

**Minutes – Acton Finance Committee**  
**January 27, 2009, 7:30 p.m.**  
**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 January 27, 2009 to review various matters.

**Members present for the meeting:** Steve Noone, Herman Kabakoff, Mary Ann Ashton, Pat Clifford, Bob Evans, Bill Mullin, Kent Sharp, Doug Tindal, Associate Member Maynard (Brandy) Brandon

**Others Present:** Rich Logan, Steve Baran, Sue Cudmore, Terry Lindgren, Len Parad, Ellen Holway, Ann Chang, Marge Kennedy, Nancy Tavernier, Mary Michelman, Cassie Stewart, Jo-Ann Berry, Doré Hunter, Clint Seward, Bob Hertz, Dick Calandrella, Paul Hoff, Bob Ingram, Charlie Kadlec, Paulina Knibbe, Terra Friedrichs, Steve Ledoux, Lauren Rosenzweig, Bob Ingram, Frank Joyner, Beth Petr, Chris Renzi, Tom Michelman.

Chairman Steve Noone called the meeting to order and offered an overview of the agenda and a preview of upcoming meetings.

**Approval of Minutes**

Mary Ann Ashton presented minutes from the January 13, 2008 meeting. Herman Kabakoff moved, and Bob Evans seconded. Minutes were approved unanimously.

**Public Participation**

Chairman Noone welcomed the members of the public in attendance and emphasized that the Fincom would like to listen to public suggestions of ways to save costs in the municipal and school budgets. He noted that the Fincom had already received ideas from many people, which were summarized on a handout available to the public at the meeting. Many speakers addressed the committee with their thoughts, which are briefly summarized below.

Rich Logan, Guswood Road, expressed concern about raises given to employees of Acton, town and schools. He noted that the private sector isn't giving raises this year, and as a town we shouldn't be generating these types of raises. He also noted that he has looked at the capital equipment, such as two dump trucks, that people want to add, but he thought that these could wait. He also thought we could wait one more year to add the deputy police chief, and new doors at the fire station. He suggested that Fincom should look at the IT department, which didn't exist before and now is a million dollar business. He thought the use of the Ambulance Enterprise Fund to fund fire department personnel was misleading, as it gave the appearance the fire department expenditures were going down. His last request was for budget information posted on the website in Excel format.

Steve Baran, a member of the COA Board, said that the senior program serves the weakest members of the community, providing for their educational, social, and social service needs. These programs provide a safety net for seniors, and fully funding the senior center programs prevents incurring other costs.

Sue Cudmore, Brucewood Road, advocated for improved education and enforcement to encourage recycling for town and schools. She also noted that the schools have their own trash hauling contract, and suggested it be renegotiated to encourage recycling and discourage excessive hauling of trash.

Terry Lindgren, Woodchester Lane, noted that many of the ideas suggested would take a long time to implement, but thanked the Finance Committee for offering a forum for public comment. He believed that the emphasis should be on minimizing layoffs and maximizing support for people who are most exposed in the community. He said a hard reality approach should be applied to the costs of energy and health insurance, and that the 85-15 split could be shifted now for non-union employees.

Len Parad, Wood Lane, asked several questions about the health insurance plans, which Bob Evans addressed. Mr. Parad said it would be nice if more employees signed up for the lower-cost plan, and suggested that maybe they could be induced to do so if they paid a lower percentage with the less expensive plan.

Ellen Holway, Alcott Street, provided Fincom members with a list of suggestions, mostly focused on cost savings ideas for the schools.

Ann Chang, Billings Road, a library Trustee, said that librarians are not unionized, nor are any of the people in town hall. Total budget for library is \$1.1 million; if library is level-funded, library will not open until 10 a.m.; at next level they close one day a week, reduce Sunday hours. She said that closing the library is penny wise and pound foolish. Library services are necessary for lifelong learning and that in tough economic times the number of people using the library is climbing steadily. She noted the "tremendous increase" in number of people coming in to read newspapers and look for self-help job-hunting materials.

Clint Seward, Washington Drive, had previously submitted comments to the Finance Committee. He asked how can we get the town to buy into a cost reduction task force?

Marge Kennedy, Church Street, said that she hoped that the final budgets would retain the services necessary to meet the needs of our neediest and most vulnerable citizens, such as the plea that was received last year about funding social worker coordinator, which harnessed public and private energy. She said that last fall's "safety net" meeting had worked to ensure no duplication and more effective delivery. The town should work to increase the number of volunteers.

Nancy Tavernier, Mohawk Road, expressed her concern about using School Choice enrollment as a way to raise revenue. She noted that in the town's previous foray with School Choice that big deficits had been created when enrollment grew and staff had to be moved from the Choice budget to the operating budget.

Dick Calandrella, Notre Dame Road, said that the biggest issue is salaries and benefits, pretty much covered by union contracts. He would hope that people on both sides of the table would be willing to make some tradeoffs like everyone else is doing across the country. If contracts are not up for re-negotiation, they could be re-opened.

Lauren Rosenzweig, Marshall Path, chair of BOS, said she was eager to listen to other people's ideas about where to make reductions and the BOS would do their best to accommodate the needs.

Mary Michelman, Magnolia Drive, suggested foregoing some of the capital items before we let personnel go. She said that the town should consider not doing some of the extra things, like painting,

or maybe do a “B” job rather than an “A” job to get by. She said that as positions are cut, the extra burden is put on the remaining staff. She said that making cuts results in service cuts.

Cassie Stewart, Jackson Drive, expressed concern about activity fee increases, lunch ticket increases, as these are other ways that parents get hit in a downturned economy as well. Parents help out so much in the schools with fundraising.

