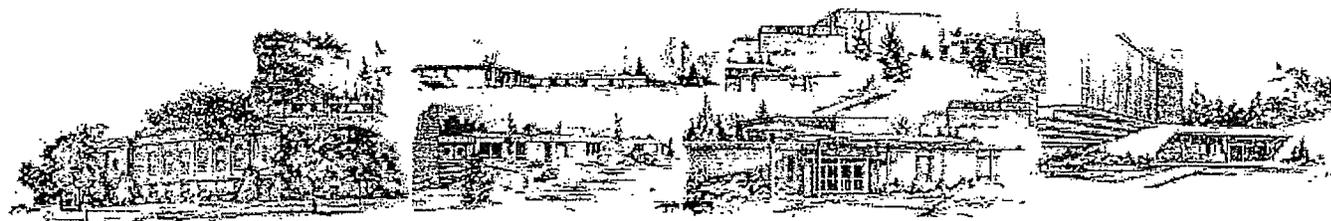
He would like the committee to rethink the time for public input. He felt that the public has been relegated to second class citizens. He added that making comments while the issue was being discussed may be useful and that it does not take that much time.

Adjourned 8:35

Next Meeting September 16th—7:15 AM

Ann Chang

A file #2
8/16/10 VIII.2.a
1 of 5



Acton Public Schools # Acton-Boxborough Regional School District
16 Charter Road Acton, MA 01720 Phone: 978-264-4700 Ext. 3205 Fax: 978-264-3340 E-mail:
daicardi@mail.ab.mec.edu

Donald Aicardi
Finance Director

TO: Superintendent Stephen Mills
FROM: Don Aicardi, Director of Finance *DA*
RE: Education Funding Update
DATE: August 26, 2010

On August 10, 2010, President Barack Obama signed into law a bill which provides \$10 billion in additional federal recovery money to states called the Education Jobs Fund (Ed Jobs). Approximately \$204 million of the \$10 billion was allocated to the Commonwealth of Massachusetts. On August 24, 2010, Governor Deval Patrick announced that these grant funds, considered to be a new federal grant, would be allocated to school districts throughout the state in conjunction with the Chapter 70 school funding formula.

For The Acton Public Schools, this will mean additional **\$334,635** will be available for expenditure when the final amounts of Chapter 70 aid, the SFSF grant, and the new EdJobs federal grant are combined and compared to the state aid numbers used for town meeting last spring.

For The Acton/Boxboro Regional School District, this will mean additional **\$442,325** will be available for expenditure. When combined with APS, this will make approximately \$775,000 available.

The primary purpose of these new federal EdJobs funds, aimed at salary compensation and benefits and support services only, has been designed to help districts retain existing employees, to recall or rehire former employees, or to hire new employees. Federal guidelines restrict funding targeted for only expenses related to employees who provide direct school level educational or related services.

It is important to note that districts can utilize these funds **until September 30, 2012**, which would incorporate not only the FY11 school year, but all of FY12 as well, and the first quarter of FY13.

School finance officials across the state were told during a conference call held this afternoon that applications to access these funds, similar to the process already followed by districts to access the SFSF grant, will be available during the next few weeks. As with ARRA funds, there will be strict and rigorous review of all expenditures with reports to be filed on a quarterly basis.

We will continue to closely follow all information provided to us by DESE staff during the next several weeks. During an era during which all municipal budgets have been stretched to the limit, this is very positive news for both APS and A/B.

ACTON

FY11 January, 2011 Governor's Budget	\$5,480,709 \$0 \$0	\$5,480,709
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FY11 Spring 2010 Town Meeting (Assumed 5% Cut)	\$5,206,674 \$0 \$0	FY11 June, 2010 Final State Budget	\$5,160,527 \$100,954 \$0
\$5,206,674		\$5,261,481	

Variance Town Meeting vs. Final State	(\$461,477) \$100,954 \$0
\$54,807	

FY11 August, 2010 (New Federal Funds)	\$5,160,527 \$27,704 \$353,078	\$5,541,309
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Chapter 70
SFSF Grant
Ed Jobs Grant

Variance Town Meeting vs. New Federal	\$334,635
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ACTON/
BOXBORO

FY11 January, 2011 Governor's Budget	\$7,362,007 \$0 \$0	\$7,362,007
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FY11 Spring 2010 Town Meeting (Assumed 5% Cut)	\$6,993,907 \$0 \$0	FY11 June, 2010 Final State Budget	\$6,931,919 \$135,608 \$0
\$6,993,907		\$7,067,527	

Variance Town Meeting vs. Final State	(\$61,988) \$135,608 \$0
\$73,620	

FY11 August, 2010 (New Federal Funds)	\$6,931,919 \$37,214 \$467,099	\$7,436,232
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Chapter 70
SFSF Grant
Ed Jobs Grant

Variance Town Meeting vs. New Federal	\$442,325
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\$776,960

4 of 5



--Select Program Area--



News School/District Profiles School/District Administration Educator Services Assessment/Accountability Family & Community Administration Finance/Grants PK-16 Program Support Information Services

School Finance: Chapter 70 Program

Update on Federal Education Jobs Funding and FY11 Chapter 70 Program

August 25, 2010

On August 10 President Obama signed Public Law No. 111-226 which provides additional federal recovery funding to states. Title I of this law establishes a new "Education Jobs" program, with approximately \$204 million allocated to Massachusetts. On August 24 Governor Patrick announced that these funds will be allocated to K-12 school districts in conjunction with the state's Chapter 70 school funding formula, as follows:

- > Finance Home | News
- > ARRA
- > Accounting & Auditing
- > Chapter 70 Program
- > Charter Schools
- > Circuit Breaker
- > ESE Budget
- > Federal Renovation Program
- > Grants: Information
- > Nutrition Programs
- > Per Pupil Expenditures
- > Regional Districts
- > School Building Issues
- > School Choice
- > School Finance Regulations
- > Statistical Comparisons
- > Transportation
- > Vocational Education
- > School Finance Contacts
- > Links

- \$54.6 million will be used to replace a portion of the FY11 state fiscal stabilization fund (SFSF) allocations previously used to supplement the FY11 Chapter 70 program. Each district's SFSF reduction will be offset by a dollar-for-dollar allocation of Education Jobs funds. The SFSF funds freed up by this change will be reserved for other essential services outside of the K-12 area.
- \$143.6 million will be used to offset the previously announced 4% cut in most districts' Chapter 70 aid and to fully fund the minimum aid provision of the Chapter 70 formula at \$25 per pupil. This means that every operating district will see a minimum increase of \$25 per pupil compared to FY10 levels, based on the combined amounts of state Chapter 70 aid, federal SFSF grants, and federal Education Jobs grants.
- \$2.2 million will be used to fund Chapter 70 obligations for four districts as a result of recently approved DOR local contribution waivers (authorized by St. 2009, c.27, s.115 and St.2010, c.134).
- \$3.6 million has been reserved for state-level grant administration, monitoring, oversight, and reporting activities.

As a result of this additional funding, the total Chapter 70 program (including state Chapter 70 aid, federal SFSF grants, and federal Education Jobs grants) will rise from \$4.043 billion in FY10 to \$4.072 billion in FY11, a \$29 million or 0.7 percent increase. Most districts will be receiving more funding for FY11 than was projected on June 30, and no district will receive less. Eleven districts will see no change in their total funding from the June 30 projections; these are districts that are receiving sizeable increases in state Chapter 70 aid for FY11 that exceed the \$25 per pupil minimum.

The primary purpose of the Education Jobs program is to allow local school districts to retain existing employees, to recall or rehire former employees, and to hire new employees for the 2010-11 school year. Please see the U.S. Department of Education [guidance paper](#) for more information on the allowable uses of these funds; these allowable uses differ significantly from the rules for the SFSF program. Superintendents and school committees should begin immediately to plan for the coordinated use of both SFSF and Education Jobs funds. Please note that SFSF grants may be used for eligible expenses back to July 1, 2010; Education Jobs grants may be used for eligible expenses back to August 10, 2010. If a district has unspent Education Jobs funds remaining at the end of FY11, it may request the carryover of those funds into FY12 and/or the first quarter of FY13.

Districts will shortly be receiving guidance and instructions on how to access their SFSF funds (including any funds carried over from FY10) and their Education Jobs funds. Our goal is to have all of these grants awarded no later than the end of November, and earlier if possible. As is the normal practice with federal grants, the school committee will be the recipient of the SFSF and Education Jobs grants, and no action is required by the local appropriating authority. Normal cash drawdown procedures will be in effect, as will ARRA reporting requirements.

The new Education Jobs funding and the adjustments to the previously announced SFSF allocations do not change any of the core components of the Chapter 70 formula. Enrollment, foundation budgets, minimum contributions, Chapter 70 aid, and net school spending requirements remain the same as the amounts published on June 30. Although SFSF and Education Jobs grants help districts reach the funding targets under the Chapter 70 program, these grants are not included in districts' net school spending requirements.

We have updated the following documents on our website to reflect the addition of the Education Jobs funds:

- [Summary chart](#) showing foundation enrollment, foundation budget, Chapter 70 aid, required local contributions, and SFSF and Education Jobs allotments for each school district.
- [Summary chart for regional school districts](#) showing foundation enrollment and required local contribution for each member of the district.
- [White paper](#) describing the major components of the formula.

2011-2012
 2010-2011
 2009-2010

Massachusetts Department of Elementary and Secondary Education														
FY11 Chapter 70, Revised Aug 2010*														
District Summary**														
LEA	District	FY11 Foundation Enrollment	FY11 Foundation Budget	FY11 Foundation Net Minimum Contribution	FY11 Chapter 70 Aid	FY11 Net School Spending	FY11 SFSF Fed Grant	FY11 Education Jobs Grant	FY11 Combined Chapter 70 & Edujobs SFSF & Edujobs	FY10 Chapter 70 Aid	FY10 SFSF Fed Grant	FY10 Combined C70 & SFSF	Change In C70 + Grants FY10-FY11	Change Per Pupil
2	ACTON	2,424	19,649,105	14,516,319	5,160,527	19,676,846	27,704	353,078	5,571,209	5,123,578	357,131	5,480,709	60,600	25.00
600	ACTON BOXBC	2,969	26,278,547	19,800,807	6,931,919	26,732,726	37,214	467,099	6,367,932	6,715,773	646,234	7,362,007	74,225	25.00

* Revisions reflect changes to the June SFSF grant numbers, which are now supplemented by recently passed federal Edujobs legislation. Both federal grants are determined through the Chapter 70 formula. Enrollment, foundation, required contributions Chapter 70 aid and required net school spending have not changed since the original Chapter 70 release published on June 30, 2010.

