

Minutes of the Acton Finance Committee Meeting June 12, 2012 7:30 pm
Faulkner Room, Acton 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 June 12, 2012, to review various matters.

Members Present: Mary Ann Ashton, Pat Clifford, Bill Mullin, Steve Noone, and Doug Tindal.

Members absent: Maynard Brandon, Bob Evans, Paulina Knibbe.

Others Present: Asst. Town Manager John Murray

CITIZENS CONCERNS

Chairman Tindal called the meeting to order at 7:35 pm. There was no public participation.

MINUTES

Mrs. Clifford distributed minutes from the May 22 meeting prior to the meeting. Mr. Noone moved approval of the minutes, seconded by Mr. Mullin, and the minutes were adopted without objection. Mr. Mullin and Mr. Brandon abstained from voting on the minutes of May 1.

DISCUSSION OF YEAR END RESULTS BOTH TOWN AND SCHOOLS

Chairman Tindal introduced Don Aicardi, Finance Director for the Acton/Acton-Boxborough Regional School Districts, who gave an overview of the year-end position for both the regional and the local school districts.

Mr. Aicardi estimates that the Acton Public Schools will end the 2012 fiscal year with approximately \$300K remaining. As he has noted throughout the year in multiple presentations to the Finance and School Committees, this excess is due to savings in health insurance and energy, and greater than expected reimbursement for the special education services available for reimbursement through the Circuit Breaker program. The district has reviewed non-personnel budget requests that were not able to be filled as part of the budget process, and is recommending several items which will be presented to the Acton Public School Committee at its meeting on June 21. These items, totaling approximately \$100K, include repaving and expansion of the Conant School parking lot, floor replacement at Gates School, and a balcony and storage project at the Parker Damon Building.

The Regional Schools expects to end the year with approximately \$264K. The Regional School Committee considered a number of alternatives provided by Mr. Aicardi for the extra funds, including an additional contribution to the Region's OPEB fund, allowing the full turnback to return to the Region's Excess and Deficiency account, and spending on some priority non-personnel projects, which included two computer lab replacement projects, one each for the AB Regional High School and RJ Grey Jr. High School. The Committee declined to vote for the OPEB contribution, and instead deferred to the Superintendent's recommendation to spend

approximately \$70K on the two lab projects. The remainder will flow into E&D for future decisions.

Questions and discussion from committee members focused on whether there was any urgency about proceeding with the spending plans now rather than waiting for a new budget year, status on the Region's OPEB trust documents, the timing on a final state budget with Chapter 70 aid, and whether E&D will exceed the 5% cap at the end of the current fiscal year. Xuan Kong, Regional School Committee Chair, clarified from the audience that the School Committee appreciated Mr. Aicardi presenting them with information relative to OPEB, which they seriously considered. The RSC believes it is important to preserve this resource of extra funds so that it will be available to solve this problem for both Acton and Boxborough in the future.

Mr. Tindal thanked Mr. Aicardi for his presentation, and then introduced Town Manager, Steve Ledoux, who was accompanied by Town Accountant, Joe Tassone. They reviewed a presentation entitled, "Town of Acton Results of Operations – June 12, 2012." Mr. Ledoux estimates that the net turnback from municipal operations at the end of the 2012 fiscal year will be approximately \$125K. Local receipts have been less than anticipated (by \$125K), and \$308K of the available turnback from the snow and ice budget and from reduced legal expenditures was used to fund collective bargaining agreements, transportation allocation, and the Nursing Fund supplement at the April 2012 Annual Town Meeting. Mr. Ledoux pointed out that the preliminary analysis indicates that there are some areas that will replenish the free cash that was expended at the April 2012 Town Meeting, including FY12 tax title receipts, a reduced ABRSD assessment, and turnbacks from APS and municipal operations.