Doré Hunter, Foster Road, noted that some services (such as veterans services) need to be increased rather than decreased during poor economic times.

The Fincom members discussed some of the things they had heard and how to proceed. Bill Mullin said that the challenge will be how to implement. Some of these are quick fixes, with short payback. These need to be assigned into buckets on how long they will take to implement and how big the payback would be. He emphasized that each idea that moves forward needs an “owner” assigned to do the analysis. Then the Fincom members can analyze which ideas have high payoff/short time to implement versus those with high payoff/long time or small payoff/short time. Some will need to be discarded as small payoff/long time.

In response, Terra Friedrichs responded that she supported Mr. Mullin’s idea, and believes that each idea needs to have a member of the Board of Selectmen assigned as well.

Chairman Noone said he wants to get back to everyone who made a suggestion. Mr. Evans noted that several things on the list require legislative approval to implement, for example, what students can be required to provide in a public school, pensions, etc. Mr. Noone said that some of these ideas may still be worth pursuing because while we may not get there in FY10, they may provide savings by FY11, or FY12. Pat Clifford said that Fincom has never had so many people in the audience before, but stated that this is not a one-shot deal, encouraging people to continue to come forward with their ideas.

Chairman Noone thanked those who provided public input, and the Committee agreed to discuss how to proceed at its next meeting.

### **Continued Reserve Discussion**

Pat Clifford summarized the discussion about reserve policy at the previous meeting, and read a draft of a proposed policy. Fincom members asked questions and offered comments. Mr. Mullin asked where NESWC and E&D would fit into this discussion; Ms. Clifford said NESWC would be “one-time opportunities.” Herman Kabakoff commented that there was no mention in the policy about using reserves for recurring expenses. He said while he’s not sure he would favor an absolute prohibition against using free cash for recurring expenses, he thought we should take all action to not use reserves for recurring expenses. Mr. Mullin disagreed, saying that he believed reserves were there to bridge the various gaps and smooth out the volatility in the marginal revenue. Mr. Noone said that an absolute prohibition against spending reserves on operations would be hard to enforce. Doug Tindal said that he was sympathetic to Mr. Kabakoff’s concern, but said that Proposition 2-1/2 limits a town’s ability to keep pace with the kinds of fluctuations we’ve typically experienced, which in turn leads to difficulty planning and difficulty delivering services in a stable way. Reserves can be used to avoid terminating employees and disrupting services. Brandy Brandon said that one can say that use of reserves is “smoothing things,” but it seems always to go up. Mr. Evans said he thought the statement was fine,

and agreed that thought reserves could be used to change the impact of how quickly the town has to cut back or raise taxes. Kent Sharp said he thought it was unrealistic to think that the town was going to raise taxes to build up reserves; reserves come from not spending what we have to spend in a year or one-time events.

The committee agreed to put it on the next agenda, and review the document prior to that meeting.

### Committee Reports

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| BOS                                   | 1/26 – Town Manager and Peter Berry reported on MMA meeting, stating that FY09 local aid numbers would be cut by about 10 percent (~ \$170K), FY10 impact estimated to be around \$680K. Governor said he was not going to cut Chapter 70 aid in FY09 and FY10. Town manager has identified five tiers of potential cuts totaling \$1.2 million, each tier made up of some group of expenses, capital, people, recurring, etc. He would get those out before the budget Saturday. ALG meets 02/02/09 to discuss assumptions we’ve been working with on FY10 budgets. |
| School Administrators Benefits Review | Group met and voted to recommend to the School Committee significant changes to the school administrators’ contracts, including elimination of ERI, a tightening of other benefits. Group has received much cooperation from the school administration.  |
| SPED Financial Task Force             | Presented info to School Committee in December, but returned to a January meeting to hear comments from SC members and from Pupil Services Director Liza Huber about her plans on how to respond.  |
| Sewer Action Committee                | Working on determining whether low pressure sewers might be a lower-cost option. Presented to the BOS on 1/26, and Bruce Stamski will do some preliminary work. Sewers are on the list of possible items that could be funded with federal money, if available.  |
| Health Insurance Trust                | Will meet last week in February and set rates at that time. Consultant provided rough estimates of increases for several products ranging from zero to 16 percent. Actual impact on rates is hard to say. Expenses have increased about 7 percent per year.  |
| Superintendent Search Committee       | Tonight is presenting a slate of candidates to the School Committee, which is expected to interview this coming Saturday, January 31. Names will be public after tonight.  |
| Community Preservation Committee      | Next meeting is Thursday, February 13, where they will vote on final estimates of what they will recommend. Fincom members should review proposal on reuse of Windsor Avenue.  |
| EDC                                   | EDC is having a conversation about density, specifically the FAR in the village centers.   |

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| School Committees, Minuteman | SC meeting next Thursday, February 5, where they will present more refinements to the budget. Mrs. Ashton asked whether we had received any information about Minuteman, and agreed to contact Chuck Olmstead about coming to a meeting to discuss budget and need for stabilization article. |
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Chairman Noone concluded with a brief discussion about warrant article assignments for committee members. He said he expected that articles would be assigned to the appropriate member who covered the committee during the year. He asked Mr. Kabakoff to take the municipal budget article. Members are asked to let the chair know if they have specific requests for articles. Mr. Noone also said he thought that we should add an additional meeting on March 3.

Mr. Sharp moved to adjourn, and Mr. Kabakoff seconded. The committee unanimously approved adjournment at 9:25 p.m.

Respectfully submitted,

Mary Ann Ashton, Clerk

Next Finance Committee meetings: February 7 (Town Budget Workshop), February 10, February 24  
 Joint Meeting to review School Budget, Thursday, February 26, 6:30 p.m.  
 Acton Leadership Group Meeting, February 2, February 27