

ALG Minutes, December 4, 2023, room 204, zoom

Present: Bart Wendell, facilitator; David Martin & Jim Snyder-Grant, SB; Christi Andersen & Jason Cole, FC; Tori Campbell & Rebeccah Wilson, SC; John Mangiaratti, Peter Light, Mary Ann Fleckner & Sheri Matthews, staff.

Audience: John Petersen, HIT; Thom Begin, Asst. TM; C.J. Carroll, assessor; Ellie Anderson, finance dept.; Tom Beals, reporter Acton Exchange. There were 9 people in the virtual audience.

Extra info/ documents: Agenda, Nov. 20th minutes, ALG financial model, additional model provided by David Martin

I. Regular business

1. Public comment(there was none)
2. Minutes were accepted

II. New/ Special business

3. Update on Health Insurance Trust

John: not much has changed, the deficit is the same . The 22.8% increase will be a \$2M assessment. We are all engaged in talks with the unions— we're trying to reduce the costs. The SB has to decide if they want a Special Town Meeting (STM) — that decision has not been made.

Peter: it's on the+school committee agenda to withdraw \$2M from OPED for the HIT; make a transfer from E&D to cover the \$1.5M

John: there are ways to fund it with a STM from available reserves, OPED trust— discussions are ongoing.

Bart: questions?

Jason: when will you put the money back in OPED?

Peter: we'll use \$1.5M initial cash share of the \$2M. Taking the money out of the budget will put others programs in jeopardy.

4. FY 24 update

Peter: we've frozen the budget in place; we're looking through all the FY 24 projects for un-encumbered funds. We will not be supplying things like tissues in classrooms.

John: we've been reviewing FY 24 to see where we are. There is a concern about the SPS overtime. The bright spot is the return on investment income.

Jason: is the overtime related to the Kelley's corner project?

John: Kelley's corner is paid out of the state contract. We have injured and sick to cover; vacancies in dispatch and backfill fire fighters. We're managing but fewer people are available . Christi asked if there was a need for more fire staff and John explained that filling the positions with overtime was a bigger cost and it's getting difficult finding qualified people especially paramedics.

5. FY 25 preliminary budgets

John: we've done a preliminary analysis of all services. Tonight we'll be presenting the capital budgets. We taken a different approach: using a needs assessment. We will know more later in the month.

Peter: update the ALG spreadsheet— remove E&D; we are looking at the HIT numbers for any flexibility; we're working on a B budget if an override does not pass; looking to restructure health insurance; analyzing SPED. These are the divers, we are looking into how to controlling costs.

Jim: Minuteman has released it's assessment and its lower than expected. We should meet with the MM rep.

Bart: are you suggesting a meeting?

There was a discussion on who should meet with MM and it was thought to be more productive if the MM rep met with all those concerned at one time.

David: are all the numbers [for the schools] on the spreadsheet just Acton's

Peter: yes. We zeroed out E&D, and didn't change the account budget numbers which are around \$1,17M.

Christi: it looks to me that the town is not cutting staff and the budget includes money for long-delayed replacements.

John: over the last two budget years we've lost staff in DPW, conservation and recreation. This year we've asked , once again, for a DPW position and a library position. This does not reflect all the requests we've made for staff over the last 6-7 years. The select board meets tonight, I'm looking for further direction.

6. Review of model

John: changes in MM , a reduction of \$400K; debt column is more accurate; \$135 increase in operating budget; ABRSD assessment without E&D ; current ALG deficit \$11M.

Christi: currently if we plug in the entirety of the gap, there will be a \$1891 increase on taxes. The schools will be in severe trouble if an override does not pass.

Jason: the commitments of the SB means we have to have some sort of override; if we add everything up it's a \$1900 tax increase— this is something I cannot support. The SB can't have a 3% budget increase; they cannot go beyond 2.5%

Christi: I'm softer than Jason and a majority of the FC is interested in seeing the town catch up. Use of reserves puts us in a hole. It's easy to push off what the town needs in its budget but we have to look at what's absolute necessary. This is a good opportunity to look through all the town projects: transportation is underutilized we could cut back...no one thing gets us out of the hole but we must take a closer look at everything.

Jason: we need to figure out a new way to do SPED transportation. \$400/day is ridiculous we need to look and review to find a better way of doing it.

Tori: I did some digging into to SPED. After regionalization there has been a shift to in-house over out of district (OD).we save by keeping the students here. The forecast for the OD placements is rising and we can't have more students going OD. If we cut the district staff, we'll, find that more students will need OD placements— we need to look closely and support the in district needs.

Rebecca: I'm not sure what override number will pass and what to ask for to cover the needs.

Bart: let's pause. Last time didn't you agree to a proposal that would last for three years? Is there an agreement for an operational override for just one FY or for three?

There was a general discussion on the number of years to be covered. It was noted that by asking for FY 25, there could not be a subsequent ask in just two more years.

Bart: the proposal is for an OR for the coming year and take into account three years of 3% budget increases?

Jason: I'm not agreeing — a single OR vote that that allows coverage for multiple years

Christi: caveat — we aren't saying we agree wherever the budgets are. The FC does not have enough info we need to look at the personnel programmatically and then work towards an OR number that is palatable.

