

ALG Minutes February 7, 2019 7:30 AM, Room 204, Acton Town Hall

Present: Bart Wendell, facilitator; Katie Green & Joan Gardner, BoS; Jason Cole, FC; Paul Murphy & Diane Baum, SC; John Mangiaratti, Peter Light, Steve Barrett & Marie Altieri, staff. Absent: Roland Bourdon, FC. Audience: Mark Hald, Asst. Town Manager; Brian McMullen, Asst. Assessor & Finance director; Dave Verdolino ABRSD finance director; Jon Benson, Charlie Kadlec & John Petersen.

Additional Information: Town of Acton Multi-year Financial Model (AKA spreadsheet);ABRSD projected debt service FY 2021-25; ABRSD Bond repayment; ABRSD New school debt calculations with projected tax bill impact & ALG Feb7-19, FY2020 metrics.

1. **Minutes** were accepted with corrections

2. **FY 19 updates** John Mangiaratti & Peter Light

John: we are moving carefully and thoughtfully; library project is OK; expect a 2% turn-back this year; the departments are working hard to use less money; Rec. director Kathy Fochman will retire on Saturday after the concert; Dick Waite of the DPW will retire after 40 years—before the winter is over.

Peter: We just got the 2nd ¼ update and will have the information at the next meeting.

3. **Review of spreadsheet** Steve Barrett & Marie Altieri

SB: there has been action in revising the spreadsheet to reflect the changes from last session and work has started on the outer years. The revisions have been in the Minuteman (MM) assessment; reduction in operating budget; increase in estimated interest; restoration of ½ of tax levy and change in regional assessment. FY 20 is balanced with the use of \$1.7m in reserves. For FY21/ 22 we have the North Acton fire station at approximately \$9.5m over 30 years which will make the cost level at @ \$550k/year. We have tried to do a P&L for the debt exclusion on the fire station as well as MM. We need to put all of this into the model--if that is what you wish.

Marie: distributed: ABRSD projected debt service; bond repayment & new school debt calculations information sheets. Members were quite pleased with the information and the format which they said was easily followed. Marie explained that the schools expected to float a short term bond for \$7.5m for capital improvement and the costs are expected to be funded through the budget.

At town meeting the new school debt costs will be given in ranges since they are not yet firm and will not be until August. The Maximum is \$130m with the minimum of \$120m and median of \$125m; the range for the first year of the debt is maximum \$3,591,250 with a minimum of \$2,040,000 and medium if \$2,656,250. By 2026 our current debt will be close to \$0.

Marie noted that all of these new numbers will become part of the ALG plan and ready for the next meeting. She asked if the debt service be put on the first page.

There was a general agreement that the new information would help with the understanding of the ALG plan that will be presented at Town Meeting. Members thanked Marie for the work done. There was also some discussion on what percentage of reimbursement should be used and it was agreed that the range method was best.

4. School building update

Peter L: The building committee has picked the Gates site. There has been a move to reduce the size of the foot print which in turn will reduce the cost. Right now the estimates are \$550/\$600 per square foot so cutting down on the foot print will have an expected savings. Work continues of the interior design. There is the question as to whether the project be phased or not. Phase 1 would have a new building (portion) next to the Gates; move the students into the new building; tear down old building and all the students would be accommodated in the new structure.

Phase II 1/2 building next to Gates move a portion of the students the build new Douglas. There are cost benefits to both but there is the consideration that there will be a rise in construction costs the longer the building period. There were questions about the location of the integrated pre-school and what parts would be reimbursed by the MSBA.

Peter: there are issues with the site

Jason: the cost savings seem to come from the reduction in classrooms.

Peter: four classrooms will be torn down.

Jason: what are the cost implications of not using the old administration building (old Merriam)

Peter: renovations to the old admin building will have to be brought up to code. That will be a significant cost. There was no further discussion on the school building.

5. Public

John Petersen commented that the ALG working group is focused on reconciling the current revenues with operating budgets although the spreadsheet ultimately reports the tax rate. He suggested that with the significant excluded debt payments over the next few years, the ALG should focus should be on the overall changes in the tax rate in addition to aligning revenue with operating budgets.

Mr. Petersen said that in agreement with Jason, he was happy to see the range for the new school debt service and estimated impact on the tax rate. Rather than show the range based on the bond maturities, it might be more accurate to base the range on the interest rates.

Bart suggested that Mr. Petersen bring up his ideas before the next iteration of the ALG

Jon Benson noted that cutting out the 10K square feet might have an adverse impact on the long range plans and use of the new school. He suggested that current savings now might have a dark side later and cited the modular's that were necessary for the Douglas school.

Peter: when we went over the plans we saw that there were duplications and there are educational reasons why the square footage was cut.

Katie: it looks as if the building committee has a lot of work to do.

Bart: next meeting is February 28 6:30PM in room 204, Acton Town Hall. There will be one item, the spreadsheet, on the agenda. The warrant will go to the printer on March 12th.

Adjourned at 8:40AM

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Ann Chang