

Final

BUDGET SATURDAY JANUARY 7, 2012*

Selectmen Present: Mr. Gowing, Ms. Harting-Barrat, Ms. Adachi, Mr. Clough, Mr. Sonner.

Finance Committee Members Present: Mr. Mullin, Mr. Tindal, Ms. Clifford, Ms. Ashton, Mr. Brandon, Mr. Noone, Mr. Seward.

Town Staff Members Present: Town Manager Steven Ledoux, Assistant Town Manager John Murray, Town Accountant Joseph Tassone, Finance Director Stephen Barrett, Assistant Assessor Brian McMullen.

Chairman Gowing convened the meeting.

Introduction

Mr. Ledoux described the budget-review process that preceded today's meeting and referred everyone to handouts, including answers to board members' questions. The budget process started in August. The Town staff "on the hill" session was in October, with the prioritizing of capital requests into A-list items.

The total budget is 29.1M, plus capital items. Two operating items are out of the ordinary: 400K for the Nursing Service; and 240K for transportation services--rail shuttle and Dial-A-Ride, for which grant-funding has ended. Fares alone generally are insufficient to sustain public transportation. The proposed capital projects total 2.1M, with a recommendation that 1.9M be bonded. There is no priority list of the capital projects; the Town recommends any capital project that is in the proposed budget. One challenge is the absence of the usual Acton Leadership Group consensus/guidance re budget. There may be consensus at the upcoming January 12 ALG meeting. The Selectmen must vote on and refer the budget to the Finance Committee by February 2; the Board may need another meeting in January. The Other Post-Employment Benefits (OPEB) obligation is another issue.

No word yet about state local aid. The Massachusetts Municipal Association annual meeting is in two weeks and the Governor presumably will address his perspective on the budget and local aid. Mr. Ledoux will provide an updated spreadsheet, more recent than December, at the next ALG meeting. Mr. Barrett will provide information about the retirees in the Middlesex Retirement Fund.

Green Advisory Board (John Murray)

The GAB has two requests. First, for the third year, the GAB is seeking 10K so that it may continue projects aimed at improving energy efficiency; last year, GAB replaced

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existing lighting with more energy-efficient LED lights. Second, GAB is proposing an Energy Enterprise Fund for energy-efficiency purposes, contingent on Department of Revenue approval. The fund could accept rebates and other energy savings sums that then could be used for energy-efficiency projects such as the building studies already done on the Public Safety Facility and Town Hall. This would be a pilot program, so there has not yet been any outreach to MAGIC (Minuteman Advisory Group for Inter-local Coordination) regarding the light efficiency program. Mr. Murray noted that the Green Communities Act grant program has changed, with the state now seeking grants for specified purposes.

Human Resources/Veteran Services (Marianne Fleckner, James MacRae)

Mr. Ledoux noted that based on population, Acton is required to have a veterans service officer or an officer shared with contiguous towns; neighboring towns were not interested. Mr. MacRae, who did two tours of duty in Iraq, hopes to improve outreach to veterans who may not know about the services. The state reimburses the cost of benefits via the cherry sheet.

Mr. MacRae explained what in the budget the state will reimburse and what the Town will end up paying. The biggest items are ordinary benefits such as rent/mortgage assistance, assistance with medical co-pays, fuel assistance. Veterans typically constitute about 10% of a town's population. Among the comments: future budgets should include information on who gets what benefits and how they qualify for them, the idea being that even if the benefits were state-mandated, the Town still should justify the spending; the Town initially had proposed a 20-hour officer, but the state required a full-time officer; Mr. MacRae should coordinate with other groups in town such as the Acton Housing Authority to assure the most efficient provision of services; WWII-era veterans are proud and not necessarily going to seek help, so the full-time hours should enable greater outreach.

Ms. Fleckner highlighted the major changes in the budget from FY12: advertising, employee recognition, professional services, medical services. Advertising has increased from 7K to 13K in anticipation of vacancies. There is a new employee recognition program, the STAR program, that recognizes long-term employees. Professional Services include the services of an assessment center, including for mandatory testing. Medical Services includes physicals required pre-employment, for workers' compensation returnees and Chapter 111F returnees (police, fire who do not get traditional workers' compensation).

