

## **Acton Leadership Group**

### **Minutes of the Meeting of November 19, 2025 7:30 AM**

#### **Acton Town Hall, Room 204**

Members Present: Dean Charter and Alissa Nicol (SB); Tori Campbell (SC); Roland Bourdan and Scott Sullivan (FC); John Mangiaratti, Ellie Anderson, and Peter Light (staff)

Members Absent: Bart Wendell, facilitator, Sheri Matthews, (staff), Ann Chang (Clerk)

Audience: David Martin (SB), Tom Beals (*Acton Exchange*), Anita Arnum (Fire Chief), Jason Cole (FC), Thom Begin (Assistant Town Manager)

#### **Public Comment:**

None.

#### **Minutes:**

Draft minutes of the October 15 meeting were deferred.

#### **FY25 and FY26 Update**

Peter Light reported no updates on FY25; waiting for final review by auditors. FY26 activity to date has been as expected. The focus for administration and the School Committee is the work of AB Forward. Currently, of the nine recommendations from the consultants, four will not go forward reflecting a focus less on buildings and more on how to organize students and the school entities. The AB Forward schedule is to meet after Thanksgiving and select two to three options to send to the School Committee for their December 4th meeting. There will be a public hearing on January 8<sup>th</sup>, with an actual vote on January 22<sup>nd</sup> in conjunction with work on the budget. He anticipates using A and B budgets to maintain flexibility.

In response to a question from Scott Sullivan about the Conant building's future usability and cost savings, Light said there are many unknowns, but based on the consultant generated information annual operational savings would be \$92,000 (using 70 percent less electricity and 40 percent less gas.) It is likely the building will be used as a swing space during the implementation of the final AB Forward decision. Some of the fixtures, furniture and equipment will be used to upgrade reconfigured spaces in other buildings; others will need to be stored. How the actual move happens will be challenging.

John Mangiaratti reported that the Town is going through the final closing out process with DOR for FY25. Ellie Anderson said that FY26 spending and collections are where they should be, with

high property tax collection. John explained that the Finance Department is fully built out and working on free cash certification.

Fire department staffing has improved ; Police is good; there are some staffing concerns at DPW. IT has overhauled the email system resulting in new email address for everyone.

The State awarded the Town a \$1 million grant for Town Hall electrification. Other capital concentrations will be sidewalks, complete streets and sewers.

### **Multi Year Financial Model**

John reported there are not many changes in the model. The tax impact model tab has been updated and the number for new growth is \$1.1 million. Unused levy capacity is \$1.5 million. The deficit was reduced by \$180K.

The Select Board direction is for a three percent target for increased spending; even with using the full levy capacity, the deficit will not be resolved. The Town expects a strong free cash position that will support the capital budget; also considering a different way to fund OPEB in an effort to manage the impact of current costs on the budget.

Peter indicated that there are no changes to the model from the schools as yet; the budget committee will consider guidelines after the ALG meeting. There is a possibility of reducing expenses.

Scott Sullivan asked if the health insurance information could be pulled out separately in order to show in detail that information in relation to the total shortfall. John said there had been a related tab in the workbook previously but that it had dropped off. Peter cautioned that for the schools, the numbers would have to be correlated with the assessments which might take some time. Scott suggested that some historical actuals would also be helpful. In response to Tori Campbell, Scott said a planning factor shouldn't matter in a forecast. Tori noted it would be difficult to show what happens when staff is reduced to meet budget.

It was agreed that the "noise" could be shown on a tab. Alissa Nicol advocated for more information but cautioned that health care is so volatile it might not be possible to capture the information. Alissa agreed with Tori that voters can accept a simpler number.

Peter proposed that staff could develop a tab so show the historical narrative. Scott agreed that a narrative is helpful but disagreed with Alissa that talking to a percentage number is enough. He would prefer to look at real numbers as a percentage of budget. He wants to see by entity what percentage of the variance health insurance is creating with the objective of taking out of the variance what we can't control to look at what can be controlled.

Alissa said that the tax impact change down to 250 from 300 is a factor of the debt reductions. She also asked Peter to explain comments about the use of reserves vs the effort to build back up the reserves.

Peter said the goal is to rebuild the reserves; budget guidance last year was to defer using reserves while working towards reorganization.

Scott asked if it would be possible to take pressure off the operating budget by lengthening the maturity on the debt service.

John explained that the Town routinely borrows for maximum maturity length, but he would check on refinancing options. He added that some towns use “pension obligation bonds”; the Town’s financial advisors strongly disapprove of this option, including GFOA (Government Finance Officers Association.) Scott asked for additional information.

Peter said in 2018 the schools began funding capital within the budget and they would like to keep that policy. They will need to look at bonding larger projects and how to handle (inside or outside).

Dean Charter observed that a consequence of capitalizing expenditures for maintenance is that there is a tendency to defer the maintenance to meet budget pressures, leading to problems like what we are experiencing with the DPW building.

Alissa asked if there are operating costs that can be capitalized. John answered that the Town is already doing what it can.

John reported that Minuteman plans to increase its budget by four percent; the impact on the assessment is not available to date. Roland Bourdan attended the Minuteman School Committee meeting and learned that the calculation is similar to last year’s assessment because the attendance from Acton looks to be lower this year.

### **Operational Override**

John introduced this agenda item by reflecting on the last vote for an operating override. Based on current guidance and activity, ALG needs to wait and see what the deficit looks like after potentially reducing capital.

Scott observed that given the work of AB Forward is not known, ALG should pause until we have a better understanding of that impact. As much as possible should be deferred for 12 months with the expectation that we not go forward with an operating override.

Alissa agreed with Scott regarding the schools and would not support an operating override as long as there is unused levy capacity.

Tori commented are too many unknowns and expressed concern over health insurance costs because the only levers to change that impact are staff and class size.

Dean agreed with Scott and Alissa and doesn't see a path for an override; there are too many questions, especially with unused levy. Seniors have no stomach for an override; school parents are motivated to support one. Important to see what will happen with AB Forward.

Tori discussed work that is going on to at the legislative level to illuminate the flaws in using the wealth factor in the Chapter 70 calculation which hurts those on fixed income who own their homes. ABRSC members are testifying on Beacon Hill. In response to Scott's question, she said apartments are not looked at individually, but rather what the building owner pays.

Roland said that it is counterintuitive to ask for another operating override when there is unused levy capacity; he concurred that the seniors believe taxes are too much.

Alissa said that she has heard from many local officials that they are taking a pause on capital expenditures. She observed that the out years show we may need an override every two to three years and added that Boxborough is looking at an operating override for FY27.

#### **Future Meeting Date**

After discussion of availability in December, the group reached consensus on Thursday, December 11 as the date for the next ALG meeting.

#### **Public Comment**

None.

Respectfully Submitted

Pat Clifford, Substitute Clerk