

Joint Board of Selectmen/Finance Committee Budget Hearing
Saturday February 7, 2009
Room 204 Faulkner Room
Minutes

Present: Chairman Rosenzweig, Selectmen Magee, Knibbe, Berry and Friedrichs, Town Manager Steve Ledoux,
Assistant Town Manager John Murray, Finance Committee Chair Steve Noone, and Finance Committee Members Pat
Clifford, Bill Mullin, Kent Sharp, Herman Kabakoff, Mary Ann Ashton, Doug Tindal, Bob Evan, Pat Easterly and Brady
Brandon

Chairman Rosenzweig opened the meeting at 8:00 AM

Minuteman: Superintendent Dr. Ed Bouquillon – Chuck Olmstead is Acton’s representative, he was unable to attend. Dr. Bouquillon would like to highlight his budget for FY10; it is up 2.9% at \$17,5M. Many of the costs are unsustainable (\$20.9K. per student for Acton), although money well spent - 99% of students pass MCAS. One particular cost center is the salaries at \$10.5M; they will need to be reduced to \$10.4M in FY 09 and then to \$9.9M in FY10. The school is increasing programs without increasing cost. Several new programs will be offered; one in business and legal administration is expected to bring significant advantage. Building improvements of \$8.5M using ESCO funds are being initiated. They will come at no cost to the towns; the dollars are coming from energy savings. Acton’s projected FY 10 assessment is \$575K, due to a drop of 10% in Acton’s enrollment. Minuteman’s request to the towns for this coming year is to establish a stabilization fund. He is not asking for funds, just the ability to establish the account. Chairman Rosenzweig asked where the funds will come from and Dr. Bouquillon stated out of surplus, private donations and some from the ESCO funds. Herman Kabakoff asked about the balance; it is \$750,000 with a draw down of 45%. Dr. Bouquillon stated enrollment had declined over the past 4 years. This year there was a slight increase in comparison to other member towns. Retention after 9th grade had become an issue. That has been addressed and staff has implemented new programs and counselors. Steve Noone - might you hold off on some of the project due to banks ability to lend \$\$ at a sensible rate. Siemens recommends this and they have done extensive building analysis and the awareness is sophisticated. The solution is what we discuss now, and yes we have planned to wait for a sensible rate. John Murray asked if they have submitted for stimulus money. Yes, they expect some stimulus money. Hopefully they will go through MSBA.

Steve Ledoux thanked our guest and began the Agenda. The town’s budget process started early. In August in our first meetings we had free cash and voted in September on initiatives with a 6.29% increase. In October we presented a level service budget. Cuts in municipal and local aid were announced in January and with cuts already made we were OK. But FY10 is a problem; in essence we had \$497K cut from the Municipal Budget. But with the increase in meals and room taxes our net affect is approximately \$343K. Acton Leadership Group sees \$816K deficit assuming use of \$2.3M in reserves; the schools are responsible for 70% and municipal 30%. That will leave us with a need on the municipal side to cut \$245K for a total budget figure of \$27,302M. for a 3.34 % increase over FY 09. The Town Manager also indicated to the Board a major policy change for Town Meeting: all collective bargaining agreements will need to go to Town Meeting for appropriation. Approval of funding the 1st year and then the Town is obligated to fund the following years. Only monetary issues in the contract will go to Town Meeting. As for the \$100K that had been appropriated for the Senior Center design, \$64K will be removed and the rest will be carried for necessary improvements. We were fortunate with our fuel bids as we had locked in \$1.58 a gallon, which is a savings of \$70k. \$35K is still in our budget for re-engineering. We have cut all cost of living increases from the budget for a savings of \$140K but need to add \$113K for Health Insurance. That leaves \$84K on the table necessary for emergencies and possible further cuts from the state. It maintains service and does not lay anyone off.

