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**BUDGET SATURDAY
JANUARY 5, 2013**

TOWN CLERK, ACTON

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

Finance Committee Members Present: Mr. Tindal, Mr. Mullin, Ms. Ashton, Ms. Knibbe, Ms. Clifford, Mr. Noone, Mr. Kabakoff, Mr. Majors, Mr. Evans

Town Staff Members Present: Town Manager, Steven Ledoux, Finance Director, Stephen Barrett, Assistant Finance Director, Brian McMullen, Town Accountant, Lisa Krause, Health Director, Doug Halley

BoS Chairman Harting-Barrat convened the meeting at 8AM. She stated that the purpose of the posted public annual budget workshop meeting would be to review the proposed budget for FY 2014 recommended by the Town Manager. Only questions posed by the Board or the Finance Committee can be addressed at this time, due to the limited time available for this meeting. Questions posed by the public can be sent to either the Finance Committee or the Town Manager. She noted where the documents, as well as previous Q&A answered about the budget, can be found on the town website, or handed out at this time. Questions now may only be related to subjects covered in the budget documents and not to items not recommended, to policy matters, or on other subjects.

She thanked the Town Manager and his Budget Working Group for their hard work done in preparation. She then turned the meeting over to Mr. Ledoux, Town Manager.

Introduction – Mr. Steven Ledoux

Mr. Ledoux stated that today would be the opportunity to recap the operational needs, capital investment needs and opportunities for FY14 for each department. The planning phase began with budgetary requests of over 28 million dollars for operations and almost 11 million dollars for capital needs. The Budget Working Group members assumed that there would be no override, and they are committed to conform to the Acton Leadership Group framework. One goal was to sustain our services, despite factors which are outside our control (fiscal cliff, etc.). They addressed the staffing levels of the Police Department, the OPEB issue, ways to offload the capital needs from the general fund accounts and implementation of the 2020 Plan. They have included a design for Kelley's Corner as well. All told, this budget represents an increase of 2.2% over the FY13 budget.

The budget allows for 4 additional police officers, an OPEB recovery factor for new positions, a lead dispatcher, additional hours in the Finance Department, a Kelley's corner development plan, purchase of 81 Wood Lane, abutting the Arboretum, replacement of rolling stock equipment, a traffic study (intersections adjacent to the Town Hall), funding the Town's share of OPEB liability and reducing the general fund's subsidy to the Ambulance Enterprise Fund. The budget also shows about 861,000

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dollars of capital which comes from other funding sources and about 600,000 dollars of general fund subsidies to our four enterprise funds.

Our operational budget (excluding capital) is up by 1.9%, which is a big tribute to the work of the staff.

We do have four units that are in collective bargaining. No settlements are represented in the budgets. We are currently negotiating for step increases with the police patrol officers, the police superior officers, the firemen and municipal properties (highway) unions.

Mr. Mullin questioned the introduction presentation, as to differences between figures in several previous reports and notes for this meeting, particularly between 572,000 dollars and 749,000 dollars for capital investment. Mr. Ledoux asked for a few moments to research this question. Later in the meeting, Mr. Barrett responded that Tab 3 is just the operational budget. There are some ongoing capital, such as paving and sidewalks that this represents, as opposed to purchase of equipment and bigger projects. So, it is like ongoing capital that is budgeted every year, per department.

Mr. Barrett will be preparing an email to Mr. Mullin, which will be out in 10 minutes with all the details.

Veteran Services – Mr. Jim McRae

The proposed budget shows an increase of 6.58%. A small portion of the increase in the operating budget is for office supplies, since the job is now full-time, rather than part-time. The largest portion of the increase is 5,000 dollars in veterans' benefits. That reflects Chapter 115 benefits to indigent veterans and their families, essentially a form of welfare. 75% of this part is reimbursed by the state.

A question was raised by Mr. Kabakoff to the effect that in 2012 the veterans' portion was 84,000 dollars and less that for FY14. What makes this go down? Mr. Barratt responded that the total was 66,000 dollars in FY12, and we will check this progression out.

A question was raised by Ms. Clifford as to her feel for the exact number of veterans with whom he will work this year. Also, with which departments he is working in his function. Mr. McRae stated that he works with Laura Ducharme from Social Services, Nursing and the COA. During this year, he has worked with about 80 veterans, in addition to those in the Chapter 115 process.

Ms. Harting-Barrat confirmed that the MMA concludes that the workload for these functions is really unpredictable.

Mr. Ledoux added that reimbursement for the Chapter 115 disbursements may take up to 3 years.

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Human Resources – Ms. Marianne Fleckner

Ms. Fleckner presented the HR budget and the major changes requested in line items for this department. For advertising, she recommended 7,725 dollars, a decrease from 13,000 dollars due to efficiencies and creativity in attracting qualified candidates. Next, under professional services, in professional services medical line items, we are using pre-employment physicals for candidates, to avoid problems later after they are selected.

Next is a new line item for FY14, called stop-loss insurance, or reinsurance. In FY10 the Town became self-insured and these past 3 fiscal years have been trial years for the Town to see if we should remain self-insured or should return to using a vendor to manage our 111F claims. These claims are for line-of duty injuries by police and fire personnel.

For FY10, 11, and 12, our claims remained below the budgeted levels of 50,000 dollars per year, because we have avoided any catastrophic incidents, but this cannot be projected into the future. Our past insurance cost was 86,000 dollars per year, with Provident Insurance. At your request, we have studied this matter and the cost now would be about 25,000 dollars, based on the last two fiscal years experience.

Questions were raised by Mr. Evans, concerning the life of a claim if stop-loss insurance is provided by a carrier, and answer given was that the life of the claim governs the length of the injury, regardless if the injury crosses a FY boundary.

Mr. Evans was concerned at what level of expenditure does the stop-loss insurance take effect. Answer given was that we feel our responsibility should be established up to 100,000 dollars, with a maximum insured payout of 900,000.dollars. Costs vary with the chosen provider, of course. We are now negotiating bills, and do not pay the full amount, sometimes using the DIA rate, so this would continue. We presently pay out about 38 to 45 per cent of billed amounts. Our maximum in-negotiation bill to date is 54,000 dollars, compared to 190,000 dollars asked.

Ms. Fleckner recommended obtaining stop-loss insurance at the end of FY14, with a cost placeholder of 25,000 dollars, based on the quotes received to date and our likely loss experience, considering our total cost would be 54,000 dollars plus 25,000 dollars. The broader issue remains, is it fiscally responsible to continue to remain self-insured, or return to outside insurance providers.

A question was raised by Mr. Evans concerning the consequences of a claim of 2,000,000 dollars, if our contract with an outside insurance provider would have a maximum payout of 900,000 dollars, and also the cost of stop-loss insurance with a limit of 2,000.000 dollars. Ms. Fleckner answered that she believed this claim would be paid, but, will check this matter out.

A question was raised by Ms. Knibbe regarding departmental goals, as reported in recent documents, in particular succession planning, and whether that required any outside professional services, or whether it is an in-house effort. The answer was that

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so far, we have been able to keep it in-house, and to issue a first-draft policy. Since this is based on a long-range strategic plan. Mr. Ledoux has asked the HR department to look for a facilitator to come in and draft such a 5-year strategic plan. Costs for this expert are included in the FY13 budget, based on a quote for 1,200 dollars, but costs may also be incurred in FY14.

