

Acton Leadership Group
Monday, March 10, 2008 7:30 AM
Acton Town Hall, Room 204

Present: Marie Altieri, Bill Ryan, Jonathan Chinitz, Dore Hunter, Lauren Rosenzweig, John Murray, Steve Ledoux, Pat Clifford, Steve Noone, Sharon Smith McManus, facilitator Bart Wendell, minute taker Jo-Ann Berry

Audience: Peter Ashton, Heather Harer, Steve Barrett

No items were added under "other."

Minutes of February 25 were approved. Bill Ryan had one correction already sent in.

Does consensus still exist?

Spreadsheets developed by Peter Ashton and Pat Clifford were distributed: Multi-Year Plan and Revenue Sharing Proposal.

Hunter: The Board of Selectmen voter to adopt the Ashton spreadsheet / compromise at its meeting on Saturday, March 8.

Rosenzweig: This is a good compromise based on the economic projections though there are concerns that cuts not get too deep.

Request for explanation of spread sheet. Peter Ashton was recognized.

Ashton: Finance Committee had strong reservations about spending of reserves, projected at \$9M over 3 years, coupled with significant change in the economic climate caused rethinking of the budget situation. Worked with Pat to craft a solution, informally floated it over last week and by the end of the week agreement was reached.

The changes from the prior plan are listed in the right hand column of the Revenue Sharing Proposal.

- Shift in split from 31.25% to 31.67% to municipal
- Cap on use of NESWC to total \$750K for capital items
 - \$500K to municipal
 - \$250K to schools
- Allocate free cash at \$450K entirely for schools
- Share of shared reserves (free cash and NESWC): 42% town, 58% schools
- Town gets \$380K additional: \$255K from shift in split, \$125K in reserves
- Schools will have to cut \$380K Acton dollars (Boxborough dollars additional at the regional level)

Depending on how revenues materialize, the 3 year lookout update shows we can still balance at increases assumed with \$2.5M in reserves in FY11 – it seems sustainable.

Response of group: Wonderful, Thank You

Ashton: The bottom line number has not changed. \$380K shifts to municipal form school,s..

Clifford: This compromise agreement has not been reached without discomfort. Thanks to all for taking a deep breath and looking hard – this is not necessarily the direction we want, but it is the direction we need to go.

Hunter: Six months ago we thought we would have opportunities that are not now available. This time is distinguished from other downturns by having a substantial reserve. We should be OK by the end of the downturn, maybe not happy. Whoever is at ALG next year (not necessarily the chairs) should throw out the Stone formula and determine best distribution of revenue based on shifts in state aid. The Selectmen, and myself, made an error in laying claim on the NESWC funds. We need to bring common sense to the table and work year by year rather than use a formula which does not keep pace.

Chinitz: Does the proposed valuation drop by \$200K?

Ashton: Based on the housing value drops in the 90's at 16%, this reflects an 8% drop. It took until '97-'98 until values returned to pre-1990 levels.

Note: reserves in any year are certified for the following year. There is an assumption that free cash will regenerate.

Rosenzweig: looking forward 3-5 years, are we looking to avoid overrides or what are we planning to do based on needs? Hope for when ALG convenes after Town Meeting that those goals can be defined.

Clifford: Fincom doesn't purport to understand the politics; but we can't guarantee to pass an override no matter how well you plan.

Hunter: When we look at NESWC, a lot can be reserves, but it is still an enterprise fund for trash operation.

Preparation for Town Meeting:

Overview of message to be delivered by Pat Clifford with Jonathan Chinitz and Dore Hunter standing shoulder to shoulder:

Things don't look good in the economy, but we have the good fortune to have a cushion. It will depend on how deep and how long the downturn lasts, but budgets will be more stringent than in the recent past.

Hunter: going forward with the fire station is not going to be funded in the near future. Hope to finish the plan with current funds and put it on the shelf for later use.

Ryan: Don't be alarmed at the Lamplighter – had already gone to press before these changes were made

Clifford: If more risk can be taken earlier to estimate unused funds available this fiscal year it could mitigate Fincom's normal reaction..

Next meeting scheduled for March 24 – will hold date and not meet if not needed.

Adjournment 8:07AM