

Acton Leadership Group
Minutes of the Meeting of April 8, 2025
Acton Town Hall, Room 204

Members Present: Bart Wendell, facilitator; Dean Charter and Fran Arsenault (SB) Tori Campbell and Yanxin Schmidt (SC); Jason Cole and Scott Sullivan (FC), John Mangiaratti, Marianne Fleckner, Sheri Matthews, and Peter Light (staff)

Audience: David Martin, Tom Beals, Ellie Anderson

Public Comment :

None.

Minutes:

Draft minutes of the March 11 meeting were accepted with one correction.

FY25 Update:

Peter Light: School Administration preparing to close out Q3; monitoring the health insurance trust runout claims and believe a significant amount of cash will come back to the schools, estimating as much as a half million dollars; schools will look at opportunities for use of the money such as establishing a health insurance stabilization fund.

John Mangiaratti: Fiscal Year is 75 percent complete, finances are on track; i.e., tax collections are at 75 percent, 90 percent local receipts have been collected and expenditures are at 75 percent. For the ninth year in a row, the Town's comprehensive financial report has received GFOA (Government Finance Officers Association) award; the new Economic Development Director started April 7; the Fire Department pilot program for staffing will continue through May in an effort to improve operational efficiency - outreach includes a resident survey; Town Hall lobby work expected to be completed by Patriots Day, work ongoing on Woodbury Lane house and the 53 River Street park.

FY26 Consensus :

John: The Minuteman school district assessment was reduced by \$39,000, which the Select Board recommends moving to the excess levy capacity.

Jason Cole asked why the agenda listed FY26 separately; he agreed that the Minuteman excess should go to excess levy.

The group reached consensus on the column in the model for the FY26 plan.

Update on DPW Building Project :

Dean Charter presented the updated estimates for the DPW building construction which were approved by the Building Committee by a 6-1 vote as well as the Select Board at their April 7 meeting.

Total Project Cost \$37,995,690

Less \$1.25 million for design previously appropriated

Less \$1.5 million in stabilization funds

Resulting in Bonding Cost of \$35,200,690

The wash bay is not included in these numbers and is on the list of add alternates; estimated costs are \$700K for the building shell and \$700K to equip the facility.

John explained that these new numbers resulted in changes to the capital spending in the model, reducing the FY27 capital to \$2.1 million. The impact for the average single family residence changed to \$275 and for the average condominium to \$160.

Discussion followed about the potential impact of unknown financial factors, specifically tariffs and how they are handled. Dean explained that bids, expected to go out in August, would reflect the impacts in real time. Typically there is a contingency built in cost to address these changes; in this case \$2 million. If worldwide economic changes are such that the bids go up dramatically then the project stops.

In response to a question from Scott Sullivan, John said that the contingency in the Fire Station budget covered all costs; Peter confirmed that the Boardwalk campus construction there were sufficient reserves to cover its costs.

Jason reminded the group that the original estimate before Town Meeting when the design funds were approved was \$32 million and that the Finance Committee has unanimously opposed the building committee's estimates at every meeting. He said that FinCom would vote on April 8, asserting that the project would not get support in the near term and asked that it not be brought back.

Bart at this juncture said that FinCom's request was heard but is not binding.

The Town Manager noted that the input from the Finance Committee as well as others who participated in the process has streamlined the project and made it better.

FY27-30 Projections :

John told the group that the out year projections have been adjusted to reflect a higher school budget estimate, but that the Select Board agreed to focus primarily on resolving the \$3 million gap for FY27. For the out years, the new school estimate is three percent growth but the Town and the Minuteman assessment are unchanged.

Peter explained that the three percent growth number for the schools reflects three elements: debt for the Boardwalk School, health insurance (carrying 15 percent increase on advice of MIAA), and ongoing contract negotiations. The increase will also be influenced by enrollment projections. They expect to maintain the FY26 level of services into FY27, but it is too far out to guarantee anything. He concluded that FY28 and beyond are too far out to guarantee anything and that FY27 reflects as much certainty as is available.

In response to Jason's observation that increased state aid and the proposed consulting plan that hopes to find creative savings both offer upside potential, Peter explained that there is ongoing effort to work with the (Massachusetts) House Ways and Means Committee to increase state aid to \$150 per student as an interim measure. He also

confirmed that an RFP for a 5-year strategic plan for the district would be released this week; results are expected to impact FY27.

Peter also pointed out that numbers like those AB is experiencing are consistent across the State; costs are higher due to similar issues as we saw in the spring override. The difficulty going forward is whether the issues mitigate the situation or whether they will continue to require overrides.

Regarding the municipal side, Jason asserted that one year is not a multiyear plan; FinCom wants to see impact in out years of a tighter target. John replied that the numbers are for forecasting purposes and that each year the budget is designed to accommodate the drivers: health insurance 15 percent, pensions six percent, and contracts which are creeping over three percent. The budgets are adjusted based on annual priorities considering the funds that are available.

