

## ALG Minutes February 18, 2022, 7:30 AM via Zoom

Present: Bart Wendell, facilitator; David Martin and Dean Charter, SB; John Petersen and Kyra Clark, SC; Christine Russell and Adam Nolde, FC, John Mangiaratti, Peter Light, Steve Barrett and Marie Alteri, staff. Public Dave Verdolino, Finance director, SBRSD.

Extra Info/documents: Agenda, Minutes from Jan 27 and Feb 3; Multi-year model

### I. Public Comment

There was no public

### II. Regular Business

Minutes from Jan 27 were accepted; those from Feb 3 were accepted with edits from Christine.

### III. New and Special Business

#### 2. FY 22 Update

JM: expense side not much new. We are monitoring turnbacks; we have good news from collections; there's an uptick in meals tax revenues; building permits and licenses are trending positive and ahead of target; MV excise tax is flat, which is good.

Peter: nothing new in FY 22 revenues. Wish we could say something more positive in turnbacks; personnel account is under because we've not been able to hire the needed teachers; we are watching it closely; the third quarter update will be more predictive.

#### 3. FY 23 budget

Peter: we had our budget workshop last night and we are continuing to work on the budget. We were carrying \$70m in assessments; 3.69%; we reduced \$500K which dropped the percentage to 3.19% and the budget to \$69,700K.

We have added three positions all with an equity focus; 3 positions in the revolving funds; we are reducing approximately 28 positions next year

JM: we are scheduled to get the budget ready for presentation to the FinCom on March 7<sup>th</sup>. The chair of the FC has expressed about the budget seeking further reductions. The capital plan has been scaled back close to 3%; this reduction has an impact on the whole 10-year capital plan; will try to make it up through deferrals, grants or just not do the projects.

Christine: On behalf of the FC, I want to thank everyone; the school's presentation was thorough, clear and outlined well the wall we are facing. I realize that they were hard cuts.

Long-term we are facing the need for resets or an override. In the long-term planning we have to see how we can avoid and override. Budgeting with an override on the table will be difficult.

David: I appreciate the work of the SC in dropping the assessment to 3.1%. It's good to keep an eye on the various priorities for the underserved and children at risk, I suspect with the adjustments to the town's capital plan, we will probably have a balanced ALG plan. With the changes in the town's capital plan and the use of a bit of free cash, I think we can close the gap.

There was discussion on the changes getting to net zero

Christine: I'm receiving messages from two FC members reminding me that the committee has not deliberated. We are disinclined to ask for further cuts from the school budget---but the whole committee needs to deliberate.

Adam asked about the reserve use on the school side. Marie noted that \$3.2m was used and that there is plans for \$1.5m for next year; if the average turnback is only \$1m---that will present some problems with the E&D floor being at 2.5%. She added that there was a school policy for a floor for E&D use of 3.5-4% and they are already below the school policy.

There were questions about exactly when the E&D was certified and what year the funds were taken out by the DOR.

#### **4. ARPA update**

JM: not a lot has changed; we are trying to get some answers from the AWD about their needs for funds; filing verification has been difficult with the Feds which also included the need for an eye scan.

David: the list will stand as it is and we will take up the matter after Town Meeting. There have been changes in what's eligible for FY 23-24 from the original list; but nothing needs to be done now; we will be discussing ARPA all summer.

Peter: we will be getting a list ready; the budget subcommittee meets Feb. 28 and we will draw up requests that we will send to the select board.

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

SB: went through the deficit numbers and the changes made due to the small (\$25K) increase in state aid.

Marie went through the changes made by the SC and the votes taken which brought the deficit down to \$779K

Kyra expressed her displeasure at the state reps in the school's fight to get a more equalized payment from the state. She noted that even with constant contact, they had not gotten a positive answer and did not expect any relief for the coming fiscal year.

David noted that the proportion of Acton students to the total population was 20%; Boxboro was 16%; Boston 5%. The issue is that Acton has a higher percentage of school-aged children to educate (which we are doing well) but without the same

commercial support of many of the larger towns. It's this problem that needs legislative attention.

Bart: that has been the case for many years.

JP: what we are using is the property tax base as EQV/student and not the commercial base. The state is failing to help in a case of clear need.

JM: I think we should try to get to \$0 today. WE start with the efforts of the schools to lower the deficit to \$770K.

JM: close the town budget by 3% which is @\$120K that brings the total to \$650K; take \$250K from free cash; now we're having positive trends in both local growth and local property receipts; we've been very conservative: I think we can add \$150K and \$135K—where does that get us.

SB took over with a recap of the numbers and sent out a sheet computing all the decreases which also included \$100K from the overlay fund.

SB's recap sheet:

Deficit February 18, 2022-----	\$1,571,476
Change in ABRSD Acton Assessment to 3.18%-----	\$802,337
Change in Municipal budget to 3%-----	\$133,631
Increase in Free cash allocation-----	\$250K
Increase in New Growth estimate for FY23-----	\$150K
Increase in FY23 local revenues-----	\$135,508
Change in FY23 allowance for abatement and exemption-----	\$100K
Final balance @Feb 18, 2022-----	\$0

ALG members were a bit taken aback with the ease that these numbers appeared and so grateful that they managed to reach a net zero, perhaps with a \$10K to the positive.

There was discussion as to how these changes would be regarded by the various entities.

Adam: cautioned that there should only be one-time expenses and noted that if too much were taken from the overlay, it would have to be made whole again.

David: on the town side we will make sure the articles (on the warrant) make it clear as to where the funds will come from: free cash or operating.

Christine: I see problems in the future on the schools' side; we may find ourselves up against a wall by balancing the budget for this year. We need to have serious discussions about moving forward.

JP: there may still be some savings: in the new building the solar will come on board in Sept/Oct—which will be a savings but only for one year

Bart: now that there is this proposal you all need to take it back to your boards for discussion and agreement.

It was agreed that the recap sheet from SB would be sent out first for discussion.

Peter: we also need to look at the Minuteman projections; last time it was a 3% increase; now it looks more like 10%

There was additional discussion on what was viewed as uncontrollable growth of the Minuteman budget.

JP reiterated his position that the ALG should not focus on the enrollment figures since that was easy to compute but must focus on the increases in the per pupil costs which are far to high and growing at a rate higher than 3%

Marie: since the new building, Acton's enrollment has increased by 25%; it's being calculated on a four-year rolling average and we are only in the second year. I think for the next 2-3 years we can expect a higher assessment increase.

Marie thanked the town for reaching net zero. She noted that there was still a struggle with the schools because of the great disappointment (from parents) in not having free all-day kindergarten.

Bart: it's good to see you all "rowing in the same direction" Now we have to put this plan into practice. I should warn you that it still can all go south. It's up to you to convince your respective boards.

#### **6. Reserve use**

That was decided under the multi-year model

#### **7. Adjourn**

Bart: the next scheduled meeting is for March 10<sup>th</sup>. Let everyone know if the plan is not accepted by March 7<sup>th</sup>.

Adjourned: 8:35

Ann Chang