



**Town of Concord  
Finance Committee - Guidelines Subcommittee  
Meeting Minutes - February 11, 2021**

**Present:** Ray Andrews, Mary Hartman, John Hickling, Dee Ortner, Christine Reynolds, Phil Swain, Brian Taylor, Lois Wasoff, Parashah Patel, Wade Rubenstein and Andrea Zall

**Absent:** Dean Banfield, Kathy Cuocolo

**Others Present:** Dr. Laurie Hunter, Superintendent of Schools, Jared Stanton, Director of Finance, Town Manager Stephen Crane and Chief Financial Officer Kerry Lafleur

**Open Meeting**

Ms. Reynolds called the meeting to order at 8:10pm with a roll call vote, with the following voting in the affirmative: Andrews, Reynolds, Hartman, Zall, Ortner, Hickling, Swain, Patel, Taylor, Wasoff and Rubenstein. The meeting was held via Zoom using the Webinar format, and broadcast via MMN. She noted that the meeting was being recorded.

**Approval of Minutes**

On a **MOTION** made by Ms Hartman and seconded by Mr. Guarriello, and on a roll call vote (with Reynolds, Hartman, Zall, Guarriello, Ortner, Hickling, Swain, Jamison, Taylor, Patel, Wasoff, Rubenstein and Andrews all voting Yes), the minutes of January 7, 2021 were unanimously **APPROVED** with modification as noted by Ms. Reynolds.

**Superintendents Response to Preliminary FY22 Guidelines for CCRSD**

Dr. Hunter opened by stating that the schools had completed their first pass of the FY22 budget. This draft had been presented to the School Committee on February 9th. Dr. Hunter then turned the presentation over to Jared Stanton, Director of Finance.

Mr. Stanton began with an overview of the timeline from first draft of the budget to approval at the annual Town Meeting. Next was a review of the Budget Assumptions. Most importantly for FY22 is the assumption that classes will resume full time in person. There are some funds from the CARES Act that could carry over into FY22 if we continue to incur Covid related expenses for PPE and other supplies. Other assumptions were that athletics will return full time as will the need for professional development.

Mr. Stanton and Dr. Hunter discussed the zero-based budget approach that they took this year and have employed for several years to insure they are budgeting based on need and not prior period spending. The major components of the budget are FTEs, hardware and software, professional development, and supplies. This cut of the budget resulted in a 2.58% increase over FY21 or \$900,696.

A review of budget drivers by Mr. Stanton highlighted a \$643,446 increase in salaries, a \$158,140 increase in technology, a \$167,045 increase in nurses and custodial salaries and a \$104,283 increase in costs for buses and other equipment. Various cost savings were highlighted, most notably \$223,275 in the cost of special education, reduction in debt service \$159,791, a reduction in insurance cost of \$95,945 and reduction in school

choice of \$81,565.

The resulting budget assessment for the Town of Concord is \$21,445,062 or \$1,008,740 over budget FY21. Ms. Hartman noted that that amount was approximately \$200,000 over the preliminary guideline set by the Finance Committee. Some discussion ensued and Dr. Hunter acknowledged the gap to be worked out.

Ms. Reynolds inquired about FY21 surplus, which Mr. Stanton said there was, and her question was could it be used to establish a stabilization fund. Mr. Stanton said yes, for capital projects. Another option is that the surplus can be carried forward to offset expenses in the subsequent year.

At this point the presentation came to a conclusion and Dr. Hunter and Mr. Stanton left the meeting.

Ms. Reynolds opened a discussion around the current state of the town budgets versus the preliminary guidelines set by the Finance Committee. She asked Kerry LaFleur to screen share a historical summary spreadsheet. Town budgets are comprised of three major categories: Town, Concord Public Schools (CPS) and Concord Carlisle Regional High School (CCRHS). The spreadsheet showed the FY20, initial FY21, revised FY21 and the current FY22 inputs. Historically the budgets had been \$95 million FY20, \$99 million initial FY21 and \$98.1 million for FY21 revised. Ms. Reynolds pointed out that because of the Covid pandemic and the turndown in tax receipts primarily from lodgings and restaurants, the Town was required to revise downward the FY21 budget by approximately \$900,000. Stephen Crane, Town Manager, pointed out that since it was the Town budgets and not the schools that absorbed this cut in FY21, it was not an accurate base dollar value from which to draw a conclusion on FY22's needs. He and Ms. LaFleur noted that they were asking for an additional \$536,000 over the preliminary guideline to set their FY22 budget. Conversations ensued amongst several members of the committee regarding guidelines and tax rates.

Other items of note affecting the Town's budgeting is that revenues are still off by approximately \$2 million but are expected to recover whenever pandemic life ends and we return to more normal activities. An improvement to the budget that is being discussed by Ms. LaFleur and the actuaries is our ability to smooth payments to OPEB. The current year scheduled payment of \$1.6 million can be reduced to \$1.2 million because the FY23 payment drops off to \$800,000. We would then make the level payment of \$1.2 million balancing our funding requirement. Ms. Ortnier asked about the acceptability by the auditors of that treatment and Ms. LaFleur answered in the affirmative.

The conversation then turned to the calendar and the planning of next scheduled meetings of the Finance Committee, the School Board, the Select Board and how the Committee could meet the timing of finalizing guidelines for the printing of the Town Warrant in March. One additional meeting for March 18<sup>th</sup> was agreed upon.

At 10:01 pm, on a **MOTION** made by Ms. Wasoff and seconded by Ms. Zall, and on a roll call vote (with Andrews, Hartman, Hickling, Ortner, Patel, Reynolds, Rubenstein, Guarriello, Swain, Taylor, Wasoff and Zall all voting in the affirmative), it was **VOTED** to adjourn the meeting.

Respectfully submitted

Kathy Cuocolo

