

David K. Stone

From: ann chang [ann.chang@verizon.net]
Sent: Sunday, July 10, 2005 3:30 PM
To: peter ashton; marie altieri; Don Johnson; John Murray; bill ryan; george frost; walter foster; David K. Stone
Subject: draft ALG 06/30/05

DRAFT

ALG Minutes 06/30/05

Present: Bart Wendell, facilitator; David Stone & Pat Easterly, FC; Marie Altieri & Mike Scanlon, SC; Peter Ashton, BoS; Don Johnson, John Murray, Bill Ryan, Staff. Absent: Walter Foster, BoS; George Frost, Staff. Audience: Jon Chinitz, FC; Sharon McManus, SC; Tess Summers, Staff: Nick Pinto, Beacon; Alan Neitchalam & Paul Sweeney.

1. Minutes approved
2. ALG Ground Rules---Bart

Bart explained to the new members that at the start of the ALG year, there was a review of the ALG Charter and ground rules. He distributed a sheet where the two were written.

Ground rules include: “Quorum: One member & one staff person per board; Membership: two members and two staff persons per board; Outside facilitator, not quorum involved; Agenda established at previous meeting; Public participation: seated outside working group, public comment period near end”

Peter: although the facilitator is not quorum related, he'd much rather have Bart present

Bart: since ALG works by consensus, if they are not ready to reach consensus because of a lack of facilitator, they can wait for the next meeting.

? What does it mean to work by consensus?

Bart: there are three parts that must be present. 1. All opinions are heard—everyone at the table expresses his opinion 2.agreement on a recommendation “best possible” recognizing that the people at the table have different roles and obligations 3.you will actively support recommendations to respective boards.

Pat Easterly: what happens if you take it back to the boards and there find there are valid points not discussed?

Peter-you bring it back to the ALG

Bart: we may not succeed, but we are looking for the “best possible” solution

J. Murray: it means you do not go to the press with your disagreements or go to another board and talk against.

David Stone: is there a mechanism in consensus to agree to disagree? It is implicit that there is a unified front and we come up with an answer of convenience. The voters have a right to be presented with choices, especially if there is not a strong consensus.

Marie: the ALG has no authority; decisions, budgeting decisions, are made by the appropriate authority [board]

Don: it's possible not to come to consensus. Sometimes it can take 2-3 months, sometimes we may not come to an agreement.

J. Murray: the difference is we have to have the full agreement of everyone here

Peter as an example, last year we discussed the pyramid override, we were divided 50/50, it took the better part of two months of debate and discussion, there were people in ALG that did not support the pyramid, but eventually everyone did.

Bill: if we hadn't come to consensus, the BoS would have made the decision

Marie: everyone agrees, we do not make an ALG recommendation if one person does not agree

Pat: the agreement has to be the best one possible?

David: implicit suggestion is we are expected to come to consensus even if there is a minority undertone, that's a suppression of dissent, even if there is a minority on the ALG we are all supposed to “get behind it” [the decision]

Don: ALG members report back to their boards, for the BOS the report would be the ALG has not come to consensus

Question: would the ALG failed to be effective if it does not reach an agreement?

Bart: we have a good batting average---not all—but it my job to make sure there is not a false consensus.

Don: we have disagreements by various boards without the ALG. Our purpose is to go back to our boards and committees and thus to the public.

Bart: the best case is to have a true consensus---it's best to recommend rather than going our own way. Best for the Town is the true ALG consensus.

David: I'm not against that as a goal. At the other end of the spectrum---not every decision has strong points of view that are different.

Pat E. I share this issue. Maybe the word "sell" is a little strong, perhaps we should go back [to boards & committees] with feed-back. I see our role as informing rather than selling. Maybe it [the word] should be support rather than selling. If we reach a consensus and go back to our boards explaining the pros & cons---we want feed back from our boards.

Bill the process evolves. We went back to the SC and had a discussion on the pyramid override. It's the boards that have to make the decision.

David: for example LAN voted to make recommendations to the BoS. I took these to the FC & I heard strong arguments against the positions. Does that violate the expectations of this group?

Don: it's critical that the ALG meet. If the FC brings up a different position, the ALG looks at the [revenue & expense] estimates.

Bill: the ALG makes assumptions on revenue changes throughout the process. Eventually we agree on some number. We have to have a plan to think about these assumptions so we can go forward.

Pat E: I don't want to pick this apart, I agree with what's being said---but is this the reality?

Mike: We should not edit on the fly. It's not working correctly the way it is written. In here we have what the ALG is about but there is a perception on what's being done and discussions outside the ALG. This should be reworked to reflect what actually happens.

Marie: I will take a stab [at an edit]

Don: I am uncomfortable---this is a fluid process. The whole idea is to make recommendations to the 3 boards. If they don't accept, the decision doesn't hold. We can't do this just for the sake of making the public comfortable---we can't be locked into a rigid process it won't work. Our agreements do not carry any weight beyond recommendations.

Mike: we need a piece saying that

Don: I thought the group understood it

Marie: I will craft something & bring it back.

