

ALG Minutes October 9, 2014

Present: Bart Wendell, facilitator; Katie Green & Mike Gowing, BoS; Kristina Rychlik & Dennis Bruce, SC; Steve Noone & Mike Majors, FC; Glenn Brand, Steve Ledoux, Steve Barrett & Marie Altieri staff.

Audience: Peter Berry & Janet Adachi, BoS; Brian McMullen & Clare Jeannotte, Staff; Peter Ashton & Charlie Kadlec.

Extra Information: suggested budget calendar; Multi-year financial model; ALG calendar Minutes were accepted.

## **2. Update of FY 15**

S. Ledoux: we expect the certification of free cash to come in this week. Nothing much else is happening.

G. Brand: we are expecting the end of the year audit in the next couple of weeks. We will have a turn back from APS and BA of approx. \$30k each. Ch. 70 seems to be 1% higher than expected and there is a slight, but as yet unknown increase in the circuit breaker funds

## **3. FY 16 Allocations**

Steve Barrett went through the changes to the model noting that the end product was a document that could be taken to Annual Town Meeting

Using FY 15 as the starting point, the model has added a FY 18 column; right now the levy is taxed to the full 2.5% amount (the ALG will discuss any changes) ; 75% of the total revenue comes from the levy; changes have been made in abatement funds due to the expected re-evaluation cases.

The town has not proposed any changes in new growth over what's allowed by the DOR.

Minor changes: State aid is estimated at \$14M; regional revenue to increase by 1%; town side by 1%. State revenues are 15% of total revenues and to be on the conservative side the increase to date is only 1%.

Local receipts: last year motor vehicle excise was estimated at \$2.6M and came in at \$3M; FY 16 est. is \$3M which is an increase from the prior base. Fees have adjusted up \$175k; investment actuals \$190k and have been dropped to \$100k

Marie: Ch. 70 will drop due to enrollment drop; we will be held harmless getting \$25/student; will reserve use be a flat \$2M or not? We need to change the model

because AOPS has been subsumed into ABR. We should consider modifying the model to reflect the change.

Bart: are there any problems with changing the model? \*\*\*Agreement, by silence

Bart is there an agreement with the changes outlined?

S. Ledoux: it's premature to have an agreement; we are just starting our budget work

S. Noone: for now. These issues will be discussed at the all-board meeting on the 21<sup>st</sup>.

There was some discussion on the House I, the Governor's budget. Katie noted that it was not due until the end of February but it was "soft" numbers and the real budget was that produced by the House. However, the Acton model uses the governor's budget as the starting point.

Bart: is there agreement on Local receipts? (Yes)\*\*\* Are you OK with the fee estimate? Yes\*\*\*\*; investments (drop of \$20k) yes\*\*\*; overlay charges yes\*\*\*; school committee's reduction of Ch. 70, yes \*\*\*; use of reserves \$2,619m.

S. Noone: for now the reserves are matched to expenses.

Bart: anything else?

S. Ledoux: there will be a STM on Nov. 12 on Acton Nursing services. One scenario is to roll the enterprise fund into the general fund with estimates of \$250k. This revenue should be reserved and not subject to the split. We should have that discussion in November.

Mike: we continue to show annual OPEB costs rising; the Segal report capped it at \$1.4m; I'm not sure it makes sense to increase it.

Bart: should we leave it at \$1.4M?

S. Noone: the state legislature took no action on the proposal for OPEB changes. We do not have any new information. We should stick with \$1.4/\$1.7M and not move to \$2.3M.

Dennis: we will have a new report in the spring when we will get the real costs.

Bart: are we OK with \$1.4M; \$1.4M and \$1.7M\*\*\*it was agreed to use the numbers as a placeholder.

Kristina: I see the three board meeting as a means for increasing communication. The format of the information is based on a five-year plan in a broad scope with a fill in the blanks. Our budget is not developed that way and this does not end in an assessment. The discussion (on the 21<sup>st</sup>) should be the budget assumption drivers.

S. Noone: your concern is procedural. This is a template which asks to look at assumptions in the long term. We are not asking to do the budget by 10/21. We will just be going after the budget drivers. We know the cost sharing with Boxboro to 20/20 and can get to the assessments. The question is how much the numbers will increase; not to hold to the numbers. The purpose of the meeting is how to solve the (shortfall) problem not to get to an assessment. Looking at these numbers we have a problem; we can assume a 1% increase for the next five years; precision is not the point.

