

ALG minutes
February 27, 2009

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Present: Bart Wendell, Facilitator. Lauren Rosenzweig, Paulina Knibbe, BoS; Jon Chinitz, Heath Harer, SC; Steve Noone, Herman Kabakoff. FC; Marie Altieri, Bill Ryan. Steve Ledoux, Staff. Absent: John Murray.

Audience: Steve Barrett, Pat Clifford, Mary Ann Ashton, Mike Gowing, Clint Seward, Charlie Kadlec, Bob Graham, Dick Callendrella and Bob Hertz.

8. Other---there were no additions for other

1. Minutes Ok

2. FY 10 Town/school/state budget revenue update---S. Ledoux & B. Ryan

Steve said that not much had changed. Senator Jamie Eldridge said that there could be a 10% reduction in Ch. 70 funds.

Herman: since the governor made the pledge to keep education funds 3-4 state revenues have come in lower than projected

Bill: we have only one set of numbers—those of the Governor. The House still has to get out their budget. He expects there to be changes that will necessitate changes in the ALG plan.

There is also the stimulus plan that he expects will go to increase Ch 70 to bring all the cities & towns up to Foundation level. That's a requirement of the Mass. Legislation

Acton schools may get \$515,536 & the region \$879,470.

Tom Scott, head of Mass. Superintendent's indicated that there will be two areas for the stimulus SPED and Title I—Acton is not eligible for Title I—

It is expected that the increases will continue for Ch. 70 for FY 10 & 11 & it will take \$168k to bring Acton up to Foundation

If the stimulus does happen [in the manner suggested] there will be the additional revenues in Ch. 70- the SC has voted budgets so any revenues that come in will go into reserves.

Paulina: this was good news [if it happens] & she would like to see the town & schools discuss the revenue split & have the town get a more equitable share---she recognized that this was not the time/year to discuss this move.

Herman: these numbers are speculative & we will not know much more come April 5th [Town Meeting] . -he suggested we postpone the Meeting until we have better numbers He questioned what we would do if the revenues do not come in for those budgets that will be voted.

Ans: Another Town Meeting to fix the imbalance.

Lauren: we have considered a postponement & it was done in the past. The meeting was put off until late May & still the numbers [state budgets] were not set.

Paulina: we need to move ahead using the best numbers we have

Herman: the position Bill has described re: use of money over & above the anticipated revenues means that will be taking more from reserves

Bart: shall we go with the working assumption [Town Meeting on April 6]?

Herman: has anyone thought that instead of increasing reserves we lower the tax rate?

Jon: we did that in October & the voters said "No"

Herman: there were fixed numbers in October

Jon: looking three years out, if we still have a recession it's better to have the money in the reserves to be able to plug the holes.

Heather: we may or may not get the money [from the stimulus] we got a message in October---maintain what we have & use the reserves.

Bart: Anyone in favor [of returning money as a tax break]? No answer.

Herman: joblessness is greater now than it was in October. If we want to be sensitive to the needs—we would allocate some of the reserves to tax relief.

Paulina: there is more than one way to be sensitive. The most significant impact does not come from the property taxes. The BoS budget is crafted to protect the services for those people most in need. We've cut budgets since October, we have cut budget since January.

Bill: last night the SC voted budgets. The APS is 3.45% increase; ABR 2.88%. Those numbers are consistent with the revised ALG numbers—after subtracting the Minuteman assessment. Next Thursday we are likely to reduce them further.

Steve L: the BoS voted a 3.34%. The increase from 09-11 is 1.8%

3. Douglas roof funding Bill

Bill: there is a warrant article to replace the Douglas roof for \$664k —formal vote next week. It will be bonded over 10 years & cost \$96k/year. If we receive SBA money at the same percent as before the annual cost will be \$54k. Until 2011 the cost will come from the school budget

Discussion

Paulina: this is similar to the problem we had this year when we were faced with major school debt & the BoS thought it was in the school's budget & the school's in the BoS. I do not want to end up with a \$344 shortfall next year. We have to figure out how this expense does not fall through the cracks. This has nothing to do with the split.

Bill: the annual cost for the roof will be on the school side—it's a new cost.

