



Town of Concord
Finance Committee
22 Monument Square
Concord, Massachusetts 01742-0535

**Concord Finance Committee Agenda -
April 27, 2023, at 7:00PM**

Hybrid Meeting:

**Select Board Conference Room, Town House, 2nd Floor, 22 Monument Square, and
via Zoom:**

<https://us02web.zoom.us/j/81673513254?pwd=QjNzMWY3anBJZTdQS2Z5UkMwMjkyZz09>

Meeting ID: 816 7351 3254

Passcode: 043448

Agenda

1. Call to Order
2. Public Comment
3. Consideration of 2023 Annual Town Meeting Warrant Articles
 - a. Article 9 FY24 Town Budget
 - b. Article 18 Concord Public Schools Capital
 - c. Article 26 Community Preservation Committee Appropriation
4. Appreciation for outgoing members
5. Discussion on Finance Committee Leadership Roles
6. Finance Department Update
7. Discuss Future Meeting Dates
8. Approve Meeting Minutes (as may be available)
9. Public Comment
10. Correspondence
11. Adjourn

Reminders:

• **Next Meeting:**

May 25 (Thursday) 7:00pm - regular meeting

June 29 (Thursday) 7:00pm - regular meeting

- ***When Finance Committee members anticipate being absent from a meeting, it would be appreciated if they would notify Chair Peggy Briggs by email at peg.briggs@gmail.com***

Supporting materials for agenda items are available online at www.concordma.gov/fcmtgdocs. Materials are generally uploaded on the Tuesday prior to the Regular Meeting. If any member has materials they would like to present for discussion, please inform the chair in advance of the meeting.



Town of Concord
Finance Department
22 Monument Square
P.O. Box 535
Concord, Massachusetts 01742-0535
Tel: (978) 318-3090
Fax: (978) 318-3093

Date: April 21, 2023
To: Finance Committee Members
From: Gail S. Dowd

RE: CPS Capital – Article 18

Please see attached revised CPS Capital Plan as it pertains to Town Meeting Article 18.

<u>Project Description</u>	<u>FY24</u>
<u>Elementary</u>	
Existing Conditions Reports	100,000
BMS System Upgrades	75,000
Total Elementary:	175,000

<u>Project Description</u>	<u>FY24</u>
<u>Alcott</u>	
Sidewalk repairs	50,000
Parking Lot Repairs	50,000
Total Alcott:	100,000

<u>Project Description</u>	<u>FY24</u>
<u>Thoreau</u>	
Loading Dock Repairs and Related Exterior Work	75,000
Campus Master Plan	25,000
Integrated Playground	75,000
Dry Fire Supression System 1994 Wing	105,000
Parking Lot Repairs	50,000
Total Thoreau:	330,000

<u>Project Description</u>	<u>FY24</u>
<u>Willard</u>	
Walkway repairs	25,000
Parking Lot Repairs	50,000
Total Willard:	75,000

<u>Project Description</u>	<u>FY24</u>
<u>Peabody Building</u>	
Reserved for life safety and health	50,000
Total Peabody:	50,000
<u>Project Description</u>	<u>FY24</u>
<u>Sanborn Building</u>	
Reserved for life safety and health	50,000
Total Sanborn:	50,000
<u>Project Description</u>	<u>FY24</u>
<u>Ripley Building/Knox Trail</u>	
Repurpose Ripley HVAC/Electrical funds	-300,000
ADA Compliant Preschool Entrance Improvements	15,000
Total Ripley:	-285,000
Yearly Totals:	495,000

Finance Committee
Summary of Report
Town Meeting
April 30, 2023

Finance Committee

Primary Responsibility:

To make recommendations and set financial guidelines to help Concord maintain and strengthen its long-term financial health.

Finance Committee Objectives

- ✓ Maintain excess levy limit capacity to avoid general overrides
- ✓ Maintain adequate free cash balance
- ✓ Continue investing in ongoing capital needs
- ✓ Avoid burdening taxpayers beyond normal expectations of income growth
- ✓ Maintain the Town's character, including economic diversity of residents

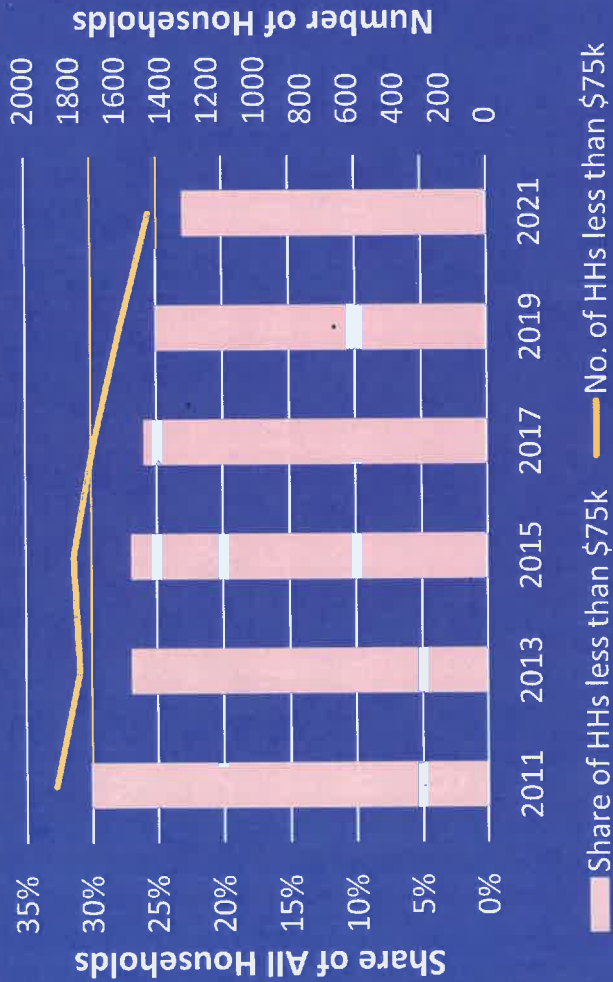
Finance Committee Report Summary

- **Areas of strength**
 - ✓ Aaa bond rating remains
 - ✓ Pension liability funded at 94.6%
 - ✓ OPEB (Other Post-Employment Benefits) liability will be fully funded in FY31
 - ✓ Ended FY22 with Free Cash at 6.1%, within our fiscal policy target of 5-10%
 - ✓ Currently funding operating budgets within the levy limit of 2-1/2% set by law