A question was raised by Ms. Ashton concerning the overtime line. Ms. Fleckner explained that the overtime is for her assistant, she substantiated the 12,500 dollars cost and the included hours to demonstrate that it is more cost-efficient to use this method rather than hire additional labor without the experience factor associated with her present assistant.

A question from Mr. Gowing related back to the discussion about stop-loss insurance, to the effect that when this was originally conceived, there were not many companies interested in providing it, but now the situation has changed radically. He inquired if we could get the required 3 quotations now. Ms. Fleckner responded with examples showing that we are not a high-risk client and she is confident we can obtain the 3 quotations.

A question from Mr. Kabakoff concerning why the budget for overtime for FY13 of 4,700 dollars was tending towards 7,000 dollars for FY14. Why the increase? Ms. Fleckner stated that it is due to the work involved in selecting a new vendor for FSA and open enrollment for it, plus other new projects.

Public Works – Mr. Cory York and Mr. Dick Waite

Highway/NESWC

The highway department operational budget for FY14 is 930,000 dollars, of which 98% is for salaries. This is up 1.2%. Other budgets for this department are: snow and ice, gas and diesel, at no change; the roads and machinery portions have a slight increase; for the special projects portion, a 15% increase mainly for sidewalks; and for the transfer station, an increase is necessary for inspections, solar panels, and other on-site work. A front-end loader is included in the capital investment request for this location. Two truck replacements are requested also for this department.

Engineering

The total budget for FY14 is about 267,000 dollars, of which 90% is for salaries. In the line items three show increases and these include equipment repair and services, dues and memberships and contractual services. Since we are now up to full staff, this brings more need for drafting and similar services. We have four requests for capital equipment investment in the two departments also, such as surveying equipment for the engineering department. The engineering operational budget is up by 4% in total.

Studies planned include traffic flow in the Acton center Town Hall area.

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Mr. Noone questioned the usefulness of the proposed traffic study and what results might be expected from the expenditure of 45,000 dollars for FY14. Mr. York reviewed previous study results and noted that this area is the second-highest accident-prone one in Acton.

Mr. Gowing referred to the new train station in South Acton and questioned if further studies will be done. Mr. York reviewed past studies and coordination with the train station committee and what might be done in the future.

Mr. Noone again questioned the usefulness of a new study for Acton Center, pointing to a previous study by VHB. Mr. York pointed out that we are leveraging this previous work and building on it, not repeating it.

Ms. Clifford asked for our feelings about, and experience with, hybrid vehicles, vehicle replacement, and improved energy efficiency. Mr. Ledoux responded about our increasing usage of hybrid vehicles, where appropriate. As a green community, Acton is committed to all of these objectives, in our strategic planning.

Mr. Clough confirmed the importance of the proposed traffic study for safety reasons, citing his own experience.

Ms. Pamela Harting-Barrat questioned the provision of a drop-off and come-back path, in the train station grant, using the Montori vacant lot and the Maple Street side. Mr. York explained the design, and that we are keeping our eyes open for issues as the work progresses.

Mr. Mullin pointed out a large traffic problem on Route 2, near Route 27 yesterday due to DPW work.

Mr. York indicated that all these comments and issues will be considered in the proposed traffic study.

Council on Aging – Ms. Sharon Mercurio

Ms. Mercurio described the mission of the COA, to provide programs and services to meet the social and recreational needs of people coping with the challenges of growing older. Acton's population now consists of over 4,000 seniors. Most of our programs are supported in large part by the Friends of the Acton Seniors and are offered free of charge. The budget for FY14 does reflect an increase of 2.9%, due to inflation and increased printing costs. The Van Enterprise Fund budget will be 95,586 dollars. Revenues from LRTA contract and van fares provide about 40% of this funding. Retained earnings will provide 6,000 dollars leaving 50,000 dollars from taxation. In FY12, the van provided over 4,000 rides to seniors, an increase of 19%.

Ms. Harting-Barrat questioned the stated budget increase of 2.9%. Ms. Mercurio responded that the correct number should be 5.07%, salaries included.

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Ms. Adachi asked about the number of employees of the COA. Ms. Mercurio responded as one full-time and six at various total working hours per week, from 16 to 36.

Ms. Clifford questioned the impact on the FY14 budget, if any, of plans to modify the Senior Center facility in various ways. Ms. Mercurio responded that there is no effect since the solution to the space/safety/waiting lists situation has not been formulated. She reviewed the situation now as to occupancy. The COA serviced 1226 seniors last year. The need for program space is increasing.

Second question, about the shuttle asked, what effect would be felt if present plans to consolidate all Acton dispatch functions were to be made applicable to the COA shuttle. Ms. Mercurio feels that it would be important to keep the shuttle operation as it is now, until decisions are made about revamping/relocating/modifying the COA facility.

Mr. Clough raised two questions:

First - would it not be a good idea to charge a small fee for the over-subscribed classes and so to encourage attendees to switch to other hours. User sentiment is against this approach, both because of the expense to elderly users and because elderly users are not able or willing to attend at less convenient hours, according to Ms. Mercurio.

Second - FY14 costs for mailing and copying. While copying costs go up, mailing costs do not in the budget. What does this signify? Ms. Mercurio stated that the COA uses a grant to help defray the cost of postage. Also, we maintain a stack of copies in the COA and a good number of members like to get them quickly, when issued.

Mr. Herman Kabakoff raised a question about the balances of the Enterprise Fund and the Revolving Fund. Mr. Barratt answered, that the State certified the COA Van Enterprise Fund at 39,313 dollars at the end of FY12. The balance may change perhaps by 5,000 to 8,000 dollars, so that the present balance could be 30,000 dollars or so now.

Mr. Barratt will provide answers on balances of these two funds by June 30.

As a second question, has thought been given to moving some of these over-subscribed courses to other town-owned venues which could become available as a result of the current broader town space needs study. Ms. Mercurio feels that this would impact safety and the sense of community and togetherness now existing. Further, there would be need for staff presence, with consequent cost implication. Mr. Ledoux added that the space needs study consultant will include these types of short-term needs in his current scenarios and answers should be available in a month.

Mr. Tindal asked on behalf of the FinCom for more details about how many people use the COA facility, regularly, occasionally, or rarely, how fast the elderly population is growing and how their needs for services is growing or changing. Ms. Mercurio feels this data is very hard to quantify, but the facility serves 150-200 persons per average day.

Ms. Pamela Harting-Barrat commented that, based on her family's experience; it would be very difficult to have older family members accept a transition from one venue to another to make use of different COA services. Ms. Mercurio concurred, and feels that such a solution would not be successful or widely accepted.

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Acton Memorial Library- Ms. Marcia Rich

Ms. Rich presented some overall statistics about the library, including being open 67 hours per week, circulation of about 650,000 items per year, and about 225,000 people come into the library per year. For FY12 there were 750 meetings in the library.

There are 4 basic elements contained in our FY14 budget. These are: Personnel cost at 990,000 dollars per year, material cost at 190,000 dollars, Management Information Science Equipment & Software cost and finally office supplies, dues, travel, etc.

