

ALG minutes, Feb. 12, 2025; room 204 and hybrid

Present: Bart Wendell, facilitator; Dean Charter & Fran Arsenault, SB; Tori Campbell & Yanxin Schmidt, SC; Jason Cole & Scott Sullivan, FC; John Mangiaratti, Peter Light, Marianne Fleckner & Sheri Matthews, staff.

Audience: David Martin & Alissa Nicol, SB; Thom Begin, asst. TM; Ellie Anderson, Finance department; Tom Beals, Acton Exchange.

Extra info/ documents: ALG agenda; minutes from Nov. 27th & Dec. 18, 2024; 5- paged FY 26 ALG plan draft— working copy

I. Regular Business

1. Public comment

Jon Benson (hybrid)

I support the \$43M for the DPW. At the joint meeting between the SB and the FC the project has already bee. Reduced by 20%. I think there will be further reductions. The property tax increase is \$335 annually; over the 30-year life of the bond it's \$1340— the building I has a 50-year life span. We have a history of cutting down on projects. The Douglas school was downsized and for years we had to at portable classrooms at great expense; we did a similar thing in building the high school— cutting costs at paying greater sums later.

David Martin: (in the room) related that he had attended the school committee budget workshop and he supported the increase in the school budget. He noted that there had been cuts over the past three years but the current cuts proposed would harm the health of the education and possibly result in less state aid. On the town side the increase in the ALG plan is greater than the schools. While helping the schools, the town has delayed important projects which have impacted needed town services. He suggested that there be an increase in the 2.5% guidelines and fund the proposed school reductions as well as those for the town.

2. Minutes: Nov. 27th & Dec. 18th were accepted.

II. New/Special businesses

3. FY 25 update

John: spending is where it should be: 58%expended; collections are on target local receipts increased; MVT increased.the pilot program at AFD using two stations — we are on a 3-4 month pilot program; it is designed to help safety, response times, employee moral and other efficiencies. The pilot will be analyzed at the end.

Peter: we got 2nd quarter at end of Jan. Expenses are on target— it's still early; revenue is \$540K to the goo; earnings on investments are high; regional transportation is lower than expected; we hope for a turn back of \$500k. The \$200K grant for clean school buses has been frozen. We are looking for a \$2.75M tax credit which we've not received.

Jason: has the money been expended?

Peter: \$1.5M is in a PO that has not been received

Jason: does the \$2.7M tax credit impact lunches

Peter: it's a tax credit for geothermal

4. Review of multi- year financial model

John: reductions; there is a Minuteman assessment update; changes in the AB assessment Revenues are the same; school assessment is a\$1.12; town operating \$1.56.; MM increase has enrollment costs going down

Net position is \$130K deficit. Tax reserves not changed; not looked at E&D

The tax impact is rolling through— it's closer to \$300 and not the \$500 that I've heard said. Out years have not changed

Peter: at the school committee meeting we voted a higher budget because we looked at what was being reduced : large number of multi- lingual supports; cutting supports for May and reading. The SC revised the proposal by \$150K total.

We are backing the Governors budget which is proposing a rise from \$30- \$75/ per pupil — it's not a guarantee ...but we hope to take advantage of state revenues

Health costs were at 12% but came in at 14.85% which is \$300K more. We've increased the budget to capture the increase in state aid. If the legislature passes the increases we'll be OK.

5. Budget targets for ALG mode

Jason: the FC has two items on the agenda: budget targets & getting to a consensus.

To get the municipal budget to a 3% increase will mean taking \$700K out of the budget— that will get us to consensus.

We've been impressed with the adjustments from the SC but not municipal— they need to get closer to the Town Meeting vote

Bart: so there's been no movement towards consensus. there is a meeting between the SB and the FC for Feb 28th

John: you are asking for a \$700K reduced; I need to see what they will do to the level services.

Jason: there's been an increase in FT employees: you've had our 3% increase since our POV.

John: the schools made cuts but the town made cuts as well

Jason: there's slosh in the overtime numbers

Bart: using the word " slosh" is provocative— it should not be used.

John: what you're asking for are cuts in the public safety budgets.

Jason: no, we've got to get closer to the 3% increase target. The budgets must be sustainable budgets over the 3% target put us in jeopardy of getting into an override cycle.