Maryjane Kenney

From: Steve Ledoux
Sent: Monday, September 13, 2010 10:27 AM
To: Maryjane Kenney
Subject: FW: Freecash Approval Notification for Acton

We should put this in ALG packet as well

Steven L Ledoux
Town Manager
472 Main Street
Acton, MA 01720
Telephone (978) 929-6611

When writing or corresponding, please be aware that the Secretary of State has determined that most email is a public record and, therefore, may not be kept confidential.

From: recapdata@dor.state.ma.us [mailto:recapdata@dor.state.ma.us]
Sent: Thursday, September 02, 2010 11:26 AM
To: Board of Selectmen; Accounting Department; Manager Department; Treasurer
Subject: Freecash Approval Notification for Acton

Massachusetts Department of Revenue Division of Local Services
Navjeet K Bal, Commissioner
Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs

Thursday, September 02, 2010

Karen Kucala
Town Accountant
Town of Acton

Re: NOTIFICATION OF FREE CASH APPROVAL - Acton

Based upon the unaudited balance sheet submitted, I hereby certify that the amount of available funds or "free cash" as of July 1, 2010 for the Town of Acton is:

General Fund		\$ 4,650,574
Nursing	Enterprise Fund	\$ 83,935
COA Van	Enterprise Fund	\$ 17,456
Septage	Enterprise Fund	\$ 109,141
Recycling/Transfer Station	Enterprise Fund	\$ 2,435,334
Sewer	Enterprise Fund	\$ 355,011
Ambulance	Enterprise Fund	\$ 697,823

This certification is in accordance with the provisions of G. L. Chapter 59, §23, as amended.

9/13/2010

Certification letters will be e-mailed to the mayor/manager, board of selectmen, prudential committee, finance director and treasurer immediately upon approval, provided an e-mail address is reported in DLS' Local Officials Directory. Please forward to other officials that you deem appropriate.

Sincerely,
Gerard D. Perry
Director of Accounts

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager at postmaster at dor.state.ma.us.

#2
A Def 9/16/10

APS/AB Update for FinCom

September 7, 2010

FY '10 Closeout

- APS turned back \$200K to Free Cash
- AB turned back \$225K to E&D
- This is in addition to the \$494K reduction made to the FY'10 AB budget Oct, 2009.

ED Jobs Funding Bill

- President Obama Signed \$10B Education Jobs bill at the end of August.
- Massachusetts received \$204M.
- APS will receive \$335K.
- AB will receive \$440K
- Total K-12 = \$775K

Ed Jobs Bill Continued

- APS/AB \$775K can be used in FY '12 or First quarter FY '13 (Through Sept 30, 2012).
- Distributed in the form of a grant.
- Must be used to pay for salaries or benefits for instructional staff.
- Given projections for decreased state and federal revenues, the School Committee would like to preserve for FY '12 and FY '13

Goal to preserve funds for FY '12 and FY '13

- ARRA IDEA Unused Stimulus: \$ 620K
- Unused Ed Jobs: \$775K
Grant can be used through Sept 2012

Negotiations Update

Negotiations
Update

Contract Negotiations Three Unions

- Acton Education Association
(AEA - Teachers, Nurses) 374 FTE
In Process
- AFSCME (Custodians, Maintenance)
36 FTE \$20 - \$29 per hour
Three year contract voted Sept 2, 2010
- Office Support Association (OSA)
30 FTE \$16 - \$24 per hour
Three year contract voted Sept 2, 2010

Three Non-Union Groups

- Support Staff
Cafeteria Workers, Classroom Assistants, Special Ed
Assists, etc. 232 FTE \$14 - \$20 per hour
Hourly Staff – same salary and health changes as
OSA and AFSCME
- Transportation (Bus Drivers) 30 FTE \$19 per hour
Hourly Staff – Same salary and health changes as
OSA and AFSCME
- Administrators and Salaried Staff 54 FTE
Same health changes as OSA and AFSCME

Total Employees

- Teachers 374 FTE
- Hourly Employees 328 FTE
- Administrators and Salaried Staff (Tech, Finance, etc.) 54 FTE
- Total FTE 756 FTE

Health Insurance

OSA / AFSCME/ All Non-Union Employees

- All plans moving to 75%/25% effective July 1, 2010
- MHP and PPO move to 50%/50% effective July 1, 2011
- One time reimbursement:
Sept 2010 = 10% of current plan
Sept 2011 = \$1200 family plan; \$500 individual
Sept 2012 = \$600 family plan; \$300 individual
- Save \$1M over three years.

Salaries OSA / AFSCME / All Non-Union Hourly Employees

- FY '11 = 0% Salary Increase
- FY '12 = \$1.00 per hour increase
- FY '13 = \$1.10 per hour increase

Severance

- OSA and AFSCME contracts provided severance when employees retired or voluntarily left the district.
- Employees who worked for the districts for ten or more years received \$50 for each year of service or \$100 for each year of service if they were over 60 years old.
- Severance removed from both contracts.
- One time payout of current accumulated severance:
OSA = \$36K
AFSCME = \$31K

FY '10 to FY '11 Budget
OSA / AFSCME/Support Staff/Transp (All Hourly Employees)

In thousands	FY '10 Budget	FY '11 Budget	FY '11 costs with new contracts	Over (Under) FY '11 Budget
Salaries	\$9,051	\$9,114	\$9,123	\$9
Health Insurance	\$2,207	\$2,500	\$2,205	(\$295)
Total Ongoing Costs	\$11,258	\$11,614	\$11,328	(\$285)
One Time Costs			\$360	\$360
Total Costs	\$11,258	\$11,614	\$11,689	\$75

FY '10 – FY '13 Increase
OSA / AFSCME/Support Staff/Transp (All Hourly Employees)

In thousands	FY '10	FY '11 New Contracts	FY '12	FY '13	Overall Increase FY '10 - 13
Salaries	\$9,051	\$9,123	\$9,621	\$10,227	\$1,176
Health Insurance*	\$2,207	\$2,205	\$2,357	\$2,526	\$319
Total Ongoing Costs	\$11,258	\$11,328	\$11,978	\$12,753	\$1,495
% Increase		.62%	5.74%	6.47%	13.28%
One Time Costs		\$360	\$190	\$98	
Total Costs (One time plus ongoing)	\$11,258	\$11,689	\$12,168	\$12,851	

*Includes health increased premium costs FY '11 (Actual) = 10%; FY '12 = 7%; FY '13 = 7%

Total Increase FY '10 – FY '13

OSA / AFSCME/Support Staff/Transp (All Hourly Employees)

- FY '10 – FY '13 Increase = 13.28%

FY '11	.62%
FY '12	5.74%
FY '13	6.47%
- Average Annual Increase = 4.43% per year
- Includes:
 - Health Insurance Premium Increases
FY '11 10%; FY '12 7%; FY '13 7%
 - Employee moves from 15% to 25%
Health Ins Contribution
 - Cost of Living Increase
FY '11 no increase; FY '12 \$1.00 per hour;
FY '13 \$1.10 per hour

AEA Teacher's Contract

- Current contract in effect until new contract is signed.
- Until new contract is signed:
 - No COLA (Cost of Living Increase)
 - FY '10 – FY '11
 - Leaves Health Ins at 85% - 15%
 - Steps Added

Teacher's Increases FY '10 – FY '11 With no changes to contract

• Salary		FY '10 – FY '11	
		\$25.7M - \$26.7M	+4% (\$1M)
Steps	+\$600K		
ERI	+\$200K		
Lane Changes	+\$100K		
Other (Ins/Outs)	+\$100K		
No Cost of Living Increase			
• Health Insurance		FY '10 – FY '11	
		\$5M - \$5.5M	+10% (\$500K)
• Total Increase (Salary and Health)		FY '10 – FY '11	
		\$30.7M - \$32.2M	+4.9% (\$1.5M)

Three Teacher's Growth FY '07 – FY '10

Step 06-07	Step 4	Step 7	Step 14
	Masters	Masters +15	Masters + 30
Salary 06-07	\$47,700	\$56,496	\$70,213
Salary 09-10	\$61,163	\$70,167	\$79,947
Increase*	\$13,463	\$13,671	\$9,734
% Increase	28%	24%	14%
	Steps 1-7	Steps 8-16	Steps 17+
% teachers	0-30%	30-80%	80-100%

**Typical Hourly Employee
(Full time 12 Month)**

Salary 06-07	\$42,000	
Salary 0910	\$46,000	
Increase*	\$4,000	
% Increase FY '07 – FY '10	9.5%	
Salary 12-13	\$50,300	Additional Health Contribution:
Increase	\$4,300	\$2,686
% Increase FY '10 – FY '13	9.35%	

Impact on Hourly Employees

No Increase FY '11; \$1.00 per hour FY '12; \$1.10 FY '13

Health Insurance Changes from employee paying 15% to 25%; Includes FY '11 actual rates, FY '12 7% rate increase, FY '13 7% rate increase; Health Example is HMO Family

Health Insurance Rates FY '10 - FY '13					
	FY '10 (85%)	FY '11 (85%)	FY '11 (75%)	FY '12 (75%)	FY '13 (75%)
Health Insurance Rates	actual rates	actual rates	actual rates	7% rate inc	7% rate inc
HP Family	\$2,396	\$2,664	\$4,439	\$4,750	\$5,082
HP Individual	\$1,035	\$1,143	\$1,904	\$2,037	\$2,180
Offset			Full Reimburse	\$1200/\$600	\$600/\$300
					\$2,686
					\$1,145