Ms. Clifford questioned, on behalf of the FinCom, the present employee work breakdown structure and its impact on OPEB eventual costs, and if there is the possibility to decrease this by changing the WBS to a more full-time basis, with less part-time. Ms. Rich noted that we have 7 full-time staff, 7 benefitted part-time staff and 236 hours per week of non-benefitted part-time staff. The difficulty of achieving an equal number of work hours by having more full-time fully-benefitted staff hours is that the needed functional skill sets are not that compatible or transferrable or meldable. Also, considering our modest salary limits, it would be difficult to attract or retain qualified people to a 40-hour work schedule vs. to a part-time schedule.

Ms. Clifford believes that the current cross-training effort of the Town Hall is a good idea and it can help alleviate potential short-term labor deficiency problems.

Mr. Clough inquired, relative to OPEB implications, about the 7 benefitted part-time workers, of whom 5 have been employed for more than 10 years and thus qualify for retirement benefits. Ms. Rich provided details for this group.

Mr. Kabakoff asked about our assessment cost to remain in the Minuteman Group. Ms. Rich noted that this is under the Management Information Science Equipment & Software category and within the 49,000 dollars for purchased services; the bulk is for Minuteman Services. Because Acton budgets early, the exact amount for FY14 is not known to us yet. Responding to his inquiry as to the amount for last year, Ms. Rich will find out and provide the answer.

Another question about required percentage of increased spending to remain a member, was explained as really composed of 2 parts - one, to spend a certain percentage of our library budget on library materials. We meet that requirement. The other part - over three years there must be an increase of 2.5% average for library materials. This budget also meets that requirement.

Ms. Knibbe questioned the validity of using circulation as a metric now, considering the introduction of Kindle for an example of modern technology, and how this would affect the library's long-range plan. Ms. Rich reviewed the many factors which are being considered in formulating the plan. Technology such as electronic media is certainly an issue, as is prospective retirement of 7 key people.

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Mr. Noone made the point that life-cycle costs, now including OPEB, of a benefitted employee far exceed the cost of non-benefitted workers, and perhaps the solution is to offer part-time positions at less than the minimum statutory 20 hours per week for benefits. Ms. Rich cited her experience in motivating, hiring, training and retaining good personnel as mitigating against this strategy. In a general discussion concerning policy in this matter, Mr. Ledoux stated that the 19-hour part-time guideline applies to all town departments except library and nursing.

Police/Dispatcher/Dog Officer- Mr. Frank Widmayer

Mr. Widmayer started with the Dog Officer report, noting that the job is now called "Animal Control Officer". He now has a part-time helper. Some new equipment is needed and storage/kennel fees requirements are increasing. The budget shows an increase for FY14 and Mr. Widmayer recommends approval.

Mr. Widmayer called attention to these following important points before presenting the details of the budget:

Concerning the regular police budget, there are some changes, the bottom line being that salaries are increased by 5.66%, services are down. We have obtained the new narrow band radios we need for the narrow banding project Mr. Hald has been heading up and have avoided fines of 10,000 dollars per day. Everything concerned with supplies is going up in price, but we still need them. Overall the department budget is up 3.3%, including the 4 new police officers.

Dispatch has a new lead dispatcher and the budget is up by 6%, but notice that other items are about the same.

The Finance Budget Book Working Group moved the vehicles into the commuter lot fund, accounting for the zero amount in that account.

After many years of trying, we have now budgeted 18,000 dollars for electronic defibrillators and this is also in the commuter lot fund. Presently we have only one defibrillator.

Next, Mr. Widmayer presented the budget in its entirety on the screen:

The total combined budget of police and dispatch is up by 3.7%, including the new positions. We have been operating at a minimal level since about 1990. During these years, we have lost state policing funds, lost our two motorcycles, foot patrols in West Acton, as examples.

We base our statistics about the average police density on towns in the northeast, having between 10,000 and 25,000 inhabitants, and 2.0 is the goal for police per population count. For the entire country, the actual is 2.3. We had 1.6/1,000 staffing, in 2002, and right now we have 1.36/1000. In 2014, adding four officers, we will be at 1.8/1,000, and if we add four more, we will be at 1.9 in 2015, which is the goal.

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In municipal spending per capita on police services, Acton is at the bottom in our representative town grouping, while Boxborough is at the top.

A year ago, we did a study with 8 towns, considering the feasibility of setting up a regional dispatch center, but found no really warm endorsement for it. Acton is 99th out of 260 towns based on call volume. Acton has added a new lead dispatcher to comply with a state requirement for dispatching as part of emergency management situations and to centralize responsibility.

Mr. Evans questioned the purposes for 5 new police officers. Mr. Widmayer gave the reasons for the shortage of 5 people, in addition to the 4 new ones, is to make up for those 4 to 6 police staff who are away for illness, training, injury, retirement, etc. at any one time, and whose work shifts must be now performed temporarily by others, at time and a half pay.

Mr. Clough asked if there exists a correlation between police staffing level and rates of crime. That is, if more police results in fewer crimes. Mr. Widmayer doubts that such a correlation exists, and pointed to our experience that last year, our break-ins increased by 50%, and larceny grew by 24%, and we really had a rash of drug-related crimes, which is getting worse.

Mr. Clough questioned the figures for new police cruisers. Mr. Widmayer explained that he replaces 5 vehicles per year. Cruisers go into unmarked use, then to other departments, and finally are traded in.

Concerning schools, a new police person will enable coverage of schools, and areas near them, at night. Mr. Ledoux and Mr. Widmayer answered numerous points about the complicated civil service procedures which must be followed, leading to a lengthy acquisition process of up to a year, for police personnel, and whether there might be an advantage in replacing all this with a local process, both in time and in money. We are trying to get the unions on board.

Ms. Fleckner responded that we have to follow the same process, whether outsourced or not, and there would be no major cost savings, but possible time savings.

Ms. Harting-Barrat commented that it appears to take a year to actually get new officers installed, and Mr. Widmayer agreed.

Ms. Ashton asked that a copy of the presentation be sent to the FinCom. This action item is for the IT department.

Another question related to how the new personnel acquisition would affect drug and burglar investigations. Mr. Widmayer responded that drugs are our most critical area. We have seized 72,000 dollars in cash for the post office for drug seizures this year, of which we will get a split. Mr. Widmayer confirmed that increased attention will be devoted to young people and the schools toward reduction of this problem.

Mr. Kabakoff asked for confirmation about the salary budget for the new policemen, since they will be actually present for duty only for perhaps half of the FY14. Mr. Widmayer answered that the budget accounts for this projected schedule.

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For the other 6 approved positions now down, or short, salaries are projected for the full FY in the 5.66% increase. Mr. Kabakoff inquired also if thought had been given to the budget for FY15, and if another 5% increase would be likely. Mr. Ledoux answered that Mr. Widmayer had presented in the Budget Working Group meetings a two-year plan for personnel acquisition, as just stated. Mr. Kabakoff suggested that Town Meeting should be made aware of this linked plan and its impact, for these two FYs.

Ms. Harting-Barrat inquired about expected retirements in FY14, and upon hearing a response of one, not counted in the budget so far, gave an action item to Mr. Widmayer to put it in the budget.