Memorial Library- Marcia Rich has asked for increases in staff and materials. The Library is open 68 hours a week with 15 FTE. She sees circulation increasing with economic hard times. Staff increases are necessary or library trustees have noted they will need to cut back hours to open at 10:00 AM rather than 9:00 AM. She is asking for an increase staff of 1.75 which is \$48K a year. Herman Kabakoff asked why there appeared to be a 10% increase. Marcia replied she had someone on sick leave - she was paying her and then paying someone to fill her hours. Chairman Rosenzweig thanked Marcia for letting the public know that if we cut staff we cut services. We still have Sunday hours. Selectmen Berry asked what the traffic at 9/10 is in the morning. It is people with flexible time, Marcia stated. He asked what is not getting done. She said basic stuff, getting books back on the shelves. Pat Clifford asked if the 35 area towns that are part of the Minuteman libraries could they stagger hours and serve the same people.

W Acton Library - Jennifer Friedman, Her budget is in the book; the hours are Tues – Fri 10-5.

Highway – Bruce Stamski and Russell Robinson. Bruce reported the new fuel bid was great news in terms of savings, while on the other hand paving is increasing substantially. These types of adjustments are leaving the Engineering budget level funded. They are attempting to do many jobs in house, saving dollars; less work will be sent out if hard times continue. Russell is running all town road jobs including paving, snow, ice and plowing and the Transfer Station. Bob Evans commented roads are so much better in Acton than surrounding communities and as a citizen he really appreciates the highway department's hard work. Bill Mullin very impressed with the value propositions that Engineering has undertaken. They have been a leader in creativity. He is most impressed. Steve Noone asked about capital requests; where and when will we see the savings as in the excavator? What is the estimated annual savings against 185K in equipment? Bruce will come up with some numbers. Andy Magee would not like to use Chapter 90 (paving funds) for equipment. Bruce stated the town will use NESWC funds. Mr. Stamski would like to use the Chapter 90 funds for bridges that we currently have contracts out on for repair. Herman Kabakoff thought that Tire expenditures were high, is it timing or what? Bruce stated we stock up at certain times of the year; we do that with several items that are in continuous use. Bruce stated that \$90K used to be the annual cost for paving now \$200K is in the budget. Selectmen Knibbe asked if the cost is the same for roads and sidewalks. In some cases Bruce agreed this is the case, but cost will rise for next year either way. Bill Mullin asked if we have spent our entire snow and ice budget. Bruce said we will exceed our budget. Steve Ledoux explained those types of emergencies are why some of the frozen funds are set aside. Doug Tindal inquired how the town does maintenance on vehicles. Russell replied we have two mechanics and a maintenance man. Anything not under warranty is maintained in house. We use state bid list for our vehicles. What about road materials? Bruce, yes and for example on some items we use a cooperative with several other towns, some things we maintain stock (buy in bulk) and some things we go out to bid on others. Sidewalk plow will come from set aside money in Town Manager budget. It was an emergency purchase. Bill Mullin stated it showed excellent leadership to open the transfer station during the ice storm, a very good decision with lots of gratuitous comments from citizens.

Assessors - Brian McMullen, Recertification (factoring) for Department of Revenue, setting property assessments is in the budget in FY 2010 for \$80K. It is not a complete field inspection, but an analytical study following the FY2007 \$200K certification. Money has been set aside for telecommunication wires as new growth abatements about \$200K. It could be released and declared a surplus one the appeal is settled. Selectmen Berry asked about abatement applications for this year. Putting an explanation in the tax bills helped this year and there are less abatement filings. Herman asked what is the status of the overlay account. Brian McMullen said there is no opportunity to release funds; they might still have a slight deficit. Doug Tindal asked what is the

valuation for the housing market, not for tax purposes. Mr. McMullen stated there was a sense of decline; FY 06-07 showed a 4% decline. Some segments are getting hit hard. Mr. Tindal asked where is the pain? Brian said condominiums, the apartment type housing and some of the town houses. Commercial end is also a bit frightening. Nagog Park has a high vacancy rate. Mr. Tindal asked about the retail? Brian responded they seem to be holding their own. Bill Mullin asked of any new growth trends. Mr. McMullen stated things on the books to be built seem to be on hold. Avalon has been some help. Herman Kabakoff asked about taxes on vacant buildings? Brian noted value and taxes will go down; we have about 4% industrial building in Acton.