Kristina: it does help to know what we can comfortably share. We have to tell the school committee.

Dennis: this will provide enough backup to run the meeting.

#### **4. Override**

Bart: are there plans for one?

The choices are: yes, no, maybe or you've got you've to be kidding. \*\*\*NO

#### **5. Allocation/ split**

S. Barrett: FY 15 38.3% town/61.7% schools

Bart: for a number of years the split debate started upfront and caused tension. What do we do for this year?

Dennis: what is it that we end up splitting?

S. Barrett: revenues and some budget expenses

S. Ledoux: we will know better in a month, we have just started our two-day budget review.

Glen: we are also just starting our budget review

Marie: the most important thing is to put the assessment into the model early

S. Noone: it is no longer as important as it used to be

Marie: there are a lot of new numbers. We should leave the allocations as they are now and just watch them.

#### **6. STM**

S. Ledoux: the STM is to address the Acton Nursing service. There are five articles and a citizen's petition. 1. Is to keep it going for the fiscal year 2. Is to shut it down and keep the public health component and provide for a navigator 3. close it down 4. Close the

enterprise fund as of June 30/15. If the first passes coupled with the closing of the enterprise fund, there will be a cash flow into the general fund for FY 15.

In addition there are three articles dealing with the police withdrawing from Civil Service. In the negotiations there is an exchange for the change by having the town pay for the educational costs formally paid by the state (the Town to fund the entire costs of the Quinn bill). Then there are some zoning articles.

Bart: comments, suggestions?

Kristina: a parents group had free babysitting last year and paid for the cost of the license for showing a movie. Can this information be put into the warrant and when does it need to be in? Can the town pay for the license?

S.L: we have to post the warrant on Oct 29<sup>th</sup> which means it needs to go to the printer by the 24<sup>th</sup>.

## **7. ALG calendar**

SL: we have not heard from Minuteman as yet, so we will keep those dates open.

Bart: is there agreement with the calendar? \*\*\*yes

## **8. Facilitator for Jan - March**

A facilitator will be needed while Bart is away in January and March

SL I asked folks who have been through this process and came up with four: Peter Ashton, Xuan Kong, Walter Foster and Lauren Rosenzweig-Morton. In the past we have changed the winter meeting times from 7:20 AM to 5:30 PM. Walter said he could not make the evening times. I contacted Walter in Philadelphia where he was working at the time.

S.N: I have a vote of confidence for Walter.

Dennis: we cannot have a consensus if one is not with the rest

SN: the job also has a shadow aspect so the person has to come to the present meetings.

Kristina: Peter is already here he is acting in the shadow capacity. I think we should ask him.

Katie: I agree with Kristina. The meetings in Jan can change in time

Bart: we did the time change for my benefit because of the snow.

Mike: I think there is a general consensus of having the meetings in the AM

Bart: two people have been nominated. How do you decide?

Dennis: by poll

Bart: there are more in favor of Peter than otherwise---there are objections. When I first started there were objections to by the second year they came back to me because they thought a person with familiarity of the town would be better.

SN: I have no objection per se but there has been a lot of divisiveness around the school budgets and Peter is closely identified with one side while I'm on the other.

Dennis: I can understand your point, but I too am associated with the "other side" and using your criteria, I should not be here either. We members have more influence than the facilitator. Peter's job is just to move us along he has no voice or vote. But he does have an understanding of all the issues.

SN: I like Peter. I've never known him not to have an opinion. What's wrong with the other three?

Bart: If you felt Peter, or any other facilitator, were trying to sway the discussion in here that could be addressed. My concerns are the discussions that will go on outside this room.

SN: in the end it can get pretty tense

Katie: my vote would have been for Peter (but since we need a consensus) there are other good candidates. Lauren managed a very divisive board of selectmen. There were serious issues in keeping the board together. She would be good in the role of a facilitator.

SN: It's true she did have a divisive board. I have no problems with Lauren.

Bart: so we do not have a consensus on Peter. Do we have one on Lauren? Have we agreed that shadowing is important?

Katie: if Walter travels, that may be a problem.

\*\*\*It was agreed to ask Lauren and if she is not available to do the shadowing, to ask Walter.

## **9. Public Comment**

Mr. Kadlec noted that the table was not in its proper position. Some members had their backs to the audience. SL: explained that the table's formation was changed last night.

Adjourned 9:10

Next meeting is November 20<sup>th</sup>, 7:30 AM

Ann Chang