Ms. Clifford inquired about the nature of the problem of reaching agreement with Boxborough about dispatch regionalization. Mr. Widmayer gave an analysis based on his previous attempts at regionalization, and he has no ready answer. Perhaps it is due to differences in size of communities. Mr. Ledoux also commented about experiences in regionalization elsewhere, possible union issues, relationship to 911 call handling and loss of associated technical services in the other community are evident. In short, will or buy-in is not there.

Mr. Sonner inquired about the possible correlation of 911 call volume by age of caller. Mr. Widmayer has no ready answer, because age of caller is not a statistical parameter obtained by the operator. Mr. Sonner would like an estimate of the impact of these personnel actions, going forward, per quarter or FY. Mr. Widmayer believes a figure of 300,000 dollars over a period of 3 years, or a total of 1,000,000 is a reasonable estimate. Finally, Mr. Sonner asked if hiring a lead dispatcher will make it easier, or more difficult, to succeed or have no impact on regionalization. Mr. Widmayer believes it will become easier, since an independent dispatcher tends to resolve issues of priority between fire and police, for example.

Mr. Tindal suggested mapping the town areas to find out where crime is most serious, to categorize the affected types of housing, as apartment/single family dwellings either housing more incident-causers or more victims, also the demographic differences are evident here and this would help in assigning police resources in an optimum manner. This can also be mentioned at Town Meeting to strengthen the case for the increases. Mr. Widmayer noted that Mr. Hald is helping with mapping, for instance, in the recent rash of housebreakings.

Mr. Mullin, speaking for the FinCom, restated that we have to stress at Town Meeting the fact that we are covering a shortfall in police service by using overtime as a temporary and inefficient expedient, to get the coverage, and that we must address the underlying issue, which is lack of permanent manpower. He also asked if the amount of 325,000 dollars, as being a systemic over-budget in the department. What is the proper use of this budget? Mr. Widmayer explained that it goes into the overtime budget at 1.5 of that cost and it is not an over-budget entry.

Ms. Knibbe asked for clarity on the lead dispatch situation and is it a state requirement. The reason for a lead dispatcher was a new state requirement. Mr. Widmayer noted that the new requirement is for every town to have an emergency medical dispatch quality

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assurance program in place within 5 years, and this is the impetus for increasing the capability of this service to be ready in plenty of time. For information, we respond to about 1500 medical emergencies, out of a total of 20,000 calls, and 600 car crashes, per year.

Ms. Harting-Barrat mentioned that Mr. Herren is coming to Town on January 9th to discuss drug and alcohol issues. This program is sponsored by the United Way. She would like as many Board members to attend as possible.

Mr. Tindal suggested making sure that the shortage of police manpower is explained properly at the Town Meeting.

[Break]

Planning/Zoning Board of Appeals- Mr. Roland Bartl

Mr. Bartl began with the Planning department operating budget. There is a slight decline in professional salaries, due to a change in staffing. In purchasing services and supplies, there are changes higher than in other line items, because we now absorb charges for the zoning board of appeals, consisting of 2 line items.

A general discussion followed, including Mr. Clough, concerning some errors in the salary section of the budget and the separation of sick, holiday, vacation and wages from basic gross pay. Mr. Barrett answered that the bottom line salary figure of 2.56% increase for FY14 is, however, correct.

Ms. Adachi questioned the CPA administration salary figures. Mr. Barrett answered that this is negative because the CPC fund has a 5% administrative allotment. We used to take this into revenue. We are now pulling the budgets down by the amount of the estimated CPC funding.

Mr. Kabakoff questioned the FY12 budget in the same sense as the earlier discussion. Mr. Barrett answered that one cannot make line by line comparisons, but instead must make a total salaries comparison.

Several FinCom members urged this department to revise its accounting structure to show figures meaningful for budgeting and perhaps keep the breakout showing details of sick time, vacations, etc. for internal management purposes.

Mr. Bartl continued that the capital development plan for Kelley's Corner totals 277,000 dollars. This is 60,000 dollars for design standards, 192,000 dollars for improved public infrastructure and 25,000 dollars for contingencies. Answering the question of "why now", relates to the core elements of the Acton 2020 plan. Kelley's Corner is the most important element of the plan, along with protecting the historic character of the Town. Proper zoning is needed. This corner is a gateway to the town. Analysis is needed to find out what the existing conditions are, the economics and transportation parameters.

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The Acton 2020 Group and planning staff have broken this project up into 5 stages as shown in his presentation. These are:

- Stage 1 - Case studies, some already in progress, by our engineering department
- Stage 2 - Perform the conditions analysis, development, engineering plans, etc. We expect to hire expert consultants for this phase. This so-called Mass DOT 25% design is included in our FY14 budget request
- Stage 3 - Submission of our work to MassWorks, a grant program
- Stage 4 - Complete the infrastructure engineering plans
- Stage 5 - Begin construction of public infrastructure work, in 2017

We applied in 2012 for a MassWorks infrastructure grant, but this was refused as expected since we were not ready. We also applied for a technical assistance grant with DHCD to kick-start the project and are expecting an answer this month. We also will need Mass DOT approval since Route 111 lies within the project footprint. These improvements will promote private investment, we believe.

The total project cost is projected to be 3,177,000 dollars, including completing the engineering plans and constructing the facilities at 2,900,000 dollars. The MassWorks program can absorb the costs above the 277,000 dollars we are now requesting, if we are selected. There are a number of selection criteria, which are in consonance with our present development practices and with the Acton 2020 Committee.

Mr. Kabakoff inquired how this project differs from the last similar project, proposed some years ago. Mr. Bartl answered that conditions are different from 1995, the last study, because public participation has greatly improved. It is combined now with a public infrastructure plan. Other questions from Mr. Kabakoff included the likelihood that the phone company would move if asked, considering that this is the wire center of the outside plant for all of Acton. This is unknown now, but this is a plan for the future and many interim steps will be necessary.

Mr. Gowing wanted to know if zoning changes are anticipated and if the use of eminent domain procedures might be necessary. Mr. Bartl anticipates that zoning changes to support redevelopment definitely are necessary, but that use of eminent domain power is not likely.

This is typically used for blighted locations and Kelley's corner would probably not fall into this category.

Ms. Clifford brought up the example of Kmart, a privately owned property. Mr. Bartl replied that Kmart is definitely within the scope of the project, when zoning changes are in place and when redevelopment of this site is planned by its owners, then and only then we can have real influence over what is done. We want to be ahead of the game.

Mr. Mullin expressed reservations about spending 60,000 dollars on studies which have been already performed three times and about the risk of a negative town meeting vote after we have spent some hundreds of thousands of dollars getting to the 25% engineering design point, noting a previous negative vote in 2001. Mr. Bartl noted that this was a zoning vote requiring a 2/3 majority and a simple majority was actually achieved. He believes we lacked an effective public outreach campaign, there was an

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organized opposition and we were relying mostly on a few volunteers to do the study work. He agreed that a political process is envisioned and needed. He answered that he will not request more than 277,000 dollars until additional town approval shall have been achieved. Mr. Mullin wanted to be assured that the Acton 2020 Implementation Committee will handle the political aspects, be behind a successful campaign and secure 2/3 approval, before we agree to spend more funds.

