



Town of Concord
Finance Committee
22 Monument Square
P.O. Box 535
Concord, Massachusetts 01742-0535

Agenda

**Concord Finance Committee
Guidelines Subcommittee**

Thursday, November 14, 2019

7:00 PM

Select Board Meeting Room

- 1. Approval of Minutes as available**
- 2. Town Departments- Stephen Crane, Town Manager**
 - **Committee questions**
 - **Citizens' questions**
- 3. Committee Questions/ Comments on other items**
- 4. Citizen Questions/Comments on other items**

Reminders

- **Next Guidelines Meetings: Thursday, November 21, 2019,
Select Board Meeting Room**
- **Next Regular Meeting: Thursday, December 5, 2019, 7:00 PM,
Select Board Meeting Room**
- ***When Finance Committee members anticipate being absent from a
Guidelines Subcommittee meeting, it would be appreciated if they
would notify Guidelines Chair Mary Hartman by email at
maryhartman7@gmail.com***

Supporting materials for agenda items are available online at www.concordma.gov/fcmt/docs. Materials are generally uploaded on the Tuesday prior to the meeting date.

Town of Concord
Finance Committee—Guidelines Subcommittee
Meeting Minutes – October 10, 2019

Present: Dean Banfield, Greg Guarriello, Mary Hartman, John Hickling, Richard Jamison, Karle Packard, Christine Reynolds, Brian Taylor and Andrea Zall

Absent: Peter Fischelis, Dee Orner, Parashar Patel, Wade Rubinstein, Phil Swain and Thomas Tarpey

Others Present: Town Manager Stephen Crane; Budget & Purchasing Director Jon Harris; Select Board Member Linda Escobedo; Finance Director Kerry Lafleur; Recording Secretary Anita Tekle

Meeting Opened

Ms. Hartman called the meeting to order in the Select Board Meeting Room at the Town House at 7:00 pm. She announced that the meeting was being televised and recorded by MMN.

Town Budget Presentation

Town Manager Crane responded to the Finance Committee's (FC) request for budget information. He highlighted the variances relative to budget between FY18, FY19 and FY20, noting that FY18 was closed with a surplus of \$269,865 (0.62%), and FY19 with a surplus of \$629,271 (1.34%).

| FY18 | |
|-------------------------|---|
| Legal Services | Deficit of \$214,349, Estabrook Woods litigation |
| Debt Service | Surplus of \$186,274, larger than anticipated premium on new bond sale |
| FY19 | |
| Legal Services | Deficit of \$279,462, Estabrook Woods litigation |
| Town Meetings & Reports | Surplus of \$15,003—did not use automated voting as originally planned |
| Police-Fire Station | Surplus of \$14,656, lower than expected operating expenses (utilities) |
| EMS | Surplus of \$15,053, lower than expected operating expenses |
| Engineering | Surplus of \$42,761, staffing vacancies |
| Highway Maintenance | Surplus of \$65,163, staffing vacancies |
| Street Lighting | Surplus of \$16,150, lower than anticipated maintenance & utility costs |
| 133/135 Keys Road | Surplus of \$17,294, lower than anticipated operating costs (utilities) |
| Library | Surplus of \$52,325, staffing vacancies |
| Human Services | Surplus of \$10,691, reduction of budgeted position |
| Senior Services | Surplus of \$32,251, staffing vacancies |
| Veterans' Benefits | Surplus of \$10,863, reduction in number of beneficiaries |
| Debt Service | Surplus of \$291,822, larger than anticipated premium on new bond sale |

Mr. Crane reviewed labor costs for the three years:

| | FY18 | FY19 | FY20 | Δ FY18-FY19 | Δ FY19-FY20 |
|--------------------------------|--------------|--------------|--------------|--------------------|--------------------|
| Personnel Expenditure | \$17,068,374 | \$17,388,685 | \$18,687,232 | \$320,311 (1.9%) | \$1,298,547 (7.5%) |
| % of Town Budget Appropriation | 66.3% | 64.6% | 65.1% | | |

