

## **ALG Minutes, February 27, 7:30 AM EOC facility, 371 Main Street**

Present: Bart Wendell, facilitator; Joan Gardner and Jon Benson, BoS; Christi Andersen and Roland Bourdon, FC; Diane Baume, SC; John Mangiaratti, Steve Barrett and Marie Altieri, staff.

Absent: Amy Krishnamurthy, SC; Peter Light, staff.

Audience: Mark Hald, Asst. Town Manager; Brian Mc Mullen, Asst. Assessor & Finance Director; Dave Verdolino, ABRSD finance director; and Charlie Kadlec.

**Additional information/documents:** Agenda; Feb. 5<sup>th</sup> ALG Minutes; Town of Acton Multi-year financial model and Schedule of meetings and events for 2020 ATM and election.

### **I. Regular Business**

1. Minutes were accepted with corrections on the statement about full-day kindergarten.

### **II. New/Special Business**

#### **2. FY20 Update**

John: not much has changed. We still have 40% of the snow and ice budget so we may be OK. The state gave us \$100K for surplus CPC funds which have been incorporated into this year's programs. We are working hard to get a 2% turn-back. Early voting seems to be going well, so far about 800 people have voted early.

Marie: FY20 school budget has a revenue surplus of about \$300-\$400K. We have some big unanticipated expenses for SPED in the range of \$600K. We have the circuit breaker as a back-up but it's something we are watching closely.

For bonding, we are also going out for the \$7.5M in capital. The rating call is on Tuesday 03/03 and we expect a rate around 2% or a little higher. The school committee will vote on Thursday to accept the rate. We will then update the assessment and change the numbers on the ALG model.

#### **3. Discussion of FY21 Revenue Projections**

Steve: the three major revenues are tax levy, state aid and local receipts. We have raised the local receipts by 1%.

Christi said she'd like the model to look ahead and include three more years out. She thought that would give a better idea of general growth along with town and school capital.

Bart: I suggest that you bring this up for an agreement at the meeting of the ALG for next year.

#### **4. Review of Multi-year financial model**

Steve: We have applied the reserves to the change page and now have a zero deficit. In the outer years we have level funded local receipts. The expenses in the outer years are estimates. We have balanced the ALG model for FY21. The plan keeps the reserves at 9-10% which is a good reserve balance.

Marie: We expect the SOA to start in FY 22; it may be 3-3.5% of the budget. We can push up the E&D use to \$1.1m, reducing the overall deficit but that will push up the

assessment. Revenues are flat; E&D down; estimate 4.26%. For Minuteman (40 eighth graders have shown interest); 22 will attend; it's something we have to watch to see what the enrollment will be.

Christi: you are expecting an assessment increase to use reserves?

Marie: Yes. FY 21---\$1.1m; FY 22---\$900K; reducing by \$180K will add to the assessment.

Dave: I think the total budget will grow by 3.5%; because reserves are flat there will be less in the E&D.

Christi: You are using E&D to lower assessment?

Dave: Yes, we tried that over several years and have tried to ramp down the use of E&D.

Christi: We have pushed the town to stop using reserves to cover the operating budget.

Marie: \$1.2m is high for reserve use; we have been more comfortable with \$6-\$700K.

Bart: Do we have a plan for going forward?

John: I can see adding three years but not five or six.

Christi: Right now, we have FY 24 & 25.

Bart: Do you mean to add four more?

Marie: In the past we have tried five-year projections; things are too volatile to go so far out; we already know the FY 22 & 23 are just projections.

Bart: This has been a much-discussed point in the past. When the model has gone out there was a big disclaimer that the numbers could, and probably would change. The work for the advance of the FY's will be for the next ALG group.

Christi: We need to put in place holders for capital projects; use of stabilization funds with the contract work done.

Marie: Contracts end in FY 23.

John: We need to add a not like "working projections for FY22 & 23" This is the last meeting before we make the warrant public.

Bart: is that the sentence that needs to be added?

There was a general discussion on the wording of the sentence with each adding different variations.

It was finally agreed: We recommend Town Meeting pass FY21; estimates for FY22 & 23 are for planning purposes only and subject to change.

Marie: We will have the bond sale next week---there will be changes which we will put into the model before it goes into the warrant.

Marie agreed to send all the changes from the bond sale to the ALG members before she made the changes in the warrant.

There was agreement that the final ALG model from 3/6 would go into the warrant.

## 5. Public comment

Charlie: Will the projections and changes also be added to the warrant? Ans: Yes

Bart: Are there any concerns or questions that need to be raised by this last ALG before the Town Meeting?

John: We are going through a review of the warrant articles

Marie: Work related to the school building project will begin this summer; we will put in the septic system; tear down four classrooms at Gates; we expect things to start on June 17th.

Charlie: What is the appropriation for Kelley's corner?

John: We are completing the package for the borrowing and expect \$1.3m for rights of way.

Charlie: I think it would be helpful to have a spreadsheet of the debt showing what's coming from reserves or borrowing and the impacts on the budget.

Bart: Part of the ALG process is what makes it work---we are making sausage. We have to give each other credit for looking at the numbers and hearing about the other side. It's this ability of working together which makes Acton different from other towns.

Diane agreed saying that looking at organizations in other school districts, none had the cooperative efforts shown by the ALG.

Jon noted that the Mass Municipal Association has in the past given Acton leadership awards for the ALG process. For other towns elections are the only check voters have on the budget process.

Bart thanked everyone for their cooperation and said he'll be waiting for the new sessions to start after the close of Town Meeting.

Adjourned 8:15 AM

Next Meeting TBD

Ann Chang