



Town of Concord

Finance Committee Guideline subcommittee

Meeting Minutes-December 2, 2021

Present; Mr. Parashar Patel, Chair ,Ms. Christine Reynolds, Ms. Mary Hartman, Mr. Amrith Kumar, Ms. Dee Ortner, Mr. Brian Taylor, Mr. John R Hickling, Mr. Eric Dahlberg, Ms. Kathy Cuocolo, Ms. Lois Wasoff, Mr. Dean Banfield

Others Present: Mr. Rich Ikonen, Minuteman Tech, Mr. Steven Ledoux, Minuteman School Com, Mr. Stephen Crane, Town Manager, Ms. Kerry LeFleur, Town Finance Director

Chair Patel called the meeting to order. The first agenda item was a budget review and outlook from the Minuteman Tech High School. It was noted that the Superintendent is retiring this year. The enrollment challenge that the school faces consists of the lack of capacity to accept out of district students that pay higher tuitions. That is because demand from member towns has been higher than originally anticipated. The playing field project has been completed, and a study has been initiated of the OPEB liability funding status. The FY 2021 budget was compared to actual; of note, the transportation costs were less than expected, as were salaries due to reduction in FTE's and retirements. FY 22 salary expense will increase by 2.25% plus steps and lanes for an increase of almost 4% as a major operating budget driver. Utility costs were also higher. Health insurance expense in FY22 will increase 9%. Debt service is leveling off. Material costs will increase by 10-15% for all materials needed for instruction. Some additional majors have been added such as Life Sciences and animal science that are in great demand. Capital spending plans for the Athletic fields will decline as the project is complete and they are very pleased that Home Games will take place in 5 years. The fields are thought to represent up to \$168k in facility rental income. A sustainability fund for the turf fields has been established to replace them after their 10-year life span. Rental demand for the fields is thought to be substantial, and for other facilities also. The Photo voltaic installation was completed and will result in savings. The current balance in the Capital stabilization account is \$2.18 m and the surplus will be used for other capital projects.

Enrollment is shifting to "In District " which negatively impacts revenue as out of district students pay higher tuition. Assessments to member Towns will increase but cost per student will decline. Special Ed students are 47% of student body. Mr. Ledoux explained the OPEB situation: they have a long way to go as assets are \$478K and liabilities of \$26 m. Seven towns pulled out of system a few years ago and legal counsel is exploring the legal obligations of exiting towns to fund OPEB.

The next agenda item was the review of the Town of Concord initial budget request, presented by Mr. Crane and Ms. LaFleur. The internal budgets are expected to be completed this week and are still in process. The Guideline portion is approximately 55% of the budget and the non-guideline portion 45%. Currently the request is \$900k above the current guideline at \$56.4m. Employee turnover has been high due to compensation and benefits, particularly health care insurance, comparing unfavorably to other Towns. The infrastructure requirements continue apace. Support of Town boards and committees will require additional resources. Wage adjustments will approximate 3.4%, insurance will increase at a 6.54% rate, and utility costs are increasing. There was also a request for an increase in Tier One Capital. The Recreation Dept will resume paying (being charged) for transfer services. The difference in the

Operating budget of \$400k will be half offset by interfund transfers leaving a delta of \$200k. There is an ongoing effort to meet the guidelines. An analysis of peer Towns will be done for comparison. Most departments submitted level service budgets. CPW was reduced and the CPFL increased due to higher utility costs from larger space. A discussion ensued regarding the use of ARPA funds for capital outlays.

Chair Patel reviewed the ongoing calendar and thanked Ms. Lafleur and Mr. Crane for their ongoing efforts. Minutes of the Feb 11 Meeting were approved unanimously. A motion to adjourn was then unanimously approved.

Respectfully submitted, John R. Hickling