

ALG Minutes, Jan. 29th, 7:30 AM room 204 & Zoom

Present: Bart Wendell , facilitator(zoom); David Martin & Jim Snyder- Grant (zoom) SB; Tori Campbell & Rebecca Wilson (zoom), SC; Christi Andersen & Jason Cole (zoom) FC; John Mangiaratti, Peter Light, Sheri Mathew's and Mary Ann Fleckner Zoom) staff. Audience : Thom Begin, asst. TM ; C.J Carroll, assessor; Tom Beals, reporter.

Extra info/ documents: Agenda, Jan. 10th minutes; ALG planning model A, planning model B with tax impacts.

I. Regular business

1. Public comments. There were none
2. Minutes- deferred

II. New/Special business

3. FY 24 update

Peter: we are keeping the budget on " chill".we are not filling vacancies, literary coaches, custodians. The real drivers remain HIT and SPED

John: there is not much change. We've seen some positive trends in the motor vehicle excise tax , stronger than last year. We completed the actuarial analysis of OPEB and looking at the impact for next year.

I've taken a portion of the operating budget that's been frozen and using it to cover the HIT increases for staff. We're still evaluating that position. Concerns are with the DPW overtime— all was used during the micro burst and now we have the winter weather.

4. Discuss FY preliminary budget projections

John: at present we're working on level budget services and reductions. We're working on reductions in staff and capital. We will continue to work on a Q&A on budget impacts. We have the numbers for the B budget which will be presented at the SB meeting Feb. 5th. By charter, the SB has to give the budget to the FC 60 days before the start of ATM. That date is March 6 which gives us two meetings in Feb.

Peter: A budget is \$115M which is an 8.5% increase. There will be a reduction of 25 FTEs The B budget is \$108M with a 1.73%increase over the current position. This will have a reduction of 90FTEs. Budget A is an 11.4% on the ALG spreadsheet.

Christi: do you have a new assessment number for Acton?

Peter: \$79, 843,743

David: that's approximately 8.2% over last year. I'm wondering if this group can come to a consensus on the budget numbers. Can we get a consensus on 6.3% and 11.4%?

Christi: the FC has not focused on budget numbers but an override number

David: the role of this committee is to give budgetary advice....

Christi: the answer is NO. We've been working on a sustainable override number not on budget numbers.

David: every year this committee goes first [with budget numbers]

Christi: this year is different. We are far off the usual 3% increases

Bart: Christi, could you accept the 11.4% number.

Christi: no. we're saying the total override number is \$6.6M— this is the amount the FC came to consensus on.

Jason: we've agreed on the override amount but not agreed on the split.

Bart: ATM is May 6th and the question needs to be on the ballot the week before.

John: the warrant needs to go to print on March 28th.

5. Review of model

John we've sent out A and B without the minuteman increases. Last time the net was \$9.8M we've taken out \$2.5M

Jason: a \$9M override is too high

John: in plan A we've revised the town manager and superintendent's budgets along with MM and used \$6.6m in override and come out with a positive \$147K. The tax impact on Plan A ; seven year average : \$15,325 an increase of \$1,333— the model has a new row for impact changes. Every line item has been adjusted to get us to where we are.

Plan B has no money from an override— more costs from MM.

Tax impacts of Plan B is a \$462 increase over last year. The use of town reserves under A is different from that of B.

Jason: plan B is restrictive; the FC would be open to spending more reserves. If override fails, generally we try again the next year.

Christi: there is less in capital in plan B than in A.

John: in B we reduced capital by \$2M.

Jason: just so you're not spending reserves on operating, the FC is OK with spending more down to the floor.

John: in A, we did not spend to the floor.

David: I'm uncomfortable using the FCs plans. We are digging the hole deeper when we take down the reserves. If the override fails, we will find that free cash will not be replenished at the same rate, there will be fewer turn backs and we'll have greater problems with funding the operating budgets.

Christi: I agree, we've not discussed this in the FC; capital expenses need to happen— it's vital that we continue capital investments.

David: borrowing less for capital helps with the burden of the future debt service which comes from the operating budget.

Bart: we now have a proposal to take the reserves down to 3% to use for capital. Is there agreement.

Jason: we need to go back to the school side and see which bucket to use

David: we need to manage within the B budget. I'm not eager to spend down free cash; it's more vital to reduce the budget.