Finance Committee Report Summary

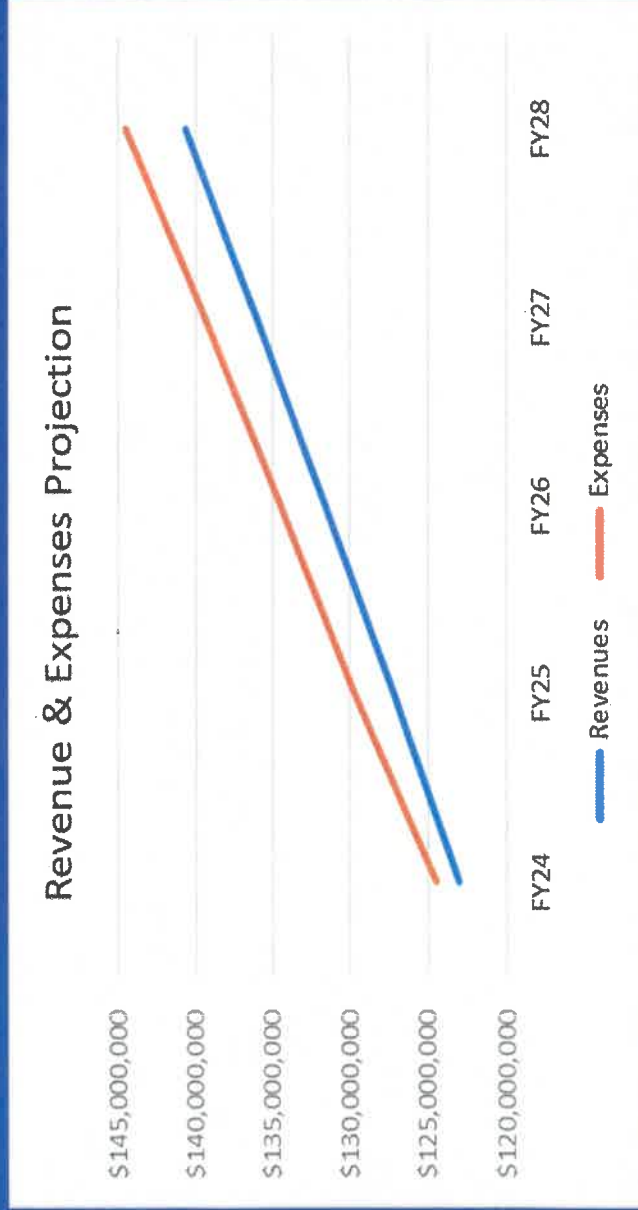
- Areas of concern
 - ✓ From FY24 to FY28:
 - ✓ Revenue projected to increase 3.4% annually
 - ✓ Expenses are projected to increase at higher rates (5.1% in FY24, 4.2% in FY25, 3.7% FY26, 3.6% FY27, 3.7% FY28)
 - ✓ Total debt service will continue to increase
 - ✓ Levy capacity was at \$85.5 million in FY 2018; projected to be at \$118.1 million in FY 28
 - ✓ Free cash was \$11.7 million (10.7% of operating budget) in 2018; projected to be depleted by FY 29

Households with less than \$75k annual income declining



Source: US Census Bureau, American Community Survey, 1-year estimates for 2011, 2013, 2015, 2017, 2019, 2021
 2016 dollars for 2011-2015
 2021 dollars for 2017-2021

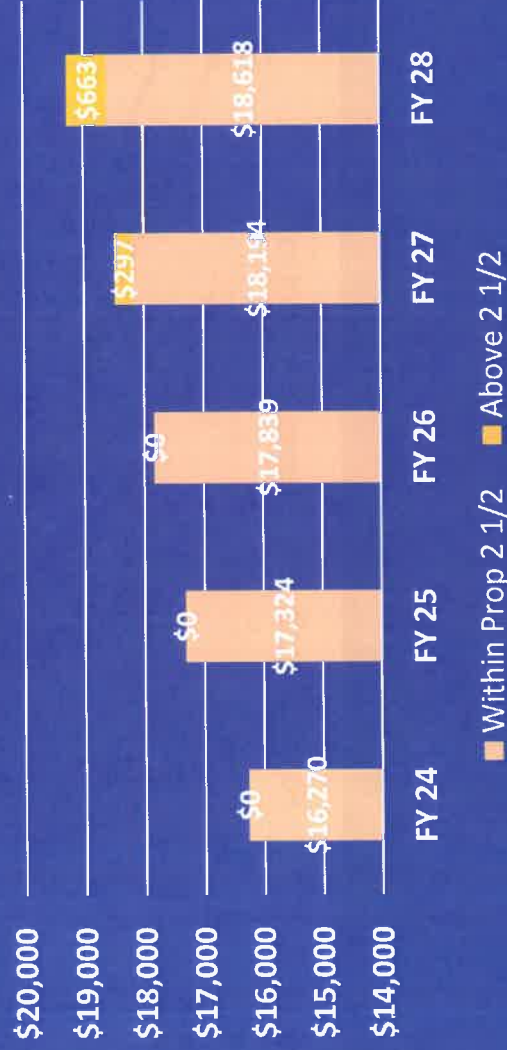
Gap Between Revenue and Operating Expenses*



*Does not include excluded debt

Absent changes, override needed by FY 2027

Tax Bill Projections for the Median Tax Bill



Finance Committee

Conclusion:

If substantial changes are not made to the underlying cost structures at CPS and the Town and/or revenue growth does not increase substantially, Prop 2 ½ overrides may be needed by FY27.

Finance Committee
Motion to Amend
Article 17: Concord Public
Schools Budget

Amendment to Article 17:
Concord Public Schools
FY24 Budget

Ms. Briggs moves to amend the motion under Article 17 to reduce the sum to be raised and appropriated for the necessary and expedient purposes of the public schools of the Town for the fiscal year ending June 30, 2024 from \$45,197,176 to \$44,429,832 to be consistent with the Finance Committee Budget Guideline for the Concord Public Schools for Fiscal Year 2024 for Fiscal Year 2024.

Priorities & Considerations

Services

Fiscal

- Education
- Sustainability
- Town Services
- Affordable Housing

- New Growth
- Debt Levels
- Financial Health
- Tax Rates



Metrics for Guidelines

	Weights	SFY24	SFY25	SFY26	SFY27	SFY28
Real Personal Income^{1,2}:		2.54%	2.22%	2.16%	2.09%	2.07%
Chained CPI-U ¹	20%	2.23%	2.09%	2.12%	2.14%	2.15%
Employment Cost Index (ECI), Private Wages and Salaries ¹	80%	4.08%	3.63%	3.37%	3.22%	3.18%
"Level" services rate:		3.71%	3.32%	3.12%	3.01%	2.97%

Sources:

¹The Budget and Economic Outlook, Congressional Budget Office, May 2022. Quarterly data used to convert to State Fiscal Years.
²Net of inflation.

