



Acton-Boxborough Regional  
School Committee Meeting

February 12, 2015

7:00 p.m.

at the R.J. Grey Junior High Library

ACTON-BOXBOROUGH REGIONAL SCHOOL COMMITTEE (ABRSC) MEETING

Library  
R.J. Grey Junior High School

February 12, 2015  
7:00 p.m.

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AGENDA

1. **Call to Order**
2. **Chairman's Introduction**
3. **Statement of Warrant**
4. **Public Participation**
5. **FY15 Second Quarter Report** – *Clare Jeannotte*
6. **FY16 Budget Discussion** – *Glenn Brand, Clare Jeannotte*
  - 6.1. Possible **REVOTE** of FY16 Proposed Budget and Assessments – *Glenn Brand*
  - 6.2. See budget materials posted at <http://www.abschools.org/school-committee/meetings-agendas-packets-and-minutes> under meetings held 1/31/15 and 2/5/15
  - 6.3. Slides from presentation to Acton Finance Committee, 2/10/15
7. **Search Committee Updates** – *Marie Altieri (oral)*
  - 7.1. ABRSD Athletic Director
  - 7.2. ABRSD Director of Pupil Services
8. **School Committee Member Reports** (*oral*)
  - 8.1. Acton Leadership Group (ALG) – *Kristina Rychlik*
    - 8.1.1. Minutes of meeting on 2/5/15
  - 8.2. Boxborough Leadership Forum (BLF) – *Maria Neyland*
  - 8.3. Health Insurance Trust (HIT)– *Mary Brolin*
  - 8.4. Other Post Employment Benefits (OPEB) Task Force– *Dennis Bruce*
  - 8.5. Acton Finance Committee – *Dennis Bruce*
  - 8.6. Acton Board of Selectmen - *Paul Murphy*
  - 8.7. Boxborough Finance Committee- *Maria Neyland*
  - 8.8. Boxborough Board of Selectmen – *Brigid Bieber*
  - 8.9. Joint PTO/PTSO/PTF Co-Chairs – *Deanne O'Sullivan*
9. **Adjourn**

**NEXT MEETINGS:**

**Acton-Boxborough Regional School Committee Meetings** – *start 7:00 p.m. in the Jr High Library*

- 2/26/15
- 3/5/15
- 3/19/15
- 3/30/15 (*change from 3/26/15*)

Acton Town Meeting begins April 6, 2015. Boxborough Town Meeting begins May 11, 2015.



**Acton-Boxborough Regional School District**

16 Charter Road  
Acton, MA 01720  
978-264-4700 www.abschools.org

**Clare L. Jeannotte**  
*Director of Finance*

TO: Superintendent Glenn Brand  
ABRSD School Committee  
FROM: Clare Jeannotte, Interim Director of Finance  
RE: FY'15 Financial Status as of January 31, 2015  
DATE: February 10, 2015

I am pleased to provide a report on the financial status of the Acton Boxborough Regional School District to you. As of February 5, we are five months into the school year and seven months into the fiscal year.

General Fund Revenues:

Please refer to the attached summary of General Fund revenues at January 31, 2015. Currently we anticipate approximately \$100,010 shortfall to revenues, assuming the use of only \$300,000 in E&D. As you are aware, we have a reduced expectation of transportation revenue due to the Governor Patrick "9C" budget cuts in November. In addition, Governor Baker issued additional 9C cuts, which further reduced Circuit Breaker reimbursement.

While we continue to manage hoping to use only \$300K of E&D, we will not be certain of our ability to achieve this until we see all levels of miscellaneous revenues, and final amounts for choice and charter assessments. Miscellaneous revenue comes primarily from E-Rate funds and Medicaid, although this year it also includes a rebate for an energy project of \$55,000 from a utility.

General Fund Expenditures:

Attached is a summary of expenditures by character code. As of February 5, 2015 the District has spent \$43,546,421, or 57% of the adjusted budget of \$76,455,123. Encumbrances of \$27,805,324 have been recorded, representing major budget commitments. This results in a balance of \$5,103,377 unencumbered at February 5, 2015. Highlights of major areas follow:

Salaries & Stipends:

The current projection shows unfavorable to budget up to \$350,000 for the year. While projections and "standard" payroll levels have settled down, there is still some fluidity to this projection as the year goes on, due to staffing changes, but also overtime management and verification of charges to proper budget funding sources. Also of note is the \$425,000 vacancy factor assumed in the FY'15 budget, which is too high to achieve in the current year.

All Fringes:

Current projections indicate some favorability may occur in the Retiree health care account (\$100,000)

*Our Mission is to prepare all students to attain their full potential as life-long learners, critical thinkers, and productive citizens of our diverse community and global society.*



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based on current enrollment levels annualized. We also project favorable balances in the Medicare and Worker Comp areas totaling \$138K, offset by about \$10K unfavorable spending in Life and Disability Insurance due to an inadequate budget level.

Health insurance for active employees, which also included an offsetting vacancy factor of \$191,000 in the budget, continues to appear to be on target to budget based on projecting forward the current enrollment. However, there are balance sheet reconciliations to be completed that may impact this.

Other, Legal Services:

The budget of \$128,650 is for standard levels of special education (\$68,650) and general legal (\$60,000) services. Based upon current personnel matters and special education matters, we anticipate this account may run over budget by as much as \$146,000, including estimates for a lesser level of spending in the remaining months of the school year.

Transportation (Special Ed):

Special education transportation, consisting of the fixed rate CASE Collaborative assessment and special contract services, is currently encumbered to run over budget approximately \$127,000 due to students with specialized transportation requirements that were not planned in the FY'15 budget.

Special Education out of district tuitions and Circuit Breaker:

The budget for this area is developed based on known caseloads nearly a year prior to the actuals. It is also shown net of amounts anticipated for "Circuit Breaker" reimbursement from the State, also calculated quite early in the process, and assigned an estimated reimbursement rate.

This year, we are seeing projected tuitions, before Circuit Breaker is applied, of \$6,884K compared to a budget of \$6,971K. This is reduced from the first quarter report at 10/31/14 (projecting \$7.5 Million in Sped Tuitions) as we have booked the one-time credit from CASE collaborative of \$459K and also adjusted some purchase orders as placements evolve.

Circuit breaker assumed for the budget of \$1,757,154 is scheduled to come in \$287,128 higher, at \$2,044,282. Due to 9C cuts, reductions may be seen.

I continue to meet monthly to update this important budget area with the Pupil Services department. Our monthly review may affect these amounts, which are based on booked purchase orders only.

Capital Outlay:

The FY15 budget included \$155K for capital projects in FY'15. Two projects account for the usage to date of \$113K, that being the substantial completion of the Dow Track and the Lower Fields Projects. As there were no remaining funds in the Special revenue funds, these costs were paid via the capital budget.

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Utilities:

As indicated in setting the levels for the FY'16 budget, the current projection is for sizable savings in utilities. While I would still like to review these amounts with the Director of Facilities, it seems conservative to anticipate approximately \$100K in savings.

Special Revenue Funds:

I anticipate reporting to you on the status of special revenue funds at your next meeting.

Conclusion:

Without doubt, the District is facing some notable financial challenges in the FY'15 budget which are somewhat offset by savings in other areas. The Superintendent and I are continuing to monitor and he will determine any course of action necessary.

