

ALG minutes, Dec. 18th, 2023, 7:30 AM, Room 204 and Zoom

Present: Bart Wendell, facilitator, David Martin & Jim Snyder- Grant SB; Christi Andersen & Jason Cole, FC; Tori Campbell & Rebecca Wilson, SC; John Mangiaratti, Peter Light, Mary Ann Fleckner & Sherri Mathew's , staff. Audience: Thom Begin, asst. TM; Ellie Anderson, finance; Amanda Bailey, SPED parent advisory council; Tom Beals, reporter.

Extra info/ documents: agenda, minutes , spreadsheet, online spreadsheet from Jason Cole.

I. Regular business

1. Public comment

Mr. Kadlec, via zoom, commented on the size of the pending override that he saw on the recent FinCom meeting. He asked about the split between the entities— 75/25? He was concerned that this was not yet settled or the total amount— was it going to be \$8M or more? He also cautioned the that the present boards have no authority on the actions of future boards. In fact they could not go beyond the FY 25 budget.

2. Minutes were deferred

II. New/ Special business

3. FY 24 update

John: we've taken the initial steps to control spending to insure some turn backs. We've initiated a stop on hiring and expenses. At the moment it does not look as if we need a STM to ask for a transfer. We've used up the DPW overtime budget during the mini micro burst. We still have the snow and ice budget (which is a different account). We are still working to see what the impacts are for the FY 24 budget.

Peter: same as last time— we have the big HIT costs. We've put some cost control measures in place. We're trying to get to \$0 in expenses. We've put a freeze on the budget— all expenses need approval on an individual basis and go through Sheri.

Bart: questions? There were none

4. FY 25

John: I'm going to publish my recommended budget tonight which also will include the capital budget. Overall, it's down but the capital is higher than in the past.

Christi: the FC will also be at the select board meeting.

Peter: we're working through out budget and will present to the SC on Jan. 18th. There will be multiple budgets. We are looking into areas where we can make cuts. There are a couple but do not add up to \$6M. We will be looking for guidance from the SC.

Bart: comments? There were none

5. Review of model

John: we got the recap from DOR ; FY 24 had slight deficit reduction for FY 25 ; @\$170K.

Jason presented the Fin-com's opinion on a zoom.

The bottom line is different from last Tuesday

How did we get here?

There was a cut of 19 FTE; we had only a \$2M deficit— no cause for alarm

The superintendent's memo in late October led us to where we are today.

The SC has level services with \$2M reduction ; town full level services, no reductions. We now have a shortfall of \$11M which can't be sustained from the budgets. That calls for an override; we need to stress that an operational override is a permanent tax increase.

These conditions were clearly unforeseen. We can accept the triggers.

The unexpected HIT of 22.9% is beyond the budget capacity. That alone calls for an override.

The SPED needs were also unexpected and we must meet our obligations.

We have no control over the Minuteman assessment; they do not seem to have any regard for the perils of inflation

We agree to an override— we need to have a definitive size. We will deliver guidelines to the town and schools: freeze all unnecessary expenditures for FY 25. We must DEFINE the size of the override and determine if we will have another for next year. If we cannot come to a consensus we'll have to do a C budget.

The FC wants to do a systemic review of both budgets. We want to look at the enterprise funds; we will have to move free cash closer to the floor; we cannot use an override to fund lesser projects. Raise taxes over 2-3 years.

Budget impact

Prop. 2.5 plus new growth; 435

For every million of override that's used in FY 25 will increase SFT \$132

8% override will be an 11% increase in SFT bill.

Municipal budget \$876K ; includes money for Minuteman, that's a 5.27% increase; SFT impact \$951.

An agreement by the FC on an override is not an agreement on the budgets. We need the override to cover multiple years so we can get back to sustainable budgets.

If we have an \$8M override; use only \$4M first year ; use no more than \$2M second year.

Overall we need reductions in overhead costs. Every \$1M is 10 staff positions— it's an order of magnitude.

Tori: you are suggesting increasing class sizes....

Peter: I can't tell from your figures what that means ; average is 25-28; some classes are higher. This will mean shifting students around schools; it's a scenario of moving students within the district.

Tori: this is going to have a big impact. Cutting staff without giving voters a choice— it will rock people's world. Class size matters a lot. We've cut assistant teachers. When certified staff have one problem, it takes them away from the others in the class. We must think very carefully about this option . We have to make the educational experience meaningful, we don't have a choice.