Jon: we will provide a separate budget line for debt for the new superintendent—it will be easier to track

Paulina: consider putting the COPs program on its own line

Jon: in the spirit of cooperation I will recommend that the COPs program remain in the BoS budget

4. Multiyear Financial Plan, general discussion

Extra Information: draft multiyear plan using House I numbers

Marie: there are three changes from the last iteration \$816k to \$733; E&D certified at \$971 with Acton's share \$1.23M. That gives us larger reserves going forward. We've agreed to cover the health deficit and there is an update for FY 10 & 11

Steve Noone had questions on reconciling the numbers.

There was a consensus that the draft plan would be updated with the new numbers.

Steve N: forecasting for 11 & 12 is uncertain it is a work in progress. There are trends we can look at right now. Do we have a basis for expecting federal money and where will it go. Will our reserves hold out for 11 & 12.

The FC received 100 cost saving ideas—the biggest are in health care; K-12 regionalization; look at declining enrollment; overall there are \$4M in savings. We should have a “Call to Action” and over the next 180 days vet the numbers estimate the savings so we don’t have to cut services.

Marie noted that the multiyear plan had to go into the warrant and needed to be finished by next Friday. The budgets need to be finalized so they can go to press.

Bill: we all need to look closely at the numbers and make sure they are correct

Jon: if we want to present a plan with no deficit increase the “uplift” to something that would balance. We need the set of assumptions “front & center” in the preamble.

Steve N is writing the preamble for the warrant

Bart: do we have a proposal to alter FY 11 & 12 based on the state assumptions?

Clint Seward: consider adding a line item to the plan that will incorporate the savings from the 100+ suggestions that were given to the FC. These are a real commitment to cost reductions & will help balance the budget.

Bart: will we accept Jon’s proposal –adjust to be in balance?

Jon: I defer to the FC both for 11 & 12 just as important in being balanced is having it spelled out in prose

Bart: agreed? [yes.] Shall we set up a task force for the line item for cost saving?

Paulina: I don’t know what it means—cost saving—is it a mechanical exercise?

Marie: we have realistic budget numbers and we have agreed to those numbers. A lot of the “cost savings” require contract negotiations and that is 12-15 months away.

Jon: the project is best addressed by the FC & have them present it to Town Meeting

Herman: 1. our paramount goal in writing [the cost savings] is to see a group who has a goal---a measure for the schools and let the citizens know 2. the problem is where do we articulate the plan and where do we have a separate discussion. We will have citizens hold us accountable.

Heather: it sounds like a great idea but we have been doing that month after month. These cost savings sound like great ideas but it is more of a challenge to put them in effect.

Paulina: it seems we have a difference between numbers and words. I am opposed to plucking numbers “out of the air”---there has to be a certain level of surety that the cost savings plans do not have.

Bart: we are not in agreement of adding a line item but it can be in the narrative

Clint: As a CEO of a company I have observed how well people can transcend issues when they work together as a group. Re-engineering did not work because there was not a buy-in by all the groups.

Tasks: Everybody review all the budget numbers carefully to make sure they are accurate. Steve N. writes the FC report for the warrant & gets it in by the 9th....or 14th

5. Reserves

Bart: any more discussion

Jon: we should understand that the BoS, SC & FC have voted the budgets

Marie: the reserve use is \$2M rather than the \$2.4M. The schools will make up 70% of the \$236k

6. Health Insurance Trust and Overlay

Bill: the last meeting the trustees voted a 6.5% increase rather than the estimated 10% that was being carried in the budgets. For APS that's a reduction of \$96k; ABR \$166,028

7. Timetable

There was a consensus to meet before March 10th. The meeting will be posted for March 9th.

Mr. Kadlec asked for changes in the format of the ALG plan in the warrant & have the numbers relate directly to the warrant articles. He also suggested that the 70/30 split be removed because it is not important to the voters

Steve N: The FC will work on the "scorecard" as suggested by the League of Women Voters

Heather asked for some time.

She said we all have obligations to the community as we go through the next six weeks. Many of our meetings are on TV and many people watch---I think the number would surprise you. We need to send a clear message of respect. There are many different needs in the community—but our responsibility as elected officials is to the entire community and we need to treat people with respect. I would like you to go back to your individual boards and say that we must treat our community members with the up most respect and dignity.

Meeting schedules:

It was agreed to keep the three meetings in March & if one is not needed cancel later

Meeting schedule: March 9, March 16 & March 30

Ann Chang