

POV

Three Board Meeting

Return to Structurally Balanced Budgets

It is not a long journey

- We have been in Balance since FY11

But Spending growth cannot exceed revenue growth if we are to remain in balance

- Since compensation accounts for 70% of spending, increases in compensation will need to be more modest than in the past

	Change in Reserves		
	Town	ABRSD	Total
		% Acton	
FY11	\$ 763,000	\$ 175,000	\$ 938,000
FY12	\$ 762,000	\$(277,000)	\$ 485,000
FY13	\$ 481,000	\$(305,000)	\$ 176,000
FY14	\$1,809,000	\$(363,000)	\$ 1,446,000
FY15 Est	\$ (300,000)	\$ 300,000	\$ -

POV Themes

- Our Financial Status is Strong
 - AAA Bond rating
 - But
 - 15th highest single family tax bill
 - Inability to plan a balanced budget
 - Very significant capital spending requirements
- Key Recommendations
 - Return to Structurally Balanced Budgets
 - Maintain Reserve Balance at 5% of Spending
 - Form a Capital Planning Committee

Maintain Reserve Balance at 5% of Spending

We will fall below 5% at the end of FY17

			% of	
			\$ millions	Spending
Town Reserves	FY 15 Bal		10.7	13.1%
FY 16 Deficit				
	Budget		-2.6	
	STM Aug		-1.8	
	STM Nov		-1.0	
	Turnback		0.6	
Estimated Reserves	FY16 Bal		5.9	6.6%
FY17	ALG Plan		-2.7	
	Turnback		0.6	
Estimated Reserves	FY17 Bal		3.8	4.2%

Moody's opinion on ABRSD debt is a warning

- We haven't borrowed much in the recent past
- But could very well face significant funding needs for capital projects in the near future
- We need to maintain the AAA rating
- We need to maintain reserves at 5%

Form a Capital Planning Committee

- We have lacked a comprehensive approach to examining our capital needs
- Major spending may soon be required
 - Town Existing Facilities study
 - School Existing Facilities study
 - Kelly's Corner
 - Senior Center
 - Fire Station
 - Minuteman
- A comprehensive plan to prioritize and recommend funding approach is needed
 - Representation should include all three boards