- Personal income = proxy for affordability
- "Level" service = proxy for cost of providing services
- Publicly available, well-respected source

Amendment to Article 17:
Concord Public Schools
FY24 Budget

Preliminary Guidelines

	FY23 Budget	FY24 Preliminary Guideline Increment	Preliminary Guideline % Increase	Preliminary FY24 Guideline	Preliminary FY24 Request	Preliminary Guideline Vs. Request
Town ¹	\$31,735,605	\$1,269,424	4.00%	\$33,005,029	\$33,993,012	(\$987,983)
CPS ¹	\$43,010,486	\$1,083,450	2.52%	\$44,093,936	\$45,163,527	(\$1,069,591)
CCRS ²	\$21,782,979	\$536,387	2.46%	\$22,319,366	\$22,359,231	(\$39,865)
Total ²	\$96,529,070	\$2,889,261	2.99%	\$99,418,833	\$101,515,770	(\$2,097,439)

- Preliminary guideline increase of 3% within metrics
- Increases the median tax bill by 3.06%
- Town increase acknowledges 2.4% cut in FY 2021
- Town and CPS gap of ~\$1 million

¹Does not include (1) debt service and (2) health insurance and retirement benefits for Town and non-teacher CPS employees, and their dependents.

²Total reflects sum of individually set guidelines for Town, CPS, and CCRSD and therefore is \$6,661 less than the overall target set at 3.00%. Totals may not add because of rounding.

Amendment to Article 17:
Concord Public Schools
FY24 Budget

Final Guidelines Increased for Town and CPS

	FY23 Budget	FY24 Final Guideline Increment	Final Guideline % Increase	Final FY24 Guideline	FY24 Guideline vs. Preliminary FY24 Request
Town ¹	\$31,735,605	\$1,586,780	5.00%	\$33,322,385	(\$670,627)
CPS ¹	\$43,010,486	\$1,419,346	3.30%	\$44,429,832	(\$733,695)
CCRS	\$21,782,979	\$522,791	2.40%	\$22,305,770	(\$53,461)
Total	\$96,529,070	\$3,523,311	3.65%	\$100,052,381	(\$1,463,389)

- Unexpected cost increases at both Town departments and CPS
- Increased overall guideline amount to 3.65% with a tax impact of 3.64%
- Gap reduced to ~\$700,000 for Town and Schools

¹Does not include (1) debt service and (2) health insurance and retirement benefits for Town and non-teacher CPS employees, and their dependents. Totals may not add because of rounding.

Finance Committee Amendment

	FY24 Finance Committee Guideline	Proposed Budget	Gap relative to Guideline	Gap as % of Proposed Budget
CPS ¹	\$44,429,832	\$45,047,176	\$617,344	1.4%

The Finance Committee moves to amend Article 17 to reduce the appropriation from \$45,197,176 to \$44,429,832 for a net increase of 3.30%.

	FY 2023 Budget	Finance Committee Amendment	Increase from FY 2023	% Increase
CPS ¹	\$43,010,486	\$44,429,832	\$1,419,346	3.30%

¹Does not include (1) debt service and (2) health insurance and retirement benefits for non-teacher CPS employees and dependents.

Thank You

Finance Committee Minutes

February 23, 2023

March 9, 2023 – Regular Meeting

March 9, 2023 – Public Hearing

March 23, 2023

Concord Finance Committee Meeting Minutes
February 23, 2023
7:00 pm

The meeting was called to order by Chair Peggy Briggs at 7:00 pm with the following members in attendance: Ray Andrews, Suresh Bhatia, Peggy Briggs, Kathy Cuocolo, Eric Dahlberg, John Garofalo, Don Kupka, Dee Ortner, Parashar Patel, Chris Reynolds, and Lois Wasoff.

Scribe for Minutes

Mr. Patel volunteered to take minutes for this meeting.

Review Public Hearing Schedule

Ms. Briggs reviewed the public hearing schedule as follows:

- February 27 – Select Board Public Hearing
- March 1 – Finance Committee Public Hearing for the Town and CPC
- March 7 – Planning Board Public Hearing
- March 9 – Finance Committee Public Hearing for the Schools
- March 15 – Finance Committee Public Hearing for Enterprise Funds.

Ms. Briggs urged all Finance Committee members to attend as many of the public hearings as possible. Ms. Briggs also noted Mr. Patel will chair the Finance Committee hearing on March 1st because she will not be able to attend that hearing.

Overview of Annual Town Meeting Warrant

Ms. Briggs reviewed Town Meeting Warrant Articles to ask for input on whether the Finance Committee should discuss and/or include in the annual report. Committee members commenced discussing the specific articles and made decisions as noted below:

Article 3 – Meeting Procedure. Routine article on Town Meeting procedures. No need for discussion by Finance Committee.

Articles 4 - 6 concerning Personnel Board classification actions and compensation plans. Select Board Chair Matt Johnson clarified that these articles will not be discussed at the February 27, 2023 hearing because the compensation consultant's report will not be ready at that time. The hearing for these articles will be continued to March 27th by which time the Select Board expects to have the consultant's report.

Ms. Reynolds asked if these articles would change the Town budget. Gail Dowd, Concord Chief Financial Officer, confirmed that these articles will not affect the FY 24 Town Budget because it already incorporates the anticipated impact to compensation for Town employees for Fiscal Year 24. The Finance Department may update five-year cost projections for Town spending based on the consultant's final report. The Committee agreed that the Committee does not need to include these Articles at any upcoming Finance Committee FY 24 budget hearing because it does not affect the Budget and that the Annual Report should make this clear.

Article 7 – Free Cash. This article will be discussed at the March 1st Finance Committee hearing. The Finance Committee will also discuss and make a recommendation.

Article 8 – Town Budget Line-Item Adjustments. This article was not moved last year. No adjustments needed at this point according to the Finance Department so no need to address at any upcoming Public Hearings. However, the Finance Committee should discuss at a future meeting and make a recommendation if adjustments are needed, and the article is moved.

Article 9 – FY 2024 Town Budget. This article will be included in the March 1st Finance Committee hearing. The Finance Committee will also discuss and make a recommendation.

Article 10 – Citizen Petition for DEI Director. Committee discussed whether the Finance Committee should make a recommendation. Mr. Johnson clarified that while this is a citizen petition, it will be presented by the DEI Committee co-chairs and that the article will be discussed at the Select Board Public Hearing on February 27, 2023. Because the Article was only a recommendation and does not ask for additional funds for the Town budget, the Committee decided that the Finance Committee will not make any recommendation at this time. If the article seeks funding in addition to the Town budget as noted in Article 9, the Finance Committee may review and decide to make a recommendation.

Articles 11- 18 concerning capital and debt plan; OPEB appropriation; OPEN fund expense; opioid settlement; Minuteman, Concord-Carlisle Regional School District budget; and Concord Public Schools budget, capital projects, and Middle School fields & landscaping. All these articles will be discussed at the March 1, March 9, and March 15 Finance Committee public hearings and other meetings and recommendations on these articles.

Article 19 – CPS Fields & Landscaping – Mr. Johnson clarified that bids are not due until close to the end of April, therefore at this time it is not known if Article 19 will be moved. This article will be discussed at the March 9, 2023 Finance Committee public hearing.

Article 20 – Middle School Stabilization Fund. While the current version of the article seeks to appropriate \$1 million to the stabilization fund, the actual amount at Town Meeting may be either \$750,000 or \$500,000 from the Overlay Surplus according to CFO Gail Dowd. This article will be part of the March 1 hearing. The Committee will also discuss and make a recommendation on the article.