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**ACTON BOXBOROUGH REGIONAL SCHOOL DISTRICT  
GENERAL FUND REVENUE  
FY15**

			3/20/14 Table 6	11-06-14 Table 6	ACTUAL YTD	Projection	Var to Bud
			Initial Revenue	Revoted EST REVENUE	REVENUE	2/9/15	fav (unfav)
1000R14	46801	Monthly	14,254,476	\$14,254,476	\$7,127,238.00	14,254,476	-
1000R14	46804	2nd, 3rd & 4th Q	(49,279)	(\$91,711)	(\$47,484.00)	(103,099)	(11,388)
1000R14	46805	2nd, 3rd & 4th Q	(477,587)	(\$541,005)	(\$55,326.00)	(388,053)	152,952
1000R14	46806	June	(12,666)	(\$12,675)	\$0.00	(12,675)	-
1000R14	46807	January & June	1,296,794	\$1,729,727	\$945,396.00	1,296,794	(432,933)
				(\$192,649)	\$0.00	-	192,649
			139,000	\$139,000	\$0.00	139,000	-
1000R14	46809	2nd, 3rd & 4th Q	67,707	\$133,282	\$3,992.00	26,761	(106,521)
1000R14	47501	Monthly	49,690,145	\$49,690,145	\$24,845,076.00	49,690,145	-
1000R14	47502	Monthly	10,594,577	\$10,594,577	\$5,297,296.00	10,594,577	-
1000R14	48200	Monthly		\$0	\$7,133.34	9,800	9,800
1000R14	48403	Monthly		\$0	\$40,131.32	95,131	95,131
1000R14	47503	One Time	-	\$384,255	\$384,255.00	384,255	-
1000R14	47504	One Time	-	\$67,042	\$67,042.00	67,042	-
1000R14			658	\$658		658	-
1000R14			500,000	\$300,000		300,000	-
1000R14	45402	DECEMBER, JUNE		\$0	\$299.64	300	300
			<b>\$76,003,825</b>	<b>\$76,455,123</b>	<b>\$38,615,049.30</b>	<b>76,355,112</b>	<b>(100,010)</b>

<b>total general fund revenues</b>
76,455,123 rev budget
76,355,112 projection
<b>(100,010) unfavorable</b>

<b>net charter payt</b>
(407,723) rev budget
(361,292) projection
<b>46,431 favorable</b>

<b>Reg Transportation</b>
1,537,078 rev budget
1,296,794 projection
<b>(240,284) unfavorable</b>

<b>Unbudgeted Revenues</b>
- rev budget
105,231 projection
<b>105,231 favorable</b>

Acton-Boxborough Regional Schools							
FY15 Budget v. Actual 2/2/15							
	FY15 Total Budget	FY15 Budget Adjustments	FY15 Revised Budget	FY15 YTD Expenses	FY15 Encumbrances	FY15 Available Budget	% of FY15 Committed
Salaries, Teaching - 01	31,882,520.00	41,962.00	31,924,482.00	15,556,060.53	16,435,885.19	(67,463.72)	100%
Salaries, Principals - 02	2,109,446.00	-	2,109,446.00	1,308,625.44	826,069.56	(25,249.00)	101%
Salaries, Central Administration - 03	1,048,045.00	-	1,048,045.00	656,739.56	405,329.13	(14,023.69)	101%
Salaries, Support Staff - 04	8,456,458.00	7,553.00	8,464,011.00	4,494,785.46	4,107,120.62	(137,895.08)	102%
Salaries, Athletics - 05	514,614.00	(3,075.00)	511,539.00	283,328.25	131,576.37	96,634.38	81%
Salaries, Buildings - 06	564,570.00	144,594.00	709,164.00	466,849.97	240,113.92	2,200.11	100%
Salaries, Custodial - 07	1,640,433.00	(144,594.00)	1,495,839.00	846,207.57	572,982.03	76,649.40	95%
Salaries, Home Instruction - 08	17,044.00	-	17,044.00	1,580.00	-	15,464.00	9%
Salaries, Miscellaneous Pupil Services - 09	1,456,651.00	(45,562.00)	1,411,089.00	867,581.88	534,172.44	9,334.68	99%
Salaries, Subs Miscellaneous - 11	186,093.00	-	186,093.00	77,893.06	2,360.64	105,839.30	43%
Salaries, Subs Instructional - 12	524,516.00	-	524,516.00	266,635.68	-	257,880.32	51%
Salaries, Overtime - 13	242,855.00	-	242,855.00	182,339.70	-	60,515.30	75%
Stipends, Curriculum/Instruction - 14	152,275.00	(34,500.00)	117,775.00	26,185.18	66,854.28	24,735.54	79%
Fringe, Course Reimbursement - 15	56,000.00	-	56,000.00	29,694.85	-	26,305.15	53%
Fringe, Health Insurance - 16	7,600,159.00	242,632.00	7,842,791.00	4,992,500.31	-	2,850,290.69	64%
Fringe, Health Insurance, Retiree - 17	905,443.00	(1,350.00)	904,093.00	465,749.10	353.55	437,990.35	52%
Fringe, Life/Disability Insurance - 18	31,020.00	(2,437.00)	28,583.00	22,948.48	8,382.53	(2,748.01)	110%
Fringe, Unemployment Insurance - 19	25,000.00	-	25,000.00	8,297.10	-	16,702.90	33%
Fringe, Workers Compensation - 20	339,446.00	-	339,446.00	265,171.54	-	74,274.46	78%
Fringe, Middlesex County Retirement System - 21	1,304,911.00	451,297.00	1,756,208.00	1,756,208.00	-	-	100%
Fringe, Medicare - 22	817,453.00	-	817,453.00	376,677.16	-	440,775.84	46%
Contributions, OPEB Trust Fund - 23	506,000.00	-	506,000.00	506,000.00	-	-	100%
Instruction Supplies - 24	822,909.00	93,589.00	916,498.00	651,938.36	92,969.31	171,590.33	81%
Instruction Textbooks - 25	340,613.00	(78,128.00)	262,485.00	153,449.10	6,633.82	102,402.28	61%
Instructional, Library - 26	58,924.00	(1,199.00)	57,725.00	29,510.35	6,968.99	21,245.66	63%
Other, Capital Outlay - 27	646,166.00	(93,537.00)	552,629.00	415,321.28	35,196.96	102,110.76	82%
Other, Debt Service - 29	1,847,734.00	-	1,847,734.00	1,847,733.35	-	0.65	100%
Other, Property/Casualty - 30	98,924.00	-	98,924.00	102,277.44	-	(3,353.44)	103%
Other, Maint Buildings/Grounds - 31	580,248.00	2,500.00	582,748.00	451,975.12	37,640.37	93,132.51	84%
Other, Maintenance Equipment - 32	211,406.00	(1,500.00)	209,906.00	42,579.85	3,001.65	164,324.50	22%
Other, Legal Service - 34	128,650.00	-	128,650.00	159,102.18	35,857.60	(66,309.78)	152%
Other, Admin Supplies - 35	744,274.00	70,114.00	814,388.00	594,318.87	121,395.22	98,673.91	88%
Other, Athletic Supplies - 36	53,666.00	-	53,666.00	36,384.26	4,985.30	12,296.44	77%
Other, Custodial Supplies - 37	145,984.00	-	145,984.00	102,404.11	5,748.06	37,831.83	74%
Other, Sped Transportation - 38	1,340,411.00	-	1,340,411.00	719,360.25	734,731.85	(113,681.10)	108%
Other, Student Transportation - 39	1,165,457.00	(227,520.00)	937,937.00	733,954.30	24,422.32	179,560.38	81%
Other, Travel, Conferences - 40	58,046.00	30,458.00	88,504.00	43,689.81	30,829.28	13,984.71	84%
Other, Sped Tuition - 41	5,213,514.00	-	5,213,514.00	3,261,359.96	3,260,897.50	(1,308,743.46)	125%
Other, Utilities - 42	1,730,472.00	-	1,730,472.00	629,874.21	-	1,100,597.79	36%
Other, Telephone - 43	148,285.00	-	148,285.00	56,460.34	32,367.36	59,457.30	60%
Other, Sewer - 44	287,191.00	-	287,191.00	56,669.62	40,478.30	190,043.08	34%
<b>GRAND TOTAL at 2/5/15</b>	<b>76,003,826.00</b>	<b>451,297.00</b>	<b>76,455,123.00</b>	<b>43,546,421.58</b>	<b>27,805,324.15</b>	<b>5,103,377.27</b>	<b>93%</b>