OSA						
	Hourly Rate	Hours worked per year	Average Total FY '10 Salary	FY '10 Salary - Health Insurance (Family HMO)	FY '10 - FY '13 Total Salary Inc 0, \$1.00, \$1.10	FY '10 - FY '13 net dollar inc (Salary - Health)
Full Time Full Year	\$21.86	2080	\$46,000	\$43,604	\$4,368	\$1,682
Full Time 212 Days (Elem Admin)	\$21.86	1696	\$43,500	\$41,104	\$3,562	\$875
19 hour school year (no health ins)	\$16.49	692	\$13,500	\$13,500	\$1,452	\$1,452
					9.50%	3.86%
					8.19%	2.13%
					10.76%	10.76%

AFSCME

	Hourly Rate	Hours worked per year	Average Total FY '10 Salary	FY '10 Salary - Health Insurance (Family HMO)	FY '10 - FY '13 Total Salary Inc 0, \$1.00, \$1.10	FY '10 - FY '13 % Salary Increase	FY '10 - FY '13 net dollar inc (Salary - Health)	FY '10 - FY '13 net % inc (Salary - Health)
Grade 6 Custodian	\$20.95	2080	\$46,000	\$43,604	\$4,368	9.50%	\$1,682	3.86%
Grade 8 Lead Custodian	\$22.82	2080	\$50,000	\$47,604	\$4,368	8.74%	\$1,682	3.53%
Grade 15 Plum, Elec, HVAC, Grounds	\$29.94	2080	\$63,000	\$60,604	\$4,368	6.93%	\$1,682	2.78%

Transportation

	Hourly Rate	Hours worked per year	Average Total FY '10 Salary	FY '10 Salary - Health Insurance (Family HMO)	FY '10 - FY '13 Total Salary Inc 0, \$1.00, \$1.10	FY '10 - FY '13 % Salary Increase	FY '10 - FY '13 net dollar inc (Salary - Health)	FY '10 - FY '13 net % inc (Salary - Health)
School Year Bus Driver	\$18.63	1517	\$29,000	\$26,604	\$1,820	6.28%	-\$866	-3.25%

Support Staff

	Hourly Rate	Hours worked per year	Average Total FY '10 Salary	FY '10 Salary - Health Insurance (Family HMO)	FY '10 - FY '13 Total Salary Inc 0, \$1.00, \$1.10	FY '10 - FY '13 % Salary Increase	FY '10 - FY '13 net dollar inc (Salary - Health)	FY '10 - FY '13 net % inc (Salary - Health)
Special Ed Assistant	\$20.08	1046.5	\$25,000	\$22,604	\$1,256	5.02%	-\$1,430	-6.33%
Full time Kind Assis	\$16.69	1128.4	\$22,000	\$19,604	\$1,354	6.15%	-\$1,332	-6.80%
19 hr classrm assistant (no	\$16.69	692	\$11,000	\$11,000	\$830	7.54%	\$830	7.54%

CHAPTER 70 SCENARIOS

	January 27, 2010 ALG Assumption				
	FY10 Cherry Sheet - per ALG 11/16/09	FY11 - Reduce 10% from FY10	FY11 Cherry Sheet - Est from Gov H2	FY11 - Reduce 5% from H2	FY11 - Final Voted State Budget
Acton					
Ch70	\$ 5,123,578		\$ 5,480,709	\$ 5,206,674	\$ 5,160,527
SFSF Stimulus, Ed Jobs					
Subtotal Ed Aid	\$ 5,123,578		\$ 5,480,709	\$ 5,206,674	\$ 5,160,527
All else*	\$ 1,409,578		\$ 1,423,382	\$ 1,352,213	\$ 1,357,506
Subtotal	\$ 6,533,156		\$ 6,904,091	\$ 6,558,886	\$ 6,518,033
Less Assessments	\$ (225,654)		\$ (239,102)	\$ (239,102)	\$ (221,208)
Net Cherry Sheet	\$ 6,270,313	\$ 5,643,282	\$ 6,664,989	\$ 6,319,784	\$ 6,296,825
Acton-Boxborough					
Regional Revenue	\$ 5,733,300	\$ 5,159,970	\$ 6,806,843	\$ 5,772,074	\$ 5,722,960
SFSF Stimulus, Ed Jobs - Acton share (est)					
Subtotal for State Aid Revenues		\$ 10,803,252	\$ 13,471,832	\$ 12,091,858	\$ 12,019,785

*All else = General Govt Aid, School Lunch, Police Career Incentive, Veterans Benefits, State owned land, Exemptions, Libraries

EXAMPLES OF HOW WATERFALL PLAN WOULD WORK

Waterfall Plan - increased State Aid revenues from January 27, 2010 ALG Assumption	Town Meeting -	
	FY11 - Reduce 5% from H2	FY11 - Final Voted State Budget
Amount of increase	\$ 1,288,607	\$ 1,216,533
Step 1 - School debt	\$ 300,000	\$ 988,607
Step 2 - Ameliorate cuts	\$ 700,000	\$ 288,607
Step 3 - Allocate to taxpayer	\$ 500,000	\$ -
Step 4 - Allocate to reserves	\$ 400,000	\$ -
Step 5 - Ameliorate cuts		

Discussion Scenario: IMPLEMENTATION OF WATERFALL PLAN - September 2010

Steps 1 and 2 Completed and presented to Annual Town Meeting

Step 3 will be completed as part of the tax-setting process in December 2010.

	Town Meeting -	
	FY11 - Reduce 5% from H2	FY11 - Final Voted State Budget
Step 3 - how much is available to allocate to taxpayer?	\$ 288,607	\$ 216,533
Less shortfall in local receipts ~	\$150,000	\$ 138,607
New funds available from SFSF, EdJobs (see attached detail memo from Acton/AB Schools)		
Acton - SFSF	\$27,704	
Acton - Ed Jobs Grant	\$353,078	
Acton's share of AB SFSF	\$29,485	
Acton's share of AB Ed Jobs Grant	\$370,083	
Subtotal	\$780,349	

Any way, here is the Waterfall Proposal.

2/22/10

1. Our budget called for a 10% reduction (roughly \$1.2mm) in Ch 70 money.
2. The Governor's budget calls for holding education funding even, state wide. For us, this results in an increase of \$1mm or a \$2.2mm swing.
3. Whether or not the Governor's budget ends up being approved or changed and whether or not the Ch 70 money increases, the following "waterfall" will be the protocol for the allocation of those funds:
 - a) The first \$300 +/- of funds, roughly equivalent to the incorrect placement of APS debt service. (In other words, the SC's budget will go up by this amount, with a line item breakout on the ALG spreadsheet, for fy2011 only).
 - b) The next incremental amount of approximately \$700k, up to \$1.0m will be allocated according to the split
 - c) The next incremental amount of approximately \$500k, up to \$1.5m will used to lower the tax rate.
 - d) The next incremental amount of approximately \$400k, up to \$1.9m will be allocated according to the split
 - e) Any additional incremental amount ^{200k} will be used to reduce the amount of reserves used.

Bill Mullin

Acton Finance Committee

2/25/10
J+ School Committee

Geo

Acton Leadership Group - 03/12/2010		5% Cut in FY '11 House 2 State Aid; 2% Budget Increase in FY12 FY 13				
Multi-Year Model						
Revenues:	FY09	FY10	FY11	FY12	FY13	
Tax Levy:	Town Meeting					
Base	\$ 56,521	\$ 58,969	\$ 61,044	\$ 62,783	\$ 64,852	
2 1/2%	\$ 1,413	\$ 1,474	\$ 1,239	\$ 1,570	\$ 1,621	
New Growth	\$ 1,035	\$ 600	\$ 500	\$ 500	\$ 500	
Debt Excl.	\$ 3,102	\$ 3,064	\$ 3,098	\$ 3,071	\$ 3,020	
Overlay	\$ (846)	\$ (850)	\$ (600)	\$ (600)	\$ (600)	
Total Tax Levy (excl. current yr. override)	\$ 61,226	\$ 63,258	\$ 65,281	\$ 67,323	\$ 69,394	
Cherry Sheet	\$ 6,851	\$ 6,641	\$ 6,320	\$ 6,320	\$ 6,320	
SBAB - Twin School	\$ 1,086	\$ 1,009	\$ 1,009	\$ 1,009	\$ 1,009	
Excise Taxes	\$ 2,520	\$ 2,730	\$ 2,595	\$ 2,595	\$ 2,595	
Fees	\$ 833	\$ 1,080	\$ 940	\$ 940	\$ 940	
Int. Income	\$ 278	\$ 400	\$ 300	\$ 300	\$ 300	
Regional Revenue	\$ 5,787	\$ 5,817	\$ 5,772	\$ 5,772	\$ 5,772	
Regional E&D Acton's share	\$ 511	\$ 355	\$ 555	\$ 331	\$ 331	
Free Cash	\$ 450	\$ 1,142	\$ 856	\$ 526	\$ 49	
NESWC for capital	\$ 750	\$ 455	\$ 808	\$ 900	\$ 900	
Revenues before Overrides	\$ 80,292	\$ 82,887	\$ 84,436	\$ 86,016	\$ 87,610	
Revenue incl override excluding debt/SBAB	\$ 76,103	\$ 78,814	\$ 80,329	\$ 81,936	\$ 83,581	
Debt Exclusion:						
Debt on APS	\$ 527	\$ 607	\$ 619	\$ 611	\$ 615	
Debt on JHS/SHS	\$ 1,612	\$ 1,516	\$ 1,593	\$ 1,593	\$ 1,593	
Municipal Debt Incurred	\$ 454	\$ 412	\$ 394	\$ 384	\$ 339	
Debt on Police station	\$ 509	\$ 501	\$ 492	\$ 483	\$ 473	
Total Debt Exclusions	\$ 3,102	\$ 3,036	\$ 3,098	\$ 3,071	\$ 3,020	
Budgets Excluding Debt:						
Municipal Operating Budget	\$ 23,614	24,276	24,545	25,036	25,537	
Transfer to Muni for APS Debt	\$ 128		309	309	309	
Transfer to Muni for COPS	\$ 68		70	70	70	
Total Municipal Allocation	\$ 23,810		24,924	25,415	25,916	
Municipal Share Percentage	30.70%	30.80%	30.56%	30.56%	30.55%	
APS Allocation	\$ 25,170	25,754	26,289	26,815	27,351	
Transfer from APS to Muni for Debt	\$ 128		309	309	309	
Transfer from APS to Muni for COPS	\$ 68		70	70	70	
APS Operating Budget	\$ 24,974		25,910	26,436	26,972	
ABRSD Budget - Acton Share *	\$ 27,374	28,073	28,849	29,426	30,014	
MM Assumption	\$ 771	\$ 711	\$ 646	\$ 659	\$ 672	
Subtotal schools	\$ 53,119	\$ 54,538	\$ 55,405	\$ 56,521	\$ 57,659	
Minuteman Capital Feasibility Study				\$ 1	\$ 6	
TOTAL	\$ 76,929	\$ 78,814	\$ 80,329	\$ 81,937	\$ 83,580	
% increase	6.5%	2.5%	1.9%	2.0%	2.0%	
NET POSITION	\$ (826)	\$ (0)	\$ (0)	\$ (0)	\$ 0	
Total Use of Reserves	\$ 1,711	\$ 1,952	\$ 2,219	\$ 1,757	\$ 1,280	
Reserves:						
Free Cash	\$ 2,455	\$ 2,334	\$ 3,466	\$ 3,190	\$ 3,391	
NESWC	\$ 4,469	\$ 4,014	\$ 3,206	\$ 2,306	\$ 1,406	
E&D	\$ 971	\$ 1,183	\$ 1,256	\$ 1,075	\$ 894	
TOTAL REMAINING RESERVES	\$ 7,895	\$ 7,531	\$ 7,928	\$ 6,571	\$ 5,691	
Tax Impact:						
Existing Valuation ('000s)	\$ 3,751,255	\$ 3,741,421	\$ 3,741,421	\$ 3,770,602	\$ 3,799,219	
New Growth value ('000s)			\$ 29,181	\$ 28,617	\$ 27,967	
Total Valuation ('000s)	\$ 3,751,255	\$ 3,741,421	\$ 3,770,602	\$ 3,799,219	\$ 3,827,186	
Tax Rate	\$ 16.53	\$ 17.13	\$ 17.47	\$ 17.88	\$ 18.29	
SF Value	\$ 507,466	\$ 512,103	\$ 512,103	\$ 512,103	\$ 512,103	
SF Tax Bill	\$ 8,388	\$ 8,775	\$ 8,948	\$ 9,155	\$ 9,366	
% Change	4.19%	4.60%	1.97%	2.32%	2.29%	
\$ Change	\$ 337	\$ 386	\$ 173	\$ 208	\$ 210	
The FY '09 Turnbacks are \$749K from the Municipal Budget; \$400K APS budget; and \$525K from the Regional Budget (Acton Share = \$414)						
The AB Regional Budget was decreased by \$494K (\$390 Acton Dollars) on 10/1/09 to balance FY '10 Revenues.						