Alan N. I question whether this issue being discussed is appropriate for the ALG to make a decision. Example, the pyramid decision was for the BoS to make---it was silly for the ALG to spend the time discussing it.

Mike: I'd rather hear what everyone has to say [on an issue] rather than having it dictated.

Bart: It should be understood we reach consensus on issues

Mike: it seems to me we're cutting a fine line...

J. Murray: It's important that we do not do the statutory duties of the committees

But without an exchange of information, I do not see how the BoS can make an intelligent decision. We are a means for communication.

Bill: we talk about a lot of issues in the budget planning process, where never give decisions, our primary purpose is the budget.

Marie It's the communication between the boards and the ALG that is important. We are not here to give any opinions to the SC, but we have to give the SC a say---it must be a two-way communication. It works well

Bart: do we have an agreement to slow down wait for input from boards?

Don: Marie has hit on an important piece of the purpose of the ALG. The board reps bring opinions to the ALG and we see where there is common ground.

J. Murray: budget planning is transparent---we don't want to split over the budget---it's important to know about the money that will come in through school choice. Its transparency---no one is suppressed.

Mike: decisions are used [by the other boards] just get rid of the decisions.

Bart: I think there is general agreement on the ground rules. In general for the charter. Is there agreement to allow Marie to wordsmith for next meeting? (there was agreement). It will be my job to see you stick to the ground rules.

3. Health Trust---Peter

It appears that there is “good news” from the health Trust---In May the projections had a \$320k shortfall; now it is approx. \$2-225k or approximately \$100k less than thought. Some reinsurance money has come in and some of the projected large claims did not come in as large as expected.

Don: Are our rates still good?

Ans: Yes.

Marie: we set the rates at the projected \$3-350k loss.

There will be a 20/20 meeting in September devoted to the Health Trust

4. Recap of FY 05/06

J. Murray: the ALG plan for FY05 estimated the excise tax at \$2.530. It is now \$2.9. We have a 99% rate of tax collection –so things are looking good.

Mike: why the fluctuations?

J. Murray: We have no inventory information, we get all of that from the state. We will be getting bills for FY05 all the way to November and the payment rates is variable.

Mike: 15% swing is enormous

J. Murray: we get nine billing files a year, so far we have five.

Pat E. Do you project on the conservative side?

J. Murray: We try to make a good estimate, but we have no inventory so we tend to the conservative side. We get the first billing in Feb/March and the DOR says we can only put in (recap sheets) next years plan what we collected this year.

Bill: It looks like at the close of the FY we will turn back \$125k local and \$300k E&D.

Peter: how much excise are we getting from Enterprise.

Don: \$300k but the turn around is rapid and there are a lot of abatements. It would be nice if we got \$300/year

Pat E. At what point is free cash estimated for the ALG?

J. Murray: once the free cash is certified in the fall, we can only spend the certified amount. What is certified will be used for FY06. We do try to forecast.

David: ALG has been using an uncertified number, I think the ALG plan for next year is using uncertified numbers.

J. Murray: we do have a multi-year horizon, what we spend in 07 is certified in July 05. We can't do 08/09 without forecast and we plug in the certified numbers which we know will change.

David: I would like to come back to what happens to free cash. FC wants to establish free cash and a stabilization fund guidelines. It's a good thing to forecast to create the appearance of balance or have a presentation where it's 1/2m out of balance

Bill: bring this up when we get to it.

J. Murray: right now I think there will be “extra” money DOR will give us the certification. Do you people want me to explain how the tax setting and budgetary calendars interact?

Ans: Yes.

Don: If we happen to anticipate the balance for Chapter 90 money and the reimbursement comes in---the negative free cash will be a balance sheet calculation

Marie: what's projected and what's actual?

Don: \$500k going into next year is probably a good number.

J. Murray we've forecast \$2.8 for 06 and we will hold that. But we are not getting \$2.8 in 05. In isolation it looks like \$4-500k. This is just one iteration.

Peter it looks better than we thought.

Jon Chinitz: the FC increase will go to the employees. Free cash predictability is one of the most fluid aspects of municipal finance.

Bill: E&D is a fund balance and there are no gyrations.

5. State Aid

Peter reported the conference committee number gives local \$121 greater than the ALG plan. Region is \$44k greater

Bill reminded the group that this does not include transportation costs and he does not expect to know before Oct/Nov. He also does not know the numbers for Charter/Choice.

Don: reported that the MBTA has two more years of known, planned increases of \$125-130K/year.

6.Calendar Walter Foster cannot meet on Thursday AMs. Mike said he did not like to meet in the AM.

Most of the others said they already have too many night meetings to have the ALG at night. A compromise of 4 PM was suggested. Marie commented that was the worst hour of the day for her.

There was no agreement. There will be a day change for July & August.

Next meeting will be Tuesday, July 19, 7:30; then August 23, 7:30

There will be discussions about changing the time of day. Alan N. said he thought it would be much better in the evening, then the process could be public. Peter said he had no free evenings left.

The Agenda will have: FY 07 budget planning; Revised Charter, financial calendars, Health Trust, polling places---Conant has issues with the polls at the school.

Adjourned 9:30

Ann Chang