

Minutes – Acton Finance Committee
October 13, 2009, 7:30p.m.
Room 204
Town Hall

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 October 13, 2009 to review various matters.

Members present for the meeting: Herman Kabakoff, Chair, Mary Ann Ashton, Vice Chair, Bill Mullin, Clerk, Pat Clifford, Pat Easterly, Bob Evans, Steve Noone, Kent Sharp, Doug Tindal, Brandy Brandon, Associate Member and Karen Kucala, FinCom, Staff Liaison.

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

Public Participation

Charles Kadlec asked if the FinCom was involved with the on-going discussions about entering into business transactions with certain vendors to use municipal buildings for the generation of solar power. Mr. Kabakoff said that the FinCom is involved directly by member Doug Tindal's membership on the Solar Panel Task Group and further, that he had invited JD Head, ABRSD Facilities Director to visit the FinCom to present his findings. Also, Mr. Kabakoff affirmed that the FinCom had sent a memorandum to the BoS detailing its concerns and recommendations with respect to entering into long term leases with private vendors for solar panel generation on municipal property. Mr. Kadlec felt it would be a good thing to get as much financial calculation on this subject on the town website.

Quick Administrative Matters

Chairman Kabakoff reviewed the calendar and reminded members of an opportunity to attend a breakfast meeting on October 23 at Minuteman Tech to discuss the school's planned capital program.

Approval of Minutes

The minutes of September 22, 2009 were approved, unanimously.

School Committee Presentation with respect to FY09, FY10, FY11

Superintendent Steve Mills, Business Manager Tess Summers, ABRSD Chair Sharon Smith-McManus and APS Chair Xuan Kong visited to discuss financial matters. Dr. Mills presented.

Highlights:

FY09

- Resulted in \$395k APS turnback to Free Cash and \$524k to E&D.
- Approximately \$1.2mm of State aid cuts were offset, primarily, by the use of Federal Stimulus and IDEA Grant funds ("Stimulus Funds") as well as reduced health insurance costs.

FY10

- Approximately \$622k of Stimulus Funds was used to offset Circuit Breaker reductions and cover the costs of Sped Assistants.

- Net result is that of the \$1.0mm of Stimulus Funds, \$472k is available for FY11 or use as offset to potential 9C cuts. Also, as part of the effort to balance the FY10 budget, the ABRSD reduced its budget by \$494k, comprised of \$253k in budget cuts and readjustments and \$241k in stimulus offsets.

FY11

- Dr. Mills stated that the schools will be preparing two levels of budgets: 1) a level service budget and 2) a 3% reduced service budget.

Questioning followed. Mr. Mullin asked what the net number between the plus side of stimulus funds and the negative side of state aid cuts, as the elimination of these as a source of funds will be problematic. Ms. Smith-McManus pointed to the \$472 available for FY11 as the net, net number. Mr. Noone made a statement that health insurance policy/costs must change. Ms. Ashton asked if the ABRSD had established priorities for this coming year, and Ms. Smith-McManus replied “not yet.” Chairman Kabakoff focused on the timing of the use of stimulus funds and the impact on out year budgets. Finally, in response to a query about what Dr. Mills would like to see in the FinCom Point of View, he replied “spread the pain; make real cuts now, so as to spread the pain.”

Board of Selectmen and Administration Presentation with respect to FY09, FY10, FY11

BoS Chair Paulina Knibbe, Town Manager Steve Ledoux and Finance Director Steve Barrett attended and presented. Chair Knibbe started out with some good news that the Town had reissued some 1998 callable bonds resulting in a savings of approximately \$234k over 8 years. She pointed this out as a continuing example of good, fiscally prudent management.

Highlights:

- FY09 has been covered by prudent financial practices instituted by the Town Manager with a result of returning an approximate \$1mm to free cash.
- FY10’s shortfalls have been covered by a combination of a continuation of strict cost controls measures, new revenue from certain tax settlements and a reduction in the ABRSD budget.
- FY11’s revenue picture is no better as manifested by a continuing reduction in state tax intakes which will impact local aid.

Questioning followed. Mr. Mullin began by complimenting both Town and School administration on their excellent performance. He asked about the final cost of the Hayward and Main project both to get the numbers but also to demonstrate that creativity must always be pursued to solve the Town’s issues. Mr. Noone reiterated his statement that Health Insurance cost structure must be changed. A question was posed about the labor costs in the FY11 budget and Mr. Ledoux reminded the committee that 0% COLAs were used. Any change would need to go back to Town Meeting.

ALG Meeting

The meeting has been postponed to October 21 so that the anticipated state aid cuts will be released.

Committee Reports

- Space Needs Subcommittee. Mr. Tindal reported that the subcommittee’s work has been halted. There cannot be any grand plan in this economy.
- Health Insurance Trust. Mr. Evans reported that the trust would probably have numbers before our next meeting. He also said that the move to the GIC has been “mothballed.”

- Cost Savings Committee. Ms. Ashton reported that the committee is still working on this difficult assignment.
- Community Preservation Committee. Mr. Noone reported that the state was funding at a 34.8% level this year. The Town property tax contribution for FY09 was \$719,442; the state match is \$250,473 (34.8%). So the total available to the CPC for allocation this year is \$969,915.
- Wastewater Advisory Neighborhood Task Force. Mr. Sharp reported that the committee is working on better communication with all stakeholders.
- South Acton Train Station. Ms. Clifford reported that there I no money for the parking deck, but there is money for design of the double track.

Other Issues

Mr. Mullin asked about the timing of the Point of View and whether people had any preliminary thoughts about the approach to the Point of View. He opined that this year's POV might need to focus more on the "How" to plan for the upcoming year, rather than the "What" numbers to use, as it is going to be very volatile.

Ms. Clifford suggested that we break out Minuteman Tech as a separate committee report, due to the anticipated capital requests.

Adjourned

Mr. Sharp moved to adjourn (seconded by Ms. Clifford) and the meeting was adjourned sometime around 9:30 pm.

Respectfully submitted by William C. Mullin, Clerk.