	FY10 Town Meeting	FY11	FY12	FY13
Revenues				
Tax Levy (excluding debt)	\$60,193	\$62,182	\$64,252	\$66,373
State Aid	\$12,398	\$12,092	\$12,092	\$12,092
Local Receipts	\$4,210	\$3,835	\$3,835	\$3,835
Debt Exclusion + SBAB reimburse	\$4,045	\$4,107	\$4,080	\$4,029
Total Revenues (including debt)	\$80,846	\$82,216	\$84,259	\$86,329
Use of Reserves	\$1,952	\$2,219	\$1,756	\$1,280
Available Revenues - including Use of Reserves, Less Debt Exclusion, SBAB	\$78,753	\$80,328	\$81,935	\$83,580
Expenses				
Municipal Allocation	\$24,276	\$24,545	\$25,036	\$25,537
+ Transfer to Muni for APS Debt		\$309	\$309	\$309
+ Transfer to Muni for COPS		\$70	\$70	\$70
Total Municipal Allocation	\$24,276	\$24,924	\$25,415	\$25,916
APS Allocation	\$25,754	\$26,289	\$26,815	\$27,351
- Transfer to Muni for APS Debt		(\$309)	(\$309)	(\$309)
- Transfer to Muni for COPS		(\$70)	(\$70)	(\$70)
Total APS Allocation	\$25,754	\$25,910	\$26,436	\$26,972
ABRSD Allocation	\$28,073	\$28,849	\$29,425	\$30,014
Minuteman Allocation	\$711	\$646	\$659	\$672
Total Budgets	\$78,814	\$80,329	\$81,935	\$83,574
Net Position	-\$61	\$0	\$0	\$6

ALG minutes September 16, 2010 (draft)

Present: Bart Wendell, facilitator; Lauren Rosenzweig-Morton, Mike Gowing, BOS; Xuan Kong, John Petersen, SC; Mary Ann Ashton, Bill Mullin FC; Steve Ledoux, John Murray, Steve Mills, and Don Aicardi, Staff.

Audience: Steve Barrett, Town Finance Dept; Marie Altieri school personnel dept.; Ruth Kohls, LWV; Dick Calandrella, Clint Seward, and Charlie Kadlec, AVG.

1. Draft minutes of 08/17/10 were passed with corrections in spelling
2. **Budget Review & Update**—Steve Ledoux & Steve Mills

Extra information: documentation from recap sheet re free cash certification

Free cash—general fund \$4,650,574; nursing enterprise \$83,935; COA van enterprise fund \$17,456; septage enterprise fund \$109,141; Recycling/transfer station enterprise fund \$2,435,334; sewer enterprise fund \$355,011 and ambulance enterprise fund \$697,823.

Steve Mills reported that there was nothing new. APS returned \$200k to free cash & AB returned \$225k to E&D. He added that the \$600k for special Ed was “in hand”

He was looking/asking about possible 9 c cuts.

He announced a new Federal Ed Jobs program where Acton will get \$770k over three years.

Mary Ann: Free cash is higher than projected---why?

Steve Barrett: we closed off some accounts---\$1.275M from overlay; closing warrant articles @\$1M; between Town & APS over \$1M in turn-backs. There is a \$150k deficit from loss in interest and excise--- we have to go into FY 11 using FY 10 numbers for excise; we expect a \$750K drop in permits; we added a one-time tax title of @ \$500k; the NESWC piece went into an enterprise fund and was drawn down but we kept the \$1M for the liability.

Bill: we projected @ \$6.6 M of free cash; we now have \$7M plus a \$1 M in reserve--- that gives us a \$400k gain on paper. Who controls the \$1M NESWC liability?

S. Barrett: we keep it on the books as a liability—it is Acton’s share [of the estimated clean-up costs]

MaryAnn: I think we have to plan as if the “spigot will be turned off” after the election—we will not hear about any 9c cuts before the election

Steve B: I don’t see an impact for FY11 but for FY 12 we should expect a 10% cut [in state aid]—we budget for that anyhow.

J. Murray: MMA is saying that there is already a \$2b deficit for FY 12 & if there is a sales tax roll back that loss will be added to the existing \$2b deficit

2—discussion of waterfall proposal

Extra info: waterfall proposal accepted by the ALG and all three boards last January and the concept at April Town Meeting

Bill: We worked with a 10% cut in Ch.70 between FY 10 & 11---the waterfall concept was designed to make sure the school debt was covered (\$300K) & the “most draconian cuts” (\$700k) were ameliorated—the original plan had \$500k as coming back under step three to be allocated to the taxpayer. “We ended up slightly worse off so the taxpayer portion is \$216k. The mechanism for the allocation to the taxpayer has to be at the time the BOS sets the tax rate (in early December) We now learn that there is additional money from the Ed Jobs bill---how will that impact the waterfall? Should we, as a Town use some portion to supplement the waterfall?”

We need to make the decision here & then go back to our boards—what are the Federal “strings?” When the finance dept looks to do the recap sheet, they need to resolve the \$150k shortfall in local receipts.

Bart: What are the strings?

Steve M: The Ed Jobs bill is crystal clear the money is to be used for staff and benefits. I suppose we could do a “shell game.”

John P: This money is not Ch 70---which was the focus of the waterfall---it cannot be part of the waterfall. We need to figure out how to manage the reserves & look to taxpayer relief in FY12.

Lauren: we need to be cautious we do not know [the level] of local revenues or any 9c cuts. I am concerned about FY 12 ----the stimulus money is going away.

Bill: I could not disagree more. The waterfall is public policy---if we wish to change it---that’s another discussion. It was designed to deal with just the circumstances before us--it is not consistent [with the waterfall] for the SC try to preserve the money for FY12. Can we turn the \$218K (the number on the waterfall sheet) into \$500k? I hope no one is to use sophistry—the waterfall policy has been helpful to both the town and schools. We need to remember it is public policy & trying to preserve the money for FY 12 is just not consistent.

Bart: any more comments or is this a show stopper?

Bill: under the law we can move money around—I think this is a conversation starter---we go back to our boards and see if we have the frame work [for implementation of the waterfall or changes]

Xuan: last year we projected Ch. 70 for FY 11 & it came in higher. The new Jobs grant is spread over three years—11, 12 & 13---we need to take into consideration that its use is not to augment CH 70.

Mary Ann: we will only have \$66k to fund tax relief when you deduct the \$150k loss in local receipts.

Bill: the public policy did not say anything about off-setting variations in local receipts

Lauren: it becomes difficult to pay [tax relief] when local receipts are dropping-- if the projections for new revenues were greater it would make sense.

Bill: the vote [for the waterfall] refers to Ch. 70---this is sophistry vs. games

Bart: the “game” in this case is judgment.

Bill: but we cannot vote for something and eight months later discard it because we do not like it.

Bart: (pause) It’s good to see you [Bill] again. This looks like the beginning of another “interesting year.” Take note that what you see as games, others may see as legitimate concerns. If we start out like this the positions will get dug in and we will have a very rough year.

Lauren: I may have been naive not to understand the full implications of the waterfall. I just know that in general state aid is given & taken away. I don’t think we should make cuts when we cannot cover our budget. Last year we [Town] did a hiring and spending freeze, helped the schools—we have done what we could to keep whole---I’m not sure we can give back.

Bart: if that reason is legitimate---how does it differ from the policy. Is the disagreement in regard to the policy or the implications?

