

ALG Minutes, June 29, 2017

Present: Bart Wendell, facilitator: Janet Adachi, BoS; Steve Noone & Jason Cole, FC; Amy Krishnamurthy, SC; Steve Ledoux, Marie Altieri & Steve Barrett, staff. Absent: Paul Murphy, SC and Katie Green, BoS.

Audience: Mark Hald & Brian McMullen, staff.

Extra Info: ALG Charter and Ground Rules; suggested calendar for budget planning with ALG meeting dates

3. Minutes accepted after correction of typo.

2. Review of ALG ground rules

Bart: Since this is the first meeting of the season we always start off by going through the ALG Charter and Ground Rules. Bart noted that there was one new face at the table: Jason Cole from the finance committee. All the other members have served before, some multiple times.

ALG has been operating for about 25-30 years. It was originally created when Prop. 2.5 came in budgets were tight and no one could agree. We needed to have a Prop 2.5 override and the three boards could not agree. So we had to work together. We are subject to the open meeting law we do not make decisions but work by consensus. This is very important: you have to take the stands from back to your respective boards and in good faith and support them. If you cannot do that, we do not have a consensus of the ALG.

I think this accurately describes the process: are you willing to participate?

Amy: I support it. I've been very impressed by the whole process and think it's important to get things done.

Jason: I'm confused by the quorum line.

Bart: The FC has no staff

Marie: It's the second year for both Amy and Paul.

Bart: Are there any objections?

Marie: People get confused by the word consensus, since we do not take any votes but it is an iterative process. If when we go back to our boards, one does not agree we come back here until we can find an agreement.

Bart: when everyone agrees to a proposal, that does not mean you just like it. An agreement can mean it's the best we can do. The best may not necessarily be what we first negotiated. But once we leave this room we need to actively support and sell it to our board members. If we do not do this, we are wasting our time.

Jason: can we go to Town Meeting without a consensus?

Marie: we are dealing with the budgets and all three boards voted affirmatively.

4. Update on FY 18 revenues and expenditures and FY 17 year end

SL: tomorrow is the eve of the end of the fiscal year. We have concerns about the excise tax. People aren't buying cars—it's a flat tax with a rapid depreciation.

Marie: we have had good year money wise. Revenues are up \$775K due to the reimbursement of regional transportation. We will be turning back around \$600-\$800k. A lot of this is due to the lower costs for the health insurance. Not as many people signed up as we predicted. E&D is estimated to be \$4m after certification on June 30, 2019 which is an increase but below the cap. We have been doing some small capital projects such as replacing the boilers at Blanchard.

Amy: the Leary field project came in under expectations and we received donations from two sports groups in town.

Marie: we thought it would come in at \$450K but the low bid was \$250K

5. Discussion on Spreadsheet format and review

Steve B: we are using the standard form with no deviations from last year. We will have summaries for the revenue use and family tax increases.

Steve N: we'd like to see one year's actuals on the spreadsheet

SB: we can work on getting that into the model. We do budgets rather than review of results. It will take some work but it can be done.

Amy: we have no objections

Brian: for actuals do you want FY 16/17 unaudited?

SN: what about what we had last March?

Janet: It's a good idea. There are good reasons to show actual accounts so people can see how the money is spent and the differences between the budget and what's spent.

Bart: is this OK?

Marie: It's fine but the devil is in the details

SB: I'll be working with Clare who is staying until October 1, until the new person gets up to speed.

Bart: anything else on the spreadsheet?

6. Discussion of special town meeting impact on ALG calendar and FY 198 budgets

Following are the agreed meeting dates for the ALG: Sept.28; Oct. 26; Nov. 30; Dec. 14; Jan. 4; Feb. 8 &28; March 8.

Steve N: we will have a STM on Dec 4 to vote design funds before we build the budgets. Last spring we saw we'd have \$2.2m deficit. For FY 19 we have \$4.3m usable reserves. If FY 17 comes in better, we can use the \$1.3m to close the \$2. 2m deficit. This will leave the reserves below the FC's threshold. We will have to pull money out of the stabilization fund which requires a 2/3 vote---that is part of the risk. In the past, the ALG decided on an override in October. Right now the FC is struggling to get out their POV early. We are asking the group members left over from last year what their ideas are to close the \$2.2m gap.

SL: we also have Minuteman for FY 19@\$250K. There will be 10 remaining members to pay off the debt exclusion and there will also be an increase in the operating numbers.

Marie: do you know the impact if the MM debt?

SB: if we don't handle the debt exclusion there will be a massive increase in the MM line—but who knows.

Marie: it would be helpful to know. We have ballpark MSBA preliminary it looks like \$1.2-\$1.3m and MSBA will pick up 45.3% so that will cover \$650-\$700k. Acton's portion will be \$500-\$700K. We will have more solid numbers by the fall and a revenue source.

SL: are you going to do short term borrowing?

Marie: short term or E&D. We are also looking at single start times for bussing elementary schools. The state will reimburse 70% but not the first year. There is a chance that we will need @ \$500K for FY19. It will be a one-time cost. We could use E&D.

SB: we have an expert on short-term borrowing in Brian. We have done multiple shorts and avoided the 2/3 votes and then gotten good rates on the 30 year bonds. There are some great advantages to going this way.

SN: will that cause more questions? Politically we are faced with a 2/3 or simple majority; can we do design costs over 5 years?

Jason: doesn't MSBA require a positive vote?

SN: because of the STM we have an accelerated calendar

Bart: be specific about the dates

SN: by the end of September we should know the spending and revenue budgets

Bart: Sept 31st?

Marie: we would be happy to do it early. For the school budget is 80% solid by the end of September – the current year until Oct. 1 but the turnaround will be done by Nov. 1. I'm not sure that we can do it any earlier.

SN: I don't want to go the STM without FY19 planned. It will be easy to talk about the gap; we will lose our credibility if we have this unresolved.

Bart: what are you suggesting?

SN: 90% estimate does that mean we will have an underfunded payroll in April?

Brian: does your position change if we use E&D?

SN: using E&D is OK; town reserves make the problem \$500K worse.

SL: our time table is to have the budget 100 days before ATM I have to get the budget to the BOS. I could do a preliminary budget and plug in numbers by Nov1

Bart: my reading is that the ALKG has to meet more frequently.

Marie 2: two October meetings and two in November

Bart told Jason that usually the ALG has double monthly meetings in Jan & Feb.

Bart: do we have recommended dates for October and November?

There was a discussion as to the day, whether meetings always had to be on Thursdays or could it be on Wednesday. Bart said that Thursday was easier for him.

The list of things that needed to be decided in the fall included: override; capital spending, covering MM costs.

Bart suggested October 12 and November 9 for extra dates.

The calendar would include Sept. 28 for revenue report; Oct 26 for the POV; capital moved up to 10/26; revenue revisions.

There were more discussions as to whether the numbers could be ready for this accelerated schedule. Amy: reminded the group that the entire consensus made at ALG still had to go back to individual boards. We hope to have the costs well before STM. It was agreed that there would not be an August meeting.

Janet: there are a lot of things here and the BoS will need far more information before agreeing.

Marie: noted that the school has MSBA approval and if they lost it the school would have to go through the whole application process again.

Amy: wondered if the FC had questions about how things were going noting the schools are in transition with just an acting superintendent. We have been told by the school administrators and principals to go ahead.

Bart: will there be other articles at the STM?

SL: there may be

Adjourned 8:50

Next meeting October 12

Ann Chang