Article 21 – Light Plant Solar Expansion – Middle School. This article will be part of the March 15 hearing and the Finance Committee will make a recommendation. Ms. Reynolds provided a summary of the solar array to be sited at the new Middle School. The capital costs for the solar expansion will be borne by the Municipal Light customers. The latest cost estimate is between \$7-8 million rather than the \$13 million printed in the Warrant. The estimates have changed because of the size of the battery and includes canopies as well. Costs may be further reduced if ARPA and federal funds are available. The project will add \$14-27 per year to the average

electric bill over 20 years, depending on whether ARPA and/or federal funds are available. In response to a question, Interim Finance Director Bob LeLacheur noted that the debt for this project would be issued as “general obligation bonds”. Ms. Briggs reminded members and the public that the Feb 28th public forum will provide more information on the project and urged attendance.

Articles 22 – 23 concerning solar generation task force and stretch energy goals. These articles are not included in any Finance Committee hearing nor will the Finance Committee make recommendations.

Articles 24 – 29 concerning the municipal light plan; 250th anniversary celebration; Community Preservation Committee recommendations, reappropriate funds, and Affordable Housing Trust; and transfer of housing funds. These articles will be discussed at the March 1, March 9, and March 15 hearings. The Committee will also discuss and make a recommendation on these articles.

Article 30 – Plainfield Road easement. No Town funds will be used to obtain the easement. This article is not included in any Finance Committee hearing nor will the Finance Committee make a recommendation.

Article 31 – Beede Center. This article will be discussed at the March 15 hearing. The Committee will also discuss and make a recommendation on this article.

Articles 32 – 37 concerning demolition reviews; zoning bylaw amendments on restaurant parking, mobile food establishments, and combined business/residence; citizen petition on noise bylaw; and citizen petition on leaf blowers. These articles are not included in any Finance Committee hearing nor will the Finance Committee make recommendations.

Articles 38 – 44 concerning solid waste; sewer system; water system; PEG access; parking meters; and revolving funds. These articles will be discussed at the March 1 and March 15 hearings. The Finance Committee will discuss and make recommendations on these articles.

Articles 45 and 46 concerning unpaid bills and debt recission. These articles will not be moved this year; therefore, they are not included in any public hearings, nor will they be discussed by the Finance Committee.

Discuss Finance Committee Report to Annual Town Meeting

Ms. Wasoff provided an overview of the proposed Finance Committee annual report outline as circulated in the Finance Committee meeting packet. The format and structure will follow what was used in the 2022 Annual report. The outline includes suggestions for responsible individuals for each section.

Ms. Wasoff asked for input on the addition of a “deeper dive” on Capital Planning. The Finance Department will draft with input from the Ms. Briggs and Mr. Patel. The Finance Committee agreed that the addition will be useful.

The Town will develop a model for five-year projections of property taxes for the median tax bill. The accompanying narrative will be developed by the Finance Committee.

The chart summarizing Finance Committee recommendations, including rationales for each article, will be developed by the committee liaisons. The liaisons will also develop drafts for the “deep dives” for select articles while others will be developed by the Finance Department (e.g., free cash, Town budget).

- The school-related sections will be written by Ms. Cuocolo, Mr. Dahlberg, and Ms. Reynolds as noted in the outline.
- The CPC sections will be written by Ms. Ortner and Mr. Andrews.
- Because the Finance Committee does not have a liaison to the 250th Anniversary Celebration committee, Ms. Wasoff asked for a volunteer. If no member volunteers, Ms. Briggs will assign a member to draft this section of the annual report.
- After a brief discussion, the Committee agreed that the FY 2024 annual report will follow the same format as last year for Town Enterprise funds.

All drafts are due to Ms. Wasoff by March 15th at the latest so that the annual report can be printed and ready for distribution at the April 30th annual Town meeting.

Review 5-year tax bill Projections

Mr. LeLacheur agreed to have five-year projections ready for inclusion in the FY 2024 annual report. The projections will be based on the five-year cost and non-property tax revenue projections.

Discuss CPS FY24 Budget

Finance Committee members shared their perspectives of the joint School and Finance Committees meeting on February 15th as shown below:

- Mr. Patel indicated that he was disappointed at what we heard. While we received historical and comparative data, he does not understand what CPS plans to do to reduce future cost growth, estimated now to be about 4% per year over the next five years.
- Ms Briggs said that various members of the Finance Committee brought up good points. She noted that the CPS budget has always been a tough discussion and hopes that we make some progress on the structural issues.
- Mr. Kupka shared his observation that there was a very detailed discussion of potential budget items to be eliminated or cut at a very early point in the process. Mr. Kupka further noted that his heart broke when a school employee said that their position

would be eliminated. Mr. Kupka proposed that when the Finance Committee asks for information about cost reductions, we aren't seeking that level of detail. We should be able to have a conversation about overall spending without creating stress for individual employees or students.

- Ms. Cuocolo reinforced Mr. Kupka's comments. She agreed that we need not ask for those details and noted that we don't even see such details when the budget is completed.
- Ms. Briggs indicated that from her perspective, the current school administration provides more detail than previous administrations. While we do not vote on those line items, the information is much more transparent than 10 or 15 years ago.
- Mr. Patel indicated that he had one additional observation. Upon reviewing the metrics in the CPS strategic plan, one may agree or disagree with the metrics; however, performance relative to the metrics are not updated in one place. Mr. Patel recommended that the Finance Committee Annual Report should urge the Town, CCRSD, and CPS should adopt and consistently update strategic plans. He also urged the Finance Committee to develop annual plans at the start of the fiscal year and review and self-evaluate after each Town Meeting.
- Ms. Reynolds noted that if CPS spending grows at 4% per year in the future, we'll be exceeding our revenue. She further noted that if the Town and Schools cannot reduce costs, it cannot all drop to property taxes. Ms. Reynolds noted that the Town and Schools must look at ways to increase non-property tax revenues. She reiterated that this is not only the Finance Committee's responsibility but everyone's.
- Ms. Briggs agreed with Ms. Reynolds however noted that "it's a tough sell".

Minutes from Prior Meetings

There were no minutes to approve for this meeting. Ms. Briggs said that the minutes from February 15, 2023 are still outstanding because she has not completed them. Ms. Wasoff noted that except for the February 15th minutes, she has drafts of all other outstanding minutes and expects that we will be able to approve those at the next Finance Committee meeting.

Public Comments

No public comments received.

Warner's Pond

Ms. Ortnier asked members if they have received notices for a March 2, 2023 community meeting at the Town House on Warner's Pond because residents that she has spoken with have not received it. Many members have received the notice in the mail. Ms. Ortnier urged members to attend.

Remote Meetings

At this time, the authorization to conduct remote and hybrid meetings ends March 31st unless extended. There has been no update on whether it will be expended.