Ms. Harting-Barrat posed a question about allowing a private developer to plan, fund and execute this project, subject to our zoning and other relevant regulations. Mr. Bartl believes it would not be a good idea to transfer the planning function to a developer since his objectives would not be identical to ours. Therefore, we would be only in a defensive mode, not a control mode.

Mr. Evans pointed to a previous plan to install sewers in South Acton, which would then blossom economically and to other ideas which were eventually rejected by Town Meetings. He believes that Town Meeting has never liked transfer of development rights, nor other proposals to allocate development. We should first propose that development rights be transferred to the Kelley's Corner area, then proceed further to spend money, if approved. Mr. Bartl responded that such a course of action would also fail, because we could not be prepared with details in favor of this idea. So, the proposed phase costing 277,000 dollars is a sine qua non for any progress at all.

Mr. Tindal observed that this is all private property. He gave viewpoints re the project and cited specific examples of issues that will arise. He urged to have someone with heavy successful suburban development experience on the team, also a real estate expert, from the beginning. Mr. Bartl agreed that this expertise is indeed required and it will become evident in the presentation before the FinCom next week.

Mr. Bartl restated the need to have the percentage readiness level recognized by Mass DOT before going to the next steps and that planning for sidewalks is included, but only in the Kelley's corner area.

Ms. Knibbe referred to various priorities for capital expenditures as discussed in earlier Town Budget Working Group meetings, including the comments in this meeting, and concluded that this project is a total non-starter. She asked about alternative courses of action. Mr. Ledoux stated that he had placed this project in a high relative status in view of Acton 2020 results and objectives.

[Lunch Break]

West Acton Library- Ms. Jennifer Friedman

Ms. Friedman stated that the budget will be 53,816 dollars. The only increase is 3rd position control. She has requested 100 dollars in the book budget. No questions were asked.

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Town Manager/Commission on Disability/Capital Expenditure for 81 Wood Lane – Mr. Steven Ledoux

Mr. Ledoux first presented the budget for the town Manager department and for the Board of Selectmen. Total budget is down 9% from FY13, for two reasons. Counsel expenses have been reduced by 16.67%, since major litigation is pretty much completed with the possible exception of the Next Generation. We also have renegotiated discount rates with Anderson & Krieger. The other factor is the pending retirement of the ATM and the position will be refilled, so that the replacement factor is reduced to step 1 of the salary scale by 27,000 dollars. Professional wages then are down by 8.25%. Professional development shows an increase of 22%, to 22,000 dollars. That is really for our staff to attend training. We had an opportunity to send 5 employees to courses at Suffolk University this year, for courses relating to the Master of Public Administration program and we want to send others to this program next year, because it fits in well with our sustainability and succession plans. Professional services have also increased by 23%, primarily due to costs associated with acquisition of the Caouette and two other properties and the conservation restrictions, which were attached to them. There are fees associated with these restrictions.

Mr. Mullin asked about these fees. Mr. Ledoux explained that the fees, typically around 12,000 dollars for Caouette are negotiated, and are for holding these restrictions.

Ms. Ashton initiated an action item for receiving details of the going forward risk factors for litigation costs and for the big costs incurred in the prior year. The FY14 budget still seems higher than expected, for only one on-going case..

Mr. Evans wondered why OPEB costs as well as ambulance costs are not considered as annual purchased services, rather than as separate warrant articles. Following a general discussion, the conclusion was to leave these as separate line items rather than complicate the internal accounting procedures. Ms. Harting-Barrat concurred that this separate line item approach will be the best way to introduce OPEB to an audience quite unfamiliar with this new account.

Mr. Tindal opened a discussion about the current space needs study, pointing to several examples of more space needs. He emphasized that there should be some money, say 5,000 to 25,000 dollars, available in the budget to be used for professional real estate project assistance, on short notice, to seize any opportunities which may come up.

Mr. Clough asked about status of the Assistant Town Manager position. Mr. Ledoux indicated he hopes to fill it internally in the near future.

Ms. Knibbe asked about the transportation subsidy. Mr. Ledoux answered that it will be a separate article, and that backup about it has been provided to the FinCom. Regarding the Commission on Disability, the budget is 1,400 dollars for outreach, education, and materials to promote issues related to disability. They are working on goals and objectives now and will soon start on implementation.

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Mr. Ledoux referred to a supplemental capital expenditure cost, associated with purchase of a one acre lot behind the property at 81 Wood Lane, backing up to the Arboretum and giving access thereto. The Acton Conservation Trust bought it at a total cost of about 33,000 dollars, due to lack of time to bring it to Town Meeting warrant last year. That is why it is in the budget this year.

Information Technology/Emergency Management – Mr. Mark Hald

No capital investment is requested for FY14. Summarizing important work going on, it is our 4th year in operation for GIS, Kristin Alexander is now our coordinator doing an outstanding job. She is catching us up with parcel updates, becoming involved with regional GIS groups and managing the digitizing project. We have met the FCC deadline of December 31st for narrow-banding the public safety radio system. We have overhauled the audio video systems in this assembly room. Next week, we will finalize months of work for a major MUNIS financial system upgrade, a joint town/school project. Hopefully, this will be the last year for this work, before outsourcing takes place. We have been able to virtualize about 80% of our servers, that is, going from 40 servers to a cluster of 4 high-power servers, thus increasing reliability and reducing cooling & power requirements.

Considering the operating budget, the telephone charges are slightly reduced due to our increased use of VOIP optimizations. There is a transfer from the capital outlay account to MIS to outsource the MUNIS service suite and a transfer from capital outlay account to professional services for the outsourcing of IT maintenance services. Overall, the operating budget has decreased about 45,000 dollars for FY14.

Ms. Knibbe inquired about obtaining some software package which could centralize the scheduling and reservation of meeting rooms, saving us time and trouble. Mr. Hald agreed that there are many such packages available. He has been encouraging our website host vendor to make us a beta test site for a new such package which would integrate easily with our website, giving easy access to all departments. We expect to be advised very soon.

Ms. Ashton asked for details about the plan to transfer capital investment resources to outsourced professional services suppliers. Mr. Hald explained that we presently must use a lot of internal resources to physically go around and perform the underlying maintenance work on our servers and office computers, such as new features, updates, out of service conditions, etc. This company has done work for us earlier, can be on the job 24/7 and will enable our staff to do the more important tasks we have. A second question covered the cost of digitizing records, which has had a pretty constant cost of 40,000 dollars per year. Mr. Hald believes this will be about the same cost per year, going forward.

Mr. Gowing asked, relative to the new servers, if we are going with blade servers, or stand-alone. Mr. Hald noted that we are going to virtual servers, where a cluster of 4 will replace 40. Another question on GIS, was can we use GIS now to do assessment, like

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boundaries and similar tasks. Mr. Hald agreed and now the possibilities include abutters and other advanced mapping techniques, in addition to crime areas analysis.

A third question related to a possible camera system at the COA for safety enhancement, not in the IT budget now. Mr. Hald noted that such a system would fall into the IT budget and it would be in one of the capital accounts.

