

**JOINT
ACTON/ACTON-BOXBOROUGH REGIONAL SCHOOL COMMITTEE MEETING
Minutes (approved 3/4/10)**

**Library
R.J. Grey Junior High School**

**February 25, 2010
7:00 pm Joint Executive Session
7:30 pm Joint Open Budget Hearing
Acton Public School Meeting following JT Meeting**

Members Present: Brigid Bieber, Jonathan Chinitz, Mike Coppolino, Xuan Kong, Terry Lindgren, Sharon Smith McManus, Maria Neyland, John Petersen,
Members Absent: Bruce Sabot
Others: Marie Altieri, Susan Horn, Liza Huber, Steve Mills, Beth Petr, Tess Summers, Members of Acton and Boxborough Finance Committees

The Joint meeting was called to order at 7:05 p.m. by Sharon McManus and Xuan Kong.

EXECUTIVE SESSION

At 7:06 p.m., the Acton-Boxborough Regional School Committee was polled and voted unanimously to go into Executive Session (Joint School Committee) according to Chapter 39 Section 23A Paragraph 3, "To discuss strategy with respect to collective bargaining if an open meeting may have a detrimental effect on the bargaining position of the governmental body."

At 7:07 p.m., the Acton Public School Committee was polled and voted unanimously to go into Executive Session (Joint School Committee) according to Chapter 39 Section 23A Paragraph 3, "To discuss strategy with respect to collective bargaining if an open meeting may have a detrimental effect on the bargaining position of the governmental body."

At 7:35 p.m., the Committees were polled and voted to go out of Joint Executive Session.

JOINT OPEN MEETING BEGINS

Chair Herman Kabakoff called the Acton Finance Committee to order at 7:40. Introductions were made. Bill Burke was in attendance from the Boxborough Finance Committee.

STATEMENT OF WARRANT

The following Regional warrants were signed by the chairperson and circulated to the ABRS committee for signatures: Warrant #10-017 in the amount of \$1,671,096.85 and #10-018 in the amount of \$1,588,135.07.

APPROVAL OF MINUTES

The Joint minutes of February 6, 2010 were unanimously approved as amended by both Committees. The date was corrected.

PUBLIC PARTICIPATION - none

UNFINISHED BUSINESS

1. FY'10 Acton Public and Acton-Boxborough Regional Schools Budget Update
Dr. Mills reviewed the FY'10 Budget.
2. FY'11 Acton Public and Acton-Boxborough Regional Schools Budget Update
OPEN BUDGET HEARING with Acton & Boxborough Finance Committees
Members were referred to the 2/6/10 Budget Binders with revisions posted at:
<http://ab.mec.edu/departments/finance/financebudgets.shtml>

Feb 6, 2010 All Day Budget Presentation Slides are at:

<http://ab.mec.edu/about/scpackets0910/BudgetPresentation2-6-10.pdf>

Dr. Mills' presentation slides for this meeting are posted at:

<http://ab.mec.edu/about/scpackets0910/APSAddendum2-25.pdf>

He pointed out that more cuts are being made at the Region because more staff was added at the High School over the past several years, due to 990 requirements, for example. He stated that being the "Number One" child advocate in the community is his job. He concluded, "As Superintendent, I am advocating for our students while balancing our financial challenges. It is imperative that I advocate for restoring all level 5 cuts, totaling approximately \$1,000,000."

Steve Mills and Tess Summers gave an update from Roger Hatch:

1. Ways and Means may propose a Chapter 70 reduction (taking 3% off the House One number)
2. There will not be additional 9C cuts for FY10.
3. We should be using FY11 as the base for our Chapter 70 revenue estimate, not FY10. Based on the ALG Plan, we budgeted for a 0% expense increase with a 10% cut in State Aid from FY10.

The Finance Committees questioned the Superintendent and his team.

Pat Easterly noted that Salary = 0% for COLA (cost of living) and asked what is the plan if the contract doesn't say 0% after negotiations. Dr. Mills replied that \$45 million is spent on salaries. Cuts would have to be made to level 5 if COLA costs are incurred.

Bill Mullin emphasized the opportunity that now exists (to make some of the level 5 cuts go away) considering the positive financial changes in the past 15 days. Regarding compensation, his perception is that there is a major shift from benefit plans to defined plans now. People are hurting desperately, using savings, no jobs, etc. He urged Dr. Mills to make sure the schools are the best for the next 3, 4, and 5 years. Dr. Mills said that salaries are good here compared to other teachers' contracts in other places that he has seen. Our compensation package is very generous.

Bob Evans said that retirement incentives and negotiations is a balancing act. In the past, teachers were told that when we have the money they will teach 4 classes instead of 5 and it never happened. He believes that we do not pay high wages compared to other communities. He feels that Acton has been well served by their personnel policies, and he does not want us to pick and choose the parts of the contracts.