Mr. Crane noted that the increase in labor costs from FY18 to FY19 is masked as a result of the outstanding Public Works contract. Had that contract been settled in FY19, the total increase in labor costs would have been approximately 2.2%. The increase in labor costs from FY19 to FY20, exclusive of new positions, is approximately 2.33% (\$405,641). He noted that a portion of the FY20 labor increase is funded with transfers from other funds (75% of the cost of 4 new firefighter positions is funded with a transfer from the Emergency Services Stabilization Fund; Visitor & Tourism Manager is funded with a transfer from the Recreation Revolving Fund). He provided a detailed breakdown of the \$1,298,547 cost increase. He estimates a labor cost increase of less than 3% in FY21. He noted that if labor increases were excluded, the budget increase would be close to tracking the CPI increase. In response to a question from Mr. Banfield, Mr. Crane noted that funding for the Archivist position will only partially be funded in FY20 through existing budgetary appropriations; the balance is being funded through other budget adjustments and/or a transfer from the Salary Reserve account. The position was filled late in the fiscal year, so funding for FY20 is approximately three-quarters of the year. This ended up being a net new position in FY20. In response to a question from Mr. Packard, Mr. Crane noted that the new Visitor & Tourism Manager is a year-round position funded by the Recreation Revolving Fund in FY20.

Mr. Crane explained that he does not yet have a complete picture of the Town's short-term and long-term budget needs. He highlighted some anticipated FY21 budget issues:

- Fire—restructuring at CFD to allow for 2 lieutenants on duty each shift
- Fire—additional hours for Fire Prevention Clerk
- DPLM—Additional hours for part-time inspectors to address workload
- DPLM—New position—Land Manager (possible collaboration with Land Conservation Trust—LCT)
- DPLM—Zoning Bylaw Recodification
- DPLM—Transportation Issues (encouraged all to watch LWV Transportation forum on MMN)
- CPW—increased funding for operating capital (roads, sidewalks, drainage) and equipment
- Town Manager's Office—additional staffing to address economic vitality
- Facilities—additional staffing and/or contracted services to address maintenance backlog

Mr. Crane noted that the town-wide facilities report is not yet finalized, but he highlighted the following projects anticipated over the next five years:

- CPW—salt shed
- Public Safety—feasibility study to inform new building design (FY21); new building in 5+ years
- Emerson Field improvements
- Gerow land improvements
- Warner's Pond dredging
- White Pond drainage and access improvements

In response to a question from Ms. Hartman, Ms. Lafleur noted that some of the above projects would be done within the Town's levy limit (salt shed). The larger projects would be proposed as

debt exclusions. Ms. Lafleur agreed to provide a better breakdown of excluded/not excluded debt projects.

Follow-up: Ms. Lafleur to provide a breakdown of proposed capital projects that will be funded within the debt limit vs. outside the debt limit (excluded debt).

In response to a question from Mr. Banfield, Mr. Crane noted that the Town purchased a high-end restroom/trailer for the White Pond beach. In response to a question from Mr. Packard, Mr. Crane explained that the proposed “economic vitality” position would support tourism and provide support/concierge-type services for local businesses (assistance in navigating the permitting process, etc.).

Mr. Crane explained that the General Fund legal services appropriation of \$225-250,000 is generally adequate to fund the demand for legal assistance, including collective bargaining and other routine matters. He noted that the Estabrook Woods litigation is the only active litigation impacting the Town’s General Fund. He anticipates requesting a supplemental appropriation for FY20 at the Annual Town Meeting. He agreed to provide a breakdown of legal services and litigation in the FY21 budget, so that costs will be more transparent. Ms. Reynolds suggested that these items be included on separate lines in the budget. Mr. Crane noted that not all of the Town’s legal expenses relate to Estabrook Woods—there are other costly legal issues.

In reviewing the “headcount” issue, Mr. Crane stated he is not committed to any new positions at this time. Requests for a land manager might be fulfilled by collaboration with LCT and an increase in contracted services while the need for support staff for economic vitality could be provided by our tourism staff. He also noted that Concord has been experiencing high employee turnover. Concord’s high cost of health insurance (related to the Town’s low contribution towards premium costs) makes Concord’s employment less competitive than it has been in the past. He noted that the Town loses a lot with high turnover, and it comes with a cost. He anticipates conducting a detailed classification and compensation analysis in FY21 to compare Concord to neighboring towns.