## ACTON-BOXBOROUGH REGIONAL SCHOOL DISTRICT

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Preliminary FY16 Budget Update

Acton-Boxborough Regional School Committee  
February 12, 2015

2

### FY16 Preliminary Budget -

FY15 Re-voted Budget	\$76,455,123
FY16 Preliminary Budget	\$80,197,455
\$ Change	\$3,742,332
% Change	4.89%



## FY16 Items That Could Change

- CASE Assessment - rates not voted yet – 3/6/15?
- Health Insurance Trust - rates not voted yet – 2/19/15?
- Middlesex Retirement - received 2/11/15 –
  - Reduce FY'16 budget \$98,573

## Middlesex County Retirement- Update received 2/11/15

- Changes from prior valuation:
  - Shifted employees from ABRSD initial valuation data:
    - ✓ 27 actives added (19 from Acton, 8 from Boxborough) (Net: 36 to ABRSD, 9 removed)
    - ✓ 5 retirees removed from ABRSD (4 to Acton, 1 to Boxborough)
    - ✓ 16 "inactive vested" removed from ABRSD (11 to Acton, 5 to Boxborough)
    - ✓ 11 "inactive non-vested" removed from ABRSD (8 to Acton, 3 to Boxborough)
  - Asset Transfer to ABRSD revised: now based on 1/1/14, not 1/1/12
- Effect of revision: ABRSD reduces budget for FY16 by \$98,573 to 1,961,424 (one payment method)

Entity:	Initial	Revised	Increase (Decrease)
	2 pays	2 pays	
Acton (Town)	3,238,811	3,305,943	67,132
Boxborough (Town)	608,627	641,954	33,327
Acton Boxborough Regional School District	2,099,408	1,998,949	(100,459)
<b>Totals</b>	<b>5,946,846</b>	<b>5,946,846</b>	<b>-</b>

5

## Possible Additional Budget Cuts

Level 1		Salary or Savings	Health	Total
EdTech – Reduce infrastructure budget by 50% <i>Spread wireless upgrade over 2 years</i>		\$64,000		\$64,000
High School Store reduced from 1.0 to 19 hrs <i>*Salary savings is to revolving account, not budget</i>		\$21,000*	\$17,000	\$17,000
EdTech reduce webmaster, contracts		\$33,000		\$33,000
Spread Facilities Study into Summer 2016		\$100,00		\$100,000
Security – Cameras, Additional Doors with badge Access		\$50,000		\$50,000
Total Level 1				\$264,000

6

Level 2	FTE	Salary or Savings	Health	Total
Do not have assistants attend one of the two professional days		\$20,000		\$20,000
Elementary Carpet Replacement		\$26,000		\$26,000
Musical Instrument Replacement		\$20,000		\$20,000
HS Job Shadowing and Sr. Internship Support	0.2	\$18,000		\$18,000
HS Work Study Coordinator	0.2	\$18,000		\$18,000
HS Restructure Alternative Program		\$25,000		\$25,000
Reduce 1 full time crossing guard to 19 hrs.	0.23	\$7,000	\$17,000	\$24,000
Rotate Campus Support to cover 19 hr. security	0.63	\$25,000		\$25,000
JH Assistant Athletic Director		\$3,200		\$ 3,200
EdTech – Reduce vacant Desktop Support	0.63	\$15,000		\$15,000
Curriculum – Stipends (Literacy clubs at the JH)		\$6,000		\$ 6,000
Total Level 2	1.89			\$200,200

## Impact of Cuts: - Proposal

IMPACT OF BUDGET REDUCTION OPTIONS:	PRELIM VOTED BUDGET	OPTION ONE	OPTION TWO
<b>TOTAL EXPENDITURES</b>	\$ 80,197,455	\$ 79,834,882	\$ 79,749,882
% INCREASE	4.89%	4.42%	4.31%
<b>TOTAL REDUCTIONS:</b>			
"LEVEL ONE" CUTS		\$ (264,000)	
MIDDLESEX RETIREMENT REVISED ASSESSMENT		\$ (98,573)	
CAPITAL REMOVED: CAFETERIA TABLES		<u>\$ (362,573)</u>	\$ (362,573)
CAPITAL REMOVED: BLEACHERS			\$ (45,000)
			<u>\$ (447,573)</u>
<b>TOTAL ASSESSMENT</b>	\$ 64,738,822	\$ 64,376,249	\$ 64,291,249
ACTON	\$ 53,540,719	\$ 53,241,222	\$ 53,171,009
BOXBOROUGH	\$ 11,198,103	\$ 11,135,027	\$ 11,120,240
<b>% INCREASE V. FY'15 VOTED ASSESSMENT:</b>			
ACTON	7.4%	6.8%	6.6%
BOXBOROUGH	5.7%	5.1%	5.0%
<b>% INCREASE v. FY'15 VOTED ASSESSMENT PLUS MIDDLESEX:</b>			
ACTON	6.6%	6.0%	5.9%
BOXBOROUGH	5.0%	4.4%	4.3%



## Discussion and Questions; Motion

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**Office of the Superintendent**  
Acton-Boxborough Regional School District  
(978) 264-4700 x 3211  
<http://www.abschools.org>

TO: Acton-Boxborough Regional School Committee  
FROM: Glenn Brand, Superintendent  
DATE: February 12, 2015  
RE: Recommendation for FY'16 Acton-Boxborough Regional School District  
Budget and Assessments

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**Recommendation for FY'16 Acton-Boxborough Regional School District Budget  
and Assessments**

MOTION: that the total appropriation for the Acton-Boxborough Regional School District for the fiscal year of July 1, 2015 through June 30, 2016 be set at \$79,834,882 and that member towns be assessed in accordance with the Education Reform Law and the terms of the Agreement and amendments thereto as follows: Acton \$53,241,222 Boxborough \$11,135,027, remainder to be accounted for by the Anticipated Chapter 70 Aid in the amount of \$14,393,376, offset by Choice and Charter Assessments of \$546,513, Anticipated Charter School Aid in the amount of \$26,761, Anticipated Regional Bonus Aid in the amount of \$111,200, Anticipated Chapter 71, Section 16C Transportation Aid, in the amount of \$1,266,283, a transfer from E&D Reserves in the amount of \$200,000, and a transfer from the Junior High School Project Premium on Loan in the amount of \$7,526,