His final question concerned the permitting software and plans. Mr. Hald gave a detailed explanation, including that a gating item was the MUNIS upgrade and implementing MUNIS updates. The next step will be the implementation of the MUNIS version 9 permanent module.

Ms. Clifford also wanted to know if, as we move toward the "software as a service" concept, we would need less space in the equipment room in the library for servers, etc. Mr. Hald believes that some space will become available and that three systems will be decommissioned.

Mr. Sonner inquired if Mr. Hald can estimate those IT-related expenses of other departments than his own department. Mr. Hald thought that such expenses would be minimal. Even dispatch hardware and software falls under the IT budget. Exceptions would be the expenses under revolving or special funds.

Ms. Adachi inquired about the personnel in the IT department. Mr. Hald named himself, Katelin and Kristin, our GIS coordinator. Jason, who left recently, will be replaced. Concerning the permitting software, will that permit people to go on-line and do permitting. Mr. Hald agreed that this is definitely one of our primary requirements. Under this MUNIS program module, citizen self-service is made available.

Mr. Mullin wanted to know if any of these modules will allow for citizen on-line access to property cards. Mr. Hald responded that a lot of the property card information can now be obtained through GIS, and this new module will allow complete access.

Mr. Tindal referred to an earlier question about the equipment room in the library. Mr. Hald confirmed that this is really a basement and it never has flooded. We are reducing the amount of equipment there, but not abandoning it anytime soon. It is our wire-center. The requested off-loading of maintenance services can include real-time monitoring of the environment there. There some environmental monitors in that room now.

Mr. Clough mentioned on behalf of the EDC, the need for applicants for new business registration materials, to have such procedures made available within the permitting software module. Mr. Hald confirmed that relevant flow charts and procedures have already been documented.

Mr. Kabakoff inquired about back-up procedures in the event of major service disruptions, for both software and for hardware. Mr. Hald replied that data is regularly backed up and stored at the PSF building and a set of 4 virtual servers is also located there. Maximum recovery time in the event of such a disaster would be about 15 minutes. Concerning our property insurance coverage, does it cover flood, and does it cover below-ground location? Mr. Hald took the action item to answer this question.

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Concerning Emergency Management, this budget mainly funds the basic needs, with a small decrease. Mr. Hald has consolidated the accounts and is working with Gail Sawyer to do the necessary catching up, about supplies, equipment, etc.

Building – Mr. Frank Ramsbottom

Mr. Ramsbottom noted only one line item change this year in the books and periodicals budget. That is, since they can get law books on-line now, they no longer need to purchase paper copies. Cell phones will be transferred from IT to this department. They do need 3 smart phones, so the inspectors can take photos.

Mr. Kabakoff questioned how the fees charged for inspections by this department compared to the budget. Mr. Ramsbottom noted that the majority of fees go into the general fund. Last year, in FY12, this was about 450,000 dollars. Fringe benefits, automobile expenses, OPEB and similar overhead costs are in addition to the amount of the department budget. We did an analysis a couple of years ago, which concluded that fees were adequate. Mr. Barratt stated that we will be reviewing all fees, including building fees, charged by the town.

Mr. Clough inquired about the permit trend. This year we set a record, issuing over 1,000 permits.

Municipal Properties/Green Advisory Board – Mr. Dean Charter

Essentially, for utilities we are asking for the same amount in FY14 as we did in FY13, due in part to stabilization in fuel costs, actually a decline for natural gas and electric rates have stabilized as well. Additionally, we have been pretty aggressive with some energy conservation efforts, including lighting upgrades in several buildings. We forecast a payback period of two to three years for lighting upgrades. Tree work is the other big item, impacted by the stormy weather pattern which we have experienced. A slight increase is requested in FY14, to make up for work postponed due to storm damage. NSTAR support has been unprecedented, making up for about 50,000 dollars of work we would otherwise have to have done ourselves.

Further to the previous questions about the below-ground location of the IT server room, this is close to the 1966 previous entrance to the library and about at the same level as under the 1889 section. Water would flow out to the north of the building. This is about as good a location as we can get. Since 1966, we have never had a water flow in that area.

Mr. Gowing asked two questions. First, about the solar installation on the roof of the public works building. It is indeed generating electricity. We are purchasing that electricity from NEXAMP. In FY09, prior to installation, we paid 25,497 dollars and in FY12, we spent 27,776 dollars. We have supported green energy, but there has been virtually no impact on our cost. Second, about handicap accessibility at 468 Main St., when will there be a solution. Mr. Charter has a solution and funding is in place. He has

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been told that that action is on hold, pending completion of the space needs study, relating to that building. We could, theoretically be doing construction this summer.

Mr. Clough asked about the projected cost of electricity at the landfill. Mr. Charter believed that this has been the subject of much speculation, but there are no firm answers now. The system will be installed and operational by July 1. Mr. Charter has budgeted no changes in cost of electricity in FY14. After a couple of months in operation, we will have better information. The rates are locked-in. Tree cutting is moving along, removals are being done right now. The cutting will be done according to the new standards. Most of it is outsourced.

Mr. Tindal questioned potential cost figures for actions contemplated at the Asa Parlin house. Mr. Charter has been working closely with the Historical Commission and he recommends asking the Town Manager to apply for a demolition permit, now that the decision has been made not to restore the house. He does not see any value in trying to salvage the beams, in view of the limited historical value of the house. There is a likely cost of 50,000 to 60,000 dollars for abatement, 20,000 dollars for demolition itself and he projects a total cost at around 100,000 dollars.

The Green Advisory Board has an energy conservation analyst since October 2012, Pamela Cady, as a part-time employee, reporting to Mr. Charter. The GAB has completed its annual report to the DOER. The GAB is actively looking for other opportunities to explore for energy conservation. In two of the past three fiscal years, the town has received in excess of 300,000 dollars in grants. Some of those funds have been spent in upgrades to Town buildings and 140,000 dollars is allocated now for upgrades in the schools. The GAB wants to focus more on enlarging their scope and a meeting with the BoS on this subject would be useful.

Mr. Kabakoff questioned the breakout between salaries and professional services in the 52,000 dollar request. Mr. Charter noted that in the past they have relied on a lot of free help from NSTAR and National Grid for energy studies. They now want to perform studies on Town buildings, using professional engineering consultants to make sure that solutions are maintainable over time, which is the reason for increase in services. A competitive bid may be necessary. Then, the salaries are as just identified above, plus some secretarial services.

Natural Resources/Cemetery – Mr. Tom Tidman

We had the goal of level funding and we have pretty much succeeded at that. Our professional services budget has gone up and the contractual part has gone down, but they balance out.

On the capital budget side, we are going ahead with the boardwalk construction in the Arboretum, with first round review from the CPC. We have finished a 70-car parking lot at NARA Park, which is the lead-in to the Miracle Field project. The ice skating rink or field is finished and all we need now is cold weather.

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Mr. Kabakoff reminded everyone that any boardwalk construction requires eventual approval by the CPC. They have the option to say "not right now." Mr. Tidman clarified that we have not started this construction project, just finished some repair work.

Ms. Knibbe asked Mr. Ledoux how much money is in the recreation revolving fund and how fast it is growing, as an action item for Mr. Ledoux.

