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ALG Minutes March 28, 2013

Present: Bart Wendell, facilitator; Pam Harting-Barrat, Janet Adachi, BoS; Xuan Kung, SC; Mary Ann Ashton, Doug Tindal, FC; Steve Mills, Steve Ledoux, Steve Barrett and Don Aicardi, staff. Absent: Kim McOsker.

Audience: Brian McMullen, assessor; Pat Clifford, FC; Katie Green, Dick Calandrella, Bob Ingram and Allen Nitschelm.

1. Minutes accepted
2. Discussion of Town Meeting Warrant Articles

Extra info: sheet comparing the ALG plan with the amendment proposed by the Acton Forum through FY 16 prepared by Steve Barrett.

SB: the one-page hand-out is an analysis of the \$1.6M change in how to fund the Town Budget. He gave a short "lesson" on municipal budgeting & the role of the DOR. His concern was the depletion of reserves in the out years and having a no tax this year would result in a greater tax spike next. With a \$ 4.70 change in FY 14 but a \$447.02 change in FY 15. Whereas the ALG plan, has a steady increase of \$219.02 in FY 14 and \$231.85 in FY 15. Steve also noted that there is a dramatic difference between the deficits needed to be filled for the ensuing years.

Mary Ann thanked Steve for his analyses and noted that there was an agreement in November to go out to the levy limit of 2.5% and that the assumptions of the FC's long range plan were based on that assumption. The FC also had a plan for reserve use which did not include the additional \$1.6M for the amendment on top of the \$1.7M that was agreed to in the ALG plan. She noted it was not clear how the known deficits for the coming years would be met, if the reserves were used.

Steve read an email message from the rate setter at the Uni-Bank stating the aggressive use of reserves was not a good sign for the rating agencies.

Pam noted that the warrant had been published and a change at this late date was not a good move. Janet agreed that the ALG plan should go forward as written and that the BoS could make a decision on the amendment at their meeting prior to the start of Town Meeting. She also voiced concerns about the long term ramifications.

Pam noted that it had taken a long time for the ALG to come to a consensus and the proponents of the amendment could/should have brought their concerns forward earlier. She also noted that the Governor's budget was still not passed by the Legislature.

Xuan said the SC had agreed to the ALG plan and as an ALG member would recommend it to the SC. It is a better plan because of the control over reserves.

Doug suggested that the proponents did not talk to the FC. The FC was taking a "broader view" suggesting that there was still unrest in the national economy which in turn will impact the state. The unemployment rates, although better in MA, than those in the country but they are still not good...He said the town was "not out of the woods" and that the FC saw the necessity for keeping the reserves intact.

Bart: so it is my understanding that the ALG members of the three entities will take the ALG plan back to their boards and suggest that they go forward with the plan printed in the warrant. This will be a stand for no change. (There was a thoughtful pause and some nodded agreement)

3. Public Comment

Allen asked Mr. Barrett to explain his "certainty" section of his analyses.

SB: the certainty section referred to the tax rate percentage change to 0---by implementing the loss of \$1.6M from reserves

Allen suggested that there would still be a 3.9% increase

SB: we gave some limited tax relief in FY 12—around \$-500k and the next year there was a spike

Allen: what we are proposing will happen in the second year and we have not said it will be repeated.

Pam: where have you been? Why have you come forward at this late date---when the warrant is printed? We are hoping to have discussions on high tax rates---but we also have people who want the services provided by the taxes they pay.

Bart: any other comments?

We have finished this season and there is not a schedule for the next meeting

Adjourned 8:05

Ann Chang