

ALG Minutes; October 29, 2020. 8:30 AM via Zoom

Present : Bart Wendell, Facilitator; Jon Benson and Dean Charter, BoS; John Petersen and Amy Krishnamurthy, SC; Christi Andersen and Christine Russell, FC; John Mangiaratti, Peter Light, Steve Barrett and Marie Altieri, staff. Public: Dave Verdolino, finance director ABRSD, Sahana Purohit, FC. [There may have been others I did not see]

I. Regular business

1. Minutes were accepted with a typo correction from John Petersen
2. Review of ALG charter and Ground Rules

Bart noted that the group is under no obligation to accept the rules from the previous years---each year starts anew. There did not seem to be any additions with the first two paragraphs,

Marie indicated that she wanted to have the ALG plan in the warrant.

JP: noted that the FC “carries the water” operationally for the warrant. He thought the plan should be in the warrant but have the FC present the findings of the ALG.

ALG Charter and Ground Rules (revised 2020)

The Acton Leadership group is made up of two members each from the Acton Board of Selectmen, Finance Committee, the Regional School Committee, the Town Manager and designated staff, and the School Superintendent and designated staff. The primary goal of the Acton Leadership Group is to reach consensus on a multi-year financial plan for the Town of Acton to recommend to their respective boards. A secondary goal is to enhance communications and cooperation between the boards. Members provide two-way communications between their board and the ALG.

ALG recommendations are based on consensus after obtaining views from all boards. (Consensus is the unanimous opinion of all the ALG members) All opinions are heard and there is agreement that the recommendation is the best one possible. ALG members are expected to fully represent the recommendations of the ALG to their boards and support the consensus.

In Summary:

- Revenue projections, tax levy, reserves
 - Plan for building multi-year model
 - Recommended one-year model
 - Present plan in the warrant
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- Budget proposal: A gross allocation budget and funding mechanism agreement to propose and support to the boards

- Enhancement of inter-board working relationships including information calendar
- Strategic direction: How do we meet objectives with limited resources, to be coordinated with long-range plans
- Leadership demonstrated by timely iterations and good faith consensus. All expected to 'move'
- Quorum: One member and one staff person per board with no substitutes [Finance committee does not have staff]
- Facilitator: Outside facilitator runs meetings, not required for a quorum
- Agenda: established at previous meetings, distributed by Town Manager
- Leadership: Demonstrated by timely iterations and good faith consensus. All expected to be willing to compromise
- Minutes taken by an outside party
- Weather cancellations, mimics ABRSD
- Public participation: public seated outside of working group; public comments near the end once all agenda items having been completed.

Bart went over the understanding for a consensus again noting that it was not a decision based on any percentages of the group. "A unanimous consensus is the best decision reached in agreement with everyone. Second, members are to champion and present the consensus to their boards at the best of their ability and third, you are to support the consensus in public."

There was general agreement that the decisions were the based on the best available also noting that if a board does not agree, the iterative process will begin again.

II. FY 21 Update

Steve Barrett: The First quarter collects were strong; this is an area where the town is keeping a close watch but it's been strong in the past and it is expected to remain so. The food tax and local growth receipts are low, but that we expected. We are starting to slowly rehire in some positions and also do some spending. But we are watching expenses and trying to insure that all expenses related to COVID are paid for under the CARES act. We are innovating on a weekly basis and the staff has stepped in to help with the election process. They have been wonderful and we are proud of their contributions.

Peter: we will Do FY 20 wrap up at school committee meeting. For FY 21 we are busy with grants and trying to reconcile expenses and slotting expenses into the right grant.

We expect E&D use to [be@\\$3.6m](#) or 3.7% for FY operation; \$2.8m circuit; \$1,200 capital, OPEB just over \$6m. ESSER grant of \$115K for Chrome books; \$150K for remote learning; we have a FEMA grant of 55K and have added request for \$345 more; \$1.2m in COVID related costs have been submitted to the state; we made a formal request under CARES to the town based on the regional agreement (a request will also be made to Boxboro).

The challenges are having a hybrid system and how long it will last. We have an increase in numbers and additional expenses such as air filters for all the classrooms---we cannot keep the windows open all winter – we want to do in person teaching as long as possible.

For public health measures we have asked the Board of Health to do sewage testing so we can determine what's happening on the campus.

The Food Service has been a shining star we have feed 600 individual families. We had to get a heated food trailer and a refrigerated truck. The Feds have extended the free school lunch program for another year.