In response to the FC’s request to consider Zero-Based Budgeting (ZBB), Mr. Crane noted that the Town has a high percentage of non-discretionary items in the operating budget, which makes using ZBB not realistic. For the FY21 budget, he intends to focus on bringing costs into alignment with current service levels. He agreed to conduct a more comprehensive review of the programs offered by the Departments over the next year, and will make a determination of whether they efficiently and effectively meet the needs of our residents.

He reviewed the collective bargaining schedule with the Town’s six unionized employee groups:

- Concord Firefighters Association—expires 6/30/2022
- Concord Highway & Grounds—expires 6/30/2020
- Concord Library, Non-Supervisory—expires 6/30/2020
- Concord Library, Supervisory—expires 6/30/2020
- Concord Police Association—expires 6/30/2020

- Concord Public Safety Dispatchers—expires 6/30/2021

He anticipates starting negotiations within the next several months with the four groups with contracts expiring June 30, 2020.

Mr. Banfield asked Mr. Crane to review the costs currently being paid by the Town of Concord for the benefit of the high school, in order to determine whether Carlisle is paying its fair share. He noted that a number of residents have raised the issue over the past several years. He noted that a list of these costs was prepared by former Town Manager Chris Whelan last year, with no resolution of the issue. Mr. Banfield suggested that a mechanism be developed to allocate some portion of the shared costs to Carlisle. Mr. Crane responded that the partnership is asymmetrical, with Carlisle's school population declining and Concord's increasing. Mr. Banfield highlighted some of the issues, and Mr. Crane agreed to discuss these issues with Superintendent Hunter.

Ms. Lafleur explained the process for budgeting the Town's annual OPEB contribution, noting that the FY20 budget was based on the 6/30/2017 valuation. She anticipates using the valuation as of 6/30/2018 for the FY21 budget. This report estimates the FY21 Annual Required Contribution (ARC) for OPEB to be \$1,282,002 (\$416,000 lower than FY20 appropriation). The decrease is a combination of minor changes in benefits and better than anticipated investment returns. She is using \$1.5 million as a placeholder for FY21, which is higher than is required by the ARC. The Town currently uses a discount rate of 7.25% for its OPEB liability and an amortization schedule ending in FY40. She anticipates updating this amount later in November, once the actuary's report is prepared. She has asked the actuary to prepare the valuation report as of 6/30/2019 with an assumption of a 7.0% discount rate and an amortization schedule ending in FY35, to be consistent with the Town's pension liability schedule. In response to a suggestion from Ms. Reynolds, Ms. Lafleur agreed that funding OPEB is more of an art than science and will look into smoothing the funding year-over-year.

Mr. Crane briefly addressed benchmarking and indicated that both Ms. Lafleur and Mr. Harris will help bring that to the committee at the next guideline review. He also indicated there is some possibility that a warrant article to increase retirement benefits might be introduced at the next Town Meeting.

Ms. Hartman remarked that current estimates for expected revenues (assuming an unused levy capacity of 3.93% and \$279,000 increased costs to Concord for CCRHS) project 2.48% available for guideline spending. Ms. Hartman also asked if the FinCom could have visibility to the town's response to the preliminary guideline ahead of the next scheduled meeting (Nov 14). Mr. Crane said he would do his best.

Meeting Schedule

The FC will establish a preliminary guideline at the meeting on October 24. It was agreed to cancel the October 17 Guidelines Subcommittee meeting, with the understanding that the October 24 meeting may go longer. The Sustainable Growth Rate hearing will be held on November 7, with the

location to be determined. It was agreed that a “strategizing session” will be held prior to November 7, to prepare for the hearing. Mr. Banfield will also prepare a “guest commentary” for the Concord Journal prior to the public hearing, explaining the Sustainable Growth Rate.

Adjournment

The meeting adjourned at 7:56 pm.