John: the directive is to work up the plan for the B budget which is not greater than 3%. I'd like to invest in needed capital and reduce to the 3% tonight— taking a larger hit from the operating budget.

Christi: we'll discuss this at the meeting on the 6th. You/sid there are viral capital requirements; whatever you need use above the 3%.

Jason: we have restrained revenues; we need to look at/the resources we have for the next years if the override fails. We will need more reserves. If we set it at X— the shortfall will use free cash and put aside those non urgent capital projects.

John: I didn't say anything about the urgency of the projects.

Bart: seeing the sentiment, do we wait until the after the OR vote and before ATM?

Jim: we don't seem close to an agreement on the use of reserves— we've not heard from the schools

Peter: the E&D is \$0 well below the 3%.

Bart: is there agreement on deciding the week between the vote and ATM?

Jim: we have time in Feb and March.

There was a general discussion on what would happen if the ALG were to wait, how the discussion and confusion would be at ATM if a decision were not made before the vote. Nothing was decided and there was no agreement except that there was a definite press of time to get these decisions made. David suggested that the discussion move on the #6.

6. Discuss details of proposed Operational Override

There was general agreement to follow the FCs proposal of a \$6.6M override and have it a one and done. There was also general concern about the cuts to the school budget and the impacts on education.

Tori noted that the \$6.6M number poses a risk because there is no unused levy capacity and that will force us to look at structural changes on the school side in future years. The \$9.8M number allows for untaxed levy capacity , but runs the risk of being too high to pass. The difference to the taxpayer in a year is \$90.

Jason: countered that even the \$6.6M was not a guaranteed number but was adamant that a \$9.8M would definitely not pass .

David noted that the town managed to go without overrides for 16 years but that the spending limits have become far more difficult within the past three years. He noted that there is a basic structural problem with prop.2.5 and even with those restriction the town was able to manage.

Jason noted that the fruition of NESWC funds helped and was an underpinning of the towns' being able to avoid overrides.

There was a bit more discussion on how overrides were avoided with no resolution.
David: I think we have. General agreement that the override amount is \$6.6M

Bart: do we have that agreement for the number with no excess for the future?

Tori: we have to take this back to the school committee.

Jim: I'm not sure about the notion of one and done— but it does share the pain. It's reasonable to think that we will be back for capital, overrides for the DPW building and other necessary capital items. We do not know what they are for the schools.

David, Christi and Jason agreed with Jim

****Bart: so there is a consensus on the override number and plan— no one voiced any more objections.

7. Budget targets for ALG model

Jason: we've agreed on the override amount but we are far from agreement on the budget numbers.

David: we will continue to work on the budgets going forward.

Bart: we have a scheduling problem with getting agreements from the various committees. The next meeting is for Feb 26th—- does that need to change?

John: we also have to be comfortable with the numbers that will go into the warrant. Right now it's 3.25% for both— there are changes people want to make.

David: the problem is getting the net changes back to 3%—if we don't do that, we'll be compounding the problem(deficit)

There was a general discussion on whether or not the budgets could rise only by 3% in the future. That meant taking out some capital expenses for a debt exclusion overrides— but Christi was concerned that by promising taxpayers only a 3% increase if that rate could be delivered.

David noted that with the 3% that right now there was a negative of \$2.6M for FY 26.

There was some suggestion that new growth would be higher than the projected \$910K.

Peter noted that his office was working on what a 3% increase would look like and that it would be a challenge.

Tori: I cannot sign on until I see what sort of damage will be done to the schools— I don't think you'll get agreement from the SC.

David: it won't be any easier for the town as it is for the schools—- but I'm against compounding the differences. We need to look at the state averages for school, spending— I'm not sure we can depend on an increase.

Peter: I hear what you're saying. We will be looking at the 3% increase but historically that's lower than the state verge of 3.75%

Bart: we've reached the witching hour when the disagreements are here. Peter needs more time and the committees need to meet and agree on some proposal.

David: I think we can agree on the next meeting.

Tori: I'd like to see something on the agenda so that people could see their exact tax impact.

David said that a visit to the assessors office could help but it would just be an estimate since the exact tax rate would not be set until next December .

It was obvious to ll that there had to be another meeting before the Feb. 26th date. It was decided that the date would be Feb. 12th and the Feb. 26 date also be kept on the calendar.

Adjourned 9:05

Ann Chang

Next meeting date is February 12, 7:30 AM