Upcoming Public Hearings

Ms. Briggs indicated that Mr. Patel will chair the March 1st hearing because she will not be available. Ms. Briggs reviewed the hearing schedule again.

The meeting was adjourned at 8:52 pm.

DRAFT

Town of Concord
Meeting of the Finance Committee
Meeting Minutes – March 9, 2023
Hybrid Meeting

The Public Hearing was called to order at 10:03 pm by roll call vote.

Members present:

Peggy Briggs, Chair
Parashar Patel, Vice Chair
Dee Ortner
Brian Taylor (remote)
Christine Reynolds
Don Kupka
Eric Dahlberg
Kathy Cuocolo (remote)
Lois Wasoff
John Garofalo (remote)
Lyndsey Lis
Suresh Bhatia
Amrith Kumar (remote)

Members absent:

Greg Guarriello

Chairperson Peggy Briggs opened the meeting by stating the objective of the meeting was for the Finance Committee to vote on the Articles just presented, if the Committee felt they were ready, or postpone until a future meeting.

Dee Ortner moved that the Committee recommend Affirmative Action on Article 15, seconded by Parashar Patel, passed unanimously.

Amrith Kumar moved that the Committee recommend Affirmative Action on Article 16, seconded by Ray Andrews, passed unanimously.

Amrith Kumar moved that the Committee recommend Affirmative Action on Article 17, Parashar Patel amended the motion to a lower amount, Kathy Cuocolo seconded Mr. Patel's motion. Mr. Kumar withdrew his motion. Lois Wasoff made a motion to postpone vote on Article 17. A discussion ensued concerning the merits of postponement. A request was made by Eric Dahlberg that a vote be taken of how many Committee members were ready to vote this evening. 6 members indicated their readiness and since that was not a majority, Article 17 was moved to the meeting of March 15th.

Don Kupka moved that the Committee recommend a vote of No Action on Article 18, seconded by Amrith Kumar. A conversation ensued lead by Don concerning the need for further information on the replacement of boilers and their useful life. Don withdrew his motion and Article 18 was moved to the meeting of March 15th.

Chair Peggy Briggs noted that a vote on Article 19 should be postponed until such time as bids for the new Middle School are received and a determination can be made as to whether the article is necessary.

Kathy Cuocolo moved to that the Committee recommend Affirmative Action on Article 20, seconded, passed unanimously.

Lois Wasoff noted that drafts of three sets of minutes were circulated with the agenda: meeting and public hearing held on November 23rd, meeting held January 26th, and meeting held February 15th. Chris Reynolds moved that the three sets of minutes be approved. The motion was seconded by Amrith Kumar and passed unanimously.

The agenda item regarding the workings of the Committee and ideas for future processes was tabled until the next Finance Committee meeting on March 15th.

Meeting was adjourned at 10:35pm.

Kathy Cuocolo
Finance Committee Member

DRAFT

Town of Concord
Meeting of the Public Hearing and Finance Committee
Meeting Minutes – March 9, 2023
Hybrid Meeting

The Public Hearing was called to order at 7pm by roll call vote.

Members present:

Peggy Briggs, Chair
Parashar Patel, Vice Chair
Dee Ortner
Brian Taylor (remote)
Christine Reynolds
Don Kupka
Eric Dahlberg
Kathy Cuocolo (remote)
Lois Wasoff
John Garofalo (remote)
Lyndsey Lis
Suresh Bhatia
Amrith Kumar (remote)

Members absent:

Greg Guarriello

Ms. Briggs opened the hearing at 7pm and provided a summary of the agenda, which focused on the proposed capital and operating budgets for Minuteman, CCRSD, and the CPS Schools. The town's Enterprise Funds (Beede Center, Light Plant, Water, PEG) will present on March 15th. Time was made for questions by the Finance Committee and members of the public for each article presented.

Article 15: Minuteman Regional Technical High School District Budget

Mr. Steve Ledoux, Vice Chair of the School Committee, Chair of the Finance Subcommittee and Chair of the Faculty Negotiations Committee. He turned the presentation over to Dr. Kathleen Dawson, Superintendent. The superintendent provided an overview of the article, which is to determine whether the Town will vote to transfer from available funds the sum of \$1,643,006 for the necessary and expedient purposes of the Minuteman Regional Technical High School District for the Fiscal year 2024. Dr. Dawson highlighted that the budget request represents a 6.18% increase with primary drivers being, increased staffing (3 FTEs) increased health insurance costs (10%) and increases in utilities (8%). She further reviewed the trends in number of students, with a steep increase in students from member towns. Per student cost is and should remain constant.

Finance Committee Questions

- Don Kupka asked if the 4.5% overall increase vs the 6.18% operating budget (primarily due to a \$500,000 grant) could be maintained in the coming years. Nikki Andrade, business manager for Minuteman, responded that there were a few variables going forward. Clearly the 3 FTEs would be in the following years budget, but changes in OPEB, grants and utilities are unknown. Mr. Kupka asked the total number of staff and Ms. Andrade responded 144.

- Christine Reynolds asked about the postgraduate and animal studies programs, and if they were to be implemented as a way to raise revenue. Dr. Dawson responded that the animal studies program is part of the normal curriculum. The postgraduate program is tuition paying.
- Ms. Reynolds further asked about the fields as a source of revenue. Dr. Dawson responded that that was and is the intention but currently they are not generating the types of income that had previously been projected.
- Ms. Reynolds then asked about the necessity of adding 3 new teachers. Dr. Dawson responded that the animal studies program requires a minimum of 2 teachers and that their math program needed the additional position.
- Ms. Reynolds asked about member towns entering or exiting the program. Dr. Dawson advised that no member towns had exited and that while there are discussions with new towns the process could take two full years to implement.
- Next Parashar Patel asked about the growth in expense. Could we understand how much was attributed to student enrollment vs actual growth of various expenses? Ms. Andrade responded that the two major components are the minimum requirement set by the state and the operating costs. She said that assessments are aligned with the rolling 4-year average of participating students.
- Dee Ortner asked if the current 628 students was their maximum. Dr. Dawson responded that full capacity would be 720 students. Ms. Ortner then asked about the renovation of an additional building that was discussed last year and its impact on enrollment. Dr. Dawson advised that the North building was expected to be completed in the upcoming school year. It will house welding classes and will offer more enrollment opportunities.
- Eric Dahlberg questioned the numbers in the Town Warrant article versus the numbers in tonight's presentation. Ms. Andrade noted that there may be a difference of a few thousand dollars due to refinements after the publication of the warrant.

Questions from the public

- Matthew Johnston, 21 Winter Street, member of the Select Board, speaking on his own behalf. Commented on the use of a rolling 4-year average masks that our costs are increasing and asked for comment. Ms. Andrade reviewed the enrollment figures and noted that the number of Concord students in the freshman class is far larger than in the senior class and the averages will change over time to reflect those changes.