(Option One: Reflects budget reduction of \$362,573)

***Office of the Superintendent***  
Acton-Boxborough Regional School District  
(978) 264-4700 x 3211  
<http://www.abschools.org>

TO: Acton-Boxborough Regional School Committee  
FROM: Glenn Brand, Superintendent  
DATE: February 12, 2015  
RE: Recommendation for FY'16 Acton-Boxborough Regional School District  
Budget and Assessments

---

**Recommendation for FY'16 Acton-Boxborough Regional School District Budget  
and Assessments**

MOTION: that the total appropriation for the Acton-Boxborough Regional School District for the fiscal year of July 1, 2015 through June 30, 2016 be set at \$79,749,882 and that member towns be assessed in accordance with the Education Reform Law and the terms of the Agreement and amendments thereto as follows: Acton \$53,171,009 Boxborough \$11,120,240, remainder to be accounted for by the Anticipated Chapter 70 Aid in the amount of \$14,393,376, offset by Choice and Charter Assessments of \$546,513, Anticipated Charter School Aid in the amount of \$26,761, Anticipated Regional Bonus Aid in the amount of \$111,200, Anticipated Chapter 71, Section 16C Transportation Aid, in the amount of \$1,266,283, a transfer from E&D Reserves in the amount of \$200,000, and a transfer from the Junior High School Project Premium on Loan in the amount of \$7,526,

(Option Two: Reflects budget reduction of \$447,573)



## **ACTON-BOXBOROUGH REGIONAL SCHOOL DISTRICT**

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Preliminary FY16 Superintendent's Budget

Acton Finance Committee  
February 10, 2015

2

### **FY16: Building the Budget**

- Identify fixed costs, obligations and assessments
- Fund legal mandates as necessary
- Determine employee benefit funding levels
- Assume efforts to provide special education programming in district when possible - cost effective
- Determine appropriate number of sections at all grade levels based upon class size policies and enrollment projections

3

## FY16: Building the Budget

- Review/determine proper staffing levels for other Pre K-12 staff including counselors, nurses, technology support, custodians etc.
- Budget for technology replacement and ongoing operational costs
- Budget for continuing facility maintenance and upkeep and identify new acquisitions as capital outlay

4

## FY16 Budget Priorities

- At December 18 SC meeting the FY16 budget priorities were outlined
- Central within these priorities is the commitment to strive to meet the needs of all of our students - *especially in light of a rapidly growing number of high needs students*
- Specifically these requests fall to those students receiving:
  - Necessary instruction in English Language Education (ELE)
  - Individualized Special Education Instruction (IEPs)
  - Specialized services in support of mental health needs
  - Low income students

5

## Enrollment & Budget Planning

- The enrollment of the district is decreasing.
- A smaller student population does not necessarily equal a reduction in resource needs.
- Pressure to reduce staffing as there is a decrease in enrollment.
- *The reality:* there is a changing demographic within our student body that will require additional resource to meet their needs.
- Not just additional Special Education needs but, as will be described later today, other needs that also must be met.

6

## FY16 Preliminary Budget

FY15 Re-voted Budget	\$76,455,123
FY16 Preliminary Budget	\$80,197,455
\$ Change	\$3,742,332
% Change	4.89%



## FY16 Preliminary Assessment

	<u>TOTAL BUDGET</u>	<u>ACTON</u>	<u>BOXBOROUGH</u>
FY'16 TOTAL EXPENDITURE BUDGET	\$ 80,197,455		
FY'16 FUNDING SOURCES	\$ (15,458,633)		
FY'16 REQUIRED ASSESSMENT	<u>\$ 64,738,822</u>	<u>\$ 53,540,719</u>	<u>\$ 11,198,103</u>
FY15 VOTED ASSESSMENTS	\$ 60,284,722	\$ 49,690,145	\$ 10,594,577
FY16 Increase \$	\$ 4,454,100	\$ 3,850,574	\$ 603,526
FY16 Increase %	7.4%	7.7%	5.7%
FY15 additional payment Middlesex	\$ 451,297	\$ 384,255	\$ 67,042
ADJUSTED FY15 TOTAL TOWN PAYMENTS	<u>\$ 60,736,019</u>	<u>\$ 50,074,400</u>	<u>\$ 10,661,619</u>
FY16 Adjusted Increase \$	\$ 4,002,803	\$ 3,466,319	\$ 536,484
FY16 Adjusted Increase %	6.6%	6.9%	5.0%

8

## Funding Sources

- Funding sources are declining 4.21% while the preliminary budget is rising 4.89%
- State Aid, Transportation, Regional Aid (\$159,695)
- E & D (\$100,000)
- Middlesex Retirement payment from towns (\$451,297)

9

## FY16 Funding Sources

- Ch. 70 flat except for \$25/pupil minimum aid
- Regional Bonus Aid reduces 20%/yr for 5 years; we are in year 2
- Use of E&D reduced to \$200,000 from \$500,000 initial FY15 budget (\$300K revoted)
- Regional transportation at 65% – similar to pre-9C cut level FY15

10

## FY10-15 Appropriated Budget History Voted Budget

	APS	% Budget Increase	BPS	% Budget Increase	ABRSD	% Budget Increase
FY10	25,753,783	3.12	5,333,590	1.14	36,858,436	0.54
FY11	25,910,449	0.61	5,442,590	2.04	38,228,410	3.72
FY12	26,113,719	0.78	5,608,417	3.05	38,502,351	0.72
FY13	26,562,103	1.72	5,802,752	3.47	39,114,804	1.59
FY14	26,960,725	1.5%	5,798,320	-.08	40,482,330	3.50
FY14 Constructed					75,326,095	
FY15					76,003,826	0.90
FY15 Revised					76,455,123	1.50
FY16					80,197,455	4.89

## FY16 E&D History

FY	ABRSD Budget	E & D	% of Budget
2010	\$36,858,436	\$1,711,823	4.6%
2011	\$38,228,410	\$1,925,118	5.0%
2012	\$38,502,351	\$1,892,727	4.9%
2013	\$39,114,804	\$1,510,041	3.9%
2014	\$41,571,900	\$1,100,000	2.6%
2015	\$76,455,123	\$1,300,000	1.7%
2016	\$80,197,455	\$1,100,000	1.4%

- *FY14 is not certified; used \$500,000 for FY15, revoted to \$300,000*
- *FY16 projected use \$200,000*

## Turnback History

### ANNUAL TURNBACK AMOUNTS TO REGION AND TOWN

YEAR	ABRSD	APS	BPS
FY'14	\$ 34,914	\$ 35,348	\$ 210,446
FY'13	\$ 292,455	\$ 190,781	\$ 213,165
FY'12	\$ 269,167	\$ 359,778	\$ 9,497
FY'11	\$ 660,282	\$ 497,218	\$ 15,366
FY'10	\$ 224,931	\$ 200,789	\$ 2
FY'09	\$ 1,244,703	\$ 948,158	\$ 146,685
FY'08	\$ 187,359	\$ 7,236	\$ 5,632
FY'07	\$ 48,985	\$ 21,297	n/a
FY'06	\$ 344,255	\$ 172,266	n/a
FY'05	\$ 336,074	\$ 113,236	n/a
<b>TEN YEAR TOTAL</b>	<b>\$ 3,643,126</b>	<b>\$ 2,546,107</b>	<b>\$ 600,793</b>

13

## FY16 Expenditures

### FY16 Total costs increase 4.89%

Four major areas comprise 4.85% of the 4.89%:

- 2.6% Salaries
- 1.7% Combined OPEB, Middlesex and Health Insurance
- 0.3% Special Ed Tuitions and Transportation, net of CB Reimbursement
- 0.25% Capital Study

14

## ABRSD OPEB History

Year	OPEB Contribution
FY13	\$236K
FY14	\$376K
FY15	\$506K
FY16	\$700K

The OPEB Working Group goal is \$1.4M for ABRSD and Town of Acton, with a minimum of \$1.1M. This amount reflects the District commitment to funding this obligation with sustainable increases.