Respectfully submitted,

Anita S. Tekle

Documents Used or Referenced at Meeting:

- Town Manager Response to the Finance Committee’s Budget Information Request (dated 10.10.2019)
- Fiscal Year Actuarially Determined OPEB Contributions, based on 6/30/2018 valuations
- FY18, FY19 and FY20 Appropriation Comparison prepared by Finance Department (dated 10.10.2019)

Town of Concord
Finance Committee—Guidelines Subcommittee
Meeting Minutes – October 24, 2019

Present: Dean Banfield, Peter Fischelis, Greg Guarriello, Mary Hartman, John Hickling, Richard Jamison, Dee Ortner, Karle Packard, Parashar Patel, Christine Reynolds, Wade Rubinstein, Phil Swain, Brian Taylor, Thomas Tarpey and Andrea Zall

Absent: None

Others Present: School Superintendent Laurie Hunter; School Committee Members Heather Bout, Wally Johnston and Cynthia Rainey; Select Board Member Michael Lawson; Finance Director Kerry Lafleur; School Director of Finance & Operations Jared Stanton; LWV Observer Diane Proctor; Recording Secretary Anita Tekle

Meeting Opened

Ms. Hartman called the meeting to order in the Select Board Meeting Room at the Town House at 7:00 pm. She announced that the meeting was being televised and recorded by MMN.

Concord Public Schools & Concord-Carlisle Regional School District

Ms. Bout thanked the School Department's (SD) "new team" of Dr. Hunter & Mr. Stanton for its change in attitude and mentality towards the budget process. She also thanked the Finance Committee (FC) for the opportunity to present additional budget information this evening.

Mr. Stanton reviewed the Zero Based Budgeting (ZBB) process, which requires all expenses to be justified. He noted that savings have already been identified, including c. \$26K for CPS and c. \$18K at CCHS for printing costs alone, mostly from redundancies. He noted that all the budget timelines have been met to date. He reviewed budget performance numbers for FY18 and FY19, noting that circuit breaker funds were used in FY18 to pre-pay some of the special needs out-of-district (ood) tuitions in FY19. In reviewing CCRSD revenue performance numbers, Dr. Hunter noted that the timing of Concord's budget cycle does not match with the state-aid budget cycle, so revenue estimates are made conservatively. Below is a summary of the CCRSD surplus funds as of 6/30/2019:

| Revenue Category | Amount of Surplus |
|--|--------------------------|
| School State Aid (Chapter 70) | \$221,080 |
| Transportation State Aid (Chapter 71) | \$107,315 |
| Interest (budgeted too low) | \$122,893 |
| Unspent FY18 Purchase Orders (these are from open/unspent encumbrances—now closed) | \$ 91,751 |
| Miscellaneous Revenue | \$ 46,200 |
| Rental of Facilities | \$ 18,324 |
| Charter School Reimbursement | \$ 2,211 |
| Total (revenue received over amount budgeted) | \$609,774 |

Dr. Hunter explained that restructuring and making organizational changes is an ongoing process. She continues to look for areas to improve. She noted changes in Special Education (SPED) leadership positions, adding a Director of Student Services, and Out-of-district Coordinator, and Team Chairs to oversee the process, with the goal of bringing more SPED students in-house. She is also

looking to identifying in-house services for non-SPED students. In response to a question from Ms. Ortner, Dr. Hunter indicated that in-house SPED programs at the elementary/middle school level will be able to be sustained once these students get to the high school. She noted that overall high school enrollment is declining, although enrollment is shifting from Carlisle to Concord. She also noted that there are no plans at this time to offer English language programs for parents of non-English speaking students.

Other changes noted by Dr. Hunter include: centralization of purchasing; reducing printing and copying costs; centralizing student registration; and continuing the changes in IT cost classifications and reporting to be in compliance with the Department of Education. New Assistant Principals at the elementary level is a reallocation of existing specialist positions (i.e., reducing the teaching time of one specialist in each school, freeing up that individual's time to serve as Assistant Principal).

