

ALG Minutes, Sept. 4, 2024, 7:30 AM, room 204 & zoom

Present: Bart Wendell, facilitator; Dean Charter & Fran Arsenault, SB; Tori Campbell & Yanxin Schmidt, SC; Jason Cole & Scott Sullivan (zoom) ; John Mangiaratti, Peter Light, Mary Ann Fleckner & Sheri Matthews, staff.

Audience: Thom Begin, Asst. TM; David Martin, SB; Anita Arum, fire chief & Ellie

Extra info/ documents: Agenda, minutes from March 25th, ALG charter and Ground rules and draft ALG plan.

I. Regular Business

1. ALG Charter & Ground Rules

Bart explained that after approximately 38 years of being facilitator, he found the ALG process works for Acton. He stressed that each year is a new one and nothing is binding from the last sessions. The body has no authority or decision making powers— everything is done by consensus. The main commitment of the members is to sell, to the best of their ability, the consensus points from the ALG process to their boards. The major work is to reach a consensus on the financial model . He noted that during this process “ toes may be stepped on” but these disagreements needed to be pointed as as the process proceeds. The group needs to work in “ good faith” in an attempt to get an agreement.

The group then went over the bullet points in the summary: the section on weather cancellations was changed to: “ to the extent possible, zoom will be employed to avoid cancellations” . The bullet under “ Leadership” was removed. Under public participation the comments will be presented at the beginning of the meeting.

***There was agreement to accept the Charter

2. Minutes were Ok'd

II. New/ Special Business

3. FY 24 & FY 25 updates

Peter: we presented the preliminary close out of FY 24 to the school committee.

We are \$468K to the good for investment income; \$327K less in expenditures; there was a late change in the circuit breaker for for SPED— so the overall total is @\$800K

E&D is \$2.1M; 1/8% of district budget. We are still working on the close out costs for HIT expenses, we have \$70K unspent; we are making a huge effort to come out even.

John: revenues are strong, exceeding targets. Excise tax revenues are higher as is investment income. We're estimating \$1.7M in excess. Adding encumbered funds from FY 23— close out at @\$250K; the combination comes to \$2M. We are not able to project free cash but will get the numbers to the state soon and hope for certification in October.

FY 25: we've started working on capital projects. No budget monies are being used. We're watching HIT closely— the spending will impact FY 25 budget. The select board has a dozen goals and we've started working on them for FY 26.

Peter: FY 25 in late May HIT came back with FY 24 claims— which impact FY 25 budget. July and August claims were higher than expected; we had to vote a budget amendment ; now \$116,091,265; \$1.699 E&D use

Based on projections we believe this will carry us through; we have \$600K in general fund for HIT claims. July and August was the worst we've ever seen; E&D is zero we'll start over

Jason: you said earlier that there was a \$800K before June— is that still the case?

Peter: \$1.7M plus turn backs so a balance of \$2.1M

Jason: has there been a full scrub of all articles?

John: it's part of the budget process to review all the articles annually. We've not found anything else.

3. Model

John: we sent out a new cover sheet that contains all the changes that were asked last session. We've worked with the schools to make these changes. There is a lot of legacy data but we've tried to simply— bringing some of the tabs onto the cover sheet. We've moved to a google spreadsheet.

This year we added FY30; yellow col. is FY 26— our target year where we'll be making changes. Governor's budget gave us a net increase in state aid—\$1.553 to \$1.592. The change in the deficient in FY26 meant surplus in 25.

In the excluded town debt we have the closing out of the Parker Damon/ PS building and North Acton Fire station. The next proposed excluded debt on green SB's goals is the DPW building which has been discussed. Paying off the Jr/ Sr.HS in current fiscal year “ makes room” for potential new debt.

The MM debt can still change

Untaxed levy: FY25 col. leaves \$1.2M for future years use. We put in a place holder of \$800K— which we also discussed.

Overlay: FY 24 increase use of \$800K— we have to make sure we'll cover all the liabilities first

Local receipts: strong MVE tax— this is an area where we may be able to increase the base

Free cash: place holder— we discussed

Budgets: 3.25% increase for town; 3.75% for schools

Minuteman: need to double check numbers; there is a new superintendent; now there is a 23% increase in assessment.

Right now we have a \$1.7M deficit, this is neither alarming nor unusual. This just “ sets the table” for future talks.

Bart: what about the out years?

John: the out years all show deficits; we've been conservative in revenues; consistent with expense estimates.

Bart: heard that the deficits for the out years are major.

Jason: I need to reiterate, as we look to the out years I don't want a surprise override— if we're not paying attention we'll get surprises.

John: look at the first three lines. Top row is the prior year

FY 24—\$100M— 2.5%

FY 25—\$110—reflects the \$6.6M override

FY 26— new base line at \$110M

FY 27—\$114M — current levy limit

Jason: Sheri showed on the ALG spreadsheet that the Jh/ SrH debt would be paid off in FY 29

Sheri: I went back a couple of years and it shows it's falling off this year.

Jason: why the change? Just picked it up now — 2014 — -9 years on the spreadsheet.

Sheri: I'll get you the information

Jason: we need to declare by the end of the October meeting — we need to set a placeholder for debt exclusion — that is if we are to follow the ALG rules and plan on a capital override. Jason expressed concerns about the increase in bond prices

John: the ALG model will reflect the projects approved by the select board. The info will be here for the next meeting.

Jason: it will have to be decided by the end of October.

Bart: is there agreement for the end of October?

Dean: we're developing a plan for the building; I'm not sure we'll have the cost estimates in Oct — it's more likely a November time frame

There was a general discussion on the time frame for reliable cost estimates for the new DPW building. Dean, noting that the building was a SB goal but that it was clear last year the SB was moving ahead with the project.

Jason voiced his concern about having another override for the second year in a row. Regardless, he insisted that the ALG have its intentions clear by the end of October.

Bart noted that at this point there was not agreement among members.

Fran: perhaps we are being a bit premature on having an override.

Bart: there needs to be an agreement — Jason is insisting it be made by the end of October.

John: the SB meeting on the 9th we will be discussing the project. Looking at the excluded debt, there is now capacity. We did have a recommendation from the SB to add new debt in FY 26. Adding this project will have the least financing impact — it's good financial planning.

Jason: the FC does not have a consensus on an override this year.

There were no other issues with the model

4. Meeting schedule.

Rather than Oct. 2nd which is a holiday — it was agreed to meet on Oct. 9th ; 7:30AM; Room 204.

Bart: there is a possibility of needing a second meeting if we are not going to extend the time beyond 9AM.

5. There was no public comment

Adjourned at 8:40

Ann Chang