Council on Aging – Jean Fleming, The Council's budget is similar to 09. The COA outreach position 11.5 hours is funded by the town. Some additional 9 hours are paid for by an Executive Office of Elder Affairs grant. The formula grant is for new programs, funding positions hours or programs; in the case of staffing the town takes over the funding allowing new programming to be generated. The town not funding the 9 hours would severely limit the outreach position. In the first 6 months of this year the Senior Center has serviced as many people as all of last year. Senior van service has increased by 25% between 07 and 08, and another 11% in first 6 months of 09. \$64K of money for design of a new or expanded Council on Aging facility has been cut. We have requested some monies, including \$36K for building modifications necessary to operate in the existing building for several more years. Bill Mullin asked is the source of senior information the census which tell us currently there are 3500 seniors in Acton? Jean stated, yes and we manage the health and safety as well as social aspects of their lives. Andy Magee asked if senior are really leaving Acton because of taxes or are there any other reasons? Jean, really its not just taxes, but sometimes to be near family and sometimes to downsize. People who have lived here a long time generally want to stay and for that reason we need to provide them options in housing. Selectman Magee thought that transportation might not be adequate; Jean agreed we definitely turn people down each day. Selectman Knibbe agreed subsidy definitely still needed. Bill Mullin we need more in terms of service to meet other needs. Ms. Fleming definitely we really care for the health and safety of our people.

Building- Frank Ramsbottom spoke to the LEEDS program that the Town could adopt, but not for every builder that is in town could be forced to adopt. Also, the town cannot adopt a program that would interfere with the building codes, such a program would need to come from the state. Bill Mullin stated the peak year for building permits is 2006. Frank said we are on pace this year for about the same as 07, most builders still busy. Frank stated there was not a vacancy in the department, a position had been misclassified. Chairman Rosenzweig stated almost everything the state mandates we can charge a permitting fee.

Planning – Roland Bartl gave an over view of the restructuring of the planning and building departments. We have a new assistant planner/zoning enforcer, added in September. Building permit applications: we have reviewed 128 since September and 5 site plans. For the 2010 Census planning is involved in a coordinated effort with the state to break Acton into two tracks as our population has gotten too large be on one tract. Selectman Berry asked if there was any change in the Transportation Improvement Program, Roland has sent a request for clarification. We are using our allowance of ¼ clerical position paid for by CPA; we are allowed up to 5% of revenues and we are meeting the cap. Doug Tindal wanted to compliment the department on the hard work put forth by Kristen as support to EDC, it shows the excellent staffing in that department. Chairman Rosenzweig stated the BOS would like to reduce residential growth and asked what is happening in that area. Roland stated there are 15 permits this year already. In terms of community outreach Roland was certain some of that work can be done in house but it will take longer. The plan will be coming after March 11th from the consultant; unfortunately, their last meeting date was snowed out.

Fire Department – Bob Craig presented a level service budget. Operating budget is driven by personnel costs for which position control sheets are used. The Revolving Fire Alarm Fund expenses include labor and necessary hardware for the fire alarm systems in town. The only capital item in this department is for a new pumper. 2 pumpers are out of service and there is no backup. Ambulance fund will fund the pumper and 4 EMTs. One pumper is used for training and one is for an emergency, which means if the working one is out for service we are unable to respond. This request will be funded through the ambulance fund. Selectman Berry asked about staff. Chief Craig responded the staff would consist of four groups on a rotating schedule. He explained that equipment and personnel are sent out at the same time when a call comes, the ambulance for transport and the truck for equipment. It also helps to have four emergency personnel to get someone down stairs and out of a building. The Chief stated the minimum staff group would be seven which is considered running light; otherwise they close the station. Storm coverage has impacted the overtime so the department is trying to “run light”. That is two personnel and a shift commander at each location. Selectmen Berry asked if we control vacation and personnel time at those times. No, we do not control vacation time. Bob Evans asked about banners, they are a public service, do groups pay to have them put up. The Chief replied the town is not reimbursed for hanging banners. They are all non-profit associations. Bob Evans stated the tax payer should not pay while firemen get overtime. Bill Mullin questioned why we are not closing a station. Chief Craig reminded them to consider the impact of response time in closing a station. Pat Clifford asked about protocol on maintenance, and the chief replied every week the men do a check and fill out forms. Once a year they have an independent inspection service. Herman has asked for a complete accounting of all revolving funds and enterprise accounts. Bill Mullin asked about the Avalon Bay funds. John Murray replied \$500K was received upfront and the rest will be upon when built. It is in a gift account solely for Public Safety in North Acton Area.