Ms. Fleckner said she was not proposing an expansion of the senior work program, given that people interested in the program are put to work immediately. In response to a query about the proposed increase in the advertising budget without a corresponding increase in proposed hiring, Ms. Fleckner explained that the department currently is doing backfill; and the full-time employee count is not the same as individual employees. She said the Globe was the last resort for listing positions, due to the cost. She typically gets 80 responses to a posting. Mr. Ledoux noted that the response depend on the position being

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filled. Ms. Fleckner explained that the Vendor expense covers applicant assessment, recruitment, etc. Applicants go through a drill, are evaluated by a panel on performance in a situation or on a written exam. The Town's hiring is competitive, and the Step 1 salary is on lower side relative to comparator communities.

In response to a query about Chapter 111F stop-loss insurance and the Town's lack of protection, Ms. Fleckner said the Town was self-insured and usually could negotiate down to a percentage of original bill. She recommends having three fiscal years for evaluation. Ms. Fleckner agreed that the Town could get quotes so FinComm could decide whether stop-loss coverage was worth it. Mr. Murray said he had found no one who would reinsure for Chapter 111F.

Engineering/Highway (Corey York, Russ Robinson)

Engineering Director Corey York noted that aside from gas/diesel, most items were up no more than 3%. The gas/diesel and repair/maintenance budgets cover all Town vehicles, exclude Schools vehicles. The Transfer Station budget includes the cost of an inspector and other requirements of the Department of Environmental Protection. There are 5 capital requests for replacement vehicles that are in bad shape.

Gas/diesel purchases are part of a state contract, linked to pricing index. The fluctuation in the paving budget is due to the previous budget cut and need to restore the budget to what it should be; the budget should be higher. Mr. Barrett pointed to the memo explaining the paving budget, with the assumption of a 25-year life stretching out to 40 years. There was a comment that under-funding road maintenance might give rise to problems later.

Mr. York confirmed that the budget did not reflect additional work that he and other Town employees had done, for example, on the train station. The budget includes sidewalk-related work in various locations: working with property owners, addressing design issues, securing easements. Highway has some funds for repairs. Mr. Robinson explained that the tree-cutter takes down trees and also serves as a mulcher.

The one recommended capital request is the overhaul of the drainage system in the Quarry Road/Main Street area, which has been on the list for a while. The system is not sized for the area it serves. The developer of the new development in that area is contributing 84K, will reduce the 273K request.

Mr. York has been speaking with vendors about the proposed replacement parking meters for the train station lot. The MBTA has agreed to reserve space under a canopy for multi-space meters, and to add the meters as the station work is completed. This does not involve Chapter 90 funds, which are being used for road maintenance.

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Council on Aging (Sharon Mercurio)

The COA is proposing a level service budget, which involves a 3+% increase. There is a capital request of 140K for the design of a new senior center. Senior citizens now constitute 16.7% of the Town's population. The design proposal will be presented to the Selectmen next week; the material is online.

The center is well used in the morning and early afternoon; there is insufficient space in the morning. Among the comments pertaining to utilization and expenses: a community center would provide more users later in the day; there needs to be consensus on the need and design so that residents are willing to provide funding for the construction and the Town does not repeat what happened with the North Acton fire station, which was designed but not built; Acton 2020 participants gave high ratings to the center's activities but low priority to paying for a new center; move some morning activities to another venue, or create satellite locations such as the Windsor Building to reduce crowding at less expense than building new; determine the extent of interest among young seniors from age 59; explore private funding options, memberships, as Concord has done with the Beebe Center; increase use of e-mail for newsletters; explore regionalization. Ms. Mercurio and others noted the advantages of having one central location, and of the proposed site for the new center near NARA, in an area of activity.

Fire (retired Chief Robert Craig)

Mr. Ledoux said that Chief Craig will stay on until the Town hires a new chief.

The increases in the budget are due principally to wage increases, including in overtime, due to collective bargaining. The increases in the ambulance enterprise fund are due to step increases, not additional hires. Chief Craig said that sending an ambulance without a fire truck, or vice versa, is not feasible; sending an ambulance and fire truck together helps to ensure that sufficient personnel will be available to address the situation, for example, to move a medical-call person down stairs, etc. If the Town were to share the Jaws of Life with another town, he would worry about delay if Acton needed the equipment but it was unavailable.

The Town probably will need another ambulance in the 2-5-year timeframe due to demographic changes and the fact that when one ambulance is out for servicing for a week, the Town is not getting the revenue.