Bart: so it's political not policy.

David: Jason indicated that he does not favor the towns implicit 3% budget increase but does for the schools.

Jason: no, I'm just trying to get the same info from the town that we got from the schools

David: we have to do that in case the OR doesn't pass. The budget numbers give us a general guidance on what to do. The amount of the OR should be our second decision, the first should be the percentages given to each entity in their budgets. We need to have the percentage numbers first before we get an OR number.

Christi: the traditional split is 1/3 town, 2/3 schools.

Jason: getting these numbers in two weeks will be hard work and I don't think it can be done.. I'm comfortable taking a few weeks to readjust everything and then ask for a percentage increase.

Tori: my initial assessment I can see perhaps \$1M cut for the schools— but it would be “crushing costs”

Bart: so you have a maximum cut of \$1M from the spreadsheet.

Jim: the next step would be the percentage targets by going deeper into the budgets. We can set the budgets now but I'm not sure of the division. What sort of health and safety risk is reasonable.

John: I've been directed to see what kind of percentage of budget increase and then ending up with a long list of cuts. That may be the starting point: the schools cutting \$1M and then see what number we come up with.

Christi: we're dancing around a number. What will pass as a tax increase and then divide up that number. The town has held back— they've covered the costs of MM. we need to review the town budget legacy-wise and see what makes sense. The FC and general public need to understand that the town has held back— its not obvious....people are cynical, they don't see

any budget cuts but see an ask for an OR. We have to show where due diligence has been done; where it falls percentage- wise I cannot say but hopefully it will be reallocated.

David: I can show you the percentage goals today. This body can't review the details of the budget— it's too much. It's a chicken & egg problem; if we choose not to set the percentages that the SB and SC will set their own. It's not the job of this group to do a complete review of the budget— that's the job of the TM and Super.

Christi : I'm not asking the ALG to do the numbers. I'd just like to see it be a public process and make sure the public understands.

Bart: do we have an agreement on an OR we need to be transparent in scrubbing the numbers?

John: I'm not sure what you mean; I do that every year. You have documents introducing the data for the next five years — what more do you want?

Christi: we say it but it's not heard. We need clearer presentations

Jason: ask David. This group is not going to do a scrub— is there no outside review?

John: I'm happy to follow- up, if the department doesn't provide the info you want.

David: with the present proposal we're just stuck in a circle. It becomes irrelevant if we don't give guidance. The formulas are designed to show us the info. If we need \$9.7M we need a 10% OR. There are currently \$5.2M in reserves that could be used next year and are not now part of the OR calculations.

Christi: it's the three numbers at the bottom of column E; raise the levy limit for the next budget year \$5.2M and 10%; and \$4.5M for the future

David: my opinion we start at the bottom; I don't want to do any long term damage to the schools. But the town should no longer have to tread water. Any budget increase is permanent.

Tori: are we talking about numbers or percentages.

David : any ballot question needs to have a number. I think we should do the percentages first and then follow it a number. What does the assigned percentage need for next year; how much extra levy limit to buffer the \$4.5M?

Tori: that's not enough for the schools; \$6-7M this year and a levy limit of \$3M.

David and Tori discussed the merits of a stated number v. the percentages. Tori came up with a school need of 12% but could not come up with a number or percentage for the town. But they both seemed to agree that there could only be one ballot vote.

Peter noted that when listening to the numbers he could not align them with table six...

David noted that Acton's whole budget was complex and it was the job of ALG to give direction to staff.

Peter noted that the nuances in table six were not reflected in the ALG spreadsheet.

There was a general discussion as to what should come first: OR number or the percentage increase. David was adamant that the town's percentage should not drop, once again in the face of school needs. David added that the ALG was charged to deal in the distribution of revenues. Christi noted that an OR number was a revenue.

It was noted in general that the schools had a better story than that of the town. Loss of teachers was easy to understand while no one seemed to notice the loss of town workers.

Bart suggested that the group not talk about stories but use the word narrative instead. No one seemed to be able to say what sort of tax increase number would get a positive vote. Christi indicated that without this number, it was not possible to determine the level of new revenue or how long the increase in the levy limit would last.

Although David gave a demonstration of percentage changes and how they'd impact the levy — no one else seemed willing to accept that analysis.

Bart suggested at the next meeting (December 18) the spreadsheet show the different levy limits and how they are tied to the tax rate.

David added that the number had to be fair to both entities

John suggested that he "go live with a spreadsheet showing the various tax impacts."

There was another general discussion on how in the past the town managed successful OR votes and how that success could be replicated now. David noted that the narrative process for the town was much more difficult since it depended on a lessening of risks for completion of projects. If the maintenance is not done, the liability for a breakdown is greater. The schools have a very strong narrative.

John suggested that big changes in the spreadsheet not be made until after he presents his budget to the SB on the 18th.

Christi added that the FC would work the other way: determine a passable number and then make the needed cuts.

It was agreed to meet on the 18th even though the TM was presenting his budget that same evening.

Adjourned 9:35

Ann Chang