

ALG Minutes

Jan 12, 2009

Present: Bart Wendell, facilitator; Paulina Knibbe, Lauren Rosenzweig, BoS: Jon Chinitz, Heather Harer, SC; Steve Noone, Herman Kabakoff, FC; Steve Ledoux, John Murray, Bill Ryan, Marie Altieri, staff.
Audience: Mary Ann Ashton, Steve Barrett, Clint Seward, Dick Callendrella, Bob Hertz, Charlie Kadlec and Chris Whitbeck.

1. Other—nothing

Minutes—Okayed

2.FY 09 Town/school/state budget & revenue update

Steve Ledoux/Bill Ryan

Steve: reported that he is still waiting for the Governor's budget and specific cuts. It is rumored that the cuts for FY09 will be in the 5-10% range. The Town is withholding \$500k in spending.

Bill: We need to see what the reductions will be and then decide how we will deal with them. The schools too have stopped some spending. For the region we do not have the same problem---we will have to go back to Town Meeting to cut the APS budget---but before we start that, we want to see where we are [in relation to the Governor's budget]

Tasks: Wait for the budget numbers

3.FY 10 Town/school/state budget

Steve: we have a level service with a 4.29% increase. FY 10 will be impacted by the cuts in FY 09. The BoS has postponed the Saturday budget review to Feb. 7th.

Bill: presented a level service to the SC & has developed a 1-4 level of reductions.

Level I—adjustment of the CASE assessment—that's been done. Reduction \$200k

Level II-change operations in legal, tuition, SPED summer program, 6th grade teacher---\$215 k

Level III -frozen positions, supplies \$168k

Level IV---more of the same\$99k total \$850k

Initially the budgets in December were an increase of 6.4%; now it's 4.7% the region 4.3% now 3.2%

The next move is to meet with all the principals to look at all personnel

APS--\$275k certified staff; \$225k other

Region \$400k staff; \$50k central office---another \$950k.

These cuts in personnel will be prioritized.

On the Region \$950k in cuts—Acton is \$756k

There is an opportunity to take 45 more CHOICE students

Discussion: Boxboro is in worse shape. Since the extent of the cuts coming from the state are still not known, Bill does not know if he will have to cut \$1.7m or \$2m +. The additional Choice students will increase class sizes---the HS enrollment is still growing

Other unknowns are: how will the federal stimulus package and the extent of Chapter 70 cuts for FY 10. The Governor's budget is due the 28th. There is an MMA meeting 23-24th—a time when the state budgets are discussed with other managers & legislators.

Marie the total of the \$1.7 m cut---\$1m is in personnel

Steve the town has done a similar exercise and reduced \$1.6M with the level services budget in priority order.

John M. our level IV is personnel---we need to make sure we have offset money for the unemployment---that makes the cuts more expensive

Herman asked if this information had been shared with the unions & if [the cuts] could minimize the request for increases.

Steve reported that two of the five unions were going into mediation

Tasks: (still waiting) set the priority for the cuts in both town & school budgets
Discuss personnel cuts with affected managers (principals)

Bart—judging from these answers—is it fruitful to discuss the multi-year plans?

4. Multiyear Financial Plan

Extra info---updated draft of the multiyear model with assumptions of a 10% decrease in state aid & a 4.5% increase in budgets

John M. FY 11 & 12 are based on FY 10—if we can solve FY10—then we can deal with the others---it comes down to how we use the reserves

Steve Noone—it is the position of the FC that we do not know what's happening with the FY09 budgets & possible cuts. In my opinion it is very hard to make any revenue assumptions. I think the problems will go through the FY 11 & 12 budget cycles & the state will not have the rainy day fund ---if we come out of this economic down turn, the first thing the state should do is to reestablish the rainy day fund. Since we do not know how long the economic downturn will last---perhaps it would be better to combine [agenda items] 4 & 6.

Paulina—there is value in multiyear plans but FY 12 is too far out---and the reliance on the numbers is low

Bart: are people comfortable with the plan or should there be changes in the assumptions?

Steve N: I am not comfortable with the numbers—I'd like to see the increases at 2.5%--we are doing things now that will impact the budget numbers for FY 11 & 12. We have to look more closely at cost savings initiatives---health care

Clint Seward: I think we need to look at the harsh realities—Steve N. is on the right track---we may be in this economic downturn 4-6 years. We should not spend the projected reserves. We should build on not spending the reserves

Bart: Is this part of the existing that is here today —a request for changes---or the beginning of a new conversation

Lauren on the website we should put caveats that this is a work in progress.

Marie at the top of the page there is a statement that the plan has not been changed since 08

Jon no matter how inaccurate the models are, we have a set of underlying assumptions---to better understand, perhaps we need to have a page of prose for those assumptions

Bart---is that acceptable? Will it be done today?

Jon: it should be in the warrant

Bill in two weeks we should have better info & a better look at expenses. The starting point is level services budgets. At some point we need to determine what's fair and allocate the cuts

Bart Will ALG on Feb. 2 be soon enough?

??? Who will do the prose for the assumptions? There were no volunteers

Mr. Kadlec: the union contract negotiations need to know that the town is under severe restrictions. It will be helpful in the process of educating voters to consider the trade-offs---increases in benefits & salary will

mean a reduction in people. We plan on publishing information on salaries and benefits---the contracts have to be realistic or RIF's are the trade off.

5. Recap information sheet

6. Health Insurance Trust

Extra info—balance sheet for HIT

Discussion: the balance sheet for the HIT shows took in \$5.8M and the encumbrances are \$5.7M. There is a reserve of \$4M & which is in excess of the recommended 30% reserves. If the reserves continue, it may be possible to use \$500-500k and drop rates 10%. This would be a relief for the operating budgets. Nothing will be done without the knowledge/agreement of the FC.

8. Time table— S. Noone & S. Ledoux

Extra info: a sheet with the printing schedule on one side & advice on how to format a warrant article on the other

Discussion: The warrant has to go to the printer March 12. There was concern that the numbers would change after the date for the warrant printing was passed. It was suggested that information be available at the polls and on the web. Information will also be available outside Town Meeting. The suggestion that the date of Town Meeting be postponed was considered, but no action taken. The state usually budget does not get voted until after June 30th and the possible federal funds will not be known until the end of September.

EXTRA INFO

Bill invited everyone to attend the High School performance of Camelot on Feb. 7th

Marie announced that there were 25 applications for the new superintendent. The finalist should be chosen in early Feb. There were 30 applications for the principal of McCarthy-Towne.

The next ALG is Feb. 2nd followed by Feb. 27th

Adjourned 8:55

Ann Chang

Massachusetts Department of Revenue

Navjeet J. Bal, Commissioner

Division of Local Services

Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs

**Revised**

January 14, 2009

To the Town Accountant:
Town of Acton

Based upon the unaudited balance sheet submitted by the Town, I hereby certify that the amount of available funds or "free cash" as of July 1, 2008 for the Town of Acton.

General Fund	\$ 2,454,644
Nursing Enterprise Fund	\$ 111,477
COA Van Enterprise Fund	\$ 15,504
Septage Enterprise Fund	\$ 61,683
NESWC Enterprise Fund	\$ 4,469,545
Sewer Enterprise Fund	\$ 0

This certification is in accordance with the provisions of the Massachusetts General Laws Chapter 59, Section 23, as amended.

Please forward copies to the Board of Selectmen/Town Manager, Treasurer, Board of Assessors.

Sincerely,

A handwritten signature in cursive script, reading "Gerard D. Perry".

Gerard D. Perry
Director of Accounts

GDP:ccg