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Finance Committee Meeting
February 12, 2013

TOWN CLERK, ACTON

Members Present: Steve Noone, Doug Tindal, Mary Ann Ashton, Paulina Knibbe, Herman Kabakoff, Bob Evans, Pat Clifford

Members Absent: Mike Majors, Bill Mullin

Chair Tindal called the meeting to order at 7:35 p.m.

- I. Public Comment. None
- II. Minutes of January 30, 2013

Herman Kabakoff asked to be added to the list of members present.

Steve Noone moved to approve the minutes as amended

Pat Clifford seconded.

Affirmative - 6 votes. 1 abstention.

Motion passed.

- III. Minuteman Tech

Kevin Mahoney (Assistant Superintendent for Finance at Minuteman Tech) presented the quarterly financial update for Minuteman Tech.

Issues:

1. The presentation showed a substantial increase in the tuition income. This occurred because Minuteman discontinued the significant discount that it used to provide for the 3 non member communities with the largest enrollment. At this point, the increase in tuition has not caused a drop in the number of pupils enrolled from those communities.
2. Minuteman has no plan to address its OPEB liabilities at this time
3. Minuteman is investigating changing its health care plan design.
4. Minuteman Building Construction
 - a. Building Construction. Minuteman continues to work on devising a construction plan that is acceptable to all member communities.
 - b. Capital Repair as a 'bridge' to MSBA Project. Minuteman is asking for funding (\$888k) for repair projects on the current building. Some of these projects will be eligible for 40% reimbursement even if we end up building a new building.

Question: why not bond capital ?

Answer: bonding requires approval from 100% of member communities. Minuteman has established a stabilization fund to help with these types of expenses.

5. New Teachers ? Yes (5). Level Service Budget w/ increased enrollment

IV. Long Range Plan Status

Steve, Herman and Mary Ann presented the revised framework. Members of the Finance Committee expressed approval. It will be presented to the ALG at the next meeting.

V. ALG

At the last ALG Meeting, the budget revenue assumptions were modified to take into account the governor's budget. The committee members were concerned that this was overly optimistic and agreed to remove \$58K in new formula aid proposed for municipal use. We are assuming level funding for Chapter 70 aid.

Balancing this budget would require the use of \$2 million in reserves. The BoS and the SC support this. The FinCom wants to hold reserve use to \$1.5.

Mary Ann Ashton made a proposal that the schools investigate cutting the budgets and that the FinCom consider relaxing the limit on reserve use. The municipal budget was constructed assuming a lower use of reserves. The schools agreed to look into cutting their budgets. Mary Ann agreed to ask the FinCom for flexibility at the next meeting.

At a recent SC meeting, the schools presented a revised budget that is approximately \$500K lower. (Shifting NSTAR energy improvement expenditures into this year to reduce the utilities expense going forward, less professional development, change in starting salary assumption and several other modifications). The AB Regional SC approved the reduced budget, and the Acton Public SC will vote at their meeting on February 14.

The net result is to drop the need for reserve funds to \$1.695.

Question for FinCom: Will the FinCom support this use of reserve in FY 2014 ?

Answer: Yes. All members of the FinCom who were present at this meeting expressed support.

VI. Reports

a. OPEB Working Group (Noone)

The state commission is considering implementation of its recommendations. OPEB working group would like to see \$300K escalation in funding each year to build up the fund to address this issue moving forward.

b. Planning Board Public Hearing (Clifford)

There are 15 zoning articles on the warrant. The Planning Board has begun the public hearing and it will continue on February 19th.

c. Health Insurance Trust (Evans)

Preliminary Budget Guidance – 10% growth in costs for FY14.

d. School Regionalization (Evans)

Committee has recommended against moving forward with proposal. Boxborough members of committee have developed a modified proposal for the committee to consider. Details will be presented to the committee on February 13.

e. CPC (Kabakoff)

Requests for funds exceeds available funds by \$200K. Committee will begin to make decisions on what to move forward on February 14th. CPC will present projects to FinCom in March.

f. Warrant Articles (Clifford)

The list of warrant articles was divided amongst the FinCom members. Proposed assignments:

- i. Transportation – Pat Clifford
- ii. Budget Transfer – Pat Clifford
- iii. Nursing Enterprise Fund – Pat Clifford
- iv. Town Operating Budget – Doug Tindal
- v. Capital Improvements – Bill Mullin
- vi. Collective Bargaining – Steve Noone
- vii. School Budgets – Mary Ann Ashton
- viii. CPC – Herman
- ix. Amend Bylaws and Zoning – divided between Paulina Knibbe, Herman Kabakoff and Mike Majors
- x. Land Acquisition – ??

g. School Budgets (Ashton)

Minuteman is planning a sustainability study that will investigate the financial and legal impacts of the following choices

- Dissolving the district

- Districts leaving full membership
- Cities / Towns Joining the District
- Developing Associate Membership
- Forming a CTVE Charter School
- Related Impacts

h. Town Budget Transmittal (Barrett, Clifford)
Done

VII. Committee Reports
None

Herman Kabakoff moved to adjourn the meeting
Steve Noone seconded
Vote: unanimous

Meeting adjourned at 9:30 pm

Minutes Approved on February 26th, 2013