15

## Health Insurance

- Current budget assumes 8% rate increase
- Active Employees  
Increase \$517,904 or 6.6%
- Retiree Health  
Increase \$20,148 or 2.2%  
Implementation of "EGWP" may provide further savings

16

## Middlesex County Retirement

- This is a fixed assessment for the future pension funding of eligible employees not in the teacher retirement system
- Budget amount per November notification; under review

Entity	FY16 \$ Increase	FY16 % Increase
ABRSD	\$ 303,789	17.3%
Town of Acton	\$ 702,932	28.4%
Town of Boxborough	\$ 51,422	9.4%
Combined	\$ 1,058,143	22.2%

17

## Special Education: Tuition and Transportation

- Tuitions increase 9.4% or \$652,879
- Private Transportation increases for nurse and bus monitors for fragile students \$125,000
- Circuit breaker estimated reimbursement increases \$596,442 due to higher costs FY15, but reduced rate at 68%
- CASE transportation increase \$63,236 – but preliminary rates.
- Net budget impact is \$56,437 increase, but always a risk area.

18

## FY16 Items That Could Change

- CASE Assessment - rates not voted yet
- Health Insurance Trust - rates not voted yet
- Middlesex Retirement - awaiting revision
- Circuit Breaker (Budgeted 68%, could come in at up to 75%)

### AB Out-of-District Students Trends FY10-16 (Boxborough included)

	FY10	FY11	FY12	FY13	FY14	FY15	FY16 <i>Projections</i>
CASE Programs	26/32	24/30	22/29	23/28	28/34	28	25
Other Collaborative	10/10	11/13	16/17	13/14	13/13	17	16
Private Day	41/45	39/41	33/36	34/35	32/34	46	46
Residential	5/5	4/4	2/2	3/3	4/4	4	3
<b>TOTALS</b>	<b>82/92</b>	<b>78/88</b>	<b>73/84</b>	<b>73/80</b>	<b>77/85</b>	<b>95</b>	<b>90</b>

(For FY10 – FY14, first number is APS + AB students, second number is APS, AB + BPS students)

### Staffing Reductions

Where enrollment has decreased, staff has been reduced accordingly

Conant 1st Grade \$54,000

Blanchard 2nd Grade \$54,000

Reduced Custodian \$50,000

.5 3rd shift ABRHS (from 4 to 3.5 on 3rd shift)

.5 2nd shift Blanchard (from 2 to 1.5 on 2nd shift)

Split shift 4:00 pm to 10:30 pm

Eliminate Utility Budget Advisor \$14,000

Reduce 3 Health Insurance = \$51,000

**Total Staff Reductions: 3.0 FTE \$223,000**

## Staffing Additions

Elementary ELL Teacher 0.6 FTE		\$42,000
JH Educational Team Leader 0.5 FTE		\$27,000
JH Reading and Academic Support 0.5 FTE		\$27,000
Elementary Special Educator 0.6 FTE		\$32,400
Occupational Dev Prog. 19 hr. asst 0.6 FTE		\$15,000
Elementary Psychologist 0.4 FTE		\$19,903
Health Insurance (3)		\$51,000
<b>Total New Positions</b>	<b>3.2 FTE</b>	<b>\$214,303</b>

## Capital Outlay-Facilities

### Facilities FY16 proposed:

\$200,000	Existing conditions/Feasibility
\$ 16,000	Carpets/Abatement
\$ 45,000	Cafeteria Tables
\$ 10,000	Carpet to Tile
\$ 40,000	Bleachers-Lower Gym
<u>\$ 17,500</u>	Conant-Engineering
\$328,500	Total Projects
<u>26,700</u>	All other
<u>\$355,200</u>	Budgeted



23

## FY16 Preliminary Budget Summary

### *This budget proposal:*

- Provides continuity of our current services while providing for some additional capacity
- Meets our current known needs and obligations
- Is built around a set of priorities including an attempt to align with the district's strategic plan
- Supports the district's ability to 'open our doors' in September

24

## ALG Discussion

- On February 5, ALG talked about reducing the current town and school spending levels by a total of \$585,000
- In order to achieve this, the school budget would need to be reduced by \$446,000
- The school administration has been working to develop priorities for possible additional reductions if necessary

25

## Possible Additional Budget Cuts (if necessary)

Level 1	FTE	Salary or Savings	Health	Total
EdTech – Reduce infrastructure budget by 50% <i>Spread wireless upgrade over 2 years</i>		\$64,000		\$64,000
High School Store reduced from 1.0 to 19 hrs <i>*Salary savings is to revolving account, not budget</i>	0.37	\$21,000*	\$17,000	\$17,000
EdTech reduce webmaster, contracts		\$33,000		\$33,000
Spread Facilities Study into Summer 2016		\$100,00		\$100,000
Security – Cameras, Additional Doors with badge Access		\$50,000		\$50,000
Total Level 1	0.37			\$264,000

26

Level 2	FTE	Salary or Savings	Health	Total
Do not have assistants attend one of the two professional days		\$20,000		\$20,000
Elementary Carpet Replacement		\$26,000		\$26,000
Musical Instrument Replacement		\$20,000		\$20,000
HS Job Shadowing and Sr. Internship Support	0.2	\$18,000		\$18,000
HS Work Study Coordinator	0.2	\$18,000		\$18,000
HS Restructure Alternative Program		\$25,000		\$25,000
Reduce 1 full time crossing guard to 19 hrs.	0.23	\$7,000	\$17,000	\$24,000
Rotate Campus Support to cover 19 hr. security	0.63	\$25,000		\$25,000
JH Assistant Athletic Director		\$3,200		\$ 3,200
EdTech – Reduce vacant Desktop Support	0.63	\$15,000		\$15,000
Curriculum – Stipends (Literacy clubs at the JH)		\$6,000		\$ 6,000
Total Level 2	1.89			\$200,200

## Impact of Cuts:

	PRELIM BUDGET	LEVEL ONE	LEVEL ONE & TWO
<b>TOTAL EXPENDITURES</b>	\$ 80,197,455	\$ 79,933,455	\$ 79,733,255
% INCREASE	4.89%	4.55%	4.29%
<b>TOTAL ASSESSMENT</b>	\$ 64,738,822	\$ 64,474,822	\$ 64,274,622
ACTON	\$ 53,540,719	\$ 53,322,646	\$ 53,157,274
BOXBOROUGH	\$ 11,198,103	\$ 11,152,176	\$ 11,117,348
<b>% INCREASE v. FY'15 VOTED ASSESSMENT:</b>			
ACTON	7.7%	7.3%	7.0%
BOXBOROUGH	5.7%	5.3%	4.9%
<b>% INCREASE v. FY'15 VOTED ASSESSMENT PLUS MIDDLESEX:</b>			
ACTON	6.9%	6.5%	6.2%
BOXBOROUGH	5.0%	4.6%	4.3%



