

ALG Minutes, July 31, 2014

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

Audience: Brian Mc Mullen, Asst. Assessor; Janet Adachi, BoS; Charlie Kadlec & Bob Ingram

Extra Information: ALG Charter and Ground Rules; Statement of Net Positions; Global Cash Flow Project & FC's maintaining Excellence.

Members' introduced themselves. Bart: The ALG Charter is a tradition, not a legally binding document. Are there any questions or changes?

Steve N: why no substitutes?

Bart: because the negotiations are cumulative and with subs there is a loss of what is happening and why. This is just an advisory group that will champion a proposal when taken back to boards and committees. If you do not agree with an idea, you say so here, if you cannot take an agreement back to your board and make a case, and then the change has to be here. This is a deliberative body, not a decision-making body.

Superintendent Glenn Brand reported that Marie Altieri will be the second school staff member of ALG. The interim Finance Director Clare Jeannotte will be a member of the audience.

There were questions as to why the plan was called "a three-board plan." The name has changed over the years. Steve Noone said that the FC is obligated to produce a long range plan for Town Meeting "We always seem to agree, so the plan, regardless of its title, can be printed in the warrant."

Bart: the name has gone back and forth between plan and model. Another point of contention has been public participation. There has been misunderstanding. This meeting is supposed to last 1 1/2 hours so people can get to work. When we use the full time allotted that does not allow time for public comment. What do you want?

SN: I like what you've been doing. I have time limits and need to get this meeting done.

Katie: the selectmen have the comments at the beginning. But for us, setting a time limit is less important.

MG: Perhaps questions can be put on the ALG shell and answered at the next meeting.

The discussion continued with nothing resolved.

Bart: we will continue public comments at the end, we can request emails but we still have the time constraints. The rest of the ground rules and Charter were accepted.

Minutes approved

4. Update on FY15 Revenue & expenditures and FY14 year end

SL: We are in the 31st day of FY 15 and things are going according to plan. The FY 14 unaudited results in expenses shows a \$450k made up from refinancing twin schools at \$150k; legal at \$150k and Middlesex retirement at @\$90k.

For revenues we are seeing an estimate \$700k with excise tax at \$250k; investment revenues are flat; \$275k in fees & permits and \$150 in miscellaneous So FY 14 in general is in good shape.

Brand: we are closing out FY14 and will report to the SC the first meeting in Sept. at the same time we will be doing FY15. Tight now we are getting out the orders for supplies and materials; doing an analysis of the Governor's budget; going through the changes in the chartered accounts and transitioning from the three budgets into one.

5. Global cash flow Steve Barrett (extra info sheets)

SB: Town's website documents show @\$40M in cash and the DOR's audited numbers leaves a sum of \$28M. I worked through the numbers in detail with Mr. Noone and found that on average we have between \$35-40M in cash on hand But that is broken down into : \$1.4m for general fund: sewer @\$5M with \$2M in prepaid debt and \$1.5M in reserve capital and the different enterprise funds—the one with the most money is the ambulance. This has been an exercise to find more money within the budget. We seem to have dwindling reserves, we spend between \$1.5-\$2M a year and somehow we manage to regenerate it.

SN: several years ago we "found" money in old warrant articles. We are looking to see if there are other sources.

MG: Things will be different without the APS enterprise funds on the Town side. We also build our budgets on House I which is changed by the time the governor signs the budget in late June.

SN: we also have one of the earliest Town meetings in the Commonwealth.

Bart: Petersham has their Town Meeting in June and the state budget numbers are still not known.

6. Maintaining Excellence (extra Info)

SN: said the genesis of the handout was from the FC's obligation to provide a long range plan for the voters. He suggested that there be a three-board social meeting sometime in October which will deal with a common set of facts (financial) to help develop a financial plan for the Town

SN: noted that Acton in general was a good place to be—excellent schools and AAA bond ratings. However, looking ahead the FC sees a decrease in Ch 70 funds due to declining student populations; the agreement to fund OPEB at @ \$1m/year; the increase in taxes by 2.5% was being spent by the operating budgets. The state recommends that a town have 5% of total budget in reserve—at the rate we are spending, the FC thinks the reserves will be used up by FY18. Solutions include raising taxes---we are

already 18th highest tax rate in the state; 15th highest in ability to pay. One question is: do we raise taxes now to cover pending shortfalls? Will people still buy houses?

Our greatest spending is on schools---66% of the budget which is the highest in the state. With the changing demographics in 20 years 80% of the population will be 55+ these are the MAPC projections that we will have more seniors than children.

There are no obvious solutions; so we need to plan. Approximately 500 people at Town meeting vote the budgets/taxes while 7,000 turned out for override votes. In recent years we have had 5 overrides pass and four fail. It is not clear that we can pass an override. The stats showed that last override 51% voted yes and 49% no. We have always assumed that we can pass an override when needed. The FC does not think we can make that assumption.

At a three-board meeting we need to discuss service levels; capital infrastructure and class size. The FC can present the standard revenue assumptions to the group [9 FinCom members; 5 BoS and 11 SC]

Glenn: as a new superintendent I appreciate the chance for such a discussion. The administration is sensitive to the shift in enrollment and our strategy is to look towards the long term needs of the system

There was general agreement that such a meeting would be productive. Krysta volunteered to do the invitation. In order to have "adult" beverages, it was suggested that the meeting take place in Exchange Hall.

7. Meeting Dates

Bart: we have to set a seasonal calendar for the meeting dates so we cover topics before there is the predictable train wreck.

SL: agreed to do that

Bart said he would not be around for Jan and March (he will be here for Feb.) In prior years we held the meetings at 7:30 AM until snow season when the time changed to 5:30 PM. Do Thursdays still work?

There was some discussion about other meetings scheduled for Thursdays---HIT and School Committee.

There was agreement that an August meeting would not be necessary, and the ALG season would start in September.

Dates agreed to: Sept. 11; Oct 9; Nov. 13 Dec. 11---all meeting at 7:30 AM

On Sept 11 a plan for the meetings' topics will be presented. SL will prepare the outline.

Jan. 15th is also a date for the first ALG to start at 5:30 PM

Agenda items: Spreadsheet. The Town will take over the maintenance of the spreadsheet.

8. Public Comments

Charlie: when comments are held to the end of the meeting the comments become irrelevant. There have been innumerable times when information from the public could save time. You do not really want public comment. This meeting is informal and you should encourage public comment not discourage it. I think you should reconsider your stand of having comments only at the end.

Adjourned 9AM

Next Meeting September 11, 7:30 AM

Ann Chang