Mr. Stanton reviewed SPED ood costs for CPS, as follows:

| Funding Source | FY18 SPED Tuitions | FY19 SPED Tuitions |
|-----------------|--------------------|--------------------|
| General Fund | \$1,628,124 | \$1,431,689 |
| Circuit Breaker | \$ 858,809 | \$ 718,671 |
| IDEA Grant | \$ 503,681 | \$ 493,382 |
| TOTALS | \$2,990,614 | \$2,643,742 |

Mr. Stanton noted that the FY18 expenditures include prepayment of some FY19 costs, using circuit breaker funds. He indicated that in the future, a better breakdown of these prepayments will be made. He reviewed the SPED ood costs for CCRSD, as follows:

| Funding Source | FY18 SPED OOD Tuitions | FY19 SPED OOD Tuitions |
|-----------------|------------------------|------------------------|
| General Fund | \$2,202,877 | \$2,992,188 |
| Circuit Breaker | \$ 902,218 | \$ 470,000 |
| IDEA Grant | \$ 352,995 | \$ 308,817 |
| TOTALS | \$3,458,090 | \$3,771,005 |

Mr. Stanton explained that there was no FY19 prepayment of SPED ood costs at the high school in FY18. This was intentional, since an effort was made to build up funds in Excess & Deficiency (E&D) to satisfy bond raters, and to satisfy the state requirement that the SD spend in circuit breaker funds no less than the amount that was spent the previous year. Dr. Hunter noted that the SD spent \$684,000 in transportation SPED expenses, which are not subsidized by the State. This policy is currently under review in the state legislature. Mr. Stanton reported that the balance in E&D as of 6/30/2019 is \$1,382,414 (c. 4% of budget), which represents a significant increase from FY18. Dr. Hunter thanked the FC for its assistance in achieving this goal.

Enrollment Mr. Stanton reported that K-8 enrollment projections are level through FY21. As of October 1, 2019, enrollment was 2,047. CCRSD enrollment projections are relatively level through FY25, but Concord's share continues to rise (from 75.25% on October 1, 2018 to an estimated 76.9% on October 1, 2020).

CPS Capital Planning Mr. Stanton reported that he is in the process of updating the 5-year capital plan to stay within the Town Manager's budget. No additional warrant articles are anticipated by CPS for the FY21. Capital funds for repairs at the existing middle school buildings will only be for emergency purposes. Dr. Hunter noted the extraordinary benefits of keeping all sixth grade stu-

dents together in one building (Peabody), and combining seventh and eighth grade students at Sanborn. In the new unified middle school building, she hopes to provide sixth graders with their own space. The positive benefit of this separation has been noted in the visits to area newly-constructed middle schools. In response to a question from Ms. Hartman, Dr. Hunter estimated \$500K in annual savings by having one middle school building. Ms. Ortner urged Dr. Hunter to look to the Light Plant for assistance in identifying energy improvements at the new middle school.

Transportation Mr. Stanton explained that the SD is continuing to develop a 10-year replacement cycle for school buses. CPS currently owns one electric bus, and grant funds are being requested for an additional electric bus. The cost of an electric bus is approximately four times the cost of a gasoline bus, although the energy savings are significant. The electric vehicle charge is located at Knox Trail. The mileage range for one "charged" electric bus is c. 70 miles.

Collective Bargaining Mr. Stanton explained that there are five CPS bargaining units. Increases for FY20 are 2.75% for all units (2.5%-2.75% for CTA) for the COLA increase, plus movement in steps and lanes for those who are eligible, making a total average increase of c. 4% for most employees (those not at the top step). In FY20, CTA teachers are in alignment with CCRSD teachers. Ms. Hartman asked whether external metrics were used to identify the COLA increase. Dr. Hunter responded that the goal in FY20 was to "sync up" the teacher contracts of CPS and CCRSD. After January 1st, she will begin the conversation about how to identify the COLA increase going forward. Ms. Hartman remarked that annual increases of 2.75% are not sustainable. Mr. Hickling noted that the COLA increase for social security recipients is 1.6% for 2020, and he asked for a commitment that metrics would be used in future negotiations. Dr. Hunter deferred to the School Committee.

The OPEB liability was confirmed to be \$4.5 million. Ms. Ortner asked for an estimate of the number of teachers expected to retire in the next five years, and how fully-funding OPEB at CCRSD by 2038 will factor into the costs. Mr. Stanton responded that this will require some guessing, but he could put together some estimates. **[FOLLOW-UP REQUIRED]** He also noted that Moody's indicated that CCRSD has the highest percentage of OPEB funding of any regional school district.