## Discussion and Questions

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116 Huntington Avenue 8th Floor Boston, MA 02116-5744  
T 617.424.7336 www.segalco.com

Kathleen A. Riley, FSA, MAAA, EA  
Senior Vice President and Actuary  
kriley@segalco.com

Addition to  
Section #20 FY16  
ABRSD Budget Binder

February 9, 2015

Thomas F. Gibson, Esq., Chairperson  
Middlesex County Retirement System  
25 Linnell Circle  
P.O. Box 160  
Billerica, MA 01865

Subject: Updated Appropriations for the Town of Acton, the Town of Boxborough, and the Acton-Boxborough Regional School District

Dear Tom:

We have updated the fiscal 2016 and fiscal 2017 appropriations shown in our Middlesex County Retirement System Actuarial Valuation and Review as of January 1, 2014 for the Town of Acton, the Town of Boxborough, and the Acton-Boxborough Regional School District (ABRSD). The revisions reflect the following:

- Based on additional information provided by the three member units, 25 active participants from Acton and 11 from Boxborough have been recoded as employees of ABRSD. Conversely, 6 active participants from ABRSD have been recoded as employees of Acton and 3 as employees of Boxborough. The normal cost and actuarial accrued liability for each unit was recalculated based on these revisions.
- As we were informed by Clare Jeannotte of the ABRSD, the three units are in agreement that anyone who retired or became inactive prior to July 1, 2014, the date that employees were transferred from the towns to the ABRSD, will have their costs funded by the town from which they retired or previously worked. Based on this information, 5 retired participants were recoded from ABRSD (4 to Acton and 1 to Boxborough), 16 inactive vested participants were recoded from ABRSD (11 to Acton and 5 to Boxborough), and 11 inactive non-vested participants were recoded from ABRSD (8 to Acton and 3 to Boxborough).
- A change was made to the asset method used to determine the actuarial value of assets and market value of assets for the three units. Previously, the asset transfer to ABRSD was based on the January 1, 2012 actuarial valuation and the data used in our February 13, 2014 letter showing the revised appropriations for the three units. We have determined that it would be more accurate to transfer assets to ABRSD based on the January 1, 2014 actuarial valuation and the revised data described above.

After making the above changes, we have calculated the revised appropriations summarized in the table below. Please see the attached exhibit for further details on the revised information used in determining these appropriations.

<b>Previously Determined Appropriations</b>					
<u>Unit Name</u>	<u>FY15</u>	<u>FY16</u>	<u>Increase</u>	<u>FY17</u>	<u>Increase</u>
Town of Acton	\$2,561,389	\$3,238,811	26.45%	\$3,456,369	6.72%
Town of Boxborough	556,382	608,627	9.39%	647,965	6.46%
ABRSD	1,790,326	2,099,408	17.26%	2,234,287	6.42%

<b>Revised Appropriations</b>					
<u>Unit Name</u>	<u>FY15</u>	<u>FY16</u>	<u>Increase</u>	<u>FY17</u>	<u>Increase</u>
Town of Acton	\$2,561,389	\$3,305,943	29.07%	\$3,528,754	6.74%
Town of Boxborough	556,382	641,954	15.38%	683,893	6.53%
ABRSD	1,790,326	1,998,949	11.65%	2,125,974	6.35%

Please refer to our January 1, 2014 Actuarial Valuation and Review dated December 12, 2014 for the data, assumptions and plan of benefits underlying these calculations.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Retirement System.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law.

The actuarial calculations were directed under my supervision. I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. In my opinion, each assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

Thomas F. Gibson, Esq., Chairperson  
Middlesex County Retirement System  
February 9, 2015  
Page 3

Please let us know if you need additional information.

Sincerely,

Kathleen A. Riley

KCR/jpb

Enclosure

cc: Ms. Jacqueline Williams, w/encl.  
Ms. Brenda O'Donnell, w/encl.  
Ms. Clare Jeannotte, w/encl.  
Mr. Stephen Barrett, w/encl.  
Mr. Patrick McIntyre, w/encl.

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**SECTION 3: Supplemental Information for the Middlesex County Retirement System**

**Unit Results**

**Summary of Actuarial Valuation Results for Town of Acton**

**300**

The valuation was made with respect to the following data supplied to us:

1. Retired participants as of the valuation date (including 16 beneficiaries in pay status)	167
2. Participants active during the year ended December 31, 2013	196
3. Inactive participants entitled to a return of their employee contributions	54
4. Inactive participants with a vested right to a deferred or immediate benefit	15

The actuarial factors as of January 1, 2014 are as follows:

1. Normal cost, including administrative expenses		\$1,562,102
2. Administrative expenses		101,877
3. Expected employee contributions		<u>-1,186,983</u>
4. Employer normal cost: (1) + (2) + (3)		\$476,996
5. Actuarial accrued liability		76,375,360
Retired participants and beneficiaries	\$38,536,034	
Active participants	36,737,337	
Inactive participants	1,101,989	
6. Actuarial value of assets		34,705,405
7. Unfunded actuarial accrued liability		<u>\$41,669,955</u>

The actuarial factors projected to FY15 are as follows:

	<u>Amount</u>	<u>% of Payroll</u>
1. Projected employer normal cost	\$495,748	3.87%
2. Projected unfunded actuarial accrued liability	43,279,620	
3. Payment on projected unfunded actuarial accrued liability	2,065,641	
4. Payment on 2002 ERI	0	
5. Payment on 2003 ERI	0	
6. Payment on 2010 ERI	<u>0</u>	
7. Total FY15 Appropriation: (1) + (3) + (4) + (5) + (6)	\$2,561,389	20.02%
8. Total FY15 Appropriation, payable on July 1	2,512,578	19.64%
9. Projected payroll	12,794,946	

The actuarial factors projected to FY16 and FY17 are as follows:

	<u>FY16</u>	<u>FY17</u>
1. Projected employer normal cost	\$515,578	\$536,201
2. Payment on projected unfunded actuarial accrued liability	2,790,365	2,992,553
3. Payment on 2002 ERI	0	0
4. Payment on 2003 ERI	0	0
5. Payment on 2010 ERI	<u>0</u>	<u>0</u>
6. Total Appropriation: (1) + (2) + (3) + (4) + (5)	\$3,305,943	\$3,528,754
7. Total Appropriation, payable on July 1	3,243,883	3,462,510

*Note: Recommended contributions are assumed to be paid on July 1 and December 31, unless otherwise noted.*

**SECTION 3: Supplemental Information for the Middlesex County Retirement System**

**Unit Results (Continued)**

**Summary of Actuarial Valuation Results for Town of Boxborough**

**900**

The valuation was made with respect to the following data supplied to us:

1. Retired participants as of the valuation date (including 4 beneficiaries in pay status)	29
2. Participants active during the year ended December 31, 2013	52
3. Inactive participants entitled to a return of their employee contributions	20
4. Inactive participants with a vested right to a deferred or immediate benefit	7