Municipal Properties – Dean Charter, Contractual services this year have increased due to tree removal; tree work will increase from 50 days a year to 70 days a year. Space needs study is crucial at this time. All utilities are out to multi year contracts. The town has retrofit all our street lights and we have received \$22K applied to the street light fund. Adjusted billing on those lights will be in soon; we are talking about 800 street lights. Selectman Magee stated that the new Green Committee should be involved with contracts and other decisions with Municipal Properties. He also asked about the underground tanks. There are concerns; 5000 gallon tanks are no longer needed. One of the tanks is no longer in use and the hope is to pump it out. The diesel tank should be replaced. Selectman Magee wanted the tanks to positively be emptied. The town also has converted its seasonal lights to LED lights. The department would like a replacement truck, although it only has 70,000 miles they are hard miles. The bottom has rot and it has caught fire twice. The sprinkler system in the MP budget is for the shop. Steve Noone noted that capital items in budget this year were \$87K includes security systems; items such as surveillance cameras and security cards for entry in municipal buildings.

Recreation and Conservation – Tom Tidman and Cathy Fochtman presented for the 1600 acres of conservation land and around 60 acres of recreation land the department manages. Salaries appeared to be up but it was due to one person on long term disability and the cost to fill the slot during that time. Contractual services are related to beaver control. Selectman Magee was pleased that there was a plan to extend wiring to the parking lot at NARA, but shouldn't the wiring be underground. It has not been funded this year. Mr. Tidman will look into that idea.

Information Technology - Mark Hald handed out Phase I implementation plans for the new GIS. This summer will begin phase II. The first staff training will take place next week. The Cemetery Maps alone are amazing - what help this system will be. A Finance Committee Member questioned if the town could charge fees for this new format of information. Mr. Hald stated these are public

records and really there is no way to charge fees. But, engineering might be able to charge for the maps printed and there are services that could be provided by staff making studies/packages of the various layers of information obtained from GIS which could have fees associated. As far as the Police Radio System, we have copper lines and they are probably 100 years old; the department would like to get onto centralizing phone systems for all of the town buildings. It would give us a reduction in phone lines. The return on this investment would be 4 or 5 years before the phone system pays off. Selectman Berry asked is the IT budget showing an average for each of the 5 years. Mr. Hald said yes, it includes GIS job description/s, coordination plan, data integrity input and output, provides training and documentation for the public on the website, and included are contractual services. It does include a GIS Coordinator. Peter Berry asked are you talking about land lines for satellite service. We have receivers put in about 1980 that use the phone lines. It is proposed that funding come out of the cable funds and council is looking at that. Additionally, maintenance for the PSF radio equipment upgrades could use the Avalon Gift Fund - the council is looking at that. Andy Magee asked so it will be totally funded somewhere in the general fund. The INet updates must be done for these projects to be completed. The INet was funded in 2000 from the cable fund and it will force us to go to narrow band spectrum. Contractual Services of \$28 K, includes highway weather satellite service, Connect CTY and Financial software for MUNICE. Other capital would include needed equipment for cruisers and maintenance on equipment even computers for any department. Homeland Security Grant - it is a potential source of funding if something is out there.