Bart: do you have any numbers?

Tori: from the school end we can reverse engineer— start with the \$2M and see what's cut

Bart: is there a bottom line?

Jim: we have to figure out what's capable of being passed

Christi: we looked at override in nearby towns and saw what passed.

Jim: a number of people have said that money figure is the most important part of their support; it seems they don't want to go above \$10M.

Jason: we are proposing \$8M; none allocated to capital; use reserves and rotating funds for capital.

There was a general discussion as the level of \$1M increase in the override number would result in the exact increase on a tax bill. Some said \$134/ M while others said (according to DOR) only \$104/1M another figure was \$132/M. David claimed the spreadsheet was correct.

Tori asked the superintendent what would happen to the school district idk there was a shortfall of \$3M . Could the resultant staff cuts be rebuilt?

Peter: with such a reduction it would make no sense to rebuild; we will have to have a different vision for the district

Christi: the town can use free cash

John: we have used reserves— \$900K plus for MM, after a 3% increase; the real cost to the town is a 5%increase.

Bart: is there an agreement for Jason's three buckets.

David: I'm not happy with his proposal. It's always been my goal not to do damage to the schools. Without an override, there will be a staff reduction of 100; that's not a place to start a rebuild. On the capital side it's not new staff but upkeep of the infrastructure and safety. There are things (like the fire truck) that need to be replaced. We have crosswalks that are too long and present a safety problem for our citizens.

Bart: are these new capital items?

David: no many have been on the list for a long time...

Christi: the FC wants to present a budget that will pass— I don't disagree [with David] I just want a number.

There was more general discussion about a number; if the override should be one and done and what the FC thought could reasonably be considered to pass.

David: I'd like to see a 12% increase for the school district and a 8.5% for the town. That puts the override in the \$9M range with a little bit of headroom.

Jason: the town had a \$700K- \$1.25M in one meeting.we absolutely have to know the amounts — we cannot be surprised again

John: we plan on \$1.2M in capital and have left more than \$1M off the list.

David we've funded the most important; there is no fat in this [capital] budget. We have a cost of \$800K for storm water management that is supposed to last for just 10 years— I don't like managing by crises; we can't postpone this expenditure again. We need HVAC for the Town Hall— we no longer have back-up power; this is not a workable solution.

Rebecca: I'm also concerned about asking taxpayers for more money when their living expenses are also rising. The school district has two levers: cut programs and increase class sizes. A lot of the cost diver is for multilingual programs and SPED. The FC's budget proposal may seem reasonable but it does not cover our needs.

Bart: it's time to take a pause. The two members of the FC feel that the only real way to discuss is to discuss the politics of what will pass. No one wants \$0. I wonder if it's premature to discuss a number but is there some way to determine what will pass.

Rebecca: from the school side we know we need to share.

Bart: share? Thoughts, disagreements about any number?

David: I don't think we are very far apart. The FC is looking at an 8% increase over several years. I've now changed to one and done. Due diligence has to be done. People think the schools are on fire and the town does not need anything. We need to get to a place where we can open a public conversation to get the best designed override possible.

Jim: we need to add the idea that we will end up with a shared discomfort. This year it will be for the schools; next year for the town. We have a long way before we can get back to just 3% increases. There will be drops in services it's far different for the town— we will be putting people at risk.

There was some discussion about splitting the years for an override; one for the schools and the next for the town. Bart reminded members that future ALGs, select boards and school committees could not be tied down to past promises.

David: the town's capital budget is also a services budget— we have to recognize that.

Jason: in the past when we did capital overrides it was one for one. The split was 66/33 now it's closer to 75/25. We have to note that there is not enough for everybody but that there is something for everyone.

There was more general discussion on one and done. The FC came down heavily for having the override cover the out years so there was not another override next year. The idea of splitting the override— schools one year— town next was also dismissed as not being workable.

There seemed to be agreement that there would be only one trip to the ballot box.

Bart: there seems to be a good faith assumption that the entities will go back and work on cuts and come back to work on the number. It's wonderful to see how civil this meeting has been when the topic is so crucial to all sides.

It was agreed that there needed to be a lot of work and outreach on education by both entities and a clear explanation on the needs of both.

Agenda additions: goal of assigning budget percentages to entities.

Next meeting Jan. 8th 7:30 AM in person and zoom.

Adjourned at 9:10

Ann Chang

There was. General discussion of the coming holidays and good wishes to all.

