

ALG (Acton Leadership Group) Minutes, April 28, 2022, 7:30 AM via Zoom

Present: Bart Wendell, facilitator; David Martin and Dean Charter, SB; John Petersen and Kyra Cook, SC; Christine Russell and Adam Nolde, FC; John Mangiaratti, Peter Light, Steve Barrett and Marie Altieri, Staff.

Extra Info/documents: Agenda, draft minutes, financial model

- I. Public Comment: there was none
- II. Regular business
 - 1. Minutes were Ok'd
- III. Special business (only agenda item)

- 2. Review of Financial model

JM: the model for FY 23 has been successfully completed. The reason for the review is the wish of the finance committee to look at the outer years.

There has been some work (by the review committee) on the outer years. There have been contacts with Minuteman school district work on more conservative numbers.

SB Shared his screen:

\$1.2m---FY24

\$1.8m –FY 25

2.2m—FY26

Municipal 3-3.25% increase is \$100K

ABRD 3.25-3.75% increase \$350K

MM 3% increase \$767K

The \$1.2m from FY 25 gets into the next year's budget

The Municipal \$200K

ABRS \$721K

MM-\$1.3m

FY 26

municipal; \$303; ABRSD \$795; MM \$1,119

SB: there are np revenue inputs to this chart but it does generate an * In FY 24 there will be an additional decrease of \$1.3m in town spending due to the closure of the debt for the Parker school. That will create a decrease over the prior year.

JM: It's interesting that if the MM budget were to be stabilized, they'd have to drop their 30% increase to 9%.

JP: in terms of clarification: there is no changes in the revenues but excluded debt. When the debt rolls off, the gain is for the taxpayer and not the operating budgets.

SB: the excluded debt was for the Parker building—it was reduced by MSBA revenue and they charged more than the town was spending---so there's a net addition.

Christine: we really appreciate these projections. The FC finds them useful even as a guesstimate without the revenues. IT prepares us for the difficult journey of the next few years; inflation, with the economy being what it is; increases in expenses and flat revenues—this reflects that our concerns are based on good numbers, especially for MM and ABRSD.

Adam: How far out are the years accurate?

SB: FY23-26 as presented.

Adam: Is MM throwing out FY 26

SB: yes

David: I think we need to be careful as well as realistic. We cannot stand for advocating an operating override next year or the following year. We are not doing ourselves any favors by just having a 3.5% increase and then be faced with layoffs. The percentages should reflect the differences between the increases and the decreases in enrollment.

Bart: any more comment on the percentages?

JM: we work hard to propose a budget and the numbers for the outer years are for planning purposes. We have yet to dig into next year and we will look at the projections but we need to deliver services with the revenues and budget we have.

Peter: when we look at our first pass, it's always a much higher number; we've reduced the staff by 20; the current year is where we will start.

?? I understand the MM operating budget is increasing by 7%; capital is also 7% are there any investigations into these numbers.

SB: we are trying to do an assessment change---we did not get into operating changes.

Christine: the FC never considered these numbers as goals—but place holders we will get the actuals when the budgets are completed.

Adam: I absolutely appreciate the models wants and needs ex: the school's 3.75% represents the baseline as we operate today.

Marie: the 3.75% is based on the 3.5% budget increase for a realistic projection. I caution against assessing where we will end up or without solid information on

revenues which will make a big difference. It is not unusual for the ALG to have \$2m deficit in the out years. We work on getting the deficits down.

Remember we will be in negotiations with all the unions. It's better to be more realistic at this point.

Adam: From a personal point of view, I'd like to see:

Numbers based on the contracts at a bare minimum; realistic projections'; realistic numbers from both; specific town capital projects—with projects done in this year and those for the outer years; baseline comparison of goals and don't always feel that a 3% increase is realistic.

Bart: do you want that for now or a future meeting?

Adam: for the future and I'd like to look out five years.

Bart: should we take this under advisement for future ALG meetings

Adam: yes, it's a subject for another meeting.

JP: part of today's meeting was to pass on the model for the warrant.

Do not let MM play three-card monte. Ask MM what the assessment is not enrollment. They have to get their per pupil costs down and not spend all their time on the enrollment numbers and the increases there. I understand Adam's desire but salary negotiations are not done in public and we don't /won't know HIT costs until later in the year.

Bart: are there responses to specific parts of JM's proposals?

David: I think we need better communication with our MM rep. We need more back and forth and we need to know what the other communities [in the district] are thinking.

There was a general discussion as to what steps should be followed with the idea that there was not to be an override. It was agreed that nothing more could be accomplished with the information on hand---there were no revenue numbers but FC still maintains that a 3% increase is the max.

Bart: everyone understands that each ALG year is discrete and that the one cannot dictate to the next; unless it's brought up in the new session.

Adam: how are we fixed for the replenishment of free cash.

SB: it's usually about \$1m/yr.

Marie: you should remember that we've cut budgets and both free cash and E&D are replenished from unspent budget funds---it's very likely that the number will be less going forward.

Bart: there seems to be a lot of work to be done before the start of the next session. The Town Manager will call the ALG back after the close of Town Meeting.

Goodbyes all-around

Adjourned 8:25 AM; next meeting TBD

Ann Chang