Police (Chief Frank Widmayer)

Chief Widmayer presented a level-funded budget, as he has for the past two years. The department has stopped crosswalk enforcement and child safety seat installation; traffic details are down, there are no motorcycle or bicycle patrols, and no West Acton foot patrols. The department is down 15 in the patrol division; the hiring process takes 15 months from beginning to end, including training at the academy and on the job. In the meantime, he is paying overtime to existing officers but with reduced coverage, which is

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a safety issue. The recommended number of officers is 2 per 1,000 people, or 44 for Acton's 22K population; Acton currently has 32. Crime has increased—drugs, property crimes—as have suicides and attempted suicides (17 attempts, 2 suicides, 7/2011-11/2011) and domestic violence (250 incidents per year) due to the economic atmosphere. Chief Widmayer would like to be able to hire more officers; adding an officer would be 56K. A number of people expressed concern about the ongoing inadequacy of resources for the department to do its job.

West Acton Library (Jennifer Friedman)

Ms. Friedman proposed a level-service budget covering her salary and books. The library has just under 10K for museum passes, books, etc. from the library Auxiliary and Friends of the library. The library has been using the Windsor Building in its current state for book sales and plans to continue doing so. She would like use the space for storyteller events, too there if it rains. The Farmers' Market has increased the traffic, number of regular users, use of the library's electricity, bathrooms, etc. and the need for her to assure staffing on Sunday if she cannot be present. The library does not have a book-swapping arrangement with Memorial Library; it does not participate in the Minuteman library system but arranges for inter-library loans via Memorial Library.

Planning/Zoning Board of Appeals (Roland Bartl)

The Planning Department has 3.5 FTEs and provides staff support to several boards and projects: the Assabet River Rail Trail 25% design submission (construction 2016-2020); the Bruce Freeman Rail Trail design (construction 2020-2025); Caouette remediation (excavation completed, backfill next week); the CPC, which requires support for the annual project proposals and grants, including the annual recapture of any funds left over from grants in prior years; the Acton 2020 Committee, whose final master plan will be before Town Meeting in April, and, if approved, will proceed to the implementation phase. Subdivision permitting has been quiet. Notable special permits include those for the TD Bank and Spruce Corner projects. The Zoning Enforcement Officer reviewed 388 building permits. Some annual funding comes from the Community Preservation Fund for the cost of staff support to the Community Preservation Committee.

The group discussed the apparent need for more staffing, which Mr. Bartl is not recommending, and expressed concern about what impact the insufficient staffing might be having. Mr. Bartl said that some funding opportunities had come and gone. The enactment of the CLURPA (Comprehensive Land Use Reform and Partnerships Act) zoning reform bill would not have any impact on staffing needs.

Special Presentation: Other Post-Employment Benefits (Steve Noone, Pat Clifford)

FinComm is recommending that the Town set up a trust begin to set aside funds for OPEB, starting with 500K for FY13. FASB (Financial Accounting Standards Board) some time ago established the need to keep track of the obligations, if not to fund. It is a real obligation and currently unfunded: 47M for Town/Acton Schools, 44M for Regional

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District. Segal, actuaries, has calculated the amount. Even without the inflation assumptions, the Town's liability is at least 30 million, which the Town does not have. The liability could hurt the Town's ability to borrow if potential bond purchasers become aware of it. The obligation will not improve over time. The Town needs to set up a trust just for employee benefits, and have exit strategy in case conditions change over time.

The presentations today have been about things the Town needs to do with Town funds. But it is not good if the Town uses reserves for operating expenses without addressing the OPEB issue. The FASB disclosure requirement is the shot across the bow, with enforcement likely to be next. There is a citizens' petition recommending funding of over 2M.

Up to now, the Town has paid for the current OPEB obligation on a pay-as-you-go basis without any set-aside to cover future payments. If the pay-as-you-go approach continues, the concern is that the annual obligation will consume an increasing portion of the annual budget and could reach the point of squeezing out other services.

The group discussed the calculation of the liability, appropriate level of funding, and how much Town Meeting would understand or care about the long-term issue. Among the comments: the liability has existed for decades and the sky has not fallen; residents will more easily understand the need to fund the amount that the Town will use this year; the annual cost on the Town side is 3M, so the Town should be setting that aside; the Town should organize a working group to address a long-term plan; Acton is one of only 20 towns out of 351 statewide that are dealing with the OPEB issue at all and can afford to do so, but municipalities of less means will have to wait for the state to step in; the state has its own OPEB liability of 13 billion. Mr. Murray said that Town Counsel will be providing more guidance to the Selectmen and FinComm about the Town's options; the Health Insurance Trust surplus may not be used to fund OPEB. Mr. Ledoux said the budget currently does not assume any savings that might result from the ongoing informal discussions among employee representatives of possible health insurance plan design changes; Mr. Ledoux and Don Aicardi, the Financial Director on the schools side, have discussed possibly putting such savings into an OPEB trust.