Bill: the extent of this change is a change of the policy. I see the policy as being hugely beneficial to both the town and schools—now it’s the taxpayers turn. If we are going to apply the vote [waterfall policy] for the FY 11 budget it needs to be done when the selectmen set the tax rate.

MaryAnn: this has been a good discussion—it’s time to take it back to our boards---Is the waterfall still policy? We also have a mechanical issue---we have a shortfall in local receipts and new money from the Ed Jobs. If the three boards agree, we then we will look to the managers about how to make it happen

Bart: What’s the timing?

Steve L: if we do not apply the \$150k local shortfall to the waterfall, then we will have to make \$150k in cuts. If we want to lower the appropriation then we need Town Meeting vote---the warrant for the STM on Oct 12 is still open.

John M: I’m not sure what it is we will take back to the boards: FY 11 or 12?; total revenue; segmenting Ch 70? Is the shortfall part of the total revenues?

Caution this [\$150k] may be just the star of the shortfall---revenues could increase, we will know in November.

Xuan: last year we had to guess total receipts---what happened to make a \$150k shortfall?

Steve L: the projection is from June 30th---we cannot project more than has come in

Bill: at the time [annual Town Meeting vote] we could not put a number on Ch 70 but we allocated a specific number

Bart: is there agreement that the Ed Jobs grant is for three years---can it be considered [as a revenue source for the taxpayer's return]

Don: the last charge against the Ed Jobs grant is Sept. 30, 2012 we can start charging for FY 11, 12 and three months of FY 13.

Bart: the second piece is the timing---are we talking about a two-week window [to meet the warrant requirements for the STM]---what's the deadline for the boards & committees?

Bill: the setting of the tax rate

John M: are we really going back to Town Meeting in two weeks to reset budgets?

*******Bart:** is there agreement to the tax rate setting time? (nods of agreement)

*******agreement that we will not go to Town Meeting**

Bart: Is there anything that needs to be discussed before setting the tax rate? The specific pot for the Ed jobs money; Reserves?

John M: There is a genuine disagreement as to the intent of the waterfall language as it applies to multi-year federal grants. I do not see we are changing policy---we are attempting to come to consensus on the differing intent of the parties.

Bill: I'd like to see the formula for the NESWC liability number

*******Bart: for the next meeting each entity will come back with their stand on the waterfall policy---agreement**

TASK: staff to get Bill Mullin the formula for the NESWC liability number.

3. Spreadsheet-- New format

Extra info: spreadsheets sent by email

MaryAnn: there is too much info on the spreadsheet to be useful---the summary on the front will show the vetted numbers and explain any changes. I want you to take this back to the boards and see if they have any changes for purposes of clarity. I think we need to do debt exclusion as a revenue

There were some suggested changes such as actual & it was agreed to take back to boards for review. The spreadsheet will be on the agenda for the next meeting

4. ALG schedule

Extra info—a master calendar with meeting dates of the boards & holidays

ALG scheduled meetings: October 28, November 18, December 16, January 13 & 27th, February 10 & 17th, March 24th.

AGENDA for October 28

Minuteman

Update on budget revenues

Waterfall

ALG spreadsheet format

5. Public

Mr. Kadlec said there are three ways to address the \$150k shortfall: reduce appropriation; tax reserves and three, from the levy. The first two need Town Meeting approval. His preferred method was to take it from reserves rather than the taxpayers.

Adjourned 8:45

Ann Chang

Sales tax ballot question threatens local aid



September 27, 2010

Municipal and school aid programs in the state budget could face more than \$600 million in new budget cuts next year if voters approve a ballot question on Nov. 2 to reduce the state sales tax rate from 6.25 percent to 3 percent, according to the governor's budget office.

Local aid accounts would also be in jeopardy during the current year if Question 3 passes, as the state would face a major loss in revenue midway through the fiscal year.

The cuts for next year would be on top of more than \$800 million in cuts that have already been made by the governor and the Legislature since the economic recession first hit Massachusetts in 2008 and more than \$300 million in potential cuts as the state confronts a fiscal 2012 budget gap as temporary revenue used to balance the budget this year, mainly federal funds, is exhausted. (The Massachusetts Taxpayers Foundation is projecting a fiscal 2012 structural budget gap of \$2.5 billion.)

Question 3, which would take effect on Jan. 1, 2011, would reduce state tax collections in the current year by an estimated \$992 million. Beginning in fiscal 2012, the first full fiscal year that would be affected, tax collections would drop by more than \$2.5 billion.

A simulation of the possible impact of Question 3, conducted by the governor's budget office, projects that Chapter 70 education aid would be cut by \$464 million. Coupled with a possible cut due to the state's budget gap, school funding could drop by \$727 million, or 18 percent.

The main municipal aid account (Unrestricted General Government Aid) would be cut by \$103 million due to the tax cut, on top of the impact of the budget gap, according to the simulation. This and other smaller municipal and school aid accounts could face total cuts of as much as 18 percent.

The simulation uses some simple assumptions about how state policymakers might allocate the loss of more than \$2.5 billion in state tax revenue next year. It does not reflect any decisions or plans that have already been made and does not include alternative approaches that the governor and Legislature might propose.

The simulation assumes that proportional cuts would be made to all state budget accounts, except where cuts would run into conflict with legal obligations and in a few other limited circumstances. Debt service would not be cut, for example.

The largest cut in the simulation would be imposed on the state's MassHealth account, which would lose almost \$1.1 billion, including the Medicaid match for the state appropriation. Human service accounts would lose about \$525 million.

The simulation does not reflect any agreement by the MMA or any other group to support the cuts. Following three straight years of local aid cuts, the MMA will strongly oppose any further cuts.

- [Question 3: Initial Simulation of Potential Impact on Main Municipal and School Aid Accounts, by community](#) (80K Excel file)

Written by MMA Deputy Legislative Director John Robertson

Massachusetts Municipal Association

Question 3: Initial Simulation of Potential Impact on Main Municipal and School Aid Accounts

"Total School Aid" is the total Chapter 70 Cherry Sheet amount from the state budget appropriation [\$3.85 billion] plus federal grants from the State Fiscal Stabilization Fund (SFSF) and the Education Jobs and Medicaid Assistance Act.

"Unrestricted General Government Aid" (UGGA) is the main municipal Cherry Sheet account [formerly Additional Assistance and Lottery distributions.]

"Question 3" (Q3) cuts reflect revenue loss over a full fiscal year and do not reflect the partial year loss in fiscal 2011.

The cuts in this simulation reflect only the impact of Question 3 and do not simulate the impact of loss of federal grants and other one-time revenue included in the fiscal 2011 state budget to support local aid accounts.

This initial simulation does not reflect any specific decisions or anticipate any actions and should not be used for budget purposes.

LEA	DOR Code	Municipality	FY11 Total School Aid	Simulated Q3 Cuts to Total School Aid	FY11 UGGA	Simulated Q3 Cuts to UGGA
		STATEWIDE TOTAL	\$4,072,341,440	-\$464,399,433	\$898,980,293	-\$102,517,420
2	2	ACTON	\$5,541,309	-\$631,917	\$1,183,155	-\$134,924
600	701	ACTON BOXBOROUGH	\$7,436,232	-\$848,009		\$0

Town of Acton

Special Town Meeting Warrant



Tuesday, October 12, 2010

**The Special Town Meeting will convene at 7:00 PM in the
Acton-Boxborough Regional High School Auditorium
36 Charter Road**

Meeting Notice

**Special Town Meeting
Tuesday, October 12, 2010
7:00 PM**

**Acton-Boxborough Regional High School Auditorium
36 Charter Road**

Article Index

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Special Town Meeting Warrant



*Town of Acton
Commonwealth of Massachusetts, ss.*

To either of the Constables of the Town of Acton, Greetings:

In the name of the Commonwealth of Massachusetts, you are hereby directed to notify the legal voters of said Town of Acton, qualified to vote at Town Meetings for the transaction of town affairs, to meet at the Acton-Boxborough Regional High School Auditorium in said Acton on **Tuesday, October 12, 2010 at 7:00 PM**, then and there to act on the following articles:

ARTICLE 1 ENVIRONMENTAL REMEDIATION, ETC. EXPENSES –
(Majority vote) **SIMEONE-CAOUCETTE PROPERTY**

To see if the Town will vote to raise, appropriate or transfer from free cash or other available funds, or accept gifts for this purpose, the following amounts:

- (a) up to \$200,000 to pay for any environmental assessment, containment, removal and/or remedial actions required, in the discretion of the Board of Selectmen, concerning the property previously approved for acquisition by the Town under Article 25 of the Acton 2010 Annual Town Meeting (the “Property”);
- (b) up to \$34,000 to pay for environmental testing and remediation recommendations for the Property in accordance with the Town’s Request for Proposals issued on August 6, 2010; and
- (c) up to \$22,500 to pay for any extensions of the July 13, 2010 closing date that the Board of Selectmen deem necessary in their discretion as provided under the Fourth Amendment to Purchase and Sale Agreement dated as of July 13, 2010 and executed by the Town of Acton and the owners of the Property or otherwise;

or take any other action relative thereto.

SUMMARY

The acquisition of the Simeone-Caouette Property was approved by Annual Town Meeting in 2010. After that approval, the Town discovered through its due diligence certain environmental issues related to the Property. This article appropriates funds for the Board of Selectmen to complete environmental due diligence activities and to proceed with up to \$200,000 of environmental remediation if and as necessary based on that due diligence information.

Direct inquiries to: Roland Bartl, Planning Director: planning@acton-ma.gov / (978) 264-9636
Selectman assigned: Mike Gowing: bos@acton-ma.gov / (978) 264-9611

Recommendations:	<u>Board of Selectmen</u>	<u>Finance Committee</u>

ARTICLE 2 **FUND COLLECTIVE BARGAINING AGREEMENT**
(Majority vote) **POLICE PATROL OFFICERS**

To see if the Town will vote to raise and appropriate, transfer and/or appropriate from available funds a sum of money necessary to fund the cost items contained in Collective Bargaining Agreement(s) between the Town and its police patrol officers union as filed with the Town Clerk, or take any other action relative thereto.

