

ALG Minutes---January 13, 2010

TOWN CLERK, ACTON

Present: Bart Wendell, facilitator; Paulina Knibbe, Peter Berry (BoS): Sharon McManus, Xuan Kong (SC); Mary Ann Ashton, Herman Kabakoff (FC); Steve Ledoux, Steve Mills, John Murray, Steve Barrett, staff. Absent: Marie Altieri.

Audience: Denise Kelly, school finance dept. Ruth Kohls, Paul Hoff, Bob Ingram, Clint Seward, Dick Calandrella and Charlie Kadlec.

9. Other

Xuan asked for time for school communication; Mary Ann asked to discuss the meeting schedule.

Minutes were approved with the corrections in name spelling. Steve Ledoux will add a sentence about turn backs on agenda

2.FY 10—Steve Ledoux, Steve Mills

Steve L reported that little had happened with regard to the state budget. He is waiting for the MMA meeting where the Governor will speak and about his budget plans and cuts or not in local aid. Meanwhile the municipal budget has been presented to the BoS & FC. The municipal budget shows the cuts necessary to get to 3% and 0%.

Steve Mills reported that there has not been any big news and everyone is waiting for the Governor's budget. He talked with Roger Hatch of DOE and Hatch said that the expected 10% cut "may not be that bad." Meanwhile he is expecting a vote of the APS SC to change the retirement contribution of part-time employees from Social Security to OBRA. The savings will be in the \$150k-\$160k range. (The regional schools have voted to implement this change. The local schools can only do so if the town does as well.) The BoS will be discussing this issue on Jan. 25th. The 9c cuts to regional transportation have been reversed.

Follow-up: a report on the SC vote on the retirement shift and the exact amount of the savings: a report on the BoS vote on the retirement shift and any savings that result.

3. Review of ALG spreadsheet---Marie Altieri/Steve Barrett

Extra info: Draft spreadsheets of the ALG plans one with a 3% increase, the second with a 0%.

Steve reported that there are no changes on the 3% spreadsheets.

The only change on the 0% was in the AB Region totals. The question was whether to use the number voted at April Town Meeting or the lower assessment used in the fall to set the tax rate. The sheet was changed to use the number voted at the April TM which now results in a gap between revenues and expenses of \$404K

Xuan asked if the debt and COPs costs were settled

Paulina said she thought they'd reached a consensus that the schools would cover the school debt.

NOTICE: It was agreed that this was so.

4. How to cover debt, COPS costs for FY11

Steve L: the management of the cuts [to cover the debt] is a management issue for the schools. The question is whether to use additional free cash. This is an issue we were to take back to our boards for guidance.

Xuan: APS agreed to ask ALG for the use of reserves for the debt service for this year because of the transition [back into the school's operating budget] The schools will absorb the COPS costs in the operating budget but evaluate it to see if it's a high enough priority to be continued.

Paulina: There are three officers in the schools. One of these officers is part of the Chief's staffing plan. Two officers were initially covered by the COPS program- this program is funded 50% by the school budget and 50% by the town's. The BoS discussed this issue and decided to follow the school's lead. If the schools decide to fund one officer, the BoS will match. If the schools feel this program is not important enough to fund, the BoS will also cut one officer.

Herman: the FC decided it was an operational issue & that the town & schools should work it out

Mary Ann: I think the FC's reaction to this is the same as #8 on the agenda: we want to see a three-year plan. We agree that the debt is an APS matter.

Xuan: APS recognizes that we need to carry the debt. But in the face of the 10% cuts [from local aid]---we need to ask for the funds for one year.

Mary Ann: the rationale for the FC is to keep capital debt in the operating budget so as it is paid off there is room for something else.

Paulina: Filling the gap in the budget will require a combination of three things: cutting services, finding savings and finding additional revenue. The BoS is in the process of cutting the municipal budget to approach the 0% goal. The schools are also discussing details about their budget cuts. We also need to identify sources of additional revenues -- including the possibility of using some more reserves, if necessary, to mitigate some of the school budget cuts. We also need to evaluate whether there are any savings from the Cost Savings study that can be used in FY11.

The FC has recommended that no more than \$2M of reserves be used in the FY11 budget. The current ALG plan uses \$1.9M. There is potential for additional funds from the meals tax, smaller cuts in Ch. 70---so there are some sources for additional revenue.

MaryAnn: Using reserves to cover school debt will mean \$379k more of reserves---we need a better picture of the whole & the subsequent years.

Paulina: the number is undefined until we have the bigger picture.

Herman: \$379k is big---some can come out of reserves but we have a \$2M goal (limit)---something has to give.