Mr. Tindal asked what our current situation is regarding cemeteries, considering past surveys and the need for a building to store equipment, which requirement was eventually dropped.

Secondly, what are we doing about storage facilities at the cemeteries? Mr. Tidman stated that we are making a survey and taking inventory now of the older sections of the cemeteries. About infrastructure, our roads are in need of resurfacing and we are working with the town to remedy this. About a building, it has been rejected twice because of its cost. We do use the barn at Morrison Farm for some storage. There is a potentially good site on Harris Street. Mr. Ledoux added that this site and location is included in the current space needs study and an analysis of use of a building is also included.

Recreation/Celebrations – Ms. Cathy Fochtman

Regarding our recreation budget, we expect to decrease our FY14 budget for our 9 revolving accounts by nearly 8% from FY13. Note that we have increased the recreation programs revolving account to support new requirements at our beach. We will invest 4,000 dollars in off-line equipment to be used in the event of beach closures. Community gardens will receive bills for water now from our Morrison Farm and North Acton locations as two new meters have been installed. Overall the revolving accounts will decrease by 7.9%.

We have three CPA projects under consideration now by the BoS. These are the picnic pavilion for 230,000 dollars, Elm Street tennis courts and playground for 75,000 dollars and the NARA comfort station, a snack bar and bathroom facility, for 25,000 dollars, which would be for funding a design project. We are also working on several projects from last year, which include the TG O'Grady Skate Park. The infrastructure changes which were necessary have been done. We have widened the driveway into the facility, we added new parking spaces and all of the site work is done in order to proceed with both, designing and constructing a new skating bowl, for which we have received CPC funding. An RFP for the engineering design plans will be sent out within the month. For the Goward Playground, we have spent a full year working with a citizens group to raise funding and they have received over 50,000 dollars to match-up with the funds authorized at Town Meeting.

Mr. Barrett expressed regret that no one has received copies of the data presented by Ms. Fochtman. These recreation revolving accounts do not have to go to Town Meeting for approval, but are for the Town Manager's approval. Mr. Barrett took the action item to send this data out to everyone.

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Fire – Mr. Patrick Futterer

The FY14 budget is a level funded budget. He is still reviewing the department's needs and looks forward to making some changes in the upcoming years, in an optimum manner.

Mr. Tindal inquired about the generators in the capital investment budget at 100,000 dollars. The new units will be located outside the building and they will have more capacity.

A next question was about any need for new fire stations. Mr. Futterer responded that one will be required for the future.

Ms. Knibbe inquired about the emergency medical segment of the public safety operation and would like comments from Mr. Futterer. He just received his Massachusetts paramedic license. He feels that we are providing proper response to emergencies, through our existing EMS services and personnel, but are not optimizing our potential revenue, in the sense that paramedic services can be a money-maker when done in-house, if we have the equipment and specialized training for it. Mr. Ledoux added that there is 25,000 dollars in the ambulance enterprise budget to study the financial feasibility for us going to advanced life support services, since we first need to make sure that there is sufficient contribution in it.

Mr. Noone questioned Mr. Ledoux about the ambulance funds subsidy going down each year from 279,000 dollars to 200,000 dollars. Mr. Ledoux responded that we have built a one million dollar fund balance in the enterprise.

Health/Nursing/Transportation Mr. Doug Halley

First, for the Board of Health budget, Mr. Halley noted that a considerable number of personnel transitions led us to adopt a pilot program of doing inspections through contractual services rather than replacing a part-time employee.

In addition, we are picking up the cell phone costs for Laura Ducharme, the Community Services Coordinator.

In the Septage enterprise fund, we have seen lower activity in regards to replacing septic systems. We have transferred some of those costs into other revolving accounts to decrease the costs that we are applying to the enterprise fund, so the professional salaries have decreased.

We have also started an innovative program in that fund in which we are doing on-line review of septic plans for off-site contractors and reducing our costs by doing that. There is a slight increase in contractual services.

In the Sewer enterprise fund, there is an increase in contractual services. That is based on some small capital repair that has to be done within the treatment plant, for a total of

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27,000 dollars. The plant is now 11 years old and we will start incurring an increasing amount for repairs.

We are also proposing a tractor to be purchased out of the Sewer Enterprise Fund. This is to allow us to maintain the discharge basins, for snow removal and to assist in replacing pumps.

The Sealer of Weights and Measures - In that revolving account there is no change.

The Food Service revolving account - this is where we have increased the professional salaries from the Septage Enterprise Fund.

Also, we propose replacement of the 1999 Ford Taurus that is used for all departments in the Town Hall. We are going to purchase a Ford Escape vehicle for inspection services and the Prius we have will then be used by all the departments.

For Hazardous materials, again we have a slight increase in professional salaries transferred from the Septage Enterprise Fund.

For Storm Water Inspection, there has been no change.

Transportation has been a very busy year and a lot of transition has occurred within transportation. We took over the Roadrunner from LRTA and we have started a study looking at regionalization. We have 7 communities involved and several private businesses. There is a high probability that dispatching will be operated regionally under this umbrella group. We hope to have 8 hours of dispatch time per day. We are also hoping for a grant to offset some of these dispatch costs. We are looking for a DOR grant to offset those transportation costs, but we want to reduce those costs in the future.

House Resolution H901, which is expected to be signed by the Governor in the next day or so, allows towns to use parking revenue to address transportation costs. We have detailed ideas on the allocation of these revenues, but we cannot budget accordingly until a signature is obtained.

For the Nursing Service, this year we are in the top 500 home care agencies in the country and congratulations go to Heather Hurley and her team for this achievement. We have been focusing on marketing and outreach. We have a 3-year plan and last year we asked for subsidies of 175,000 dollars and we are reducing this subsidy to 135,000 dollars this year. We hope to stabilize the fund balance. We have decreased the number of FTE's from ten to just over six, plus using contractual labor for flexibility. Mr. Gowing asked about storm water management plans. Mr. Halley responded that we have no plans now to integrate that into GIS. Eventually, as plans for storm and waste water become integrated into GIS through permitting, etc. those plans would have to be integrated into our GIS system. It is a significant problem, however, to build a data base covering the past history of permits, etc.

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Mr. Tindal addressed the issue of subsidizing and then stabilizing the nursing service as it relates to possibly selling it. Mr. Halley agreed that having the agency run by someone else than the Town while it still requires subsidies is a disadvantage in the marketplace. However, more important is its name rather than its patient list. All options are open.

Mr. Gowing noted that we are establishing good relationships with surrounding towns about transportation matters, which will pay dividends in the future.

Ms. Knibbe asked about the balance in the parking fund and its replenishment rate. Mr. Halley responded that presently, there is about 900,000 dollars in the fund and it replenishes at about 85,000 dollars a year, but we also have a need for police cruisers, metering systems and transportation. Therefore, we cannot rely on the 85,000 dollars alone. Mr. Ledoux added that we need to look at the fees charged for parking which is part of the new metering system and adjustments have not been made for quite some time.

Mr. Evans referred back to the nursing department subsidy and he calculates that the running average deficiency will be 80,000 dollars at the end of the 3-year plan. Following general discussion, the nursing "tiger team" volunteered to appear before the FinCom prior to Town Meeting to clarify this issue and FinCom accepted.