Police Department - Chief Frank Widmayer. Property crime is way up over previous years. Breaks into buildings, houses and vehicles have gone from an average number of around 70 per year to 127 for the first seven months of this year: an 81% increase. This makes residents not happy with their police protection. Understanding this is a regional problem. Apartment complexes where many people live close together multiply the needed protection. First CODIS – Combined DNA Index System (Federal/State/Local fingerprinting indexing) made a hit in Acton for the first time, meaning a professional criminal was operating here. One is only entered into Codex if they have a record. As a rule the department works with no less than 4 officers on a shift, but that is not optimum and does not cover the town. Peter Berry - Patrol shifts have to be filled. Do you control personal days; the Chief replied he does not. The Quinn Bill was cut from the governor's budget; this is really deflating to the officers as it is part of their compensation. In this case the officers take reduced pay. Mr. Murray explained if the decrease for Quill Bill funding is at the state level the town is not required to make up the difference. Doug Tindal, asked if with the new Community Outreach position filled, is there a difference and what has that contribution done. She is just starting; churches coordinating have been helpful to this point. Apartment living, a difference in the cultural make-up and the economic stability of the town all are factors in how to service the town. I need the positions requested filled to cover the town.

Health – Doug Halley Director of Health and Merrily Evdokimoff Nursing Administrator both noted increases in salary and insurance charges. Nursing will increase 1.89%. Parity has served very well with a stable staff of nurses for the first time that I can remember. The Community Service Coordinator is being worked out of the Health operating budget. She is working out of the Nursing Services office. Some hours from the Hazardous Material budget will flip over to Food Services budget. In the Sewer Enterprise Fund the change is that Upper Blackstone is no longer having the town collect money for them; the waste hauler folks are paying directly. Our contract with Woodard and Curran to update the elements of the sewer monitoring system is in the 5th and final year. Selectman Magee noted it will be a good time to assess it and then see if we rebid or renew with them. One capital item: Supervisory Control and Data Acquisition "Scada" to up-grade the controls for data acquisition and to remotely monitor the system. Selectman Knibbe wondered about

examples of numbers in consistency in nursing services. Merrily answered it is difficult, for example in November Nursing had 300, in December there were 400 visits a month. So the fluctuation with a fixed staff is difficult. We use some contract people to help only on an as need basis. There is also a change in who comes in 26% of patients are HMO, not Medicare patients. In Medicare you are paid a lump sum for care, not per visit as in HMOs. It is like 2 different businesses. Peter Berry, Scada system why is MIA paying for some of the expenses? It was damaged during thunder storm and waiting for a MIA payment, so it is unusual but the expense is split between the Sewer fund and MIA. Pat Clifford, pinpoint funding of the social worker. The first year it was absorbed by the Nursing Enterprise but that is not possible going forward. It will be \$36.00 an hour plus benefits (40%). Thought nursing would need to shut down. Bill Mullin, it seems that there should be room in the Nursing Enterprise budget. Mr. Murray said we are not getting full reimbursement from anywhere, but she is needed. In the clinical sense she is not a social worker. Brandon what services are providing? Medicare calculates after a reference from a hospital and they make a 2 month plan which they pay us for and we need to find the care, for HMO nursing needs to provide an assessment (a plan) and then find how to get the funding for each of the recommended services.

Finance - Steve Barrett, The Finance Department acts as a primary support function for the town. This department is processing \$70M in revenue and \$70M in expenses which we do with 16 FTEs. We have no replacement coverage if someone in our department gets redeployed to another area, which is required on a regular basis. Wins for our people consist of the new Munice tax module from which we pulled the 2008 tax bills for the first time this year. Our elections and Town Meeting ran smoothly, we have started to accept loans for a thousand betterment and title V loans and by August of 08 we had a three year budget in place. We received our free cash certification from the state either first or second in the state. Transparency initiatives have been instituted into the department; we now have on-line budgets and quarterly reports for the Finance Committee. The Town Manager and I have spent time implementing a department reorganization plan, realigning the accounting office with Karen Kucala becoming the Town Accountant. This will need to go to the Board, and we will continue to evaluate other changes. We are eliminating two unfilled FTE positions not yet filled. Other efficiencies would include studying to centralize invoice processing and billing. Bill Mullin, have we refinanced anything out there. Steve Barrett, our advisor has noted that at this time for us there are no savings yet. We do continue to evaluate. Steve Noone, have we looked into on-line tax payments. Mr. Barrett, due to concerns regarding customer cost and security it is not a priority in our department. Bill Mullin, Investments managed by John Murray the Town Treasurer. Mr. Murray, we had a remarkably good year investments only went down 5%, fairly good in comparison to the rest of the market.