In response to questions from Fincom members, Mr. Ledoux stated that collective bargaining will begin again in July with Highway, Police Patrol and Police Superior units. Mr. Ledoux said that he did not expect that the town would have any end of the year spending plans, as purchase orders were due the previous week. He continues to be concerned about local receipts, which continue relatively flat. The town has received its first increment from the MEWS project on the Concord-Acton-Sudbury line; these payments, totaling \$900K, have been designated for the AHC and sidewalk program, with a small increment available for BOS discretionary allocation. The Nursing Fund is in the black right now, and Mr. Tassone stated that steps continue to be taken to make the program more profitable with a report due to the BOS in September.

ALG – First Meeting Scheduled for June 20

Chairman Tindal announced that the first organizational meeting of the Acton Leadership Group for the next fiscal year is scheduled for June 20 at 7:30 a.m. Likely agenda topics will include ground rules, process and schedule, but he asked if there were other matters that the Fincom members wished to consider.

Bill Mullin reiterated that he believes we need a comprehensive solution for the OPEB issue, and has one to propose. He would like to call this the "2-1-2" proposal: contribution should be comprised of 2% of salaries, 1% contribution from all salaried employees, and a 2% shift in the cost from the recipients of the benefits. He expressed the hope that the ALG process and the

Fincom OPEB committee will come up with a specific recommendation rather than dealing with this complex issue in a piecemeal fashion.

Mr. Noone mentioned that the Fincom OPEB subcommittee will meet on Wednesday, June 27, to review the OPEB section of the White Paper to update it with actions taken by Town Meeting and the Regional School Committee during this fiscal year.

THREE BOARDS PROJECT RE. LONG RANGE FINANCIAL PLANNING

Mr. Tindal updated the committee on progress with preliminary discussions. He is now hoping that these meetings can begin in July but will get back to the committee with definite dates.

SCHOOLS REGIONALIZATION STUDY COMMITTEE

Mr. Tindal stated the Regional School Committee had decided to expand membership in this committee from the original group of six to include a representative from each town’s Board of Selectmen and Finance Committee. Bill Mullin moved that the Finance Committee appoint Bob Evans to represent them on the Regionalization Study Committee, and Steve Noone seconded. The motion was approved unanimously. Mr. Tindal said that representatives from the Regionalization Study Committee would be at our next meeting on June 26.

Several members offered comments about the work of the committee and issues that need to be addressed. Mr. Mullin said that he is 100 percent in favor of regionalization, and had attended Boxborough’s Town Meeting where he heard much discussion about voting by Boxborough members in the current Regional School agreement. He believes in one person-one vote, which is how voting is allocated in the current agreement, and he is not in favor of changing that and disenfranchising his neighbors. He also believes the current 5% discount for Boxborough on construction projects is an anachronism which should be eliminated. Finally he would point to the fact that despite the disparate sizes of the populations of Acton and Boxborough, each Town Meeting has one vote and can approve or disapprove of any action. Steve Noone said that he is not enamored with regionalization, and believes there is much due diligence to be done. For example, where are the assets going to go, and how will a combined region deal with the OPEB issue? He needs to hear these issues well-vetted first. Pat Clifford agreed with Mr. Noone that there is much work to be done.

COMMITTEE UPDATES

AB Regional School Committee	Ashton	ABRSC voted to extend Dr. Mills’ contract through 06/30/2014, and voted a 2% salary increase. Dr. Mills changed another provision of his contract to be consistent with other administrative contracts. AB Sped PAC presented to the Regional SC, and there is a new evaluation procedure beginning for staff.
CPC	Noone	Will meet on June 14 to review annual plan.
Lower Fields Project	Mullin	Construction is underway, and bids below budget. SC has signed several rental agreements, bank loan on course, confident project will be delivered on time, on budget.

South Acton Train Station	Clifford	Update on construction. Commuter Rail Management team will be at South Acton station on June 14 to listen to concerns.
Asa Parlin House	Tindal	Meeting to be held on June 13 to begin process of discussing what should happen with building.

WHITE PAPER STATUS

Mr. Mullin circulated a document outlining his plans to complete the project, and updating the status of each of the papers, which the Committee reviewed.

At 9:05, Mr. Noone moved adjournment, seconded by Mr. Mullin. There was no objection.

Respectfully submitted,

Mary Ann B. Ashton, Acting Clerk