

## **ALG Minutes December 8, 2016**

Present: Bart Wendell, facilitator; Peter Berry & Janet Adachi, BoS; Paul Murphy & Amy Krishnamurthy, SC; Margaret Busse & Doug Tindal, FC; Steve Ledoux, Glenn Brand, Steve Barrett & Marie Altieri, staff.

Audience: Brian Mc Mullin, Mark Hald, Clare Jeannotte, staff; Peter Ashton, temp facilitator and Charlie Kadlec, public.

Extra Info: Town of Acton multi-year financial model aka ALG model: FC final voted POV via email

### **1. Minutes**

Minutes, 11/04 Ok'd

### **2. Update on FY 17 revenues and expenditures**

SL: The annual tax classification hearing resulted in a uniform rate for residential and commercial: Its \$19.06 down from \$19.23. We also have an additional \$200k in new growth in construction. This is good news. Everything else is going pretty much OK. We are watching the ice and snow account.

Glenn: We are progressing as planned. There will be a budget presentation next week. Budget Saturday is Jan. 21.

Doug: Is there a new assessed value and how many homes are there?

SL: Average assessment \$561k for FY 18 \$566k. The average tax bill is \$10,693

### **3. Review of spreadsheet and finalize revenue projections for FY18**

SB: Front page, the change page shows the addition of the \$200k in new growth. The new growth goes into the tax levy so there is a deficit reduction @\$300k. The tax values and impact has the deficit of \$462-\$729k

Margaret: I'm wondering if you can put in for the FC perspective the actual historical numbers.

SB: the actuals are on the tax recap.

It was agreed that there would be a conference call: Steve Barrett, Marie Altieri and Margaret to go over the historical actuals.

Marie: page four has the reserves

SB: reserves tie into certification

Marie: look at the reserve sheet. B is the actual annual use of reserves. Section C this is the replenishment of reserves. Do the math. The use of reserves is transparent. Perhaps we should have net use line.

Margaret: the FC compared these numbers with those that Steve Noone got from the DOR. We think there needs to be a summary sheet where there is a history of what we actually spent.

Doug: I agree, to have the math done will focus on the changes.

#### **4. Recap of tri-board meeting—Margaret, Peter & Amy**

There was general agreement that the social part of the meeting was a success. It was helpful to meet members of the other boards and just hear what others had to say. It was also agreed that the facilitator was “not Bart” and was ineffective which made the discussion part of the meeting not as productive as hoped.

Margaret said she appreciated the feedback on the FC POV that she heard from the other boards. She was frustrated that the “air time” was taken up by a member of her own committee” when she wanted to hear more from the selectmen and school committee.

Peter agreed that the social part was invaluable. He noted that the original plan was to have two meetings: one social; the other working.

Amy: the social interaction will lead to greater trust among the boards.

Bart: what I’m hearing is that it was not an artistic success. Do you have suggestions for next year?

Janet: several years ago the tri-board focused on the big issues that the ALG typically must address-- reserve use, etc. The meeting started out in a big circle followed by break-out groups and then getting back together at the end. That seemed to be a successful format. There was time for socializing at the start.

Bart: would the meeting be more effective after the budgets are formed?

It was agreed that having just a social night would be helpful, followed by one of information exchange.

Marie: Does the spreadsheet reflect the FC POV? If it stays we will have a \$1.2M deficit. There is the number of using \$1.6M in reserves---possible if we use the \$900k turn back the net reserve use would be \$2.4M with the understanding that the \$900k will be replenished.

Margaret: We have not talked about that and have not discussed as to how to get to that level. The BoS needs to be more specific on replenishment: a % amount or dollar amount ensure the replenishment amount.

Marie: We need to do the budgets.

Margaret: We need some specific number; others [on FC] couldn’t count on just one point that’s not in the POV. Each year there has been some replenishment, but we don’t know what level.

Marie: we cannot legally budget for these changes. I'd feel more comfortable if we went back to our boards. The ALG last year had \$1.6M [in reserve use] we assumed that there would be replenishment. Budgets have yet to be produced so this is just a work in progress.

Doug: The longer term view is the 800lb gorilla: \$10M in reserves. The theory goes is that the reserves are declining. We need make sure that we are also taking our capital needs into account. We need clarity on how we will spend the reserves on which capital needs.

Marie: within the next two weeks the budgets will have real numbers and they will be in the plan for the next meeting.

There was some discussion on meeting dates and changing them. It was agreed to keep the Jan 5 date as well as the one for Jan. 26 and Feb. 9. Bart will not be available for all of these dates

## **5. Public Comment**

Charlie noted that he was late and wondered if he'd missed any discussion on the school building projects. The projects will be presented in a public meeting on Wednesday.

It was agreed to put capital plans on the next agenda.

Peter Ashton: It appears that the spreadsheet we are using all the unused levy capacity for FY 18. Is that now the Fincom's position?

Peter B: that should be incorporated as part of the discussion on the spreadsheet.

Bart: I forgot the second half of agenda item 3 which was to finalize projections for FY18

Margaret: the POV is not built into this at all. Our recommended percentages of the budget increases showed a \$1.2M deficit.

SB: That was an illustration of the POV---it's come down by @\$300k

Margaret: Based on the POV --the \$900k deficit was finalized.

Peter B: In the tax levy of \$80M includes the excess levy; there can be changes in the revenue projection, if the FC does not agree to the uses.

Marie: Point is that historically there has been a difference between the POV and the ALG spreadsheet. We did recapture the levy as a placeholder on the spreadsheet. The ALG process is iterative and we have to go through it.

Margaret: With the POV the budgets' increase is 3.3% and not using the \$900k levy capacity

SB: This is our ALG plan. The increase in the town is 3.5% and schools 3.8%

Margaret: Now you are using the \$925k of unused tax levy. The POIV does not include this

SB: the POV requires cuts in spending. The ALG has 4.7%; the POV wants 3.8%

Bart: We are supposed to be discussing revenue projections that are right for the model.

Peter A: town is now at 3.5% and schools 4.7% and keeping the \$900k number.

Marie: we have an agreement to discuss actual budgets not an agreement to use the \$985k

Bart: Is there an agreement on the \$985, is that projection correct? Are these the right figures for the revenue?

SL: You are putting aside the untaxed levy?

Bart: Yes.

Margaret: So we will be assuming the levy will be \$80,972M.

There was some more discussion of what would be on the agenda on the 5<sup>th</sup> and if the meeting would be productive. This meeting will be before the budget Saturdays but after budgets are presented.

Glenn: Since Boxboro has within drawn from Minuteman there was a question about the MM program in the middle school. It will continue with adjustments. The region will be assessed directly for the program and Boxboro will pay its part. We are working on a MOU; it will be @ \$180k.

Janet: MM will not get confused with the ABRS.

Marie: As it shows right now the estimate is \$1.1M and approximately \$190 or \$155 (Acton's share) will move to the AB assessment. This will move onto the spreadsheet.

Bart: There will be a continuing discussion on the 5<sup>th</sup> as to what the word "finalized" means

SL: Budget Saturday for the town is Jan 7 at 8AM in 204.

Charlie: If you intend to tax to the max, make sure the spreadsheet shows that. This would mean a tax increase of 5.07%

SB: Yes.

Charlie: Where does it stand now?

Bart: It's not been finalized.

Adjourned at 8:20.

Next meeting Jan 5<sup>th</sup>

Ann Chang