

BoS Memo #10
4/23/10

ALG Minutes, March 24, 2010

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

Audience: Mike Gowing, BoS; Steve Barrett, town finance dept; Tess Summers school finance dept; Ruth Kohls, LWV; Janet Adachi, BoS candidate; Clint Seward, Dick Calandrella, Bob Ingram & Charlie Kadlec, AVG.

8. Other Herman asked for a discussion of warrant article 22 and the waterfall.

1. Minutes were passed over due to the lack of added corrections

2. FY 10 revenue update

Nothing new> There was concern about the recent announcement of a \$95m shortfall. According to Roger Hatch (DOE) indicated that there are not enough funds to cover this gap in FY 10

3. Spreadsheet

Extra info—spreadsheet

Because of the press for the warrant being printed, a sub committee of Mary Ann Steve Barrett & Marie met to prepare the spreadsheet for the warrant based on the discussion at ALG. They removed the columns of FY08 & 09 leaving the Town Meeting voted amount for FY 10 (even though it changed)

For FY 11 they assumed a 5% cut in state aid from the Governor's budget, there is an update for the debt; the use of \$1.275m from overlay; addition of \$463k unexpended warrant dollars; reserves were added in with the one-time adjustment of \$478K from AB transportation; assumption that there will be a 2% increase for FY12 & 13 and the use of \$1.2M of reserves.

Mary Ann said that this gives a positive net for FY12 & 13 and the SC left \$1.2m in reserves that will be added in for a future ALG plan. The message for Town Meeting that going forward that there will not be the greater anticipated use of reserves.

Paulina asked about the move of the split & the fact that the ALG plan shows the imbalance of the split as continuing.

Mary Ann said the first order was to show the budget increase of only 2% and that attending to the split was beyond the ability of the sub committee. By adjusting the split now, would leave the SC with "substantially less" We need a conversation at a later point about the split. "Clearly the intent was to keep to the 2% increase---we could not attend to both at the same time [and get the plan to press for the warrant]"

Paulina: I have drafted a possible agreement that will possibly avoid confusion in the future

Extra Info:

Paulina's version:

"As part of the 2010/2011 budget process, the municipality transferred \$96,000 of its allocation to the schools to help alleviate the severity of cuts in the school budget. This decision had the effect of moving the split of revenue in favor of the schools.

It is the consensus agreement of this ALG that this change in revenue split be a one-year phenomena and the split of revenue should return to its FY2010 levels (30.8%) effective in FY 2012."

Xuan's suggestion:

"As part of the FY2010 budget process, the municipality transferred \$96,000 of its allocation to the schools to help alleviate the severity of cuts in the school budget. The School Committee representatives acknowledge and appreciate the cooperative spirit of the Board of Selectmen.

It is the consensus agreement of the ALG that this change in revenue split should not be considered as a precedent or guideline for future year revenue split"

The discussion centered on changing Xuan's suggestions into something that was agreeable to all. There was a recognition that the present ALG cannot tie the hands of any future ALG.

That fact was the impetus for Paulina's concern that the generosity of the Selectmen would not be honored by future ALG committees. She wanted the addition of the percentage figure to remain.

Mary Ann countered that "this being the 11th hour" it was too late to go back into the plan & change the splits [for future years.] We have made some "wonderful agreements" this year. We have done the right thing & are going into Town Meeting with a balance budget and agreements on the future expenses.

Paulina reiterated that she just wanted to be sure that the ALG did recognize the one-year use of the funds.

Changes agreed to in Xuan's version: "...this change in revenue split is a **one-year anomaly**"or guideline for the **percentage or trend** for the future..... then an added footnote about the March 24th agreement not being a reflection of the ALG plan.

John Murray asked that there also be a footnote stating 'there is no commitment to the 2% increases--- they are just assumptions and not agreed as yet."

Bart cautioned that the object was to get an agreement so they could move forward & that was easier at this point if there is less specificity.

*******There was an agreement to accept Xuan's version with the changes**

6. Status of HIT

Peter report that for the present the rates are higher than what's being spent. This might lead to a lowering of the rates, perhaps.

7. Minuteman was skipped

8. Article 22

Herman questioned the need for article 22 as the money was in the operating budget.

Paulina agreed & said that the only piece that will be used is the money for the bridge work

Waterfall

Herman was pleased that the waterfall concept proposed by the FC was accepted by the boards. He said the concept should be memorialized by the ALG process. He hopes that all the boards will vote to make it so. The tax reductions expected under the waterfall process will come about when the BoS sets the tax rate.

Paulina said there was support on the concept of the waterfall but she was not comfortable in making it an integral part of the ALG process

Bart: is it the sentiment of the group to continue with the waterfall concept?

Mary Ann—by virtue of the budgets level one & two of the waterfall will be implemented. Level three depends on the selectmen.

John Murray noted that it was the action of the Town Meeting

Mary Ann the problem arises beyond level three—I think we can go back to all the boards and say there is a consensus on the first three levels.

Public

Mr. Kadlec remarked that “waterfall” had taken on a new meaning ---because of the persistent rains & local flooding.

He wanted to know who was going to explain the ALG spreadsheet at Town Meeting> he suggested that since FY 09 is done & we are in the middle of FY 10, the emphasis & explanations should focus on FY 11.

Bart noted that this was the last scheduled session of ALG for the season. It is always a difficult process--toes get stepped on—there are so many towns that need an ALG process (he made note of his own

town of Petersam . He congratulated the group for “getting to this important point in the budget process.

Meeting adjourned 8:25

Ann Chang