Article 16: Concord-Carlisle Regional High School Budget

Tracy Morano, Chair of the Concord-Carlisle Regional School Committee, and a member of the Concord School Committee opened the discussion by introducing Dr. Hunter, Superintendent and Assistant Superintendent of Finance, Bob Conry.

Mr. Conry provided an overview of the article, which is to determine whether the Town will vote to transfer from available funds the sum of \$26,357,846, or any other sum, for the necessary and expedient purposes of the Concord-Carlisle Regional School. Mr. Conry gave an overview of the 3.48% increase over FY 23. He pointed out that the largest component of expense is salaries which have risen 3.5% in accordance primarily with teachers' salary contracts. Increases in insurance costs (17.6%) and retirement plan assessments (15.8%) were partially offset by reduction in debt service (2.5%) and transportation (22%).

Mr. Conry reviewed the Elementary and Secondary School Emergency Relief Funds (ESSER) that the town had received of grants totaling \$697,832 over the past three years. A language based special education program was an illustration of the use of these funds (\$192,025)

Finance Committee questions

- Ms. Briggs inquired if the staff added for the grant-supported language-based special education program would have to be added to the budget after the expiration of the grants in FY25. Mr. Conry affirmed that that would be the case.
- Mr. Patel inquired about the contingency account that was being drawn down to as a budget offset. Mr. Conry described its use and responded that the account would not be replenished.
- Mr. Kupka asked if the contractual increase in teachers' salaries would be similar in FY25. Dr. Hunter noted that the current contract is up for renewal and Mr. Kupka pointed out that given the current inflationary environment we should be mindful that a 2.75% increase may not be achievable.
- Mr. Kupka asked about the 9% increase in Carlisle's share of costs based on changes in the student mix. Looking at our student demographics at the middle school, should Concord expect such a sharp increase in future? Dr. Hunter responded that based on current information that was not likely.
- Chris Reynolds asked about the balance in the circuit breaker account. Mr. Conry said that it was \$1,000,276.
- Ms. Reynolds then asked Dr. Hunter about her plan to add a new Dean of Students. She responded that was not an addition to staff but would be funded through a reallocation of current staffing level.
- Ms. Wasoff asked about reducing E&D down to 4% and what amount of funding would that free up. Mr. Conry stated approximately \$100,000.

Questions from the public

- Dean Banfield, 73 Walden Terrace – Mr. Banfield inquired about on the suggestion of moving to a rolling average for enrollment in determining to Concord/Carlisle allocation (as is done with Minuteman), to smooth out fluctuations in enrollment. Dr. Hunter responded that over many years there has been little interest to do so.
- Dr. Hunter added a note concerning students arriving from the homeless shelter. We expect 31 children, 22 of which are requesting transportation back to their home schools. She noted that we will be receiving \$18,000 per student from the state.

Article 17: Concord Public Schools Budget

Ms. Alexa Andersen, Chair of the Concord Public Schools Committee, opened the discussion. She stated that the budget to be presented by Dr. Hunter was a zero-based budget that would deliver the same level of services year over year. Special needs education rose 14%, utilities \$108,000 and inflation was 8%. Finance Committee guidelines were at 3.3% however the budget being presented represents a 4.7% increase.

Dr. Hunter began her presentation stating that the CPS request for FY 2024 is \$45,047,146, a \$2,036,690 (4.7%) increase. The largest segment of the budget is teachers' salaries. CPS's cost per student was \$23,269 and compared that cost to 13 neighboring towns (ranging from a high of \$30,296 for Weston to a low of \$18,958 for Acton-Boxborough). She reviewed the status of ESSER grants of \$2,060,619 of which \$1,609,753 will have been expended by the end of FY23.

Dr. Hunter concluded her presentation by noting that the budget approved by the School Committee was \$585,000 above the guidelines provided.

Questions from the Finance Committee

- Questions from Peggy Briggs and Don Kupka concerning the reduction from an average of \$735,000 which is what is appearing in the Town warrant vs the \$585,000 just quoted. Dr. Hunter relayed that the largest factor was \$100,000 that she released from the schools reserves account.
- Mr. Patel noted that while Dr. Hunter and Ms. Andersen highlighted expense increases as mandated by law the correct characterization was that they were the result of negotiated contract obligations.
- Don Kupka asked about the impact of the State homeless residents moving into town. She stated that there will be ESL needs, but there are currently no known factors upon which to budget.
- Chris Reynolds asked about the line between the schools supporting students' mental health needs and the responsibility of health care. Dr. Hunter talked about the need to support students so they are able to be receptive to learning. She referenced the Risk Behavior Survey where 25% of students report having had thoughts of doing self-harm. All acknowledged the line between student life and health care was a tough one and Dr. Hunter pointed out that getting appropriate health care can be difficult and doctor's appointments are not always available.
- Don Kupka asked if there were adds to staff to meet these needs. Dr. Hunter said they were retooling existing counselors to work with these students.

Questions/Remarks from the Public

- Terry Ackerman asked why CCRSD's increase was at 3.3% but CPS is at 4.7%. Clearly both schools are subject to the same inflation, special education needs, and other factors cited in the CPS presentation. Dr. Hunter responded that CPS had lagged on mental health staffing in past years while CCRSD was already well staffed to handle the current needs.
- Wilson Curry, 20 Damon Street, stated that the inflation rate was over 8% and that the guideline of 3.3% seemed unrealistic in that regard. He also stated that the Town budget was increasing 5.8% and commented that he did not understand why the disparity.
- Matt Johnson, 21 Winter Street, began by explaining the guidelines process is intended to recognize the ability of our townspeople to pay for services. To the extent that the cost of services exceeds guidelines we are asking our citizens to not live by a level set budget, but to reduce their available dollars below their own current needs. He asked how we can do that, and Dr. Hunter retorted that that is not her job, her job is to run the schools. The townspeople will make that determination. Mr. Johnson noted that he is hearing that several long-term townspeople are talking of moving elsewhere as they will no longer be able to live here.
- Dean Banfield, 73 Walden Terrace, made the observation that our town's cost per student is \$2,000 to \$1,800 greater (approximately 10%) than Needham, Bedford or Lexington and that those towns costs include high school students whom he believes need more sophisticated education.
- Liz Kroll, 212 Hubbard Street, spoke of her support for the schools and their difficult job.
- John Peachy, 44 Bedford Court, spoke of his support for the schools and the excellent education our town provides.
- Don Kupka offered that the discussion of budget levels should never pinpoint specific individual jobs as that put undue stress on persons working for the town.
- Todd Benjamin, Sudbury Road, asked for clarification on the cost of Professional Development. He stated that Concord provides 30 days of paid PD while other towns like Brighton provide half as much.
- Mary Hartman, 16 Concord Green asked about possible additional sources of revenue. Dr. Hunter responded that the schools are always looking for and applying for grants.

- Casey Atkins, 477 Lawsbrook Road, spoke to her support of the schools and gave a personal example of when the schools were there for a mental health crisis in her family.