Jonathan Chinitz urged the Committee to vote budgets and a regional assessment tonight based on what they plan to spend. He wants to put a stake in the ground as far as what to expect come July 1.

Douglas Tindal urged members to keep in mind the big picture. He said that the decisions regarding the schools and their quality are the most profoundly important thing that the FinCom does. This is true not only for the kids, but the value of the community. Classroom size is a continuing problem that always concerns him. Dr. Mills said that the class sizes here are larger than in Worcester and that surprised him. He is trying to address it with more assistants.

Pat Clifford asked when teachers need to know if they have a job with the school system.

Marie Altieri said that contractually a teacher must be told whether or not they have a job by June 15.

Jonathan Chinitz wants to use a 3% reduction in Chapter 70 to restore the level 5 cuts. He would endorse a more aggressive approach to helping people who are struggling with the tax rate during these difficult times.

Herman Kabakoff said the FinCom met on Tuesday and voted to endorse the Waterfall Proposal for the allocation of funds with an amendment. The last two items in the proposal (E and D) have been swapped. It is for Chapter 70 money only. (See attached memo from Bill Mullin dated 2/22/10)

The School Committee will vote on the budgets at a Joint meeting next Thursday night, 3/4/10 due to all of the new developments. ALG will meet Friday 3/5/10 but the warrant goes to print on March 9 and 3/4 would be the last meeting before then.

John Petersen urged the Committee to be very prudent about the state funding revenues, emphasizing the need for a sustainable budget for the long term. He accepts that the level 5 cuts are damaging to the system, but is not convinced that they should ask for a budget that restores all level 5. He would like to see three of the level five increments restored. He counts on Steve Mills and his staff to make some decisions (such as athletics) and the Committee shouldn't try to engineer all the fine details.

Mary Ann Ashton referred to a New York Times article reporting that Massachusetts is one of seven states reporting growth for the 4th quarter including sales tax, (although we increased the tax rate so that is no surprise), but there is a 30% increase in corporate income tax. That is very positive. She urged the School Committee and Board of Selectmen to be prepared and have a dire set of prioritized cuts, as well as an improved set that could be used.

Bill Mullin is confident in the school and town leadership and is comfortable with the decisions that have been made. Doug: Tindal agreed with Steve Noone that we've been cutting like mad, and should be funding some things that we are not. There is some surplus money from some of the Unspent Warrant articles, but some of it needs to be decided at Town Meeting because there was strong intent by Town Meeting when it was originally voted.

Bob Evans is sympathetic about restoring level 5 cuts via the waterfall, but sees nothing to change the FinCom's advice to spend only \$2 million in reserves, regardless of where more funding might be found.

Xuan Kong asked the FinCom: "Given that you've heard Dr. Mill's presentation of level 5 cuts, totaling \$1 million, and you've recently adopted the waterfall proposal that says 1/2 million dollars should be used, and Bob Evans says reserves should be capped at \$2 million, the schools could not restore the level 5 cuts. Would you change the waterfall so the schools could fund all of level 5?"

Bill Mullin agreed that their plan does not cover the full \$1 million for the level 5 cuts.

Jonathan Chinitz reasoned that using the ALG model and the changes discussed above would make restoring the level 5 cuts feasible. He believes that between all of the pots of money, there is over \$10 million in unrestricted funds available. He strongly urged both groups to restore the level 5 cuts, and find the resources to make the budgets work.

Brigid Bieber asked where the governor would find money to make up for the stimulus funds. She's concerned about using the whole \$1 million to restore the cuts but would go one step short of that. She urged caution given all that is in play right now. She agreed the cuts would be devastating.

Pat Easterly said that collectively the FinCom has typically been flexible listening to the needs of the other boards, but they are looking for deliberate responses. She urged the Committees to be thoughtful in their decision-making and mindful that the FinCom has tried to weigh both sides of the equation.

The Acton Finance Committee adjourned their meeting.

Sharon McManus asked the Committee what level of Chapter 70 funding assumption should be used. She proposed using the FY11 base, and planning for a 5% reduction. Marie Altieri said that the formula in the ALG Plan was enacted in FY10 numbers, and this is the FY10 base moving forward.

Jonathan Chinitz is not so concerned about the revenue, as long as the committee supports restoring the level 5 cuts. He would support the 5% so long as the expense numbers that include level 5 are there. If that's a problem, use what Roger Hatch said, so long as level 5 cuts are restored.

Maria Neyland agrees with Jonathan.

John Petersen is still concerned about what restoring the level 5 cuts would mean. He would like to see \$600,000 restored.

