

Finance Committee Meeting  
November 27, 2012

Members Present: Steve Noone, Doug Tindal, Mary Ann Ashton, Paulina Knibbe, Herman Kabakoff, Bob Evans, Mike Majors, Bill Mullin, Pat Clifford

Chair Tindal called the meeting to order at 7:30 p.m.

- I. Public Comment. None
- II. Approval of Minutes of FinCom Meeting on Nov 13<sup>th</sup>. Minutes approved with one abstention (Pat Clifford).
- III. Regionalization  
Peter Ashton made a detailed presentation about the recommendations of the School Regionalization Committee.

Main points:

Financial Issues

- a. Conservative Cost Savings estimates from regionalization are approximately \$600K annually of which \$500K is extra transportation funding from the state. This benefit would be split 65% to Acton and 35% to Boxborough (Note: the population split is closer to 80/20). This would be accomplished by shifting the assessments approximately 2% to Acton's advantage for 5 years.
- b. Recommend that the towns sell the local school buildings to the region for a nominal fee (\$1). The region would assume the obligation to pay off existing local school debt. (The towns, however, will remain the holder of any bonds they currently hold.)
- c. Future construction and renovation costs for the K-6 schools would be split between the towns on a population basis regardless of the location of the school.
- d. Any future construction and renovation costs for the jr high and high school would maintain the 5% discount benefit for Boxborough.
- e. Region would be responsible for salary and benefits for existing employees, and for any future retiree benefits. Obligations for current local school retirees would remain with the towns.

Governance Issues

1. Regional School Committee membership. Each town would elect its own representatives to the regional school committee. Boxborough wants more 'persuasive' power by having more seats on the new

region while recognizing that the votes need to be proportional to the populations of the towns. The proposal is to have 3 Boxborough members and 5 Acton members on the regional school committee. Each Boxborough member would have one vote and each Acton member would have 2.4 votes.

2. The regional school committee will develop the school budget and present an assessment to the towns at their respective town meetings. These assessments would be subject to a single vote to approve or disapprove.

#### Education Issues

1. The regionalization committee believes that there will be educational advantages to the students. But these are more subjective and difficult (if not impossible) to quantify.

#### FinCom Concerns

- Proposal includes the addition of two new employees in the region. If these additions are not made, how does that effect the savings ?
- Union contracts. Boxborough teachers would receive the same health insurance benefits recently negotiated with the Acton teacher unions. They would receive raises to compensate them for the difference in benefits.
- Governance concerns. Less control by Town Meeting and elected town representatives (BoS) over the substantial majority of the budget. Concern that this will result in less sensitivity to non-education related town needs.
- General Sense: savings is small, benefits are not clear, risk is non-trivial

- IV. ALG spreadsheet and agenda  
Current version of the spreadsheet assumes 2% less in Chapter 70 aid. No consensus on use of reserves. The ALG shows \$2.1 million gap between spending and revenue and uses \$2.1 million of reserves.

- V. Minuteman Tech School - Marginal Cost Issue  
Approximately 40% of the students currently enrolled at Minuteman Tech are not sent by towns who are members of the Minuteman School District. They pay tuition but their tuition is substantially less than the per-pupil costs incurred by member towns.

As the Minuteman Community decides how to remodel / rebuild the Minuteman School, it needs to decide how large the new facility should be. The issue of out of district students is key to this decision. If marginal costs do not include costs associated with the physical plant, it

is possible to make the argument that out of district students cover their marginal costs with their tuition. However, this is an opportunity to construct a smaller facility that more closely matches the needs of the member communities. Out of district students could still be accepted to fill in 'holes' in attendance but at substantially lower numbers.

Bob Evans has drafted a letter making this point and will send it to the Minuteman School Committee.

Steve Noone: moves to endorse this letter.  
Doug Tindal: second.  
Passes unanimously.

## VI. Upcoming Budget Process

- a. Final Draft of PoV Document  
No feedback has been received on the Point of View document.

The Finance Committee re-affirmed its support for limiting the use of reserves to \$1.5 million.

Comment [M1]:

Herman Kabakoff moves to adopt the Point of View draft as Final.  
Steve Noone seconds.  
Motion Passes: (All yes except Bill Mullin – no).

Action Item: Doug Tindal. Ask Town Manager and School Superintendent for the net amount of reserves that were spent in the last budget cycle (after turnbacks were taken into account).

- b. Budget Calendar Dates  
Dec 17<sup>th</sup> – Town Manager gives budget to BoS  
Jan 5<sup>th</sup> – Budget Saturday  
late January – school budgets

## VII. Status Reports

- a. Morrison Farm  
Budgets are in the expected range. The BoS will vote on Monday. CPC will vote on Dec 17<sup>th</sup>. FinCom will vote as part of the CPC review. Town Meeting will vote in the spring.
- b. OPEB Working Group  
Considering asking for \$800K to be allocated from the budget this year. (Note: \$700K is in the current ALG plan). Considering bonding as a way to fund.

VIII. Committee Updates

- a. Bob Evans - HIT  
8-10% increase in HIT assessment likely. If this ends up at the high end of the range, the hole in the ALG budget will be larger.
- b. Mike Majors – Planning Board  
The Acton Food Pantry would like to move back to Acton but some zoning changes may be required.
- c. Herman Kabakoff – CPC  
CPC will be meeting this week to review proposals received. BoS has voted priorities for those projects being sponsored by the Town of Acton.

Herman Kabokoff moved to adjourn  
Paulina Knibbe seconded  
Vote: unanimous

Meeting adjourned at 9:30 pm

*Minutes approved on Dec 11, 2012*