SUMMARY

This article would ask Town Meeting to fund cost items contained in the first year of a collective bargaining agreement with Town police patrol officers union, under the provisions of Massachusetts General Law, Chapter 150E, Section 7. When a tentative agreement is reached with a union, the Town will bring a funding request for the financial elements of the agreement to Town Meeting within 30 days for approval.

This agreement was reached through mediation provided by the Joint Labor Management Committee (JLMC) of the Commonwealth. The purpose of the Joint Labor-Management Committee is to encourage the parties to collective bargaining disputes involving municipalities and their police officers and fire fighters to agree directly on the terms of such agreements or on a procedure to resolve these disputes. In difficult cases the Committee may, in addition to mediation and conciliation also utilize fact-finding, limited arbitration, or other methods of dispute resolution using outside neutrals or members of the Committee. The Committee makes every effort to achieve voluntary settlements and to encourage a constructive long-term relationship between the parties. In fulfilling its mission, the Committee relies on the unique tripartite membership drawn from the leadership of statewide police and fire fighter organizations, municipal management and public neutrals. In a significant sense, the JLMC belongs to the statewide organizations of firefighters, police and municipal management, to assist in the resolution of their disputes. The committee cannot be viewed by these organizations and their members as a distant government bureaucracy. The neutral parties provide proper balance in the public interest.

If the funding is approved for any past fiscal years and FY11, the Town is obligated to fund the remaining years of the contract. If the funding request is rejected by Town Meeting, the parties must return to the bargaining table for further negotiations.

Direct inquiries to: Steven L. Ledoux, Town Manager: manager@acton-ma.gov / (978) 264-9612

Selectman assigned: Lauren S. Rosenzweig: bos@acton-ma.gov / (978) 264-9611

Recommendations:

Board of Selectmen

Finance Committee



ARTICLE 3
(Majority vote)

**FUND COLLECTIVE BARGAINING AGREEMENT
HIGHWAY/MUNICIPAL PROPERTIES PERSONNEL**

To see if the Town will vote to raise and appropriate, transfer and/or appropriate from available funds a sum of money necessary to fund the cost items contained in Collective Bargaining Agreement(s) between the Town and its Highway & Municipal Properties personnel union as filed with the Town Clerk, or take any other action relative thereto.

SUMMARY

This article would ask Town Meeting to fund cost items contained in the a collective bargaining agreement for any past fiscal years and FY11 with the Highway and Municipal Properties personnel union, under the provisions of Massachusetts General Law, Chapter 150E, Section 7. When a tentative agreement is reached with a union, the Town will bring a funding request for the financial elements of the agreement to the Town Meeting within 30 days for approval. If the funding is approved for any past fiscal years and FY11, the Town is obligated to fund the remaining years of the contract. If the funding request is rejected by Town Meeting, the parties must return to the bargaining table for further negotiations.

Direct inquiries to: Steven L. Ledoux, Town Manager: manager@acton-ma.gov / (978) 264-9612

Selectman assigned: Lauren S. Rosenzweig: bos@acton-ma.gov / (978) 264-9611

Recommendations:

Board of Selectmen

Finance Committee



7.4.3.6 In all other Village Districts:

- a) PROJECTING SIGNS and AWNING SIGNS shall not be illuminated.
- b) WALL SIGNS shall not be illuminated except as described in Sections 7.4.3.4 b) or c), or from an external light source with the light projected downward from above.
- c) FREESTANDING SIGNS shall not be illuminated except as described in Sections 7.4.3.4 b) or c) or from an external light source.

[Note: Section 7.4.3.6 currently reads:

7.4.3.6 In all other Village Districts, PROJECTING SIGNS and AWNING SIGNS shall not be illuminated, WALL SIGNS shall not be illuminated except as described in Sections 7.4.3.4 b) or c), and FREESTANDING SIGNS shall not be illuminated except as described in Sections 7.4.3.4 b) or c) or from an external light source.]

C. Under section 7.13, SIGNS Requiring a Special Permit from the Planning Board, delete the leading paragraph in subsection 7.13.1 and replace it with a new paragraph as follows:

7.13.1 The Planning Board, acting as the Special Permit Granting Authority under this Section, may approve, approve with conditions, or disapprove the following SIGNS and the following deviations from the requirements of Sections 7.4, 7.7 and 7.8.

[Note: The leading paragraph of sub-section 7.13.1 currently reads:

7.13.1 The Planning Board, acting as the Special Permit Granting Authority under this Section, may approve, approve with conditions, or disapprove the following SIGNS and the following deviations from the requirements of Sections 7.7 and 7.8.]

, or take any other action relative thereto.

SUMMARY

This article makes minor changes and additions to the Town’s sign regulations.

Part A would allow businesses to display one “OPEN” sign on the outside of a building in addition to all other allowed signs. Although such signs can be seen around Town, the Zoning Bylaw presently allows “OPEN” signs only as window signs.

Part B reorganizes a section on sign illumination in all village zoning districts other than East Acton Village, and adds a phrase to allow exterior sign illumination from above such as a shielded light rail or goose-neck lamps.

Part C: Section 7.13 provides for exceptions from the sign regulations by Planning Board special permit. This amendment clarifies that some of the regulations, from which the Planning Board can presently authorize special permit exceptions, are written in Section 7.4. The subject regulations pertain to the placement, illumination, and materials of signs.

Direct inquiries to: Roland Bartl, AICP, Planning Director: planning@acton-ma.gov / (978) 929-6631
Selectman assigned: [redacted]: bos@acton-ma.gov

Recommendations:	<u>Board of Selectmen</u>	<u>Finance Committee</u>	<u>Planning Board</u>
	[redacted]	[redacted]	Recommended

ARTICLE 6 AMEND ZONING BYLAW – REZONE LOT AT 22 ESTERBROOK ROAD

(Two-thirds vote)

To see if the Town will vote to amend Map No. 1 of the Zoning Map (Zoning Map of the Town of Acton) by rezoning from the Residence 10/8 (R-10/8) District to the Residence 8 (R-8) District the parcel of land at 22 Esterbrook Road shown in the 2007 Acton Town Atlas on map F-4 as parcel 13-1, or take any other action relative thereto.

SUMMARY

The subject 2.91-acre parcel lies wedged between the Limited Business District along Great Road and a tract of R-8 zoned parcels along Esterbrook Road. It connects in the rear to other land that is zoned R-10/8. The parcel has a residence on it. The zoning change will not create any potential for additional building lots.

Background: The immediate abutters at 28 Esterbrook Road have a nonconforming lot for insufficient area in the R-8 zoning district. Their existing house is small, has groundwater penetration in the basement, and is mold infected. They want to replace it with a larger house. The zoning bylaw only allows house replacements of equal size on nonconforming lots. Their application for a variance to allow a larger house was denied.

The abutters at 22 Esterbrook Road, who own the parcel that is the subject of this rezoning article, are willing to convey enough land to their neighbors at 28 Esterbrook Road so that they would then own a legal 80,000 square foot conforming lot in the R-8 District. However, they can only convey such land if their lot is rezoned as set forth in this article, which would reduce the minimum required lot area from 100,000 to 80,000 square feet. Also, 22 Esterbrook Road is currently nonconforming for insufficient frontage in the R-10/8 district. In the R-8 district the lot will have legal conforming frontage. With the rezoning and the subsequent proposed land conveyance, both lots would become conforming lots in the R-8 District, and the owners of 28 Esterbrook Road may rebuild their house in the way they wish.

Direct inquiries to: Roland Bartl, AICP, Planning Director: planning@acton-ma.gov / (978) 929-6631
Selectman assigned: [redacted]: bos@acton-ma.gov

Recommendations:	<u>Board of Selectmen</u>	<u>Finance Committee</u>	<u>Planning Board</u>
	[redacted]	[redacted]	Recommended

And you are directed to serve this Warrant by posting attested copies thereof fourteen days at least before the time of said meeting, in not less than six public places in Town, to be designated by the Board of Selectmen.

Hereof fail not, and make due return of this Warrant, with your doings thereon, to the Town Clerk, at or before the time of said meeting.

Given under our hands at Acton this twenty-eighth day of September, 2010.

Lauren S. Rosenzweig, Chair
Mike Gowing, Vice-Chair
Terra Friedrichs, Clerk
Pamela Harting-Barrat
Janet K. Adachi

Board of Selectmen

A true copy, Attest:

Constable of Acton



**Town of Acton
472 Main Street
Acton, MA 01720**

**BULK RATE
U.S. POSTAGE PAID
PERMIT #67
ACTON, MA 01720**

**POSTAL PATRON
ACTON, MA 01720**

Budget Drivers, Other Issues – 2010-2011

Assignments:

Employee compensation (collective bargaining agreements, non-union salary, benefits – public versus private trends)	Bill Mullin and Steve Noone (with help from Bob Evans)
State finances	Pat Clifford and Kent Sharp
Capital needs – long-term look	Mary Ann Ashton
Unfunded liabilities	Brandy Brandon
New initiatives and opportunities (green grant, CPC, energy savings, others)?	Pat Clifford and Kent Sharp
Cost Savings initiatives, progress	Steve Noone and Mary Ann Ashton
Comparable communities – how have we done relative to our peers?	Mary Ann Ashton and Doug Tindal
National trends and local implications	Doug Tindal and Clint Seward

Timeline:

September meeting	Update on progress
October 5	Update on progress; discussion and agreement on salient points to be included
October 26	Approval of draft of Point of View document

Town of Acton Finance Committee

Memorandum

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To: Town of Acton Finance Committee
From: Bill Mullin
Date: December 5, 2009
Re: **Our "Point of View" with Respect to FY 2011 Budget Planning**

Motion

I move that the Finance Committee adopt the following as a First Draft Point of View with Respect to Budget Planning for FY2011 (the "FY 2011 Point of View") and, further, that the FY2011 Point of View be transmitted to all relevant interested parties, as determined by the Chair, with an invitation to comment.

FY 2011 Finance Committee Point of View with Respect to the 2011 Budget Planning Process

Background

Intent

- This memorandum is intended to describe the FinCom's Point of View with respect to planning for the FY2011 Town and School Budgets.
- As with prior FinCom Points of View, we invite comments back from the relevant operating boards and administrators.