Article 18: Concord Public Schools Capital Projects

This article provides for a capital appropriation for Concord Public Schools K-8 as part of the Town Manager’s five-year Capital Plan with the debt service to be funded within the Levy Limit. Bob LeLacheur, Interim Finance Director spoke to this article. He stated that each year the town grants the schools \$900,000 and they manage their capital improvements around that line item.

Questions from the Finance Committee

- Dee Ortner asked if the schools could defer some of these projects and use \$585,000 for the CPS budget shortfall. Mr. LeLacheur explained that the funds requested in this article would be raised through borrowing, so deferring the projects would not free up available funds; rather, it would reduce the amount borrowed.
- Don Kupka stated that the schools should get 30 years rather than a 20-year life out of boilers and we should not be replacing them prematurely. Mr. LeLacheur commented that they are under pressure to move towards higher sustainably infrastructure.

Questions/Comments from the Public

- Dean Banfield, 73 Walden Terrace, reviewed prior year discussions of the Thoreau and Alcott boilers and he inquired of the status of the study. Mr. LeLacheur conveyed that various options for high efficiency and/or all electric boilers were being looked at.
- Diane Proctor, 57 Sudbury Road, reminded the group that the \$900,000 is granted to keep our buildings in good repair.

Article 19: Concord Public Schools Capital Projects – Fields and Landscaping

To see if the Town will appropriate \$1,802,000 for the purpose of installing new natural grass athletic turf fields, landscaping, and other expenses, related to the new middle school, if the athletic fields and landscaping are removed from the scope of the Concord Middle School Project under the “alt/delete” procedure if their removal is necessary to bring the construction bids within the current authorization.

Dr. Hunter explained that should the bids for the new middle school come in at a level that fits within the approved budget, this article would be unnecessary and would not be moved at Town Meeting. Peggy Briggs mentioned that the Community Preservation Committee might be willing and able to fund this, and Dr. Hunter acknowledged that that was an avenue to pursue.

Questions from the Finance Committee

- Dee Ortner asked if the schools could move this request to the following year, which is closer to the time the funds would be needed. Ms. Andersen responded that the thinking is that by getting the bids now they could lock in prices and eliminate the risk of future year costs being higher.
- Parashar Patel asked what future large capital projects the schools foresaw in the coming years.

Questions/Comments from the Public

- Mary Hartman, Concord Green, Select Board member described the process for major capital projects in excess of \$5 million. She noted that the committee had met twice in 2022 and neither time did the request for \$1.8 million get raised. Dr. Hunter responded that the schools

wish to be in sync with the process but that the timing of this years needs assessment made that unworkable.

- Diane Proctor, 57 Sudbury Road, commented on the application process to the CPC and a multi-year approach to approval.

Article 20: Appropriation to Middle School Stabilization Fund

To determine if the Town will vote to transfer from Overlay Surplus \$750,000 and from Free Cash \$250,000 for a total transfer of \$1,000,000 to the Middle School Stabilization Fund.

Ms. Briggs gave a summary of the Stabilization Fund's establishment in 2020 and its funding year by year.

No questions from Finance Committee or public

Meeting was adjourned at 10:02pm.

Kathy Cuocolo
Finance Committee Member

DRAFT

Town of Concord
Meeting of the Finance Committee
Minutes of Meeting March 23, 2023
Hybrid Meeting

Members present: Present: Ray Andrews (online & scribe), Peggy Briggs – Chair, Suresh Bhatia, Eric Dahlberg, Greg Guarriello, Don Kupka, Amrith Kumar (online), Lyndsey Lis, Dee Ortner, Parashar Patel, Christine Reynolds, Brian Taylor, Lois Wasoff (online)

Members Absent: Kathy Cuocolo, John Garofalo

Others Attending: Bob LeLacheur (Interim Finance Director), Gail Dowd (Chief Financial Officer), Richard Loughlin (250th Celebration Committee), Alexa Anderson (Chair, Concord Public Schools Committee), Carmin Reiss (Town Moderator), Karlen Reed (online), Mark Howell (online), Wilson Kerr (online)

Ms. Briggs called meeting to order at 7PM and assigned Mr. Andrews as Scribe. Ms. Briggs agreed with Ms. Ortner's suggestion that public comment be at end of meeting.

ATM WARRANT ARTICLES 17 AND 18: Ms. Briggs gave summary of the votes taken On Article 17 at the last meeting. She noted that Article 18 may change from the version in the warrant. Ms. Reynolds asked for more info on the items in Article 18. She noted the Town's goal of sustainability and long-term plan for Ripley and its equipment and suggested there be a study of needs and plans at Ripley as was done for Alcott last year. Ms. Ortner suggested that this type of work be handled as part of the capital planning process. Mr. LeLacheur noted that borrowing \$900K, as has been done in past years and is proposed this year, is lumping several relatively small projects together rather than making specific decisions about when to use debt to finance a capital project. He noted that the \$900K approved last year will be borrowed around May this year.

Ms. Anderson provided some background on the Ripley HVAC project. A 2013 study identified Ripley as a carbon offender. In 2019, Kate Hanley (Town Sustainability Director at CMLP) applied for a grant for \$200K for heat pumps at Ripley and that grant was awarded by Green Communities organization. Utilizing that grant will require spending \$745K on electrical upgrades. The \$300K approved for Ripley last year has not been spent yet. Ms. Andersen also noted that Capital Plan will be reviewed at the School Committee meeting on Tues March 28.

Mr. Bhatia said his current knowledge of construction is that there is an acute shortage of manpower and equipment, so no one is bidding work to start before May 2024.

ATM Warrant Article 25: Mr. Loughlin reported that the Celebrate 250th Committee will not move Article 25 this year. They expect to get \$200K from State and are seeking funding from other sources as well. They need to refine their plan and work on raising funds and will meet with the surrounding towns (especially Lexington).

Preparations for Annual Town Meeting (ATM). Ms. Briggs suggested that FinCom plan to make a presentation at ATM on Article 17, although it may be useful to prepare presentations for other articles in case they are needed. Ms. Wasoff suggested there be a presentation at ATM about the general trend that expenses are increasing at a faster rate than revenues, and the projections that free cash could be depleted and Prop 2 ½ overrides needed in the next few years. Avoiding overrides has been one of the objectives of the Finance Committee for a variety of reasons, including that overrides are an unreliable funding mechanism since they may be defeated when presented for a vote.

Mr. Kupka noted that Concord's debt service has grown by 6.5% per year over the last 20 years. Mr. Kumar pointed out that we seek to maintain "level service" but when an additional person is hired that becomes part of level service in subsequent years. Mr. Taylor and others suggested we recommend that town entities seek ways to increase sustainable revenue by \$2-3 million per year. Ms. Ortnier agreed and suggested we do further investigation into sources of increased revenue and ask Mr. LeLacheur to prepare a projection of how much additional revenue would be needed to avoid an override in future years.

