

ALG Minutes November 30, 2017

Present: Bart Wendell, facilitator; Katie Green & Janet Adachi, BoS; Paul Murphy & Amy Krishnamurthy, SC; Jason Cole, FC; Steve Ledoux, Bill McAlduff, Steve Barrett & Marie Altieri, staff. Absent: Steve Noone, FC.

Audience: Brian McMullen, Asst. Assessor; Mark Hald, Asst. Town Manager & Dave Verdolino, School Finance Director.

Extra info: ALG spreadsheet

Minutes: accepted pending comment from Steve Noone (did so)

2. Update of FY 18 Revenues and expenditures

SL: nothing too notable. New growth numbers are \$4-\$5K less than estimated.

Bill: For revenues we are \$214 favorable to the budget; Ch. 70 has \$10 additional per pupil; we are favorable in investment and Medicaid reimbursement. On expenses side we are the same place we were a few weeks ago we are looking at the utilities and fine tuning salaries.

Janet: what proportion of the people are on Medicaid?

Bill: we are using Pioneer Valley to take care of the paper work so the reimbursements are based on data.

Marie: for the free reduced lunch program we have crossed the 10% threshold and Gates has 15%. This is higher than other towns. Our low income group is growing the United Way report said the level is 20%.

SL: we have a social worker full time now. She works with Rachel [at United Way] The group AB Cares is getting administrative support from the town.

Paul: This year its 10%; last year 7% and a few years ago it was only 2%.

Katie: how do you classify "disadvantaged"? Some districts are at 80%

Paul: the change has shifted value [for the calculation of disadvantaged] but there has been a definite change in the past few years.

3. Spreadsheet

SB: we are in a holding pattern; waiting for the town operating budget and the school assessment.

We have been working on the concept of reserve replenishment the average has been @ \$3m. We have been spending @\$2.4m annually and been replenished by \$3m. ALG has said to put in \$2m. That has changed from \$1.3-\$2.4. We usually have our discussion about reserves in Jan

Janet: the idea that there is a healthy RR rather than have the doom and gloom—it's good to hear that there is still replenishment.

Paul: we always head the doom and gloom from Doug Tindal and Steve Noone..

Bart: we shouldn't accuse people who are not here to defend themselves.

Jason: This is all good so long as the turn backs occur. We are assuming a \$2.5-\$3m RR but we also have guesses on a 3% increases on the raw budget.

Katie: we have been really conservative in our budgets and I'm glad to see the turn backs. Historically it's been closer to the \$3m than the \$1. If the money does not come in for some years we still can manage.

Jason: It's good to have the reserve replenishment. For the past six years we have under spent by about \$1m. But we are also very good in over asking.

Janet: The FC members always say we are over taxing on the town side. The Town manager has had very good budgets with a conservative element which is far better than asking for a STM mid-year for more money. I think we have good protection for the town. We do make adjustments but I'm happy to have the reserve buffer.

Jason: I'm glad to see that you did go back for a number of years but there are only 1-2 at \$3m. We could get a couple of bad years. I think we need to be careful.

Paul: for us it's a different process. We can never be sure of our state reimbursements like transportation or the SPED circuit. If we get 9C budget cuts it's a very unhappy surprise. We have been doing Medicaid at \$100K when actually it's \$200K.

Katie: it would be great to say we are over budgeting and in different areas where we are over spending. We come in within 1% of our budgets which gives us very little wiggle room.

Marie: we are close to the revenue side. The median for the past three years is \$150K. There are so many things that can change the balance: changes in health care costs; changes in the number of kids; a big snow storm...we ask that people not to push to spend every line item at the end of the year.

There was a discussion of budgeting exactly for specific items, the disasters that can occur when the conditions, such as state aid snow storms have in changing those numbers and the importance of budget Saturday.

The philosophy for budgeting: each year every budget is like a snow flake, none are the same.

The discussion then turned on the need for a December ALG meeting. It was determined that neither the town nor the school budgets would be ready. It was agreed to meet again on Jan. 4th.

Public comment---there was no public

Amy asked everyone to go to Dec 4 STM. Katie announced that the summaries in the warrant have been translated into Chinese, Portuguese and Spanish

Adjourned 8:15

Ann Chang