The Overall Economy

- The current macro-economic climate is 1) adverse, 2) volatile and 3) trending neutrally at a low performance level.
- The facts and data with respect to the Great Recession are well known and do not bear repeating in this setting.
- Recent news reports have quoted some economists who are saying that the recession will as a technical matter end soon. If we focus solely on GDP, the good news is that the longest sequence of negative numbers indeed reversed in the third quarter.
- However, few economists believe that this is the beginning of a robust recovery and that it will be years before our economy reaches anything like its recent good times.
- Uncertainty is high; confidence at all levels, but especially consumer confidence, is low. However, these numbers have bounced off the very low bottom and are trending up.
- Neither inflation nor deflation are a current concern for the immediate future.
- Governments lag behind overall private sector economic activity. It is likely that FY2011 will see the same degree of layoffs, cost reduction and economic contraction in state and local government that the private sector experienced in late 2008 and 2009.
- (Please see the chart at the end of this POV, entitled "Change in GDP vs. Change in State Aid" for some historical perspective.)

State of Massachusetts Fiscal Picture

- Overall, the picture remains bleak. DoR repeatedly has lowered projections of income and then has missed those lowered projections.

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- ❑ Historically, when the state budget is strained, municipal finances are disrupted.
- ❑ Pressure on all Cherry Sheet revenues will be intense as the State attempts to maintain Chapter 70 school aid at current levels. The utilization of any remaining federal stimulus monies at the local level will not completely offset this pressure, especially in special education and transportation.

Point of View with Respect to Acton's FY 2011 Budget

Liquidity Assumptions

The following, rough liquidity assumptions were used in creating this document.

- ❑ Free cash in the range of \$2.3 million.
- ❑ E&D in the range of \$1.0 million.
- ❑ NESWC fund balance in the range of \$4.3 million.
- ❑ Health Insurance Trust reserve of \$2.7 million.
- ❑ Overlay undeclared surplus of \$1.275 million. (There is currently \$0 in the Overlay Surplus account; however the figure here is the value of older account balances that have not been declared surplus.)

The Current State of Acton Finance

- ❑ There is good news: the strength of the Town of Acton's management and financial affairs was reflected by the receipt of a AAA bond rating from Moody's.
- ❑ The Town of Acton's financial position is strong, due to very prudent cost and expenditure controls. However, in the chaotic economic environment, shortfalls in state revenue forecasts continue to weigh heavily on our ability to plan for the future with confidence.
- ❑ With respect to the balance sheet, Acton is in strong shape with substantial reserves. Balance sheet sources of cash, such as free cash, E&D and NESWC fund balances continue to provide latitude with respect to financial decisions, although, with continuing deterioration in state revenues and a decline in federal stimulus supports, we should not assume that this latitude will always be there.
- ❑ With respect to the income statement:
 - Revenue from property taxes remains steady although it is clear that both FY10 and FY11 revenue is and will be under pressure. Excluding the use of reserves, the current, preliminary, ALG projection of revenue for FY2011 vs. FY2010 shows a 0.5% increase in revenue, which results in an unplugged gap.
 - Cost and spending control is a continuous focus. The leadership and management of the municipality and schools have embraced the spirit of the FinCom's Interim Point of View (aka "The 97% Solution").
 - Also, both the Town and the Schools have enthusiastically joined the FinCom program to lower expenditures through the Cost Savings Task Force.
 - The FinCom has confidence that the administrations of the operating entities understand the magnitude of the current fiscal problems and will vigorously take the appropriate actions related thereto.

Overall FY2011 Budget Planning

- ❑ The focus for FY2011 must be on cost reduction.
- ❑ There is no need for an operating override.
- ❑ Indeed, as with last year, this is not the time for any override of any kind, including capital or debt exclusion.
- ❑ Capital plans should focus on maintaining existing assets and, if essential, should be funded within Proposition 2 ½ limits, unless the dollar cost of the essential need is simply too large.

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- ❑ The operating entities should target a 0% increase in the FY2011 budget over the FY2010 budget. We acknowledge that FY2010 final actuals may be below FY2010 budget numbers, but this latitude is essential in managing the enterprise.
- ❑ To achieve this objective, the operating entities should continue strict hiring restrictions, not pay any bonuses, and should allow attrition to reduce headcount where appropriate. .
- ❑ It must be acknowledged that some service level reductions, including layoffs, will be necessary to meet this goal.
- ❑ Continued effort must be maintained to identify cost savings through the efforts of the Cost Savings Task Force, in addition to internal operational efficiencies and policy changes.
- ❑ No more than \$2 million in reserves should be allocated to plug the revenue gap in the budget. Prudently this will leave approximately \$5.6 million in the primary reserves of Free Cash, E&D and NESWC, backed up by another \$4.0 million in HIT surplus and Overlay undeclared surplus.

Driver Expectations

- ❑ Labor Costs. At more than three quarters of our total budget, this is the elephant in the room. The hard reality is manifested by the fact that, for example, a 0% increase in teacher salaries still results in an approximate 2% increase in total salary costs, due to built in merit and longevity increases (commonly referred to as “steps and lanes”.) The straight facts are that our current employees will need to make a choice about whether there will be reductions in force or lower overall compensation.
- ❑ Personnel. Growth in personnel for both major operating entities should be sharply curtailed. New personnel should only be hired to fill existing vacant, critical positions.
- ❑ Benefits adjustment. Of course, benefits are a component of overall compensation. Broadly speaking, the benefits supplied to our employees are more favorable than in other communities to which we benchmark. Something has to give. The most notable area is with respect to Health Care reimbursement. The levels that the Town and Schools pay for employee health care must be reduced. Early Retirement Incentive and tuition reimbursement benefits for all employees should be examined and reduced, as these items are significantly mis-aligned with the compensation structures of the tax paying citizenry.
- ❑ Chapter 70 funding is expected, at best case, to be funded at a level of 10% lower in FY 2011 than for FY 2010.
- ❑ Health insurance expense. The Trustees of the Health Insurance Trust believe that underlying health inflation is running at about 7-8%. We do not have any information to contradict this assumption about costs, although the Trust itself is in strong financial position. This could be an area of savings as certainty increases.
- ❑ Utilities Expense. Utility costs should be level funded.

Revenue Split

- ❑ The revenue split in place should be maintained.
- ❑ As has been recent practice, “leftover, unspent dollars” from the prior fiscal year should be allocated off the top to the entity that did not spend those unspent dollars.
- ❑ As a general principle, the “Town” side of the revenue split should increase over time, as the Town has given up revenue over the last several years to accommodate the expansion in school age population growth.

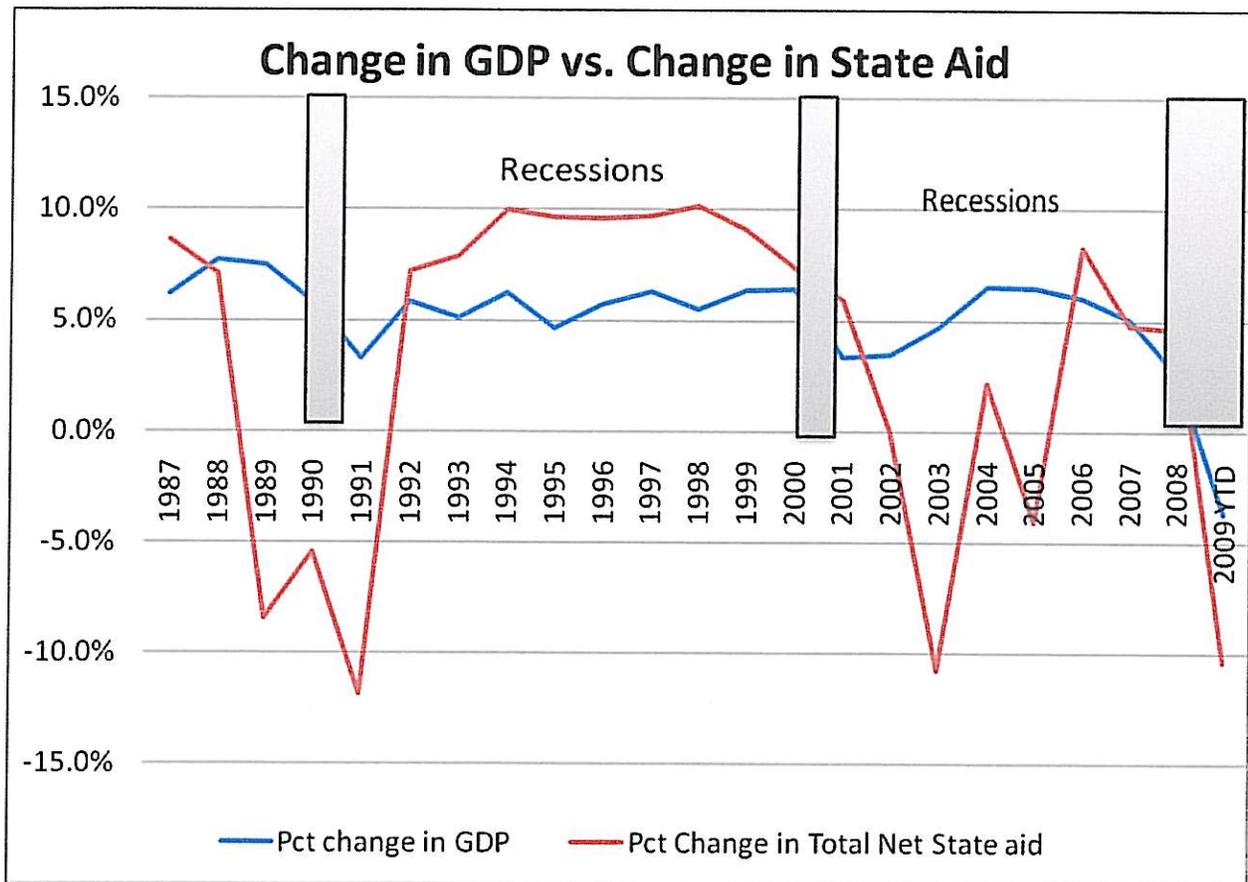
Citizen Expectations with respect to Taxes and Services

- ❑ Revenue from property taxes is our most stable source. During these times of wild volatility, it is not prudent to consider a taxation level below the 2 ½% trigger point.
- ❑ It is important to emphasize that when we had a liquidity event (the NESWC balance conversion to free cash) three years ago, we took that opportunity to lower the tax increase. Put another way, when

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we had the prudent chance to lower the tax increase, we did so. Now, it is not prudent to consider a similar program of reduction.

