

ALG (Acton Leadership Group) Minutes October, 13 2022, via zoom

Present: Bart Wendell, facilitator: Dean Charter and David Martin, BS; Adam Nolde and Steve Noone, FC; Kyra Clary and Amy Krishnamurthy, SC; John Mangiaratti, Peter Light and Marie Altieri, Staff. Absent Steve Barrett. Public: Charlie Kadlec.

Documents/ Extra Info: Agenda, September 8th Minutes, Acton Multi-year financial model.

1. Regular business

Minutes were accepted

Public comment: Charlie requested that the spreadsheet contain the actuals for FY22. (It was duly noted)

2. Special/New Business

FY 22 and 23 update:

Peter: we are looking back and expect the E&D to be certified at around an additional \$1m. E&D is under 3% of the budget. In the current year we expect an upgrade in receipts as state aid (Chapter 70) went from \$30/pp to \$60/pp. For Medi-care we don't have any numbers as yet but there is an increase in the interest income; so, we are seeing revenues to the good. So far, we don't have expenses.

John: Nothing of note. Collections are good, as usual. For the early elections we sent out 5,000 applications and found out that we had to cover the postage---some of which will be covered by the state.

Work on Kelley's Corner has started; the first steps is the removal of the trees—it's a sign of progress and the project will take two years to complete.

There were no questions.

Review of Model:

John: the revenue changes are closer to what we received. You can see that on the changes tab. The operations here are starting with the department budgets are due Nov. 1 then we will have a better sense of what we need; the goal is to be a "less" as possible.

Marie: are there no additions?

John: we'll have the capital budget ready for the SB the first week of December; the entire budget by the third week

Peter: we'll present the regional budget just after the New Year.

A discussion started about the next ALG meeting. There was a move to keep the meetings on Zoom and at noon rather than early in the AM. There were some who preferred Zoom at noon, while others wanted to meet in person in the AM. A tentative date of Thursday Nov. 10th noon on Zoom. There seemed to be an agreement that the group should meet in person when things in the budget process got more complex---Feb. and March. This item will be added to the next agenda.

The topic turned to the upcoming Tri-board meeting with Boxboro where the FC's POV would be presented. It was agreed that there would be input into the POV before the tri-board meeting. The FC will meet with the SB on Monday to discuss the POV.

David asked that as the budget numbers came in, they be added to the model. John said they would be.

The discussion turned to the scope of the model before the budgets were presented. Marie: I was looking at the schools' numbers and notice \$600K---where did that come from.

Adam: It came from the previous financial model. I need to dig-in and reacquaint myself with the POV---not only with the schools' numbers but also with the limits imposed by Prop 2.5.

Marie: are you saying that the Town and schools' numbers cannot exceed \$660K?

Adam: correct

Steve: the point we are trying to make is that after we del with what is known; what's left is @\$660K. There is no health insurance increase which we know more than 0% but we hope it's less than 10%. We are trying to control what we can.

Peter: you actually think that after Minuteman school, Middlesex retirement only \$660K will be left for the Town and schools combined.

Marie: that's not great but it's helpful to know.

Adam: the idea is in FY 24 the increase is \$2.7 with fixed costs at \$2.084 which leaves \$661K—based on the previous ALG model.

Marie there has been an increase of \$300K in state aid which will make the \$600K---\$900K; but there are salary increases that have to be considered.

Adam: the salaries are from the current contracts. We asked for realistic numbers and Minuteman gave us realistic numbers.

Peter: I'm not seeing where the cost increases are carried—in fact I'm seeing the opposite. We will need to adjust costs to fit within the \$600K resources.

Adam: I will get back to Christine (the POV author) to review.

Tri-Board meeting

David: will you present the POV at the tri-board meeting and say it is the opinion of the FC

Adam: It's less a matter of opinion than of fact—we are up against 2.5

Kyra: we have to make sure that everyone knows that there are two different town budgets involved.

There was additional discussion on the meeting as a means to become acquainted with the counterparts from Boxboro. It was determined that the presentation of the PV would take about 15 minutes with questions to follow.

Marie: its also appropriate to make sure all understand Acton's finances/

Bart: Is there anything more on the POV?

John: the PIOV has a statement about the Town's finances---I don't necessarily see it the same way. I just think we should agree that it's just a point of view.

Adam: the town is up against 2.5 the POV is more than an opinion it is a statement of the condition of the taxpayers—there is not much more tax revenue we can generate.

Steve; we should not diss the POV. We need to show what the state of the Town's finances are right now. It begs the question about what will happen in the future

John agreed that it would be good for the FC and SB to collaborate on the PV at the SB meeting on Monday

Bart: is everything settled?

Marie: I have one more question: you have a slide showing E&D at 1.8% of the budget; it seems the FC does not want to project turnbacks. We are about to get the certification of E&D at 3%; starting at \$3m and now you have only \$1.5m/yr. Historically the projections have been \$3m. We need to use the turnback number. The numbers are all on the reserve page. We need to look at the whole of the reserves for both the town and schools.

Dean: the SB had a goal setting meeting and some of the goals will have a financial impact.

Steve: the FC has tried for over two and a half years to come up with a reserve use policy. We need to keep a level of free cash and E&D for our bond rating.

Marie: I'm not advocating \$0 E&D but to use it in a different way. We have high needs students who come in during the year and we need to use E&D on an emergency basis. We can access this cash but the town needs a town meeting to get access. We need to look at the ALG model in total with the combined reserves as well as the total expenses. Not including turnback does not make sense.

Adam: we cannot assume funds that have not been certified.

Steve: We Have to deal with what we know. As the budgets tighten, the turnback will be less. We cannot make up the numbers and present a POV on unknowns. When we get new information, it will change. We needed to get the POV out before the budgets so it could be discussed.

Bart: are we done?

There was agreement that the discussion was not finished but done for present.

Adjourned: 12:55

Ann Chang

Next meeting: November 10th, noon on Zoom.

Bart asked that members send in agenda items to town hall.

