

Alg Meeting
11/17/09 #1

Draft Minutes

ALG --October 21, 2009.

Present: Bart Wendell, Facilitator. Paulina Knibbe, Peter Berry, BoS; Sharon McManus, SC; Herman Kabakoff, Mary Ann Ashton, FC; Steve Ledoux, Dr. Mills, John Murray, Marie Altieri, staff. Absent Xuan Kong

Audience: Denise Kelly, Tess Summers, school staff, Ruth Kohls, LWV; Dick Calendrella, Clint Seward, Robert Ingram, Mr. Hoff, Charlie Kadlec.

Mr. Calendrella rose to a point of order. He stated when he arrived in 204; the tables were in a "U-shape" and were moved to the rectangular shape over his protest. He said that the placement was "disrespectful to the public and they cannot hear."

Mary Ann countered that there was no proscribed format for the meeting. We have made all the materials accessible, added microphones & I like to look into the eyes of the others. We are having a conversation, it is more important to be a group, I am happy with the way the tables are arranged.

Bart suggested that those who were having trouble hearing pull their closer, which they did.

8. Other—there were no others

1. Minutes were approved with a minor correction on page 1 next to last para: APS was changed to AB.
2. FY10 Town/School/State budget revenue update—Steve Ledoux, Steve Mills

Steve Ledoux reported that he is in a "holding pattern"---waiting for the Governor. It has been reported that 2,000 state jobs will be cut but at approx. \$60k/job the \$600m deficit is not greatly reduced. Steve has a hiring and spending freeze on the Town.

Dr. Mills reported that the SC voted to reduce the AB budget by \$494K---but is worried about the pending 9c cuts that are due next week. There has been "talk" about an across the board cut of 10% for Ch. 70. Mills does not think that will happen because the poorer districts, such as Lawrence get \$90M in Ch. 70 funds & a 10% cut would be draconian. He thinks that other districts, like Acton [more affluent] will get a greater cut.

Discussion

Herman asked if there was a strategy for this cut & if there was a need for a Special Town Meeting.

Paulina: it depends on the revenue & the DOR requirements. If the cuts in AB can be covered by the region and those in APS can cover the cuts to the school, covered by the overlay.

Steve L: the timing is important---if the cuts come after Jan. 1

John M: the Legislature has yet to give the Governor the power to make 9c cuts---last time it did take them three days.

3. Review of ALG Spreadsheet Marie Altieri

Extra information: a corrected spreadsheet

Marie: (reading down the sheet) there was a \$600k deficit in revenue; we then got \$160k in taxes; \$440k on sheet; added \$135k from overlay reduced AB assessment by \$305 [Acton's portion]

Additional AB revenues

Transportation aid at Town Meeting was \$768k---we actually got \$924k. We used the difference to offset loss in Ch.70. The \$768k has been cut to \$603k

We have been able to put the "excess" in E&D to use in FY 12. The DOR has ruled that we may not do that in the future. E&D is also capped at 5% of the budget---\$1.8M we now have \$1.5M

Discussion

Mary Ann What % is the \$603k of the costs? Ans: 40%

One area where we knew the numbers with certainty is no longer certain. We've added FY 13 [to the sheet] with all revenues level---that may be a mistake---new growth has dropped from \$600k to \$500k

Marie: FY11, 12 & 13 \$2-2.4M deficit with @ \$6M in reserve. Next Friday we should know from the state about FY 11

Steve L: we are keeping the excise the same---we did not seem to profit from "Cash for Clunkers" and it is a depreciating revenue

MA: why only \$500k for new growth?

Steve L Brian wanted \$400---so we split the difference.

MA in FY 09 it was \$1M. Assuming that \$500 is safe and perhaps could pick-up in FY 12 & 13---I think we need to consider a lower scenario for state aid---several tiers of revenue for FY 11

JM I think we need a paradigm shift at look at the expense levels and see the impacts of increases of 5 & 3%---what does that say of the use of the reserves & then we can start working on expenses---everyone knows where the cuts are.

Sharon: I agree that we need different scenarios—3% & 5%?