[lunch break]

Memorial Library (Marcia Rich)

Ms. Rich described the demand and need for library materials. E-readers are among the items in great demand but some e-readers come with licensing limitations that preclude downloading in the library; Sony readers allow in-library downloads. The library will be doing long-range planning. Parking and traffic can be an issue, with related concerns about safety, especially for kids. The library meeting rooms are very busy on weeknights for Town board meetings and the like, with 600-700 weeknight meetings total.

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Town Manager Budget (Steven Ledoux, John Murray)

The Manager's budget is down 4.1%, salaries down slightly due to clerical transition to Human Resources. Purchases are down 4.5 % due to the reduction of Town Counsel line item; the agreement with Town Counsel provides for a 3% discount after the first 300K, 5% discount after 500K. There has been no new litigation. The Manager has not yet done benchmarking studies comparing the Town's legal costs with those of other towns. Professional services are up; the category is a catchall for a range of services, for example, land-acquisition services such as appraisals, conservation-restriction-related services as for the Caouette and Groener parcels, environmental evaluations, consultant evaluation of Town's use options if it acquired Quail Ridge.

The capital items include the proposed creation of a Land Use Department to further the goal of permit-streamlining while also overhauling the north wing of Town Hall. The space would include a glass-surrounded conference room that would admit more light in a confined space and also be available for night meetings, with the rest of the building closed off. Other towns have a counter where all permitting is done. Ms. Fleckner, who visited communities with land-use departments, said that the Town needs an automation change in addition to the physical change; that is, a permit-tracking system that will relieve a customer/resident of having to go from office to office to complete the permitting process. The Town has posted a GIS coordinator position and is working on the scanning/digitization of files. Information Technology Director Mark Hald said the scanning has been ongoing for 5-6 years; but by law, the Town must retain certain original documents with original signatures, so the need for paper storage never will disappear. The renovation would start January 2013, the improved permit-tracking and GIS service before then. Municipal Properties Director Dean Charter is doing research on possible temporary office space during the renovation.

Among the comments: renovation of a historic building requires expensive adherence to historically correct standards, the Town should not put money into a re-design that could end up bulldozed, and it is time to think about creating office space elsewhere, even leased, and moving out functions that do not require interacting with the public; this is the biggest capital item in the budget and it is not supported financially; why is the Town considering a 600K renovation without knowing how it will work?

Emergency Management, Celebrations (John Murray)

The Town is proposing multi-purpose bonds, but to delay until after July for savings of 230K in interest. The bonding article will be available immediately after bond approved.

Emergency Management. The Emergency Management Building dates back to 1920 and needs work. Mr. Ledoux and Mr. Murray have discussed creating an employee health center in the building to generate cash-flow.

The proposal for emergency traffic lights is due to the concern that in a storm-related outage, the Town will be a lower priority where FEMA, MEMA and the utilities are

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concerned; residents will be out and about before the Town can do repairs or take other action; the Police Department will not place a police officer at an intersection with non-working traffic controls due to insufficient personal and safety concerns. The emergency lights would be for intersections where 3 emergency lights would work, such as Kelley's Corner.

Celebrations. The Town has reduced the budget, which in the coming year will cover Patriots Day, Memorial Day, July 4th and Veterans Day; the Town formerly did more. The number of celebrations is up to the Selectmen.

Municipal Properties (Dean Charter)

Mr. Charter responded to questions, including some raised earlier in day.

Tree-clearing. If a private tree falls into a public road, the Town is obligated to open up the road. If the Town is able to leave the tree on the side of the road, the disposal of the tree is up to the homeowner. If there is no place to put the tree, sometimes it is easier for the Town to dispose of the tree.

Windsor as satellite senior center. The area has 75 public parking spots, but senior center customers would want to be close to the building, so it probably would not work as a senior center location. The ground floor also has limits as to use.

Piper Lane/Road house. The Town received one qualifying bid, which the Selectmen signed off on; closing probably will be within 45 days.

Town clock repair. Eligible for CPA funding, and the Town has filed an proposal with the CPC for CPA funding of the clock repair and the proposal to make 468 Main accessible.

Morrison Farm house. The developer who agreed to work in the house as part of a settlement refused to enter unless the Town de-leaded the house. The Town did a historical replacement of all windows. Mr. Ledoux said the developer has started work on the house, has replaced the roof and should finish in May. Comment: why has the Town spent 150K on a house that it cannot use?