Dr. Hunter noted that department requests for FY21 salary and lane changes are due by November 1, so the salary budgeting for FY21 will be done more accurately. Dr. Hunter noted that the CPS tuition assistance budget is \$30,000, with a current cap of \$900/person/year, so funds are frequently depleted early in the year. The CPS teachers union worked collaboratively with the SD to solve this problem, and the annual maximum has been reduced to \$600. Mr. Stanton explained that there are six CCRSD bargaining units. COLA increases for FY20 are 2.75% for most units; 2.50% for tutors; and 2.5%-2.75% for teachers.

OPEB Funding CCRSD Mr. Stanton anticipates receipt of the actuary report in January (with numbers as of 6/30/2019). The District expects to be fully funded in 2038. Due to changes in the formula, the ARC will no longer be used to determine the annual funding. The new formula provides for a lower payment in place of ARC. This will partly make up for the underfunding done in recent years. Health care costs for retirees continue to increase, primarily due to an increase in the number of retirees participating. Mr. Stanton thanked Ms. Lafleur for her efforts to encourage em-

ployees to enroll in the higher deductible plan (with incentives to do so). The District has experienced savings as a result of this offering.

External Funding External funding for both CPS and CCRSD is expected to decline in FY21, with anticipated decreased funding in federal grants, METCO grants, and SPED circuit breaker funds (partly due to fewer food placements). Mr. Swain inquired about the status of the conversation with Carlisle about more equitably sharing in the costs of the high school (Ripley office space; Knox Trail bus depot capital costs). Dr. Hunter noted that operating costs of Knox Trail are funded 60-40 CPS/CCRSD now. She indicated that she is working on “tidying up” the operating costs at Ripley, which have not been shared with Carlisle. Mr. Swain asked that the capital costs also be discussed, noting the \$4 million historical costs borne by Concord alone. He suggested that Carlisle be charged a rental cost for Knox Trail and Ripley, if that is easier to calculate. Dr. Hunter agreed to continue the conversation with the School Committee. **[FOLLOW-UP REQUIRED]**

In response to a question from Ms. Hartman, Dr. Hunter noted that she is thinking about whether any warrant articles for capital expenditures will be brought to town meeting in 2020 for the high school, noting that the proposal last year did not pass. She noted that parking continues to be a challenge. Ms. Hartman noted that benchmarking salaries was not discussed. Dr. Hunter responded that she uses data for every decision, and is happy to share those figures with the FC.

Ms. Reynolds asked for a clarification of the overhead and instructional line items (Curriculum Directors, Department Heads, Department Chairs, etc.)—are these all separate individuals? Dr. Hunter responded that it varies—Department Chairs at the high school are teachers who receive an additional stipend for serving as Department Chair; Department Chairs at the middle school are teachers who receive a stipend, but they have more teaching responsibilities than teachers at the high school. The Curriculum Director is one individual with no teaching responsibilities. The Principals and Assistant Principals are separate positions. Mr. Stanton agreed to provide a more detailed breakdown of the “2000” instructional line items, to clarify these points. **[FOLLOW-UP REQUIRED]** Mr. Patel asked whether any cost savings/program reductions have been identified for FY21. Dr. Hunter responded that ideas are being put together, and more information will be available at the November meeting with the FC.

Mr. Banfield remarked that this is the second year that school officials have asked for additional time, pushing the budget schedule out by a week. This year, the FC was able to accommodate the request, since the warrant is closing a week later than usual. He indicated that this will not be possible in the future, since the FC is required to push its review as well. Dr. Hunter expressed her gratitude for the additional week. Mr. Banfield asked whether the schedule delay is due to ZBB. Dr. Hunter responded that it is mostly due to delays in obtaining FY20 actual costs, with school starting two months into the fiscal year. In response to a question from Mr. Packard, Dr. Hunter noted that most of the staff is hired prior to the start of the school year, although some hiring is not done until late in August. She felt that the quality and accuracy of the FY21 projections are improved with the later budget due date. Mr. Stanton noted that the budget will next be presented to the School Committee on November 19.