Discussion continued as to what % should be shown—utilities are likely to rise by 3% but it was agreed that there should be two.

Bart: we are in favor of 0% & 3% and level service. These numbers will be worked into the spreadsheet & taken back to the boards for review

Clint Seward commented that there were 800 unemployed people in Acton—a range of 6% (?) tax revenues? He suggested that the ALG look for a 6% overall budget reduction

Mr. Kadlec noted that the scenarios did not mean much when the contracts still had to be negotiated.

Marie asked if she should change the state aid by a 20% reduction. It was determined that move was a bit early.

3. Split Allocation—Paulina, Steve Ledoux

Paulina said that she and Sharon met to discuss the APS debt issue. There is general agreement that when the local schools take on debt inside Prop 2 1/2, the split should move so that the revenues to cover that expense is shifted from the schools to the town. However, there is some disagreement about whether or not that shift has occurred for the recent APS debt obligations.

Proposal: John Murray, Steve Barrett, Marie & Tess are to go back & look at the debt obligations & find out the facts.

In addition there has been a long-standing agreement that the schools would provide the revenue to cover one of the two police officers in the COPs in schools. The schools need to make a determination if they want to continue this program. If not, the town needs to decide if they want to fund the full program or cut the program.

It was agreed to find out the facts first & then come back & discuss the split.

7. Schedule

Extra info: a sheet with outlining the dates that the ALG needs to discuss issues, reach consensus, go back to respective boards, final ALG consensus and confirmation by boards

On the issues side was override

Bart: I do not see anyone talking about an override-correct? (yes)

The COPs discussion needs to be brought before the community before it is stopped.

Discussion:

During the general discussion it was noted that the decision to pay for major capital projects inside Prop 2 1/2 was putting a great deal of pressure on the operating budgets. Should this decision be revisited?

Herman was opposed to revisiting noting that the votes at Town Meeting put the debt outside 21/2 & in the operating budgets.

As part of the COPs decision Steve L & the police chief need to meet with Steve Mills and possibly the school committee..

Peter wanted to know if stopping the COPs program means cutting safety staff. The answer is not known. The costs for the program are \$67k from both sides---two officers. Cutting the program could mean transferring those officers to patrol duty or cutting the officers

Bart: how do we proceed? COPs/split/overall spending?

Paulina: we do not expect any major capital projects this year but I do not think it[the idea of moving debt out of the operating budgets] should be off the table.

Sharon: we visited this topic two years ago & are now finding that it is unsustainable.

John Murray refinanced \$2.5M loans recently

Mary Ann was thanked for the schedule & there will be an effort to follow the listed dates.

Mr. Kadlec stated that taking the debt from the operating budget was a tax increase

6 Minuteman

Extra info: 52 pages on the condition of the Minuteman building; budget numbers; Acton's portion; report to the Town of Needham about the planned construction

Herman reported that the Minuteman project has two phases---design; construction. They are asking for design money now (FY11) Acton's portion is \$53-54k. Construction costs are expected to be in the \$30M range. There is a breakfast on Friday (Oct 24) to show the plans to the member towns.

Acton is one of 16 member towns & all have to approve the assessments before the projects can go forward. This is a high hurdle. Arlington, the town with the greatest number of students will be assessed the lion's share.

At present Acton pays \$711k assessment for students & programs at the junior high
Discussion

There were no definitive answers about state aid for construction. Mary Ann said she thought it might be as (high/low) as 40%. It is hoped that all the questions will be answered at the breakfast.

Some expressed the opinion that if the town is not doing any capital improvements---it will be a difficult sell for a regional project.

Agenda

Minuteman; facts about the school debt; following The Schedule

Bart: "As an outsider, it is heartwarming to see the attendees at this early hour. There may even be more than at my Town Meeting [Bart is the elected Town Moderator]. I need to keep this meeting moving quickly---I know the public wants to talk but we will have the full conversation at the table first. I will make sure that the public is heard."

Next Meeting Nov. 18

Adjourned 8:20 AM

Ann Chang

N.B.

I will be out of Town until Nov. 10. After that date I will process your comments & corrections before the next meeting