- ❑ It is very likely that taxpayers will face increased difficulty in paying taxes, so all abatement programs must be actively advertised.
- ❑ Citizens should be prepared to experience service reductions in the short term as the policies of the operating entities engage. Similarly, all citizens should be aware that the capacity to respond to requests not contemplated in the annual budget will be limited in order to preserve flexibility necessary to accommodate the changing economic picture.



Finance Committee Meeting Dates through March 2010

Date	Time	Location
September 28, 2010	7:30 p.m.	Acton Town Hall, Room 204
October 5, 2010	7:30 p.m.	Acton Public Safety Facility Building
October 12, 2010	7:30 p.m.	Acton Town Hall, Room 204
October 26, 2010	7:30 p.m.	Acton Town Hall, Room 204
November 9, 2010	7:30 p.m.	Acton Town Hall, Room 204
November 30, 2010	7:30 p.m.	Acton Town Hall, Room 204
December 14, 2010	7:30 p.m.	Acton Town Hall, Room 204
January 11, 2011	7:30 p.m.	Acton Town Hall, Room 204
January 25, 2011	7:30 p.m.	Acton Town Hall, Room 204
February 8, 2011	7:30 p.m.	Acton Town Hall, Room 204
February 22, 2011	7:30 p.m.	Acton Town Hall, Room 204
March 1, 2011	7:30 p.m.	Acton Public Safety Facility Building
March 8, 2011	7:30 p.m.	Acton Town Hall, Room 204
March 22, 2011	7:30 p.m.	Acton Town Hall, Room 204

Committees, Issues to Follow

	2010-2011 Fincom Assignments
AB Regional School Committee	Mary Ann Ashton
Acton Community Housing Corporation	Pat Clifford
Acton Public School Committee	Brandy Brandon
Acton Leadership Group	Mary Ann Ashton Bill Mullin
Board of Selectmen	Mary Ann Ashton, Doug Tindal, Pat Clifford, others
Community Preservation Committee	Steve Noone
Comprehensive Community Plan	Clint Seward
Cost Savings Subcommittee	Mary Ann Ashton Steve Noone
EDC	Doug Tindal
Fiscal Impact Analysis Model	Mary Ann Ashton Brandy Brandon
GASB45 – Post Employment Benefits	Brandy Brandon
Green Advisory Board	
Health Insurance Trust	Bob Evans
Morrison Farm	Bill Mullin Doug Tindal
Planning Board	Doug Tindal
Point of View	Bill Mullin
South Acton Train Station	Pat Clifford
Space Needs Subcommittee	Doug Tindal
Town Meeting Scorecard	Kent Sharp
Wastewater Advisory Neighborhood Task Force	Kent Sharp
Water Resources Advisory Committee	Kent Sharp

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Events

ATFC annual meeting



Date & Time: Saturday, October 23 2010, 9:00am - 3:15pm

Location: Tri-County Regional Vocational Technical High School, Franklin

Agenda

8:15-9 a.m.

Registration, Breakfast, Networking

9 a.m.

President's Welcome, Pat Brusch, Belmont Advisory Committee

9:15 a.m.

Opening Session

Health Insurance: Playing the Hand You've Been Dealt

Communities across the commonwealth are looking for ways to reduce health insurance costs. The panelists will discuss their experience and outcomes. Cambridge uses collective bargaining to their advantage, Melrose chose to join the Group Insurance Commission for cost savings, and Franklin draws on an insurance advisory committee to bring about plan design change.

- Michael Gardner, Personnel Director, Cambridge
- Mayor Robert Dolan, City of Melrose, Commissioner designee, Group Insurance Commission
- Stephanie McNeil, Human Resources Director, Franklin
- Moderator: David Baier, Legislative Director, MMA

10:30 a.m.

Concurrent Workshops

New to the Finance Committee: Budgeting 101

This session will provide a foundation for understanding municipal finance and budgeting. It will include a review of the timetable of the annual budget, developing a capital improvement plan, an overview of the tax recapitulation process, and managing long-term debt.

- Al Tosti, Arlington, Finance Committee Chair
- Tony Torissi, Finance Director, Andover
- Moderator: Mary McBride, Billerica Finance Committee

School Budgeting Basics

This session will review what goes into a school budget. Speakers will focus on the special-education circuit breaker, regional funding issues and \$204 million in funding for education jobs announced in August as a supplement to Chapter 70.

- Jay Sullivan, School Business Services Administrator, Department of Education
- Christine Lynch, Governance and Facility Support Director, Department of Education
- Moderator: Martin Crowley, East Bridgewater Finance Committee Chair

One Town, One Team: What Is the Role of the Finance Committee?

Finance committee members must develop working relationships with each other as well with other members of the municipal team. This team then work toward the same goal of providing the best possible services for the town. This session will explore this process and offer tips on how to find balance among selectmen, school committee members and administrators.

- Glenn Koocher, Executive Director, Massachusetts Association of School Committees
- Jeffrey Nutting, Town Administrator, Franklin
- Moderator: John Warren, ATFC Vice President

12:30 - 1:15 p.m.

Luncheon Speaker: Massachusetts Taxpayers Foundation President Michael Widmer

1:30 p.m.

Concurrent Workshops

The "Other" Insurance

Employee health insurance has gotten all of the attention over the last five years. But other insurance costs, including unemployment, property & casualty, workers compensation, and liability, can cost towns a great deal of money. Panelists can guide you through these critical areas and what to look for to improve your town's performance and lower costs.

- Joe Callahan, Executive Vice President, Cabot Risk and MIA Member Services
- Paul Scott, Vice President, Unemployment Tax Management Corp.
- Moderator: Al Tosti, Arlington Finance Committee

The New Open Meeting Law

New Open Meeting Law regulations are in place and being enforced by the newly created Division of Open Government. But some of the regulations are still being refined, based on feedback by local officials. This session will examine how the regulations relate to finance committees, functions and responsibilities.

- Deborah L. Pellegrini, Town Clerk, Franklin
- A representative from the Department of Open Government
- Moderator: Richard Creem, Needham Finance Committee Member

Reducing Municipal Budgets: The Hidden Cost of Cuts

Cutting back hours or eliminating positions can involve employee bumping rights, require impact bargaining with the unions, and result in having to budget more for unemployment. Reducing services can mean a loss of revenue, can create problems with meeting state and federal mandates, or can increase demands on other departmental budgets. This workshop is an opportunity to learn about how to think through the ramifications of budget-reduction decisions.

- John Clifford, Municipal Labor Attorney and former Marshfield Town Administrator
- Michael Jaillet, Town Administrator, Westwood
- Moderator: Joanne Marden, Andover Finance Committee

3 p.m.

Adjournment

The cost of the meeting is \$40 for attendees from ATFC dues-paying communities and \$55 for nonmembers. All local officials are invited to attend.

Directions

Tri-County Regional Vocational Technical High School
147 Pond St., Franklin
(508) 528-5400
www.tri-county.tc

[Google Maps directions](#)

From North on Route 495:

Take exit 17 and stay to the right as you come to the top of the ramp. Turn right onto route 140 and move into the left hand lane as you approach the traffic signal.

From South on Route 495:

Take exit 17 and stay to the left as you come to the top of the ramp. At the traffic signal take a left, crossing over route 495. Proceed straight through the next traffic signal after you cross over the highway. Move into the left hand lane as you approach the next traffic signal.

At the traffic signal (with the shopping plaza on your left) turn left. The access road to Tri-County (Tri-County School Drive) will be your first right, which will be almost immediately after the traffic signal. Proceed up the hill on the access road and take your first and second rights. Take your first left to park in the parking area. Approaching the building from the parking lot, enter the glass-enclosed area; registration will be to your left.

[Download Registration Form \(28K PDF\)](#)

Contact: MMA Senior Member Services Coordinator Denise Baker
Association of Town Finance Committees

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Subj: **Get Involved in Planning Acton's Future**
 Date: 9/23/2010 12:35:58 P.M. Eastern Daylight Time
 From: kalexander@acton-ma.gov
 To: AllBoardsandCommittees@acton.local



Town of Acton, MA

Acton 2020

Comprehensive Community Plan

Dear Acton Board and Committee members:

We are writing to invite you to participate in developing *Acton 2020: The Comprehensive Community Plan*, which will be the new primary planning document for the Town of Acton over the next ten to fifteen years. This planning process is required by the Commonwealth and gives interested Acton residents a chance to engage with one another on the public policy issues and priorities we as a community deem most important.

There will be many ways to participate, but we want to highlight two in particular:

- Become a [Volunteer Advisor](#). The Acton 2020 Committee is seeking advice on evaluating and fine-tuning the town goals, using the [emerging goals](#) articulated during the Phase I Visioning as our starting point.
- Attend the [first public workshop on Wednesday October 20th](#) from 6:30-9:30. Review both the visions and goals of Phase I (already completed), and the initial results of the town data gathered for Phase II.

A member of the Acton 2020 Committee will be contacting your board or committee chair to discuss our public outreach plans and the specific ways we hope you as a member of a town board or committee may choose to participate. Please be assured there is no formal requirement to participate nor should it be time-intensive. We do understand that your existing board and/or committee service can be a major time commitment. That service, however, also gives you valuable insight into the issues which will shape Acton's future, so we want to make sure we can find ways for you to get involved.

In the meantime, be sure to log on to our NEW website Acton2020.info for more information on the exciting next phase of the planning process.

We hope to see you on October 20th !

Sincerely,

Members of the Acton 2020 Committee

Margaret Woolley Busse, chair
 Jim Snyder-Grant, vice chair
 Sue Benson, member

Celia Kent, member
Sahana Purohit, member
Dean Cavaretta, associate member
Bill Marathias, associate member