

Fincom/BOS/School Committee Joint Meeting

October 28, 2014

Acton Town Hall, Room 204

Moderator Don MacKenzie conducting this meeting

Introductions of meeting attendees

Town Staff attending: Brian McMullen, Steven Barrett, Steve Ledoux, Marie Altieri, Glenn Brand

All Fincom members in attendance, all BoS, all School Committee

Steve Noone, Mike Gowing, Kristina Rychlik called their respective meetings to order, 7:10pm

Steve Noone: Here to meet together and get to know each other as well as talk about long term financial planning

- I. Dennis Bruce, Vice-Chair of School Committee, presented School Committee's preliminary five year financial plan, including key uncertainties and major assumptions.
 - a. Major budget drivers include increasing OPEB and Middlesex retirement contributions
 - b. Also discussed teacher salary contracts, transportation, special ed changes and costs, and debt service
- II. Mike Gowing, Chair of Selectmen, presented BoS early 5 year financial forecast
 - a. Revenues—Tax levy capacity and new growth amounts for next couple of years
 - i. Overlay—set aside amount to cover uncollected, unused \$\$ can be returned to free cash
 - ii. Cherry Sheet—Town's net state aid in FY15 is projected at \$1,250,000—projected at 1% increase in FY16 and then 2.5% in later years
 - iii. Excise taxes—projected to increase 7% in FY16 and then 2% thereafter
 - iv. Fees at 2%
 - v. Interest income 0% increase
 - b. Expenses
 - i. Salaries: 2.75% increase
 - ii. Potential new staff budgeted as well that are associated with potential capital costs e.g., Senior Center, North Acton Fire Station
 - iii. OPEB
 - iv. Minuteman capital project—Wild card—we don't know what this will be
- III. Mary Ann Ashton from Fincom explained the inputs and methodology of the Long Range Financial Plan
 - a. Maps broad categories of budget expense categories (all salaries, all health benefits from schools and municipal, for example)

- b. Considers changes in things like cost savings, service levels, capital programs
 - c. Estimates amount of reserves required to fund budget
- IV. Steve Noone presented resulting Long Range plan—main problem is that based on the projected number reserves get eaten up by FY17
- V. Questions:
- a. Margaret asked does the school budget reflect the savings from regionalization as well as declining enrollment. Kristina says yes. Does the town budget reflect the capital cost (debt service and additional salaries) of senior center and North Acton Fire Center? Mike Gowing answered yes.
 - b. Bill Mullin and Brigid Bieber asked questions re: how the contribution of reserves will work with a newly regionalized school system, when the split used to be divided roughly by thirds, how will it work now? The answer is that it we don't know yet.
- VI. Ideas: How can we deal with this problem of running out of reserves?
- a. Doug Tindal gives the perspective of how the last time we were in this same situation, the sky didn't fall, but still a useful exercise and the key is that all three boards need to communicate; advocates that we explicitly structure our reserves, and they shouldn't exceed 5% of overall budget
 - b. Bill Mullin tells us that the model does tell us where our major drivers are
 - c. Franny suggests regionalization of services where possible/Margaret concurs—lots of ideas for this in the 2020 plan
 - d. Margaret: need to realize that no idea is too small to cut—every bit can add up to a lot of savings; also, we need to understand—are we overbudgeting? Why do we throw off so many reserves? Is this built into the model?
 - e. Steve: But, still, if we don't do anything different, we will be in trouble.
 - f. Don: Big things are labor, and technology can ease that cost
 - g. Mike G.—Little things do add up—the solar farm at the transfer station—very successful and savings Town money
 - h. Margaret: Can we set up a tri-board subcommittee thinking through how to better use technology?
 - i. Mike M: Need to promote economic development—need an economic development director
 - j. Franny: One thing we could do to bring new businesses is bring sewers to West Acton; what about charging double to choice students?
 - k. Dennis: Choice students pay significantly less than the \$13,000 per pupil cost--\$5000 per student.
 - l. Mary Brolin: Choice students fee can help with fixed costs, if the seats aren't taken
 - m. Mike C. You can use technology to leverage the resources we have in the schools
 - n. Margaret: Best friend from business school is expert on blended (technology + teachers in school) learning, we could use her as a resource if people wanted it
 - o. Don asked Glenn Brand what his thoughts are on using technology: Brand says he is definitely interested in exploring this and plans to integrate more technology

- p. Doug : we need to think about the small numbers—the full capacity of the tax levy --\$1.8 million—that’s what the 2.5% increase in taxes would represent
 - q. Paul: Explore looking into more energy efficiencies—exploring energy resources through geo thermal energy, for example
 - r. Brigid: The school’s long range strategic plan has been a great resource to keep the schools disciplined in adding expenses. One possible cut is the amount of bus passing goes on—it’s been a service creep, getting more and more costly
 - s. Kristina: Has the school or the town ever invested in a grantwriter?
 - t. Franny: School transportation—bus passing—maybe a fixed route transportation system that parents were willing to pay for. Would the town ever consider doing development itself, particularly senior housing, to encourage seniors to stay in town?
 - u. Mike G.: We can figure out ways to use our resources more efficiently and effectively ; also could consider not busing kids that live within a mile of the school
 - v. Maya: Can we tax developers to pay a fee for taking down mature tree? There is constant tension because we seem to lack so much, in terms of safe biking spaces, trails to get to schools, etc—how do we prioritize?
 - w. Deanne: If we add senior condos, we may think we help the situation. But people find loop holes and more kids will come in. But what about better retail? We have to go everywhere else to buy things. We need to attract better economic development.
 - x. Franny—Can we have a meal tax? Mike G. We opted not to do that several years go We opted not to impose the local option sales tax a few years ago to help the businesses but we are reconsidering it."
 - y. Kristina: Margaret, can you speak to the Fincom outreach you are doing?
Margaret: Basically just trying to increase our visibility, let them know about what the fincom does as well as offer them our perspective as outlined in our Point of View.
 - z. Deanne: Is there a follow up in the spring? Should it be an annual meeting? More often? No agreement yet on the frequency of the meetings, but definite agreement that they should be a regular occurrence.
- VII. Meeting adjourned by their respective committee members at 9:35

Documents used: Fincom 5 year Long Range Financial Plan