Vote FY21 Tentative Guideline

Ms. Lafleur reported that we have an unused levy capacity of \$4,068,174, which is 4.25%. This higher than anticipated number is partly due to new growth coming in at a higher rate than anticipated, due mostly to small building projects. She noted that there is a \$279,000 estimated enrollment shift cost (Carlisle to Concord) projected in FY21. The FY20 preliminary guideline was \$2,817,500 (3.45% overall increase). The final FY20 general fund increase in the property tax was 3.58%. After factoring in fixed costs, Ms. Lafleur estimates that we will have \$2,365,718 in new revenue to allocate to the guideline in FY21, to be divided up between the budget entities. Under this scenario, the unused levy limit would not be touched. It was suggested that the \$279,000 high school "shift" be added to the amount given allocated for the high school.

Several scenarios were considered for dividing the funds. One suggestion was to assume \$3 million be available for funding the guideline budgets for the four entities—Town, CPS, CCRSD, and Minuteman. This would require tapping into the unused levy limit, decreasing the balance to \$3,433,892 (using \$634,282). Mr. Taylor expressed concern that eating into the unused levy limit was not sustainable, and Prop 2½ overrides would be required for operating budgets in the future. Ms. Hartman noted that the Sustainable Growth Rate (SGR) number for FY21 is 2.16%, which would allocate only \$2,110,000 to the guideline budgets. She felt that implementing the SGR would be more realistic over 3-5 years, on a "glide path."

After further discussion, and on a **MOTION** made by Mr. Swain and seconded by Ms. Ortner, it was unanimously **VOTED**: To adopt a guideline budget increase of \$2,860,000 (3.25%), to be allocated as follows, and to recommend these numbers to the full FC for approval:

| | |
|-------|---|
| Town | \$ 717,666 (2.5%) |
| CPS | \$1,242,223 (3.15%) |
| CCRSD | \$ 900,111 (4.50%) -- includes \$279,000 for the enrollment shift |
| Total | \$2,860,000 (3.25%) |

There was additional discussion regarding the three-year trajectory of a budget increase of 3.25%, with the suggestion made that this number would decline to approximately 2.75% next year, etc., in a continued effort to implement the SGR over time.

Adjournment

The meeting adjourned at 9:23 pm. The regular meeting of the FC started following the adjournment.

Respectfully submitted,

Anita S. Tekle

Documents Used or Referenced at Meeting:

- FY21 Preliminary Budget Report for Concord-Carlisle Regional School District
- FY21 Preliminary Budget Report for Concord Public Schools

- for reference only
- hold until next
FinCom meeting
Draft #2

**Town of Concord
Finance Committee
Meeting Minutes – October 24, 2019**

Present: Dean Banfield, Peter Fischelis, Greg Guarriello, Mary Hartman, John Hickling, Richard Jamison, Dee Ortner, Karle Packard, Parashar Patel, Christine Reynolds, Wade Rubinstein, Phil Swain, Brian Taylor, Thomas Tarpey and Andrea Zall

Absent: None

Others Present: Select Board Member Michael Lawson; LWV Observer Diane Proctor; Finance Director Kerry Lafleur; Recording Secretary Anita Tekle

Meeting Opened

Mr. Banfield called the meeting to order in the Select Board Meeting Room at the Town House at 9:23 pm, following adjournment of the Guidelines Subcommittee meeting. He announced that the meeting was being televised and recorded by MMN.

Approval of Minutes

On a MOTION made by Mr. Hickling and seconded by Ms. Hartman, the minutes of September 26, 2019 were unanimously APPROVED, as amended.

Vote FY21 Tentative Guideline

On a MOTION made by Ms. Hartman and seconded by Mr. Taylor, it was unanimously VOTED to adopt the preliminary guideline budget, as recommended by the Guidelines Subcommittee, as follows: To adopt a guideline budget increase of \$2,860,000 (3.25%), to be allocated as follows:

| | |
|-------|---|
| Town | \$ 717,666 (2.5%) |
| CPS | \$1,242,223 (3.15%) |
| CCRS | \$ 900,111 (4.50%) -- includes \$279,000 for the enrollment shift |
| Total | \$2,860,000 (3.25%) |

Chair's Report

Mr. Banfield reported that he attended a meeting with the new Town Manager, and also attended a meeting of the League of Women Voters.

