

DEC 16 2013

ALG Minutes, November 7, 2013**TOWN CLERK
ACTON**

Present: Bart Wendell, facilitator; Mike Gowing & Janet Adachi, BoS; Steve Noone & Pat Clifford, FC; Dennis Bruce & Kim McOsker, SC; Steve Ledoux, Steve Mills, Steve Barrett & Don Aicardi, Staff.

Audience: Bob Ingram

Extra Information: Multi-year financial model; free cash approval; advance refunding for Parker Damon debt

Minutes accepted

2. Update on FY 13 Revenue and expenditures & FY 14 revenues

Steve M: The ¼ numbers are in and "this is the tightest budget I've seen in my years as a superintendent" The unplanned for track project has taken \$150k out of the AB budget and there is an increase in the legal costs. The IMA (Intra Municipal Agreement---between Acton and Boxboro for the regionalization) has cost approximately \$5-\$6 k in legal fees [@v \$225/hr]. There will be no money for year-end spending.

Steve L: the FY 14 revenues stabilized but we have had to expand the legal costs for the IMA because we are working with the real estate people to get proper transfer of properties. Steve also noted that the selectmen had voted to file an injunction against W.R. Grace and the EPA for turning off the filtering system that is designed to clean the water of the Acton well. There will be a hearing on Friday. This action will have implications of the FY 15 legal budget.

Pat: What did we budget for the IMA? Ans: nothing

Kim: we used a grant last year---are there any grants available for this year

Steve M: last year we had a \$28k planning grant. There are no grants available.

Pat: "Is the Acton Water District joining us in this injunction?"

Steve L: no

Janet: the AWD's opinion is opposite from ours.

Steve L; Friday will be key---we are going before Judge Whitlock who is a "tough judge"

3. Final Consensus***A. Revenue projections for FY 15 (using multi-year financial model)***

Steve B: the consensus in is that we tax to the 2.5% and that assumption is embedded in the data. When we set the tax rate we know there will be changes in the new growth numbers and state aid. New

growth is estimated at a \$100k increase (\$525k-\$625). The audit for the town is now underway but I do not see any substantial changes from the model.

Bart: Do we have a consensus on taxing to the full extent?

Pat: the FC is against we see a need to give relief to the taxpayers. In our POV we have the tax to only 2%

Janet: The BoS did not have a consensus there was just "muted support"

Kim: the SC is discussing it tonight. What is the savings for the taxpayer?

Steve B: about \$350k

Bart: that will be \$40-\$45.00 per parcel

Mike: this will be a reassessment year—the assessments will increase and there will be new requests for abatements. We only need enough to run the town---no more

Pat: the BoS meeting ran beyond my bedtime---there is no tape beyond the CVS meeting—are the minutes ready?

Bart: at this point the BoS started the discussion but has not finished; the SC will discuss it tonight---so for this piece more information is needed before we can have a consensus.

1. State aid numbers

Steve N: did they all go down?

Don: we really don't have good numbers in November. We are getting the new number for the region from Roger Hatch—assets of Ch.70 are based on population and our population is going down. Some of the numbers remain flat; for the region we will not know the numbers until the state budget at the end of Jan.

Bart: do we have a consensus on present state aid numbers?---yes

2. Local receipts

Steve B: there is an expected increase in MVR (motor vehicle registrations) and the \$100k of new growth—these will be adjusted on the model. There was agreement to accept

B. Split

Steve B: The split is no longer a big deal. At present it is 65.8% and 34.2%

It was agree to let it rest

C. OPEB

Steve B: right now we have a base from last year of \$1.1m

Steve N: the status report essentially says we have \$1.1M for this year and \$1.4M for next. The rational is in the report (sent by email to committee members)

Janet: the BoS is in agreement with the report and the \$1.1M and are "favorably disposed to the OPEB" committee

Mike: the FC POV has adjustments for the OPEB numbers.

Steve N: the expense will stabilize at some point

Dennis: the SC will have the OPEB discussion tonight

Bart: are the figures different from \$1.1m; \$1.4m and \$1.7 m? So for the third year there is not an agreement from the BoS?

Pat: the OPEB task force is a creature of the ALG. The FC does not have an inside track and we have not adopted or embraced the numbers---the POV was written before the OPEB report. This is still under discussion on the FC and how we will use the reserves to go from the \$900k to the \$1.1m.

Bart: so is there anything else?

D. Overlay Reserve

SB: The Assessors met last night and we will have more on the reserve position before the next ALG. We have to look back at the abatements that are in court. Brian [Mc Mullin—assistant assessor & finance director] will prepare a paper for the next ALG.

Bart: so that will be postponed and added to the next agenda.

E. Use of Reserves

SB: we have a \$2.176 baseline from last year town meeting. It is not settled in the FY 15 budget

SN: we do not have a consensus on taxing to the max so we cannot have a consensus on the use of reserves.

Pat: the number from last year was an accommodation at Town Meeting we were carrying a \$1.5m-\$1.7m during the ALG process. Right now the FC is thinking of a \$2m limit including the costs for OPEB

Kim: I do not think we can decide on this until we have the budget numbers. We need to know the unused levy capacity.

Pat: there will be no unused levy

Bart: when do you think you will be ready to discuss?

Dennis: Jan

Bart: we need to have OPEB on the next agenda and the assessors work paper; the use of reserves held off until the Jan meeting

4. Free cash and E&D---extra info from DOR

SB: free cash is \$7.4m the DOR is suggesting the sewer enterprise fund can be put in free cash....

Bart are there concerns?

Don: the pre audited E&D is "Just a tick" under \$1.5m. We will get the certified numbers in Feb. or March but right now I'm comfortable with the \$1.5m

Pat: the FC see the free cash & E&D "north of \$9m. And we see the need for taxpayer relief when the reserves are approaching \$10m.

5. FC's POV integrated with the LRP

Dennis and Janet said they were still working on this issue and they hoped the ALG will use it for Town Meeting.

This is unfinished at present.

6. Global cash flow summary

Pat: this is a FC project—the idea being to look in various places for revenue in both the town and school budgets. There may be many sources that are outside the ALG plan. We will talk about better use of this money and this will add to the \$10m of reserves.

Kim: where is this money?

Steve N: this is an information exercise. We did find money in unspent warrant articles.

7. Next meeting

After discussion of the various meeting times for the schools and selectmen it was decided that a second meeting in November was not necessary.

It was agreed to meet on December 12th at 5:30. The meetings after that will be Jan. 9th and 23rd.

8. Joint Boards with Boxboro

Steve Mills suggested that the boards of both towns needed to meet for introductions and to become conversant with the financial issues in each town.

Pat: said she thought that this would be a very good idea. And thought the FC would agree.

Janet said she thought her board would agree to such a meeting

9. Public Comment

There was no public comment

Adjourned 8:27

Ann Chang

Next Meeting December 12 at 5:30 pm