The actuarial factors as of January 1, 2014 are as follows:

1. Normal cost, including administrative expenses		\$372,430
2. Administrative expenses		24,289
3. Expected employee contributions		-266,289
4. Employer normal cost: (1) + (2) + (3)		\$130,430
5. Actuarial accrued liability		13,871,063
Retired participants and beneficiaries	\$5,997,079	
Active participants	7,071,113	
Inactive participants	802,871	
6. Actuarial value of assets		6,342,561
7. Unfunded actuarial accrued liability		\$7,528,502

The actuarial factors projected to FY15 are as follows:

	<u>Amount</u>	<u>% of Payroll</u>
1. Projected employer normal cost	\$135,558	4.78%
2. Projected unfunded actuarial accrued liability	7,819,320	
3. Payment on projected unfunded actuarial accrued liability	420,824	
4. Payment on 2002 ERI	0	
5. Payment on 2003 ERI	0	
6. Payment on 2010 ERI	0	
7. Total FY15 Appropriation: (1) + (3) + (4) + (5) + (6)	\$556,382	19.61%
8. Total FY15 Appropriation, payable on July 1	545,779	19.23%
9. Projected payroll	2,837,600	

The actuarial factors projected to FY16 and FY17 are as follows:

	<u>FY16</u>	<u>FY17</u>
1. Projected employer normal cost	\$140,980	\$146,619
2. Payment on projected unfunded actuarial accrued liability	500,974	537,274
3. Payment on 2002 ERI	0	0
4. Payment on 2003 ERI	0	0
5. Payment on 2010 ERI	0	0
6. Total Appropriation: (1) + (2) + (3) + (4) + (5)	\$641,954	\$683,893
7. Total Appropriation, payable on July 1	629,903	671,055

*Note: Recommended contributions are assumed to be paid on July 1 and December 31, unless otherwise noted.*



**SECTION 3: Supplemental Information for the Middlesex County Retirement System**

**Unit Results (Continued)**

**Summary of Actuarial Valuation Results for Acton-Boxborough RSD**

**3400**

The valuation was made with respect to the following data supplied to us:

1. Retired participants as of the valuation date (including 5 beneficiaries in pay status)	85
2. Participants active during the year ended December 31, 2013	409
3. Inactive participants entitled to a return of their employee contributions	40
4. Inactive participants with a vested right to a deferred or immediate benefit	7

The actuarial factors as of January 1, 2014 are as follows:

1. Normal cost, including administrative expenses		\$1,543,864
2. Administrative expenses		100,689
3. Expected employee contributions		<u>-1,136,669</u>
4. Employer normal cost: (1) + (2) + (3)		\$507,884
5. Actuarial accrued liability		38,544,752
Retired participants and beneficiaries	\$13,435,287	
Active participants	24,638,883	
Inactive participants	470,582	
6. Actuarial value of assets		16,712,747
7. Unfunded actuarial accrued liability		<u>\$21,832,005</u>

The actuarial factors projected to FY15 are as follows:

	<u>Amount</u>	<u>% of Payroll</u>
1. Projected employer normal cost	\$527,851	4.17%
2. Projected unfunded actuarial accrued liability	22,675,351	
3. Payment on projected unfunded actuarial accrued liability	1,262,475	
4. Payment on 2002 ERI	0	
5. Payment on 2003 ERI	0	
6. Payment on 2010 ERI	0	
7. Total FY15 Appropriation: (1) + (3) + (4) + (5) + (6)	\$1,790,326	14.16%
8. Total FY15 Appropriation, payable on July 1	1,756,209	13.89%
9. Projected payroll	12,647,312	

The actuarial factors projected to FY16 and FY17 are as follows:

	<u>FY16</u>	<u>FY17</u>
1. Projected employer normal cost	\$548,965	\$570,924
2. Payment on projected unfunded actuarial accrued liability	1,449,984	1,555,050
3. Payment on 2002 ERI	0	0
4. Payment on 2003 ERI	0	0
5. Payment on 2010 ERI	0	0
6. Total Appropriation: (1) + (2) + (3) + (4) + (5)	\$1,998,949	\$2,125,974
7. Total Appropriation, payable on July 1	1,961,424	2,086,065

*Note: Recommended contributions are assumed to be paid on July 1 and December 31, unless otherwise noted.*

<sup>5th</sup>  
**ALG Minutes February 4, 2015**

Present: Bart Wendell, facilitator; Katie Green & Mike Gowing, BoS; Steve Noone & Mike Majors, FC; Krista Rychlik, SC; Steve Ledoux, Glen Brand, Steve Barrett & Marie Altieri, staff.

Audience: Peter Berry, Janet Adachi, & Franny Osman, BoS; Clare Jeannotte & Brian McMullen, staff; Lauren Rosenzweig-Morton, assistant facilitator; Charlie Kadlec & Alan Nitschlem, public.

Extra info: Town of Acton Multi-year Financial Model

Minutes were accepted.

**3. Update on Minuteman, Nancy Banks**

Nancy said that the Minuteman school committee was supposed to get the options for the new construction at Minuteman on Monday but the meeting was cancelled because of the snow. In the 10 year review of the school, the report came back very critical of the building. The school is 40 years old and is not fully handicapped accessible. Something has to be done.

The administration won a MSBA grant to do the planning for the new construction. It appears that renovation will cost as much as a totally new building. The hope is to be able to get 40-45% for the construction costs from a MSBA grant.

The second huge problem at Minuteman is the regional agreement. There are 16 towns in the region and 11 have agreed to the new regional agreement. Wayland in particular objects to the weighted vote and does not think its interests are being represented. Arlington which has having 40% of the students insists on having weighted voting. Nancy said that we in Acton can understand Arlington's position. An enormous amount of time and energy are being spent on trying to convince those five towns to vote positively for the new regional agreement.

SL: Some of those in the region who do not have students now want to have places saved for the future. Lincoln wants "most favored nation" status if a new school is built because it will be built on land in Lincoln. There is a breakfast tomorrow of town managers at Minuteman where the regionalization agreement will be discussed.

Nancy: The SC has great reservations about giving Lincoln the most favored status. Both Wayland and Lincoln will have the issue at their upcoming town meetings. Long-term we are hoping that the state will step in to sustain voc. tech education. The state has not allowed out of district students to pay the full costs of their education. Baker has been sensitive to voc. tech education. We have been able to get capital cost contributions for out of district students. The plans call for a reduction in the number of students from 800 to 628. We will also be changing the way we market the school: there is a competition between voc. tech and traditional academic schools. What parents should realize is that there are children who benefit from Minuteman's hands-on education and will not thrive in an academic situation. Acton has a good relationship with MM. This year there are four more students attending MM?

SN: What happens if all 16 don't approve the agreement?—do you just go back to the old agreement?

NB: Yes. We are thinking of special legislation if we get 15 yes and 1 no. We are trying to be more aggressive in selling the school.

Mike G: What about the tuition of out-of-district students and capital costs.

NB: Waltham and Medford which send a lot of students to MM are looking to start the programs in their own schools. There are capital costs attached to each student. We need to have a public review of the building program. Perhaps the LWV can organize a forum.

## **2. Update of FY 15 Revenues**

SL: Given the weather conditions it's not surprising that we have run through the \$526k of our ice and snow account. We can carry this deficit into next year but would like to pay it off. The Governor has pledged to hold cities and towns harmless so we do not expect cuts in local aid.