Xuan: we went to the FC & presented the budget overview with the service reductions. The \$300k will mean more in service cuts.

5. Warrant timetable

Extra info: printing schedule for warrant; committee meetings & hearings; warrant list to date

6. Minuteman & overall education plan for Acton---S. Mills

Extra info: APS/AB proposed personnel cuts for FY 11

Mill: has informed affected people of proposed cuts to reach the 10% expected cut from local aid. These cuts do not include the \$379k---let's wait for the governor's plan.

Voc. Ed---students absolutely need & deserve voc. Ed. It is self-evident that voc ed is more expensive, with the hands on shops; student/teacher ratios and the need for academic teachers.

Mills has visited MM (Minuteman) for the breakfast an again to review the budget. He reported MM is the most expensive Voc tech school in MA. Costs are \$23-\$24k/pupil which is \$7-\$8k more than Worcester. They want extra money for expansion design---in this economic climate they are not likely to get it. They have 12 administrators for 600 students. At AB we have four for 2000.

Belmont is not supporting the MM assessment. MM needs to look & see what they can do within the existing funds. There is no need to spend \$24k /pupil

Mary Ann: the question from the FC was---where does MM fit in the AB educational scheme. If we do not send students to MM can the high school educate these children? I think the answer is no.

MM has a different assessment structure & I'm not sure if it is reasonable to compare AB to a voc. Tech. From the FC point of view---should the town be paying for a building in light of the AB cuts?

Sharon: from what I see, MM is very successful in training students in high tech areas & bio-med, etc. We cannot offer this training at the HS.

Dore: I agree that MM is too expensive. The student/teacher ratio is the lowest in the state. Some is arrived by accident due to decreasing enrollment. Hopefully there will be an increase in enrollment with the new recruiting program. The budget has 19 teacher layoffs---so they are starting to address the problem. Its hard to cut staff since some of the programs are unique.

It is a bad time to be asking for money. The state has cut aid to Voc. Techs'. There are 16 towns that need to pass the budget

Herman: we need to see what the budget has been assessed in prior years. We need to fix on the \$630k and adjust for \$100k less to reflect MM FY11 assessment in ALG model.

J. Murray: compared to Worcester MM is 45% higher. We have to be careful if this is the best way to spend the money

Xuan: we do have to see if MM can be more cost effective.

Mary Ann: the MM assessment is in the ALG plan---there is no money for the capital

plan. We have to see how that fits.

Paulina: time is short we need a decision---who is doing this piece?

Steve L. the town has to vote NOT to have it (expansion money) on the warrant

Dore stated that there are additional problems with the MM budget that has resulted in additional special school committee meetings. He suggested ALG meet with the MM people.

Herman: Acton's share is @\$50k.

Dore: we also have the classes in the junior high

Tasks: FC will do history of MM assessments

7. Turn backs from non-settled union contracts

Steve L; \$350K some go back as far as FY 07

8. Meals tax

Peter B. shall we put it on the warrant? The BoS is looking for input from the others

The estimates are \$150k in revenue

Herman: personally, the voters should decide

Mary Ann: are the numbers solid?

Herman: The FC checked & they appear to be.

Steve L: The business community is concerned about the long-term impacts. We have a restaurant that asked to string out payments for their liquor license (the BoS voted No)

Paulina: we will put it on the warrant but should we add the revenue into the mix?

Mary Ann: the FC has not discussed it and wanted to hear from the BoS whether they support implementing the tax or not, and where this fits into an overall plan.

Paulina: on budget Saturday there were programs that we would rather not cut. The BoS can get close to the 0% budget---the schools can with great difficulty---they cannot get below.

The revenue from a meals tax will help. It is one piece.

9. Other

School communications:

Xuan asked if a notice about the Lamplighter could be sent out with the tax bill. The schools are no longer sending it to Acton and Boxboro residents via postal mail.

J. Murray---you cannot increase the postage of the tax mailing. A small notice can be included in the next mailing.

Sharon: SC will have their department heads budget meeting on Saturday Feb. 6th. This is in addition to the meeting with the FC. The AB assessment has to be voted by Feb. 4th.

Next meeting will be Jan 27th

Public:

Mr. Kadlec requested that the FY09 actuals be a column on the ALG plan for all three operating budgets.

\$400k that was appropriated was not spent. Instead of using the appropriated number to build on, the actuals should be used. The budget increase is an increase of 5%. Going from appropriated budget to appropriated budget is wrong. We should use the actuals.

Agenda for 27th: Specifics on FY 11 and beyond

Adjourned: 8:35

Ann Chang

