

ALG Minutes February 1, 2018

Present: Peter Ashton, facilitator; Katie Green & Janet Adachi, BoS; Jason Cole & Steve Noone, FC; Paul Murphy & Amy Krishnamurthy, SC; Bill McAllduff, Steve Barrett, & Marie Altieri, Staff. Absent : Steve Ledoux.

Audience: Mark Hald, Asst. Town Manager; Brian McMullen, **Asst. Finance director/principle assessor**; Dave Verdolino, school finance director & Charlie Kadlec, pubic.

Extra Info: ALG financial model; ALG changes between 1/11/18 & 2/1/18 & ABEA COLA and overall contract.

Minutes were accepted with a few changes.

2. FY 18 Revenues and expenditures

Bill: the revenue variances are on the positive side now we have \$214K and may be \$\$19K positive at the end of the year.

SB: we are right on the mark for the levy. We are keeping watch on the snow and ice account. We have paid out \$300K to contractors and have 1/4m left. It's something we watch carefully.

3. Spreadsheet

There has been a lot of activity since last meeting. The deficit has gone from \$1,134,196 to \$584,827; reserve use from \$1.3m to \$2m; and untaxed levy capacity \$606K There have been reductions in the percentage for the tax bill increase to 3.36%; school assessment is down to 4.25%; town 2.54% and Minuteman to 21.52%. New growth has been reduced to \$800k which is \$75K less. The decrease is due to the finishing of Quail Ridge without any large projects in line. The best news was the reductions in the health care costs.

SN: suggested that the Minuteman costs of \$189K be put in reserves and then bonded. He said he would increase the use if reserves to \$2.2M.

Marie noted that in the past they have used **\$2.4m** and it has been replenished.

Katie noted that she was willing to list the one-time capital expenses that were in the BOS budget.

Bill: we can pick out the one-time capital spending. We have \$270K in deferred capital and another \$1m which will not move forward. The one-time expenses for the transportation increase will also be covered next year.

Marie: In the past the schools have gone by the rule of \$5K and five year life. We can rework that but we are putting another \$1m into the budget.

Bill: we are still looking at the costs in our budget but there is not much room.

The discussion centered around the cuts already made in both budgets.

Katie noted that the BoS had met the spending increases set out in the FC's POV, and Marie noted that the schools were very close

Marie: I don't think we should touch the town budget we can get to the POV by using the levy.

The discussion then centered around how to close the \$184k deficit with a reserve use of \$2.2m and what else?

Jason questioned whether the remainder of the FC would agree to the \$.2m increase of the reserves, which Steve Noone said was a reasonable solution Jason was firm about the FC's position on not taking any money from the tax levy.

Paul: Dennis was the only school committee member to vote against the school assessment because he thought it was too big. But every time I look at the budget I see necessary programs and if we cut costs we will also be cutting the goals we have set for the schools.

As Katie and Marie listed one-time expenditures Jason noted that the reductions in the health care could be considered as a one- time event.

Dave: presented the ABEA COLA and overall contract percentage increases for the past 10 years. The average for COLA is 1.2%; Steps and longevity 2.3%; total salary increase 3.5% and health 4.9%. When comparing these averages to surrounding towns, they are very low.

SN: Do we have trouble in attracting teachers? Do they leave because we don't pay enough?

Marie: not for the elementary levels but we do for ELL, SPED and HS math and science. Yes teachers do leave because our salaries are low. We try to get entry level teachers that will not be as expensive. I do hope the FC can get to using \$2.4m in reserves.

Jason: what I see is Prop 2.5% restraint and the salary increases are 3.5% which is 80% of your budget

Katie: I'm disappointed that the FC does not seem to recognize that the town has come in under the recommendation and the schools are very close.

Janet: we are looking at a way to budget and using only 1/3 of the levy and few reserves. The issue now is only \$184K out if a \$90m budget.

Amy: we are wholly in support of the budget. Cutting more will impact the services we provide students. Or we could cut our contribution to OPEB.

Peter: do we have an agreement to take this back to our committees and discuss the requests of the FC and have the FC discuss the requests of the two entities?

Katie agreed that the budget could be taken back to the board but she did not see the board voting for any more cuts especially when they have come in at the FC's request.

Peter: we need to be mindful of the time. It's early in February and I understand the concerns. Can the gap be closed; will the FC hold a meeting next week?

SN: we will work on it

The school budget needs to be voted by Feb. 15

Public: Charlie had nothing to add

Next ALG meeting Feb. 8

Ann Chang