

## **ALG minutes March 6, 2014**

Present: Janet Adachi & Mike Gowing, BoS: Pat Clifford & Steve Noone, FC; Kim McOsker, SC; Steve Ledoux, Steve Mills, Steve Barrett & Don Aicardi, staff. Absent: Bart Wendell, facilitator & Dennis Bruce, SC.

Audience: Paul Murphy, SC; Allen Nitschlem & Charlie Kadlec.

Extra info: Revised ALG Spreadsheet

**Minutes were accepted.**

### **2. Spreadsheet**

The purpose of the meeting was to check on the spreadsheet prior to its being printed in the Town Meeting warrant and to get a reading for the FYs 16&17.

Steve B went over his changes since the 02/27/14 meeting: OPEB was put in one line on summary sheet; property tax levy shows relief at ½%; state aid for the town is increasing by 2.5% while for the region only by 1%; \$1m of NESWC money was moved into reserves. Steve noted that the town wanted to close out this account in \$ 550k increments but the BoS has yet to vote on this; the final assessments were 3% increases for the town and 3.8% and 3.5% for the schools. He noted that it was not unusual to carry deficits at this point in the budget planning.

SB also put in a section on the changes in the value of SF homes. He also had an equation: % change in SF tax bill= % change in tax rate + % change in SF value.

Steve N: said that FY 14 needed to have the APS expenses; he suggested removing the OPEB single purpose line on the summary page because the numbers were in the budgets. There was also a separate warrant article for OPEB. He asked about the reserve turn back

SB: \$200k from the town; \$350k from the region

SN: the FC has talked about tax relief, not a yo-yo from year to year.

SB: ALG gave tax relief of 1% or \$692k. When you have tax relief for one year Prop.2.5 moves untaxed levy into the base for the next year.

SN: but what we are giving away in one year we are taking back in the next.

SB: in order to override the mechanisms of 2.5 we need to have an “under-ride”

Brian Mc Mullen: there has to be a fundamental consensus that the 2.5% will be substituted by 2%. You have to set a permanent decrease of \$692k in the out years.

Pat: we do not have the numbers for the out years ...when can we get them. They were promised by Monday (March 10)

Pat also suggested that the line for federal dollars be removed since there were none lefty and asked that the typo on the front page be fixed.

SN: we need to write the message for the warrant. We can say that we have been here before but this time we cannot tax our way out of the problem and there are “no puddles of money” sitting around.

Janet went around the table asking how the individual members felt.

S. Mills: it is not a good habit to use reserves. I believe when I got here there was only 2x the reserves. I don't know what the future holds. Three years ago we tried to work within the confines of 2.5%. Acton is well-managed and may face the “O” word for another 10-12 years. I have been grateful to Acton with a AAA bond rating and the budget increases. I hope the town will continue to give the schools what they need.

Mike: over the past three years we have voted to use \$2m in reserves (per year). In response we have had an overall increase in reserves. As we go forward to reduce the tax [levy] the replenishment will not happen. We have made the decision to give back [to taxpayers] will have to halt before we go below the 5%---that will mean we will have to go back to the 2.5% level. An override is not a “slam dunk” we need to remain flexible.

SN: \$300k in tax relief will not solve the deficit problem.

Janet: It's tough; there is no crystal ball for the future. Mass Taxpayer people say that the future for state aid is bleak; we will have a constrained recovery. We will be hard pressed to provide the services that our residents demand. I'm not sure how we will make sure which services don't matter.

SN: a lot of multi-year plans are ugly in the out years. It is forums like this where things get worked out. We will devise plans of cuts/overrides/tax changes to keep us from disaster.

Pat: it's good to hear you say that things are where you want them to be. As we go into FY17 & 18 it is better to be looking at a reserve above 5% than below. Once we go below, the decisions on the cuts will be more drastic. The message to the taxpayers is that this is the new normal. We no longer have any federal funds to bail us out.

There was some discussion on the form the report would take for the warrant..

Mike wanted a note made that the next ASLG had to deal with the OPEB split.

## **Public**

Allen wanted to have the reserve amounts tracked as they were in the past. He also said that SB's formula for % of changes in the SF tax bill....” was not correct.

It was decided to leave that out.

\*\*\*Agreements made on the changes for the spreadsheet: 1. Delete ED Jobs (since it was \$0)2.delete footnote on change in SF tax bill 3. Consolidate school expenses into one line for FY14. 4. On reserve

page change ABRS turn back from \$300k to \$100k. 5. Change FY14 NESWC \$1m to \$500k in FY 14 and \$100k in FY 15-19. 6. Put OPEB in its own box.

SB will have all of these changes ready by Monday. Warrant goes to the publisher on March 14<sup>th</sup>

Adjourned @ 6:30 [no next meeting scheduled]

Ann Chang

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