

## **ALG Minutes, Jan 3, 2019, 7:00 PM, Room 204 Acton Town Hall**

Present: Bart Wendell, facilitator; Joan Gardner & Katie Green, BoS: Jason Cole & Roland Bourdon, FC; Diane Baum & Paul Murphy (arrived 7:15) SC; John Mangiaratti, Peter Light & Marie Altieri, Staff. Absent: Steve Barrett, staff.

Audience: Mark Hald, Asst. Town manager; Dave Verdolino, Region's finance director & Charlie Kadlec.

Additional documents: Town of Acton Multi-year financial model (spreadsheet); ABRSD FY2020 recommended budget

1. Minutes were accepted with corrections [change date from October to November; change of amount for Per Pupil Cost to \$30-\$50; changes in Jason's statements]
2. **FY19 updates** **Peter Light & John Mangiaratti**

John: Revenues are where we expected; we have an unanticipated expense due to the repair of a dam along Fort Pond Brook on River Street. Well be looking into grants to pay the costs.

Peter: No major surprises. There is no update; as we end the second half of the quarter, the revenues remain positive.

Jason: Are there expenses for salting, sanding and plowing?

John: We get the major storms in February and March and there is nothing so far.

3. **Review of Spreadsheet** **Marie**

Marie: the change sheet shows the actual numbers. What we need to discuss is the \$761K deficit. .

John: we note that the deficit in accounting: we are using the excess levy capacity plus \$1.3m in reserves

Bart: Questions?

Katie: Is there a small increase in state aid?

John: it's minor in FY 19 and we don't have the new numbers yet

Jason asked about turn-backs: the town was \$350-400K while the schools was \$1.7

Bart asked if there was to be a conversation on the \$761K

Marie distributed ABRSD FY2020 recommended budget with a summary of the changes. This will be presented at the Jan 10 SC meeting.

Marie noted that the Dec 15 deadline for teachers to say if they were going to retire resulted in a \$70K savings; another \$60K savings comes from dropping one bus and half of the first year costs ( for the remaining two extra busses) will be reimbursed; there is an increase to \$30/pupil for Ch.70. The recommended budget assessment is \$72,937,539. That is a 2.55% increase with the Acton increase **2.34%**. Reducing the budget assessment saves \$254K of which \$203 is for Acton. That makes the \$761K just over \$500K. The current ALG plan is \$1.3m in revenue use which is a step down.

Jason: you are using all the excess capacity in one year.

Katie: we can increase the use of reserves and decrease the use of overlay keeping the unused levy. We have the Minuteman debt to cover....

There was a general discussion as to which route would be best. Mr. Kadlec, having the spreadsheet from last meeting, was able to add that the unused levy total was \$606K.

Bart: shall we discuss: use of full tax levy; increase use of town reserves; school's reduction as shown; reducing the use of overlay?

John: we have the option to discuss Municipal Modernization Act; potentially set aside less **overlay** but still be conservative; can use previous year's allotments; \$700K overlay.

There was more discussion about possible options.

Jason: We do not have the approval to use all the tax levy. I need to take back to the FC: \$400K in reserves/all tax levy or \$700K reserves with ½ of tax levy.

We are very happy with the school numbers.

John: We are being asked to cover the Minuteman (MM) costs in our operating budget and getting \$1.7m in reserves makes it difficult; \$2m would be even more difficult. We could do a debt exclusion for MM.

Jason: I think we should wait **on debt exclusion**. It's more palatable to go for one big bond covering schools fire---doing an operational override is more political.

Marie: Is there an option of taking MM out of the stabilization fund? It would take a 2/3 vote.

Katie: It makes more sense to take MM from unused levy.

Jason: It's better to use unused levy rather than debt exclusion

Kate: We have to take these proposals back to our boards.

Marie: There is logic in Katie's idea of using the tax levy in lieu of debt exclusion, why do you want it under tax levy if you are willing to consider debt exclusion?

Jason: To keep the tax bill down. We will soon have a huge number for the town to swallow.

Bart: Question is: do we use reserves or tax levy? Anything else?

It was agreed that these questions needed to go back to the individual boards and would be discussed at the next ALG meeting.

There was the hope that an agreement could be reached at the next meeting.

#### 4. Public comment

Charlie: there is a risk of losing a debt override---it's 11 months out and we still do not have any hard numbers to look at.

Jason: the FC is now seeing an only a 6-digit deficit, which is better.

Marie: the SC has to vote on their budget on Feb.13.

Adjourned at 7:55AM

**ADDITIONAL DOCUMENTS: Town of Acton Multi-year Financial Model (Spread sheet) & ABRSD Recommended FY2020 budget**

Next meeting is Jan 17<sup>th</sup> at 7:30 AM (Bart will not be able to attend)

Ann Chang