

Meeting Notes
Acton Leadership Group
May 16, 2019 7:30 AM
Acton Town Hall – Room 204

Present: Bart Wendell, facilitator, Joan Gardner and Jon Benson, Board of Selectmen; Christi Andersen, Finance Committee; Diane Baum and Paul Murphy, Regional School Committee; John Mangiaratti, Peter Light, Marie Altieri, and Steve Barrett, Staff.

Audience: Charlie Kadlec, Jim Snyder-Grant, Brian McMullen (Staff)

Handouts at the Meeting: ALG Charter and Ground Rules (Revised 6.12); Standard and Poor's Long Term Credit Outlook for Town of Acton GO; Acton Multi-Year Financial Model dated February 28, 2019

Regular Business

1. Review of Charter and Ground Rules

After explaining the history of the Ground Rules, Bart Wendell asked for suggestions to update or change the FY19 version. John Mangiaratti suggested removing **bullet four** because it's meaning is unclear. Marie Altieri said the language referred to decisions from old meetings and agreed it should be removed.

Budget Proposal: Magiaratti suggested changes in the language for the item as follows: A gross allocation budget and funding mechanism agreement to propose and support within the Boards. Altieri asked that the words after "Boards" be removed.

Quorum: Christi Andersen indicated the words, "exclusive of FinCom staff" be added.

Weather Cancellations: Altieri asked that the reference from Acton Public Schools be changed.

The group agreed to the revisions and adopted the Ground Rules as revised.

New/Special Business

2. FY19 Update

Town (Mangiaratti): Working on replenishment of reserves; 2% should yield \$700-\$800 thousand; Snow and Ice look favorable; additional revenues from fees for permitting for more construction at Insulet; Motor Vehicle Excise Tax flat; the plan is to turn back about \$2 million to respond to concerns of rating agencies.

Schools (Light): Quarter 3 update is consistent with expectations; aiming for a \$1.5 million turnback for the year. There are two major variances: income improved by \$500K as earnings income was better than expected; SPED transportation increased slightly. Information on the capital plan is on the website; called attention to the Stabilization fund allocating process.

3. Review of Standard & Poor's Long Term Credit Outlook

Steve Barrett explained that the S&P call was similar to the Moody's call last fall. The Triple A rating is fine but there are aspects of the ALG process the rating agencies do not understand. He emphasized that the agencies do not want to see the Town's reserves go down any further. The staff is committed to retaining the triple A rating.

4. Review of Multi-Year Financial Model

A general discussion of the model included the following points:

Barrett: Model is updated by staff the Friday before a meeting; FY 21 assumes full 2.5 percent allowable tax increase – there is no unused levy capacity.

Wendell: the term model is traditional

Murphy: attempt to create as good a crystal ball as possible

Altieri: front sheet is distributed for this meeting, there are multiple sheets in the workbook including changes, reserves, tax levy and local receipts.

In response to a question from Jon Benson about reserves, it was explained that the actual revenues have exceeded projections for approximately ten years and that FY19 replenishment will be "normalized." Total school and town reserves in various accounts are approximately \$9 million.

In response to a request about turnback history from Andersen, Barrett commented on the flexibility of the town's bottom line budget authority as helping build turnbacks. The last operating overrides were passed in 2003-2005 timeframe.

Mangiaratti reminded the group that there are three capital projects in the model: the new twin school, the fire station and the Minuteman School debt which currently is not excluded. The fire station is in the design process with the concept expected in July and construction numbers in the fall.

5. School Building Update

Light reported that the School Building design is on schedule; MSBA will make a site visit in June and the project will move through feasibility into the schematic design. At the end of October, the final reimbursement numbers will be available; the effective rate is running between 25 and 35 percent.

There is a Bond Exploration subcommittee formed by the School Committee to prepare to accommodate the MSBA reimbursement when it is locked.

Wendell reminded the group that in the past, ALG has determined that August has been the deadline to determine whether to support an override.

Benson reported the Board of Selectmen has agreed to a Special Town Meeting on December 10 and a Special Election for a ballot confirmation on December 17.

6. Public Comment: None

7. Housekeeping

The group agreed to continue to meet at 7:30 am with a definite stop time of 9:00 am.

The Town Manager will create a tentative schedule for the remainder of the year.

The timeline for tasks will be developed by Steve Barrett and Marie Altieri

It was noted that the School Committee reps may change in July.

Summer Meetings will be June 20 and August 29.

Meeting Adjourned at 8:55 am.

Submitted by Pat Clifford on behalf of Ann Chang