Bart: is there agreement here that there will be no override in the foreseeable future?

Jason: it's implied that budgets north of 3% make overrides inevitable.

Peter: looking at the out years there are signs for concern on how to maintain services for the next three years. Costs for health, salaries, utilities, maintaining buildings are all escalating. Overall the market for controlling education costs is challenging— I don't see it getting smaller — we are faced with a 5.25 increase year over year. Health costs are really challenging and will make it very difficult to come in with only a 3% increase and maintain services. 4.75-5.25 % is now the norm for budget increases. This is a multi- year challenge in over 200 communities. On the local level we're advocating with our legislators. Our costs are higher than the funds being provided by the state. We need a realistic foundation level.

Bart: is there an appetite to have the state v town?

Tori: (the model of how the state funds education on the school side is broken. Is there any other model of state aid that we should be advocating for to get more support for municipal needs? [the answer was no])

John: there are no sides; the costs are escalating for both. We are in this together.

Tori: chapter 70– state aid is far from covered the costs. The costs are above the 3%. There are others areas (of state aid' where we are advocating— there is a pretty good indicator that we'll get more aid. But the state legislature votes the budget after our town meeting

John : the only unrestricted state aid we get is from the lottery— even if it doubles it's not a big amount.

Jason: the town has a good history of getting grants; we thank you for this work.

Bart: at risk of the FC saying we can't afford more than a 3% increase and having the town and schools saying they can't reach that level without reducing services the public demands; the town can't in good conscience go lower for public safety.

Jason: summing up properly “ ends have to meet”

Bart: reaching a consensus can mean that no one goes home happy. It's part of the ALG process . Both sides have made moves but we still don't have a consensus. What is the suggestion to move closer by the different parts?

John: it's clear. At the last SB meeting we were faced with an increase in health rates which was \$160K problem. The SB voted to solve the problem by taking the money from the operating budget. We were asked to absorb a \$130K cut; the SB did— that's \$290K. To cut \$700K is a lot to ask— I'm not arguing about the rationale

Jason: getting from 4.9% increase to 3% increase will get you a consensus.

Fran: historically when has the town target been 3%

John: we've met the 3% target. Right now the town has the minuteman increase of 20-30%. The town has been taking cuts over the past three years . We've stopped projects and postponed filling needed positions.

Fran: our employees run the town. I'd like to see where we can make \$700K in cuts.

Jason: I grant that projects have not been built. There's been an increase in FTEs and additional substitutes in depts.

Bart: is there an agreement that FTEs are constant?

John: every year we've been asked for new positions and every year I've said no. We've done reorganizations.

The FTE count has been the same: we need medical professionals in public safety. The community has asked for more sidewalks, better park maintenance, better maintenance for our buildings. We have projects that need to be done but are not because they can't fit into the budget.

Bart: let the FC come back with a list of cuts and see if they are favored(by the voters) or not

Dean: it's illuminating to see the FC recommending cuts over the years— I want to keep costs reasonable but via also want to see what the FC is going to cut. The SB meets in two weeks; I'd like to see the FC list.

There was a general discussion on how the FC could get a list to the SB and see what services would also need to be cut.

John noted that if were directed to cut the \$700k I would — but is there a consensus to do this?

I have to get the budget to the FC by March 6th. This body needs to make/ accept the reductions to close the gap.

Peter: this is a binary decision. We don't usually comment on the town budget — every dollar spent is for both. The SC position is to look at the priorities for the revenues— we are confident that the state aid will increase and we could use the unused capacity money now and replace it when the state aid comes in and have it returned to the unused capacity.

Tori: we need to lay out that and any other option.

Scott: you could change the hiring plan: delay bringing on new hires, delay the start dates and not have the full cost for the one year. You could still get the people needed but there would be savings and perhaps no budget changes.

John said he thought that was a good suggestion.

Bart: the FC now has some homework— line items that could be looked at by the town manager.

The FC will meet with the SB on March 3rd.

The next ALG meeting will be March 4th

The Town Manager has to get the budget to the FC on March 6th

Jason noted that he hoped the ALG could reach consensus before the warrant was published. He added that the Town Moderator also hoped for consensus.

Bart noted that in the past there had not been a consensus every year. The upshot was an assessment of the public sentiment.

Adjourned: 8:58

Ann Chang