Fran Arsenault said the Select Board's sentiment is to carry 3.75 percent in the out years.

John explained the capital number in line 39 as a placeholder; every year the Town determines what it can afford and what capacity is available to accomplish the projects. Typically, there is a combination of pay as you go and borrowing in an effort to accomplish what makes the most sense with the resources available.

Jason stated that out years always look bad, but have never looked this bad. FinCom is not in agreement with the multi-year plan. He asked that the model not be called an ALG Plan if it includes anything after FY26.

Bart clarified the preceding comments and asked if FinCom will put out its own model with its statement. Jason confirmed and reiterated that nothing should be labeled ALG Plan. Bart said that it should be made clear at Town Meeting that FinCom pulled out of the consensus process.

Characterizing Jason's position as not helpful and a disservice, Fran asked if this sentiment was shared by all the members of FinCom. Scott Sullivan said he agreed with Jason although he did not attend the meeting and could not speak for others.

Review of the Multi-Year Financial Model:

Other ALG members spoke to the Multi-year model. Tori Campbell underscored the importance of lobbying Ways and Means so that members of the committee hear that districts are breaking down at the local level. She advocated transparency so that the Town would know what problems are coming.

Yanzin Schmidt focused on contract negotiations next year, warning that not reaching consensus puts the District in a bad position entering negotiations. She asked if kids should bear the burden of lack of consensus.

Peter said there were different beliefs on what the ALG plan should show. The Town wants it to reflect a reasonable level of spending while the Schools need to show what their expenses will be. He urged the group to make a decision now.

Bart noted that the group was at a crossroads and needed to determine whether to be at loggerheads or to change. He described FinCom as responsible for advising the Town Meeting; Select Board needs to show how it will provide services. Everyone should keep in mind what will move the Town forward. The Select Board says this is what we do; FinCom is savvy and nervous but only has to decide is how to explain its position. He said the Acton has never experienced a catastrophic moment and generally there is a good faith commitment to the ALG spirit to not demonize either side. Bart encouraged the group to commit to the enterprise going forward, recognizing that Town Meeting is not a battle ground to determine how to deal with outside forces.

He continued that not reaching consensus means something and it is clear that because of externalities we did not reach consensus. The group should look toward setting the stage for next year and assert realities when things could be tougher.

Discuss ALG Plan in the Town Warrant:

John said the model can go into the warrant with a statement.

Jason repeated he did not want it called the ALG plan.

Dean reminded the group that the Warrant belongs to the Select Board which agreed to the FY27 numbers last night. They know the out years show substantial deficits that will require resolution at a later date when the priorities are known, but it doesn't make sense to come up with numbers at the last minute. He said he was personally disappointed not calling the model the ALG Plan.

Scott said that FinCom needs to advise voters with enough information so that they understand we are looking at overrides in multiple years. He suggested that the model should have a run rate so that Town and School numbers were equivalent predictors.

Bart posited that Scott would stand up at Town Meeting and say these numbers are placeholders and that if spending continues at current levels out years one and three will need overrides. He asked if this scenario is appropriate or inappropriate.

Tori commented that there is a train wreck coming and that people need to know what is happening.

John said that for the past five years, 3.75 percent is the run rate.

Bart pivoted the conversation by asking the group to consider ways to avoid having a train wreck by staying at a high level rather than arguing over details.

Yanxin said there would not be any trouble this year; Jason concurred that he is not anticipating trouble this year.

Bart: Message may not be that different; rather each board has a different judgment on the scope of the predictions.

Yanxin: Who are we? Will we continue to be the same as we have been or be afraid?

Tori: We all recognize the challenge but are arguing about how big it is.

Dean: This problem is not uncommon; I have confidence and hope that management can work through each year.

Fran: Not using the model in the Warrant is sad; I would like to use it and explain why we did not achieve consensus.

Jason: No. We are not in agreement without answer on DPW.

Bart: Every model is wrong; which numbers are less wrong.

Jason: We are in agreement on FY26; two lines we don't agree on because DPW isn't in column.

Tori: How do we talk about the future?

Jason: We cover it in the FinCom message.

John: ALG is meant to inform the public on all the work that has been done together; we should publish with a statement.

Jason: A footnote is too weak; it doesn't show the gravity.

John noted that Jason is only one person's opinion; Jason agreed to ask FinCom what they wanted to call the document.

Bart summarized the discussion: publish the model as it is with a standard footnote explaining the outlying years. FinCom free to say whatever it wants in its message. He noted that the meeting was the last of this round of ALG. The process had not been a complete success, but there has been progress. No consensus is not failure and the season should not be written off. Rather it is an asterik year.

Respectfully submitted,

Patricia Clifford, Substitute Clerk