Observer Reports

CPC Committee—Ms. Hartman reported that they are in the “listening” phase of reviewing the applications. They are spending time reviewing applications for the use of CPA funds for churches, following a state court ruling that requires additional layers of review for churches.

Public Works Commission—Mr. Jamison reported that Concord won the court challenge for continued water rights to Nagog Pond. Consideration is being given to building the new treatment

plant in Concord, rather than in Acton. In exchange for moving the plant to Concord, it is possible that Concord will no longer provide water to Acton residences/businesses on Route 2A.

Public Safety—Mr. Guarriello reported that he toured the Fire Department, and the building space is constrained. They are looking at possibly reducing two vehicles (brush truck and one other) into one joint vehicle in the future. A new public safety building is high on the capital needs list.

Recreation Commission—Mr. Rubinstein reported his attendance at the Oct. 18 meeting and met the new Tourism/Visitor Services Manager. It was reported that Concord has not done a good job promoting the Town in the past. A million tourists come to Concord to visit the Old North Bridge, but only 12,000 stop at the visitor center each year. The Tourism Manager is looking to identify a location for bus parking, which would bring additional revenue into the businesses in Concord. She is also exploring adding a second floor to the visitor center, to provide office space. Ms. Reynolds noted that Lexington is building a new visitor center near the Green.

School Committees—Mr. Tarpey reported attending the meeting of the Joint School Committee earlier this week, which was a preview of the presentation heard tonight.

Middle School Building Committee—Mr. Patel reported that an RFP for design services has been released. The group has had lots of discussion about green initiatives, with the cost impact not yet determined. Mr. Swain noted that grant funds may be available to assist with the green initiatives.

Library Committee—Mr. Taylor reported that the group is reviewing changes to the governance agreement.

Capital Planning Task Force—Ms. Ortner serves as a liaison to this group, which plans to meet beginning in November, with their work completed in March.

Financial Audit Committee—Mr. Hickling noted that no meetings were held this month.

Select Board—Mr. Banfield reported on a vote of the Select Board to limit the scope of the ongoing litigation regarding Estabrook Road by directing Town Counsel not to pursue one the Town's claims (the one pertaining to the public's right of access through the continuous and unimpeded use of Estabrook Road following the 1932 discontinuance (adverse possession), which would involve obtaining depositions of many residents). The Board will continue to pursue its claim of public access to Estabrook Road.

Middle School Building Committee—Finance Subcommittee—Mr. Banfield attended a meeting of this group this morning. The Owner's Project Manager is looking at benchmarked costs for area middle schools, and has prepared an extensive spreadsheet with lots of data. Mr. Banfield advocated for the establishment of a Stabilization Fund to defray the cost of the new middle school.

Chair Breakfast—Mr. Hickling attended this meeting. The Planning Board is busy looking at additional housing options (2-family units; accessory apartments by right; PRD revisions). They plan to schedule a public meeting in November to get these ideas out early. Moderator Carmin Reiss has

asked the Middle School Building Committee to explore including a community space sufficient to hold town meeting in the new middle school, since she does not feel that the high school auditorium/gymnasium space is working well for town meeting.

Sustainable Growth Rate (SGR) Hearing

Mr. Banfield reported that he worked with Ms. Hartman to craft a Letter to the Editor for the Concord Journal, explaining the SGR and announcing the hearing. The hearing is included on the LWV bulletin and calendar. Ms. Proctor reported that the hearing was announced in the Members Monday Newsletter. The meeting will be televised and will be rebroadcast as time allows. Ms. Zall agreed to advertise the hearing with the Chamber of Commerce. Ms. Lafleur will include a notice on the Town's website.

Adjournment

The meeting adjourned at 9:51 pm.

Respectfully submitted,
Anita S. Tekle

Documents Used or Referenced at Meeting:

- Statement by the Concord Select Board Regarding Estabrook Litigation (dated 10.15.2019)