Ms. Wasoff reported that the FinCom Annual Report is in good shape thanks to the efforts of many people on FinCom and in the Town Finance Department. A few sections still need to be finalized but the report is on track to be completed by the deadlines set by the Town.

Demographic Changes in Concord. Ms. Lys made a presentation, using data from the US census, showing changes in the town of Concord. The data show that Concord is becoming less economically diverse. Looked at as both an absolute number and as a percentage of households, lower income households (defined as households with income of \$75K annually or less, which is the figure used by the census) are becoming a smaller portion of Concord's population. Those lower income households are more likely to paying more than 30% of their income for housing costs and are also more likely to be headed by people 65 years of age or older. This suggests, but does not prove, that older people or those with lower incomes may be leaving Concord due to the cost of living here. It appears the town is becoming less diverse at least economically. It was noted that there are several town and state programs available to residents of limited means, but those programs are relatively modest and are not widely used in Concord.

Suggestions for FinCom Processes. Ms. Reynolds reported on some changes FinCom might make to attract and retain talent as members and as leaders. Two improvements might be better training to accelerate learning for new members and better distribution of the workload. She suggested that committee liaisons communicate directly with the chair of the committee or board being observing to make sure observers are informed when financial issues may arise, as a way of staying abreast of developments and of using committee resources efficiently. She also noted the need to make the best use of available town staff resources and suggested several other steps, including making sure information is readily available about policies and standard procedures and having experienced members assigned to mentor new members. Other suggestions made by committee members were the increased use of technology for holding meetings, producing minutes, improving access to data presented at previous meetings, using Google Drive to improve access to documents, and a system to make an information packet easily accessible to members and the general public. All these improvements will need to be made with security in mind. Ms. Reynolds also suggest that FinCom set specific goals for each year and formally compare results to those goals at the end of each year.

Approval of Minutes. After a motion duly made and seconded, Committee unanimously approved minutes for both the Public Hearing and FinCom meeting of March 1, 2023, with corrections as noted during the discussion of the motion.

Ms. Briggs adjourned the meeting 9:30pm.

Respectfully submitted,

Ray Andrews, serving as scribe.

CORRESPONDENCE

(Attached are copies of correspondence received since the last Finance Committee Meeting)

Gail Dowd

From: Kerry Lafleur
Sent: Tuesday, March 28, 2023 8:51 AM
To: Gail Dowd
Subject: FW: ATFC Spring Conference, Please Forward to Finance Committee

FYI

From: Massachusetts Municipal Association <dbaker@mma.org>
Sent: Tuesday, March 28, 2023 8:30 AM
To: Kerry Lafleur <klafleur@concordma.gov>
Subject: ATFC Spring Conference, Please Forward to Finance Committee

MMA

Massachusetts
Municipal
Association

The Voice of Cities & Towns
www.mma.org

Association of Town Finance Committees

Spring Conference

April 29, 2023 9:15 a.m. - 1:00 p.m.

Pompositticut Community Center, Stow

MMMA Member: Please share this with your Finance Committee Members and encourage them to attend. All local officials interested in the program are welcome to register and attend.

The Association of Town Finance Committees will hold its spring conference on Saturday, April 29, at the Pompositticut Community Center in Stow.

The agenda will feature "The ABC's of Grants," an overview of federal and state grants available to municipalities and the application process. A practitioner's panel will address topics including budgeting costs associated with grants, factoring funding into long-range planning, and other lessons learned. Attendees will also learn about resources to assist towns with the grant process.

Speakers:

Jenny Raitt, Executive Director, Northern Middlesex Council of Governments Executive Director

Julie Dunn, Communications Director and Grants Administrator, Arlington Public Schools
Economic Development Director TBA

The meeting will kick off with a legislative and budget update with **MMA Senior Legislative Analyst Jackie Lavender Bird**.

The conference will run from 9:15 a.m. to 1 p.m., with lunch served at noon.

The cost is \$25 for ATFC members and \$35 for all other registrants.

Questions: Contact Denise Baker at the MMA, dbaker@mma.org

Register



Massachusetts Municipal Association
3 Center Plaza
Suite 610
Boston, MA 02108
(617) 426-7272 | [Email Us](#) | [View our website](#)

[Unsubscribe](#) from MMA Emails



Finance Committee Members
&
Committee Assignments

Finance Committee Members

as of 6/10/22

Andrews, Ray	2024		rayandrews@comcast.net
Bhatia, Suresh	2025 Term 1		sbhatia@aconstructioninc.com
Briggs, Margaret	2024 Term 1	Chair	peg.briggs@gmail.com
Cuocolo, Kathy	2023 Term 1		kcc.fincom@gmail.com
Dahlberg, Eric	2024 Term 1		ericdahlberg@gmail.com
Garofalo, Jon	2025 Term 1		johnagarofalo@yahoo.com
Guarriello, Greg	2025 Term 2		gregguar@gmail.com
Kumar, Amrith	2023 Term 1	Guidelines Clerk	concord.amrith@gmail.com
Kupka, Don	2023 filling 2yr		concordmarin@gmail.com
Lis, Lyndsey	2025 Term 1		lyndseylis@gmail.com
Ortner, Dee	2025 Term 2		daortner@gmail.com
Patel, Parashar	2024	Vice Chair & Guidelines Chair	ponfincom@gmail.com
Reynolds, Christine	2024 Term 2		FinComCR@gmail.com
Taylor, Brian	2023 Term 2		btaylor@cambridgeassociates.com
Wasoff, Lois	2023 Term 1	Clerk	lwasoff.fincom@icloud.com
<hr/>			
Matt Johnson		Select Board Observer	klafleur@concordma.gov
Cynthia Rainey		School Committee Observer	lhunter@concordps.org
Kerry Lafleur		Interim Town Manager	blelacheur@concordma.gov
Dr. Laurie Hunter		School Superintendent	gdowd@concordma.gov
Bob LeLacheur		Interim Finance Director	bconry@concordps.org
Gail Dowd		Interim Finance Director	
Bob Conry		Ass't Superintendent Finance & Operations	

Committee Assignments July 2022

Position	Name
Select Board	Peggy Briggs
Schools	Kathy Cuocolo
Schools	Eric Dahlberg
Middle School Building Committee	Suresh Bhatia
Middle School Building Committee	Chris Reynolds (backup)
Minuteman Vocational Tech	Brian Taylor
Board of Assessors	Dee Ortner
Retirement Board	Jon Garofalo
Municipal Light Plant	Chris Reynolds
Library	Brian Taylor
Recreation Commission	Amrith Kumar
Senior Services/Council on Aging	<i>to be determined</i>
Affordable Housing Trust	Ray Andrews
Concord Housing Authority	Ray Andrews
Concord Housing Development Corporation	Ray Andrews
Board of Health	<i>to be determined</i>
Economic Vitality Committee	Don Kupka
Planning Board	Don Kupka
Community Preservation Committee	Dee Ortner
Public Works Commission	Eric Dahlberg
Regional Dispatch Center Committee	Greg Guarriello