Glenn B: The second quarterly report is due on the 26<sup>th</sup>. That will give us an update on FY15. We do not see the expected 9C cuts in transportation coming. This is positive. We also have a snow and ice problem and the use of the custodial crews to clear the snow.

Clare: More 9C cuts have been released but they have held off the cuts in regional transportation. Cuts in the circuit breaker by 1.5%

GB: SPED costs are always a concern; out-of-district placements; changes can occur weekly; we find that the superintendents in surrounding towns are faced with the same problems.

SN: Between this sheet and the one from the last meeting there seems to be a lot of revenue.

SB: We were asked to square the ALG plan with the towns recap—it is a different financial model. We have the tax rate at \$19.05 and had to retrofit that into the ALG plan. Example tax levy on pg 3 unused levy is at \$692k when in fact its \$958k. That gives more tax relief when you balance the year. Overlay account is increased and in a good year we can use that for tax relief. If you look at school's table 6 we see \$635k deficit for FY16

SN: I see \$712k for FY 16

Marie: \$53.541M is the current assessment; \$712k is the former school debt credited in table 6.

SB: we done the roll out first for FY15 and now FY16

Bart: other questions?

## **4. Middlesex retirement service (MRS)**

SL: As reported we received an eye opener increase in assessment for FY 16, as did Boxboro. Twenty-one APS employees have been moved to the region; in Boxboro its 9. In addition 20 public safety

employees have been classified from group I which is where all public safety employees are classified to group 4. We went back to look through all our electronic transfers to MRS and have given this information to town counsel. This has been a shift of long-standing since 2011.

Clare: the plan is to move the employees to the proper group but we don't know why they were moved and this is what's causing the significant increase.

SL: we have town counsel looking into the matter as well as our actuaries Segal.

## **5. Review Spreadsheet**

SB: FY 16 column: \$12k positive position; lowered assessment table \$135k positive; changes in AB debt, \$66k decrease; FY15 state aid higher than originally projected, \$213k positive; \$2.619M use of reserves; OPEB at \$1.4M. Work still needs to be done with the schools on reserve tabulations.

SN: You failed to note a 5% increase in the SFR tax bill

SB: There are still discussions to be had in the tax increase. We put in the actual value 4.99% which has the 2% increase in home values. Tax rate + value = tax bill

Bart: Are these changes noted?

SN: The FC is not anywhere close to accepting a 2.5% increase in the SFR tax bill. We have said from the outset that we should use 2%. We agree with the \$1.4M in OPEB. Things are looking way out of line and the FC is not close to agreement.

MG: We know where OPEB is, but I think the 4.99% is low because if you think the reassessment of homes will only be 2%, I think that's wrong. We are in for something much more unpleasant.

SN: Talking about home values; taxing for \$7.5M or even \$7.43 this is an increase without even putting in home value increases. Part of it is done by reclaiming the unused tax capacity.

Bart: Should we work on this more or should we move on once the budgets are set?

SN: Neither board has yet to vote their budgets we could have this discussion in two weeks

Marie Under #6 schools vote their budget Feb. 20

Bart: Shall we slide into #6? As I read it here we have need to come to a consensus on three major items in the next 40 minutes unless you are willing to go longer

## **6. Outstanding consensus items**

Bart: Reaching consensus here means that members of ALG will take the decisions back to their boards and advocate for their acceptance. If you cannot do that, we will not have consensus.

A. Tax levy

Bart: Frame the issue

SB: FY16 column, third tab tax levy

ALG has 2.5% as base levy with \$0 unused component; \$900k in new growth; estimated overlay of \$900k; full extent of property tax.

Bart: How much capacity to use? Are we in agreement with \$0 of unused capacity?

SB/Katie No.

Bart: Does anyone have a better proposal; what is full levy to some is not to others. What figure do you suggest?

SN: The FC has 2%. You will not get a consensus from the FC on 2.5%

Marie: The budget proposed I has to be reconciled with the revenues

SN: You will not get an agreement from the FC will 6.9% increase in the assessment. We have gone over this debate several times and the FC is not willing to use the unused levy capacity. The FC does not think it's a good strategy to go for 5% yearly increases in school budgets. We see it as doing business as usual we cannot depend on an override. The scariest part is that the increase of 6.9% represents level services. Looking out to FY 17 & 18; we are now talking about a \$2.4M use of reserves; \$2m in a stabilization fund; and we are worried about the E&D levels. There will not be enough for FY17 and for sure not enough for FY18.

Bart: What are the consequences of not having an agreement? Are the BoS & SC in agreement?

Katie: We have not taken a formal vote on our budget. I'm uncomfortable with the 2.5% and the whole issue of the unused levy. The town's FTE will be paid for by an increase in revenue. The school's increase in FTE's is not 6.9% but actually 7.9%

Kristin: The cost of the FTE's is actually .2

Bart: What are the consequences of not agreeing?

SN: the Town Meeting does not really listen to the FC when we say we say we have no-sustainable budgets. We talked about long range planning in October and then we told you what we were facing. Now we have to deal with the reality.

Marie: We lost \$660k in tax levy capacity but the \$925k increase is good news. We are taxing less in FY 15 and the jump in FY 16 yet we do not want to recoup and now FY15 is \$985 to the good. We could recoup some and bring the budgets down by \$385k

Bart: Would the FC take this back and support it?

SN: can the cuts be made?

Mike G: Cuts can always be made—it's not simple or easy but we know that the FC wants to have the rate at 2% for the next five years. This is not the best plan; last year it was at 1.5% and we deferred the payment and now we want it back. This is what we are saying we need and if we hold to the 2% we are going to need more reserves or cut expenses.

SN: What are the opportunities to cut? Collective bargaining is settled, so you don't have much choice there; you can reopen the health care costs.

Marie: I'm more comfortable going with the 2.5% and taking \$400k of the \$985k in cuts

Bart: Is this cut of \$858k?

Katie: I'm more comfortable advocating for cuts if we go to the full 2.5%

SN: I'm willing to go to the FC if we can get the \$585k in cuts.

Dennis: We will get the information in tonight's packet and we will be making cuts

Bart: So the SC is ready to champion \$585k in cuts?

Dennis: We will talk about cuts and have a debate and vote. Do we take 70% of the \$585k?

Glen: The implications as I see them we will need 9 votes in favor of cutting a budget that we have put forth as being one where the services are level and the contractual obligations make it difficult to cut much. It will be an uncomfortable night when the parents find out what's to be cut. I will need some direction from the school committee.

Marie the SC cuts will be \$450k.

Bart: is there agreement that the cuts for the town will be at the 37.9%?

Kristen: The number up for debate will have a list of service cuts of essential services. People will not understand the cuts when we have \$10M in reserves. Selling this will be very difficult.

\*\*\*It was agreed that members would go back to boards and try to convince them of the need to make the cuts. (Total of \$585 with a 63/37 split)

Bart: You need to push for this or you can come back and agree to disagree. Do we have agreement on the use of \$2.6M in reserves? (Yes)

\*\*\*There was also agreement on revenue projections

## **7. Public comment**

Charlie Kadlec: The school enrollment has dropped; inflation is low but yet the school assessment is increasing by 8%. The compromise offered by the FC is being generous

## **8. Next meeting**

February 26 7:30 AM

Adjourned 9:15

Ann Chang