

**Finance Committee  
Guidelines Subcommittee  
Minutes of October 13, 2016  
FINAL**

The Guidelines Subcommittee of the Finance Committee met Thursday evening on October 13, 2016 at the Town House Hearing Room, Concord, Massachusetts. Notice of the meeting was duly filed with the Town Clerk, Town of Concord, Massachusetts.

Members present: Dean Banfield, Richard Jamison, Linda Miller, Karle Packard, Scott Randall, Wendy Rovelli, Phil Swain, and Tom Tarpey.

Members absent: Terri Ackerman, Daniel Cassidy, June Rzepczynski, Triveni Upadhyay, Christine Williams.

Also present: Diana Rigby, Concord Carlisle Regional School District Superintendent, John Flaherty, Concord Public Schools Deputy Superintendent, Wally Johnston, Concord School Committee, Bob Grom, Concord School Committee, Bill Fink, Concord Carlisle Regional School District Committee, Kerry Lafleur, Concord Finance Director, Kerry Colburn-Dion, Carlisle Finance Director, Tom Smith, Carlisle Finance Committee, Scott Triok, Carlisle Finance Committee, Mike Larson, Concord Select Board.

Guidelines Subcommittee Chairman Packard called the meeting to order at 7:06 p.m. and noted the meeting was being recorded for later broadcast. He thanked the CCTV crew.

1. Review of Concord Carlisle Regional School District FY2018 Preliminary Budget

Ms. Rigby and Mr. Flaherty began with a review of the CCRSD Operating FY2018 Budget Development Process handout.

Mr. Flaherty began by reviewing the salaries for the department, and how they are calculated using lanes, steps and scales. The handouts assumed constant staffing levels from the current fiscal year, to which lanes and step increases were applied, as well as a 1% baseline cost increase. The baseline increase is an estimate only. The contract with the teachers is currently being negotiated; the teacher scale percentages for FY18, FY19, and FY20 are unknown until the negotiations have been completed.

Salaries alone, projected at \$18.4 Million in FY2018, accounted for approximately 66% of the total CCRSD Operating budget, making it by far the biggest expense item.

Significant cost drivers presented in the proposed Preliminary FY18 budget included Teacher Salary escalation (+\$352,777), Other Salary Escalation (+\$603,638), Medical Insurance and Retirement Assessment (+\$142,000), OPEB increase (+\$145,000), and Contingency Increase (+\$111,000). Proposed increases totaled \$1,731,983, and were partially offset by proposed

reductions of \$293,166, for a total proposed increase of \$1,438,817, a 5.41% increase over FY17.

There was discussion about what the annual increase in school budget ought to be compared to. Ms. Rigby and Mr. Flaherty did not believe that CPI was a relevant point of comparison as the “basket of goods” that drove school costs, namely predominantly teacher salaries, is not included in CPI. Ms. Rigby and Mr. Flaherty responded that other school districts have shown similar cost increases as Concord. When asked if there was any external data set that they look at for comparisons other than CPI, Ms. Rigby responded there was not.

There was then detailed discussion of the Annual Budget Data Request Response. Ms. Rigby and Mr. Flaherty walked the Subcommittee through the main points in each of the response items in detail.

There was significant discussion about question #9, the role of increased OPEB contribution as part of the overall budget. Many of the graphs and charts in the handouts, as well as comments by Mr. Flaherty and Ms. Rigby, suggested and implied that the OPEB increase was a significant part of the increase in budget costs over the years. Mr. Randall pointed out that the chart on page 11 of the Annual Budget Data Request was incorrect, in that the chart erroneously compared the proposed increase in the overall budget (+\$1,439,137) to the absolute OPEB contribution (\$850,000), rather than to the increase in the OPEB contribution (+\$145,000) as it should have. The resultant calculation of Net Operating Budget Change, net of OPEB, is thus incorrect. Instead of appearing much higher in the graphs, the increase of OPEB of \$145,000 is not 59% of the proposed total budget increase as shown in the graphs, but rather 10.1% of the total proposed increase.

*[Note: Upon further review, the incorrect displaying of the absolute OPEB contribution, rather than the change in OPEB contribution, erroneously appears in many places throughout the CCRSD documents that were handed out.]*

There was also significant discussion on question #13, benchmarking. A comparison to Lincoln-Sudbury was made, that shows that LS spends \$18,572 per pupil, compared to CCHS \$21,519. Mr. Jamison asked how CCHS students performed as compared to LS, and Ms. Rigby replied that performances of the students at the two schools were “comparable” despite the higher spending at CCHS.

## 2. Review of Concord Public Schools FY2018 Preliminary Budget

Attention next turned to a review of the Concord Public Schools FY2018 Operating Budget. Mr. Flaherty and Ms. Rigby indicated that much of the CPS information paralleled that of CCRSD, so there was not an in depth review of the handouts.

Overall the Preliminary FY2018 Budget for CPS shows an increase of \$1,284,606, an increase of 3.6% versus FY17 Adopted.

As with CCRSD, the predominant portion of the budget is teacher salaries. The salaries are part of the recently concluded contract negotiations, FY18 will see an additional mid-year step increase that was approved by the School Committee.

There was discussion of question # 11, benchmarking, where Concord per pupil costs of \$17,517 were compared to other peer towns of Carlisle (\$18,050), Lincoln (\$20,982), and Sudbury (\$14,710).

There being no further business, the meeting was adjourned at approximately 9:45 PM.

Respectfully submitted,

Scott Randall, Acting Clerk

Documents consulted or reviewed at the meeting:

CCRSD Operating FY2018 Budget Development Process  
Concord Carlisle Regional School District FY2018 Planning Budget  
Annual Budget Data Request Response – CCRSD

CPS Operating FY2018 Budget Development Process  
Concord Public Schools FY2018 Preliminary Budget  
Annual Budget Data Request Response – Concord Public Schools