

ALG Minutes, Jan. 17, 2019, 7:30 AM' Room 204, Acton Town Hall

Present: Peter Ashton, facilitator; Katie Green & Joan Gardner, BoS; Diane Baum & Paul Murphy, SC; Jason Cole & Roland Bourdon, FC; John Mangiaratti, Peter Light , Marie Altieri & Steve Barrett, Staff.

Audience: Mark Hald, Asst. Town Manager; Jon Benson, BoS; John Petersen, Mary Ann Ashton & Charlie Kadlec.

Additional documents: Town of Acton Multi-year financial model (spreadsheet); Review of ALG plan metrics 17 Jan-19; minutes from Nov. 19, 2018 & Jan. 3, 2019.

1. Corrections to Nov. 19th & Jan. 3rd minutes
2. FY 19 updates John

John: there are no major surprises; things are on track; the new fire track has come in and the Library roof project going well.

Jason: I read that there was a leak in the library roof.

John: I went on the roof to look. We are still working off the punch list. There was a gap which was found and sealed.

Peter L: Revenues and expenses are positive and we are waiting for the final numbers. There is \$1m in capital expenses plan in this budget.

3. Spreadsheet Marie Altieri & Steve Barrett

SB: The deficit has dropped from \$761K to \$303K. This is due to the lowered ABRSD assessment to \$203,499K; reduction of overlay use to \$150k & increase in reserves to \$104,672. The reduction in the overlay, lines up with the actuals. This uses \$0 in unused tax levy; change in SFT 3.95%

For the outer years it's a work in progress. For the replenishment of reserves we've plugged in \$2m rather than \$3m—it's a work in progress.

Marie: the reserve page update. The trend is good; we've rebuilt E&D; forecast 7.6-4.8 with use of \$2m

Jason: you are anticipating a turn back of \$2m so it will be a wash. FC wants to use only $\frac{1}{2}$ of levy capacity this year.

John: more than $\frac{1}{2}$ of the replenishment goes to the district

Katie: I think use all levy; \$1.7 free cash; \$400K from E&D \$2.1m turn back from both. Increase town use of reserves \$300K

Jason: I've polled the FC and they want to use only $\frac{1}{2}$ of the levy. Let's see what that does the reserves. We are closer to the ceiling than before; we raised the ceiling 3%-5%. Currently we are at 4.8%. We recognize that TM \$142m in capital but we do not want to reach back and use all the levy and tax to the max. We are sympathetic. We see that's its heavy on the town side; schools going beyond 5% will leave town in the hole on free cash.

Marie: what if we take \$150 in tax levy

Jason: \$303 this year and \$303 next.

Diane: The district can use the additional \$175K from E&D which would roughly be \$150K to Acton to improve the position of the town.

Peter L: Increase E&D \$150K for Acton.

This plan met with agreement and happiness by those on the town side. There was also agreement that the schools should start a stabilization fund for future capital expenses (other than the construction)

It was agreed to take the changes back to individual boards for their consent.

Looking at the outer years, Jason noted that the fire station was not part of the mix.

John noted that there will be a request for design funds at town meeting. At present the estimated costs are \$9.5m

Steve B: there is a search for a project manager; we have to get the authorization before putting numbers in the model.

Jason asked if there would be a projection for the tax impact and Steve said he could do that.

Marie: the school building will come before the voters in November, there will be short term borrowing for FY21 & 22 but the bonding will not hit the plan until FY23.

Peter L: we can guess at a number (for April) and will not know for sure until August when the MSBA will be able to tell us the total costs, the reimbursement, and tax'

Jason: so we really have no idea for the LRP but there should be some sort of marker [for the voters in April] \$138M/38% reimbursement---there needs to be some sort of range. We also have to consider MM

Marie: we need to go back and make some sort of assessment on short term borrowing costs and that of long term and put that information in the columns for the outer years. It will have to be a range.

4. School building update

Marie: the Gates site will be the place for the shared facility---it will be officially voted at the next SC meeting. We are going for a stabilization fund. The monies will be used for capital projects and unanticipated expenses. It will take a 2/3 vote of the town meeting to set up the fund and a 2/3 vote of the SC to take money out. If there are objections to the use of the funds, the town will have seven days to object and 60 days to call a town meeting to amend the budget.

The goal is to have a fund of \$1m which will leave E&D in the area \$4.5m

5. Public

John Petersen: it would be nice to have the reserves on the current sheet. I appreciate the work that you are doing and even if you come to town meeting without the exact numbers it is no problem. Projects such as these have a way of changing and there are always uncertainties such as interest rates, prevailing wages and such. You need to provide the narrative of need for a positive public response.

Adjourned 8:50

Next meeting February 7, 7:30 AM room 204

Ann Chang