Finance (Accounting, Town Clerk/Elections, Assessors, Collector, and Finance Director) – Mr. Stephen Barrett/Mr. Brian McMullen/Ms. Lisa Krause/Ms. Eva Szkaradek

Mr. Ledoux introduced Lisa Krause as the new Town Accountant.

Ms. Krause reported that the accountant budget is 99% salaries and there is a reduction in professional salaries, due to hiring a person at a reduced rate. Supplies are increased for 2 new desks. Overall the budget is reduced by 6%.

Mr. Noone asked about the portion of effort, in FTE's, which is devoted to school matters. Mr. Barrett responded that there are 4 FTE's and that schools do a lot of their own accounting work, so that such matters are not now a very large part of the accounting workload.

In the subsequent general discussion, Mr. Tindal commented on the potential ways school regionalization might reduce this and total Town office workload and costs. Mr. Barrett answered that any Town savings would become evident in FY15, not now. However, FinCom wants "needs and quantification" in the near term and prior to Town Meeting. No specific action items were created.

Town Clerk, Ms. Szkaradek, reported that there are minor budget changes for memberships, dues, and office supplies. Concerning salaries, one staff member has been replaced.

The Elections budget is increasing for printing and copying. We are changing the polling station. We have a decrease for machines we are not using anymore. Postage increased for mailings.

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The Contractual Services, reflect a change in fees for the elections workers, which was approved by the BoS.

Mr. Mullin asked for an opinion about a proposed change in the open meeting law relating to posting agendas, and if this would impact the department's workload. Ms. Szkaradek responded that it would not impact their workload.

Mr. Clough questioned an increase of 50,000 dollars for clerical salaries and wages. Mr. Barrett answered that this had been answered in the questions.

Mr. Gowing asked about the tentative plan to go to one polling place and if we have explored it any further. The League of Women Voters is exploring it.

Ms. Clifford followed up, asking if people were inconvenienced or upset by the recent move from 3 to 2 polling places. There were minor complaints, and no negative issues about the voting.

Mr. Clough inquired if there were observers present in an official capacity at the polling stations. According to their feedback, everything went well .

Finance Director Mr. Barrett then thanked Mr. McMullen and Ms. Krause for their efforts in preparing this budget. He also thanked Mr. Halley for joining the Budget Working Group. He added that the FY14 total spending proposed by Mr. Ledoux corresponds exactly with the ALG allocation, less the amount of the deficit that was shown there.

In terms of personnel changes, Lisa Krause has been named Town Accountant, Mr. Barrett has been appointed Acting Treasurer/Collector, Mr. McMullen has been promoted to Assistant Finance Director/Principal Assessor and we hired a property tax lister to fill an opening in the Assessor division. We also had a Treasurer retire after more than 20 years service.

In terms of recent department wins, Mr. Barrett highlighted: maintenance of our AAA bond rating, smooth running of elections and Town meetings, free cash was certified as of September 12, the FY14 budget was developed by October 2012. Our budget book is now on line and we set our tax rate for FY13.

Referring to internal departmental budgets for FY14, he summarized:

The Collector's budget for FY14 is down almost 6%, reflecting only the hiring of new staff at lower rates of than retiring staff members. The function of this group is to oversee the billing and collection of over 70,000,000 dollars in various taxes, such as real estate, motor vehicle excise, sewer and other bills.

The Assessor's budget is essentially level funded. This function of this group is to protect the town's 3.7 billion dollars taxable valuation base, spread out over 8,500 parcels. Responding to an open question, the recent hiring of a property lister to fill an open requisition reflects why this group has been under budget for some time.

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The Finance Director's budget is up almost 4%. This group contains 3FTE's to handle payroll, taxes, postage, health insurance cost, property insurance administration, debt administration and related subjects.

Note that budget drivers continue to be health insurance with rates up 5% for retirees and 10% for active staff. We also have an 8% increase in debt, due to the bond issue in FY13.

Concerning OPEB, the Town has already put 500,000 dollars into a new Trust, in accordance with ALG guidance, named a Custodian and a Task Force has been formed. For FY14, the Task Force has recommended 800,000 dollars funding, either in cash or through a bonding program. Concerning initiatives, we are planning a complete town-wide review of fees.

As part of this review, we have set-up as a policy a permanent hourly OPEB fee component, approved by Town Counsel. This will establish a permanent flow of money into the OPEB Trust. For new positions, but not for personnel replacements, we have set-up a new 16% salary surcharge. This will apply to 6 proposed new positions as of now. Until the state comes forth with changes in the retirement eligibility requirements, we do not recommend making any changes in our OPEB plan. We will have to go to Town Meeting to vote on approval of one of the OPEB warrant articles from last year, due to a procedural error.

Mr. Tindal, speaking on behalf of the FinCom, thanked Mr. Ledoux and the town staff for all the work involved in preparation for this meeting.

Ms. Clifford expressed her approval of the two measures just presented which will raise funds for the OPEB Trust and of the fact that the total budget meets the ALG guidelines.

Mr. Mullin stressed that the budget presentation at Town Meeting, when contrasting the total FY14 numbers with those of FY13, should not obscure the fact that some line items were moved to other funding sources, not subject to Town Meeting approval and cited the 2 cruisers for the Police Department as one example.

Mr. Clough asked for clarification concerning the imposition of OPEB surcharges on employees. Mr. Barrett repeated that there are two measures, one for current employees, the other for new hires and that there are 6 new hire positions proposed, at this time.

Ms. Knibbe asked if the OPEB Trust has actually been formed, or is in the process of being formed. Mr. Barrett replied that he has just been informed by Town Counsel that the vote taken at last year's Town Meeting to form this Trust was in error in naming the Town Treasurer as Custodian and that the Article must be presented again this year. He has placed the OPEB Trust Fund balance of 310,000 dollars temporarily in the Town trust funds account.

Mr. Kabakoff questioned what our response would be (concerning OPEB Trust funding) if Town Meeting refused some or all of the proposed 6 new hires. Mr. Barrett noted that they are loaded into the operating budget as headcount, in various departments, and if our proposed budget fails, we will have a much larger problem to resolve, which will

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include these people. Mr. Kabakoff suggested that they be put into a separate Town Meeting Article, but Mr. Barrett pointed out that this would create a much larger issue the following year, in explaining a very large increase in budget for them.

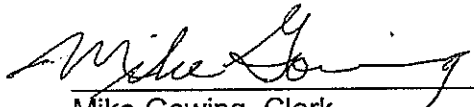
Mr. Sonner asked for confirmation that the 16% surcharge for OPEB funding would only apply to new employees, not to replacements. Mr. Barrett did confirm this point. Mr. Sonner also inquired about the status of the long-term capital plan. Following an intensive discussion, it was summarized that a meeting would be held later this month to work on this plan for both the town and the schools.

Mr. Sonner made a motion to adjourn the meeting. Ms. Harting-Barrat seconded the motion.

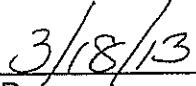
The meeting adjourned at 3:45 p.m.



Lili Early, Recording Secretary



Mike Gowing, Clerk



Date