

ALG Minutes December 13, 2012

Present: Bart Wendell, facilitator; Doug Tindal, Mary Ann Ashton, FC; Janet Adachi, BoS; Xuan Kong, SC; Steve Ledoux, Steve Mills, Steve Barrett and Don Aicardi, staff. Absent: Pam Harting Barrat, BoS & Kim McOsker, SC. Audience: Pat Clifford, FC; Charlie Kadlec & Dick Calandrella.

1. Minutes were accepted
2. Update of FY 13 Revenues

Steve L: the 9c cuts [being made by the Governor] mean a 1% cut in lottery monies which is \$12-\$13k less for Acton. The issue is whether the cuts will roll into FY 14.

Steve M: I agree it's not a big cut; there is a \$1M cut in regional transportation out of a \$40M budget state-wide.

3. Spreadsheet (members & public were pleased with the "geriatric version" of the front page)

Steve B: "The print may be bigger, but not the numbers" Steve related the "progress" of the spreadsheet when it started with a \$220k deficit but then they rolled in the HIT money \$952k, a \$267 ABRSD OPEB correction, reduced state aid \$519k less from Charter school and raised OPEB from \$700k to \$800k leaving the FY 14 column with a \$1.579M deficit

Steve L: by the January meeting we will have our budget request---more solid numbers

Don: once the town & schools budgets numbers are known we will add them to the sheet

Bart: Any questions?

Mary Ann: Our next meeting is Jan 10th. The schools will have their numbers on the 8th, also preliminary assessment for Minuteman ---will you be able to do all of this by the 10th?

Don: yes

4. Impacts of 9c cuts

Steve L: it's way too early to assess the ramifications. We have to see if there is a carry over into the FY 14 budget. The Governor's budget is due the end of January, we should have a better idea then.

Mary Ann: there was a consensus at the revenue hearing at the State House this week. We should pull back on revenue projections for FY 14. We should look at things like regional transportation and the circuit breaker.

Don: we get regional transportation money twice a year and circuit breaker four times---it's hard to tell --we have heard from the state to be cautious on the circuit breaker. Sometimes in the 4th quarter we get "extraordinary relief" we have been cautioned not to expect this. We have been building [the budget] on a 64% rather than a 70% In FY 12 regional transportation was boosted from 65% to 70%.

There is state law that they cannot cut regional transportation higher than 2% of Ch. 70. We have lowered the number from the 70% high to 65% and will see what happens in Jan. The 9c cuts did not affect Ch.70.

5. Update on Regionalization

Xuan: we are continuing with the public outreach & met with the FC. There were questions about the savings on administration personnel---since it was calculated over a year ago and was \$150k. Adjustments were made by the superintendents and now the savings will be \$350k. Everything else stays the same although we are nervous about regional transportation. But we think the state law about cuts being no greater than 2% of Ch.70 will help.

S. Mills: we got a DESE grant for \$28k to cover the special town meeting costs to vote on the regionalization agreement. It will also help cover legal and financial counsel.

Doug: the FC has some follow-up questions after our Tuesday meeting---we were discussing the feasibility and have concluded that there are areas that need more clarity. We need to ask these questions—to whom do I send the letter? It's as much about policy as it is numbers.

He was instructed to send his letter to the sitting school committee.

6. OPEB

Steve B: We have made some draft recommendations that moves OPEB up from \$700k to \$800k. There are several scenarios including one for borrowing. The state will come out with their report on Dec. 20th & we will find the rules for cities and towns as to how they are to treat new hires and changes in their health insurance. We have a good working group & I feel that Acton is far ahead since many cities & towns have done nothing.

On a managerial policy for new hires we are considering an OPEB surcharge in the operating budget. We are trying to stop the steep increase in the OPEB costs. But we need to wait for the state report to tell us what we can & cannot do.

Don: ABRSD voted on OPEB costs on March 1st and the money for Town Meeting. We have now approved the legal document.

Xuan: it is an interesting approach to have a surcharge where will the money come from.

Steve B: it will be a line item in the operating budget rather than having it as a warrant article.

Xuan: will this happen every year?

Steve B: we are still working on the mechanics and may need to have the money in a trust fund.

Mary Ann: we should thank the OPEB working group. Steve Noone has kept the FC up to date. When we get a set of recommendations from Noone we need to have an agreement [on ALG] We need to

agree that we will go back to our respective committees—we need to have a conversation on this issue on a board level.

Steve L: we have scheduled Steve Noone to do a presentation in Jan for the BoS.

****Bart: is there agreement with Mary Ann that we transmit the information to our boards and then bring their deliberations back here? All agreed.

Public:

Charlie: would the surcharge just be for new employees?

Steve B: New positions---new labor & it would go into the operating budget. The plan is for every year but we are only working on the numbers now---it is to keep down the increasing trajectory. We are still working on the mechanics as to the amount---there have been suggestions to a flat 16% but that will not be fair to the guy who makes \$50k as opposed to those who make \$100k

Charlie: I am curious as to how it will be ongoing

Steve B: the plan now I to retrofit fees & accounts for labor changes---we need a revenue stream into the trust fund.

Charlie: are the schools doing a similar plan?

Steve M: I do not disagree with the plan—but we are in collective bargaining

Steve L: this is not a collective bargaining issue—it is not coming out of their pay---it is not a payroll deduction.

Don: I am on the committee [OPED working group]---knowing the issue is pricey for the town the idea of just new rather than new & existing positions are on the table---we are not sure what will happen, but will to finalize the FY 14 budget.

Bart: our next meeting will be in 2013 Are there any agenda extras?

Mary Ann: we agreed to discuss reserves once the budgets are out---the managers need to be ready with a several step process.

Bart I will not be here for Jan. 24th.

Mary Ann: we will need a second meeting in Jan. will you look at your availability around the 24th so we can reschedule?

Bart agreed.

Adjourned 5:35-- Next Meeting Jan. 10 at 5PM

Ann Chang