Natural Resources/Cemetery/Recreation (Tom Tidman, Cathy Fochtman)

Capital items include a replacement dump truck and renovation of Goward Playground, which is the playground that parents mention most often. Even among playgrounds, Goward is a top priority for the Recreation Department; Gardner Playground in West Acton and the playground at Jones Field also are old, but Goward has serious structural issues. Recreation has not yet considered taking down the equipment. Friends of Goward Playground are raising funds to cover a portion of the renovation cost.

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The picnic pavilion at NARA has been designed but the project is on hold, pending amendment of the Community Preservation Act to allow the project to move forward.

Morrison Farm. Natural Resources and Recreation will maintain the gardens, Municipal Properties will mow, etc.

Information Technology (Mark Hald)

Mr. Hald said that earlier presentations already had covered much of what he was going to address. The 55% increase in the salary line on page 28 is due to an impending hire; he could use more staff. Emergency equipment includes the AM-band system, among other things; IT is working with ActonTV on the feasibility of sharing emergency broadcast capacity with other towns.

Building Department (Frank Ramsbottom)

There are some changes in salary lines related to revolving fund allocation but no other changes of note. The department has all new vehicles. The department has issued 890+ permits, including sheet metal permits. Only 50 permits for new construction, including TD Bank. People are not thrilled with the fee increase but they also know costs are increasing all round. The impact of the “stretch code” has been like the impact of any new code in that builders do not necessarily know about the changes and the department still must do inspections; the “stretch code” simply took the building requirements to another level and involved another person, a herz rater.

Health/Nursing Service/Transportation (Doug Halley, Heather Hurley)

Mr. Halley reported on the Health Department and transportation services, and Ms. Hurley on the Nursing Service.

Nursing Service. Some of the Nursing Service increase is due to the state’s cutting of the immunization program. The immunizations are among the public health services the Town is required by law to provide; the Nursing Service provides immunizations in assisted living complexes and at Town Hall. The number of patients is down from last year, although the number in previous years has been stable; the Nursing Service can make money if more Medicare patients are in the mix. Among the issues that the group discussed were the continuing loss of money, lack of a business plan or marketing plan, whether the operation was stable but growing or in decline, the risk if the Town stopped serving Medicare patients. Mr. Barrett said he would circulate a profit/loss statement to all.

Transportation Services. Mr. Ledoux explained that no further grants were available for the transportation services, so cash flow issues have developed. Mr. Halley, who is knowledgeable about grant issues, is part of the “tiger team” to come up with possible solutions. Mr. Ledoux added that one option might be to divert a portion of the MBTA allocation to transportation; another is the pending bill to authorize the use of train station

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parking fees for shuttle services. The Town also is working on improving coordination of the various taxpayer-funded transportation services, including school transportation services such as CASE. The two Town transportation services provide roughly 14,000 rides. A fast growing segment of users are kids involved in after-school activities; kids involve in summer activities at NARA also use the service.

Finance (Accounting, Town Clerk/Elections, Assessors, Collector and Finance Director) (Steve Barrett)

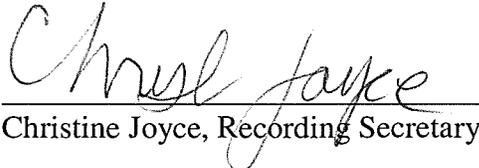
Mr. Barrett noted that this was his 14th budget presentation. The Finance Director budget is over 10M. The Finance Department has brainstormed about OPEB, knowing that that is a big issue; ideas include privatization of some services, an OPEB buyout on the eve of an employee's 10th anniversary. The availability of the online billing and payment option for property tax has been well-received; fewer people are coming into Town Hall close to the tax due date. Among the comments: make the financial information available in a spreadsheet rather than a pdf-format document; for items that vary from the prior year, specify the percentages.

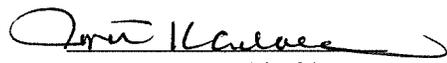
Comptroller (Joe Tassone). He just started as Town Accountant last week. Level-funded, mostly wages, 4 employees.

Assessors (Brian McMullen). He is responsible for the database on Acton properties, administration of excise tax bills, calculating annual levy growth and the tax recap submission. He started 20 years ago. Level-service budget, salary line decreasing. Revaluation for FY13 going out to bid this month.

Clerk (Eva Szkaradek). Level funded but elections budget has gone up slightly because it is a primary and election year so there will be additional elections and equipment maintenance. The Superintendent and Police Chief looked into using the upper gym for elections, but they decided not to pursue due to limited parking while school was in session.

Adjourn 4:15 p.m.


Christine Joyce, Recording Secretary


Janet K. Adachi, Clerk

Date: 26 March 2012