Jonathan Chinitz asked, "How do you go to Town Meeting with \$12 million in the bank and say you are cutting 7th grade athletics while only using \$2 million of reserves?"

Sharon McManus asked if the Committee supports the waterfall proposal.

Mike Coppolino said that he does support the proposal. He then commented on the proposed vote on the budget tonight: "We're making decisions on the back of the envelope. We just heard some of this information this morning. It would be imprudent to restore the level 5 cuts right now." He asked for the model to be run and show where it goes through the waterfall and get some hard numbers to consider.

John Petersen thought Mike expressed this very well. The prioritized list that Steve Mills put out was great and gave the community a chance to consider it and speak.

Brigid Bieber agrees with Mike, but being from Boxborough she needs to take a week to consider it and be conservative.

Sharon McManus agreed to work with the Administration to run the numbers through the ALG plan. They would use 5 % off the Roger Hatch number and \$250,000 of E&D.

Alex Horowitz spoke from the audience saying that, "If there was ever a time to use reserves, this is it. This is the best use of our money – not to lay off anyone from our schools."

3. Health Insurance Trust Report – The Trust has not met since the last meeting.
 - a. Recommendation to draw down Health Insurance Trust (HIT) Unrestricted Fund Balance – Jonathan Chinitz decided not to propose drawing down the trust, given the many recent financial changes.
4. Director of Finance Search Process Update

42 applications were received, 9 candidates will be interviewed from a strong pool and 3 or 4 will be given to Dr. Mills to choose from. The School Committee will vote to appoint based on the Superintendent's recommendation. When asked if the position is identical to the current job, Dr. Mills said yes, but he may make some changes.

At 10:34pm the Acton Boxborough Regional School Committee adjourned and the Acton Public School Committee Meeting continued.

APPROVAL OF APS MINUTES OF JANUARY 21, 2010

The minutes of 1/21/10 were approved as written.

STATEMENT OF WARRANT

The following APS warrants were signed by the chairperson and circulated to the committee for signatures: Warrant #201016 in the amount of \$750,742.35 and #201017 in the amount of \$257,256.47.

UNFINISHED BUSINESS

2. FY'11 Acton Public Schools Budget Update

It was decided not to vote on the FY'11 APS Budget at this meeting.

NEW BUSINESS

1. Recommendation to Accept Gift from Jim Salem and Sue Cunio to Merriam School

It was moved, seconded and unanimously

VOTED: To accept with gratitude a \$500 gift from Jim Salem and Sue Cunio to the Merriam School. It will be used to train more staff in the Open Circle Program.

2. Recommendation to Approve Gates Field Trip to Nature's Classroom

It was moved, seconded, and unanimously

VOTED: To approve the Gates School Field Trip to Nature's Classroom on April 28-30, 2010.

3. Minuteman Tech Regional High School Capital Project Feasibility Study

It was moved, seconded, and unanimously

VOTED: To support the feasibility study at Minuteman Tech Regional High School

Dr Mills recommended this approval, saying that Minuteman is reducing their staff and working on their financial issues. There are no other similar educational options for our students. Acton Town Meeting will ultimately vote on this issue.

FOR YOUR INFORMATION

3. Letters from Conant PTO and Parents in support of elementary principals

Dr. Mills and Xuan Kong will be attending the Conant PTO meeting on 3/10/10.

NEXT MEETINGS

The AB SC Meeting on March 4th will be a Joint meeting to vote on the Budgets. Xuan Kong encouraged the School Committee representatives to forward the budget information to their respective schools.

The APS meeting adjourned at 10:44 pm.

Respectfully submitted,
Beth Petr

Any way, here is the Waterfall Proposal.

2/22/10

1. Our budget called for a 10% reduction (roughly \$1.2mm) in Ch 70 money.
2. The Governor's budget calls for holding education funding even, state wide. For us, this results in an increase of \$1mm or a \$2.2mm swing.
3. Whether or not the Governor's budget ends up being approved or changed and whether or not the Ch 70 money increases, the following "waterfall" will be the protocol for the allocation of those funds:
 - a) The first \$300 +/- of funds, roughly equivalent to the incorrect placement of APS debt service. (In other words, the SC's budget will go up by this amount, with a line item breakout on the ALG spreadsheet, for fy2011 only).
 - b) The next incremental amount of approximately \$700k, up to \$1.0m will be allocated according to the split
 - c) The next incremental amount of approximately \$500k, up to \$1.5m will used to lower the tax rate.
 - d) The next incremental amount of approximately \$400k, up to \$1.9m will be allocated according to the split
 - e) Any additional incremental amount ^{200k} will be used to reduce the amount of reserves used.

Bill Mullin

Acton Finance Committee

2/25/10
J+ School Committee

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