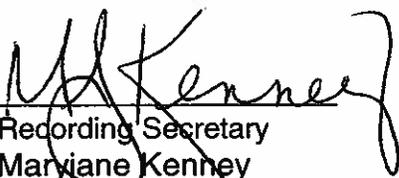
Manager's Budget - Increases are shown in our legal budget as use of 11%, which covers Special Council, Town Council and Labor Council. We have a large increase in professional development. We are encouraging attendance at conferences and professional training sessions, all of which this year are being pulled out of the manager's, not individual department, budgets. We also have added \$50K for an energy consultant. Bill Mullin asked as far as legal services what it would gain to bring a full time person for counsel in house and partial out the rest to specific lawyers. Mr. Ledoux stated that such a wide range of expertise would be hard to find just one person and when you paid to contract out the rest he did not think we would realize any savings. A person could not specialize in Professional Services, property appraisal, environmental opinions, etc.; the range is just too great. Pat Clifford stated she was impressed with Anderson & Krieger coverage. Doug Tindal, does it include Alexan negotiations? Yes, Mr. Ledoux stated that also and as the Town Manager I am the gate keeper. Peter Berry agreed that the service was excellent, top notch and you actually save money by using someone with experience that doesn't waste time figuring out how to get things done. Herman Kabakoff, what is the make up of the Celebrations \$50K? That would be Memorial Day, Patriot's Day and the 4th of July. We still have a small amount in for the

275th. The cost for Flags, flowers, and transportation are also carried in that total. The main event for the 275th Celebration will be in July if the Board is in agreement. The official day of the Anniversary is July 3rd. Bill Mullin asked for a run down on labor negotiations. There are 5-units that are in negotiations. One, the dispatchers have settled, the two police unions and the superiors union have filed with joint labor management committee for mediation. The Fire union is in on-going bargaining but it appears they may go the mediation route as well. Within the Highway union the Municipal Properties employees have filed petition with labor relations to break away from the highway union. So in essence we don't know who we are bargaining with until that is resolved.

Human Resources, Marianne Fleckner joined the staff in July 08. She acknowledges the importance of having a budget and setting goals to stay within your budget. The goals she has set for the department are to produce official job descriptions both for efficiency and to do away with duplication in efforts and to update the personnel plan. Many policies have been changed at the state level and the last personnel policy in Acton was written in 1986 with a minor update in 1994. She would also like the department to regain the Human Resource functions that have gone out to the departments to be handled and as a result policies are not consistent. It is important to increase the use of Munice for more timely data and Human Resource reports. Veteran Services inquires have quadrupled. Dore' Hunter is our Officer and we have 3-5 walk-ins a day. The increase is either the result of economic times or just the awareness that we now have an officer. Acton Veteran Services are reimbursable from the state at 75%. Pat Clifford stated we are very glad you are on staff. Doug Tindal, veterans who are they? Ms. Fleckner stated that it varies; the ages are 20-80, the increase is across the spectrum. The senior work program has remained steady. Herman Kabakoff asked about the overall increase to payroll. The Human Resource Director confirmed to have an overall increase of 13%. Office needs to be upgraded operationally. We need statistics on turn over in the town, such as planned retirement numbers. There is no minimum age for retirement at this time. Steve Noone said it would be good to have a head count for town hall.

Questions from the public:

Charlie Kadlec – He would like to see a budget summary reduced to one page.


Recording Secretary
Maryjane Kenney


Andrew D. Magee, Clerk

23 March 2009
Date