The teachers have been fantastic---we have to be careful of burnout ; planning for kids in class and remote learners is time consuming taking 10-11 hours a day.

Bart: any questions?

Jon asked when the school year would end so plans could be made for an open-air town meeting. The projected date is the week of June 16th. Marie suggested that it might be safer to pick the week of June 22nd.

Jon asked for an explanation of E&D.

Dave Verdolino said that E&D was like free cash---it's a fund balance and can be seen as a revenue source. There are restrictions on its size— a cap of 5% of the year's operating budget and can be used to prepay expenses for the following year. Marie added that E&D shows up as part of the budget and is used to lower assessments.

III. CARES

John said that the town has \$2.1m in direct funding and has received \$190K. Claims are being processed and the goal is to use as much can be valid expenses. There is a long list of what you can apply for and what you can't. Both Minuteman and ABRSD have made applications for funds. There are going to be continuing needs for PPE; we've spent money on emergency rental assistance and will do some assistance for mortgage payments; we are going to have to retro fit the HVAC system at the Library and fix a lot of faucets.

The town has also gotten a grant for a five-town region to help micro enterprises. Christi asked if the town would be able to spend all the funds. John said he was trying hard to make it possible to get everything that was being allocated to Acton.

IV. Multi-year

Steve said that the plan now has the Finance committee's proposal of not collecting any property taxes for the coming budget. Steve thinks this not a good idea. He read a note from the Town's financial advisor; " The Town is already on notice regarding potential rating

actions if reserves decline. What you are outlining below will certainly put the Town's AAA rating in jeopardy and ultimately result in higher borrowing cost. Losing the AAA rating will have a bigger affect on the market versus a community that has a rating downgrade of AA1 to AA or AA to AA1. The perception in decline in financials is more concerning—as you will be leaving the “elite” rating category.

The outline below is a significant shift in how the Town has approached its financial health and is concerning.”

Steve added that by not raising any of the levy will deplete the reserves which is also something that the finance committee discussed earlier and decided that there should be a floor for the reserves.

Christi: There are people in town who are hurting and we have taken a lot in taxes with the schools and fire house.

John: Food security is a fundable expense. The reason we were able to return \$170K is because we had a hiring freeze, closed buildings and cut spending. We now have to hire some people needed and spend some of the funds we stopped. There was a \$400K change in the ABRSD. The schools assessments are just estimates. If we collected \$0 in property taxes the reserve use would be \$1.150m

Marie: the school budget assessment is really a preliminary numbers. We don't have enrollment figures or state aid numbers.... If we take \$1.1m from E&D, the assessment will increase.

Christi: Why is the increase in FY 22 3.75%

SB: that's the original starting point from the June Town Meeting warrant---at that level it is the beginning estimate.

Christi: I think we need more time to discuss.

Bart: should it be an agenda item?

Steve noted that there were other reasons that seemed to indicate an excess--the major on being the COVID pandemic. He expressed concern that once the federal funds are spent, the town may be left with additional expenses.

John suggested that by depleting the reserves, the FinCom was looking at a permanent override. John Petersen added that there were some people in town who were struggling, but not all and that it was more detrimental to the smooth running of the town to deplete the reserves when not everyone was struggling.

After some more discussion and a show of great concern on the part of both the selectmen and district that the Finance committee was being too draconian in their position, it was agreed that both groups would attend a finance committee meeting on Nov. 10 and discuss the impacts of having a \$0 level levy increase.

It will also be added to the agenda.

V. School building

Peter: we are at the point now where the construction is starting--- foundations are being dug. 100% of the bids are at MSBA and some have come back lower than expected. We are now watching all the change

orders. We ran into some more ledge but that change will be covered by the contingency. So far nothing has had to be changed that impacted the education program. The steel will start to go up in December and that's exciting. There are progress reports and pictures on the school's website

VI. North Acton Fire

John: There has been a groundbreaking --- so it's a work in progress that should take 14 months. There are still some easement issues with the sidewalk but we are working on getting the necessary agreements.

VII. Public

There did not seem to be any public.

Marie noted that the calendar was changing. The Boxboro Town Meeting is scheduled for May 10 and now Acton is sometime in the week of June 22nd. This means that budgets can be developed later and there may be better information. It was not clear what the new ALG schedule would be nor the dates for the FinCom hearings on the budgets. John expects to give the BoS a preliminary budget in December.

The calendar will also be added to the agenda.

Next meeting November 19, 8 AM via Zoom

Adjourned at 10 AM

Ann Chang