

**Finance Committee
Minutes of January 21, 2016
FINAL**

The Finance Committee met Thursday evening on January 21, 2016, at the Town House Hearing Room, Concord, Massachusetts. Notice of the meeting was duly filed with the Town Clerk, Town of Concord, Massachusetts.

Members present: Terri Ackerman, Daniel Cassidy, Richard Giles, Richard Jamison, Paul McGinn, Linda Miller, Pat Nelson, Karle Packard, Wendy Rovelli, June Rzepczynski, Tom Tarpey, and Triveni Upadhyay.

Members absent: Mark Garvey, Scott Randall, and Philip Swain.

Also present: Ardis Bordman; Dan Conti, Concord Public School Committee; Carrie Flood, School Committee, Minuteman Career and Technical High School; Robert Grom; Jon Harris, Budget and Purchasing Administrator; Alice Kaufman, Chair, Select Board; Tony Logalbo, Finance Director; Chris Whelan, Town Manager; Janet Rothrock, Recorder.

Chair Giles called the meeting to order at 7:30 p.m. and thanked CCTV for taping and broadcasting the meeting.

1. Approval of Minutes: There were no minutes.

2. Correspondence: Mr. Giles reported that there was no correspondence.

3. Chair's Report: Mr. Giles announced that there would be no Finance Committee (FC) meeting on Thursday, January 28 but reminded the FC that there would be a Special Town Meeting hearing at 7 pm on Wednesday, January 27 in the Hearing Room.

4. Town Manager: FY17 Town Budget:

Mr. Whelan presented the major points of his FY17 Proposed General Fund Budget which totals \$98,445,665, up \$2,123,448 or 2.2% from the FY16 budget. He focused on the Town Government component of the total budget, \$22,014,013 for the operation of town departments under his direction. This amount is in agreement with the Finance Committee's budget guidelines established last November. Mr. Whelan highlighted six major goals for the FY17 budget:

1. Preserve the health and safety of the residents and visitors and protect property.
2. Enhance residents' quality of life.
3. Preserve the Town's Character.
4. Promote sustainability of resources.
5. Ensure quality of operational and fiscal management.
6. Maintain the Town's infrastructure.

Among the highlights of the FY17 budget:

- More than 1000 building permits were issued last year, most for renovations, increasing the need for more inspections.

- White Pond management funds will cover water quality, parking, and stabilization of the pond banks.
- The salary scale adjustment is expected to be 2% and those not at the top of their salary scale may receive an additional 2.5%.
- Concord Public Works will improve Sleepy Hollow Cemetery, including road repairs, drainage work, and retaining wall stabilization. FY17 funds from a \$150,000 borrowing authorization request (Article 25) and from a \$225,000 CPA allocation recommended by the CPC (Article 20) will finance the work. Additional work will remain to be done in the coming years.
- There is a modest increase to the Technology Fund.
- A Facilities Manager started last week and will probably work out of the Knox Trail offices when they are renovated.
- Whether the cost of holding Town Meeting at the new high school is higher or lower than at the old building remains to be seen.
- There is a modest increase in the snow and ice account.

Projects which will need to be funded in the future include:

- Expansion of the Sustainability Fund – it was originally funded by the \$1,700,000 Sawyer Trust which grew by \$200,000 or so from the addition of investment earnings and has been used for more than 60 energy-saving projects in a dozen town buildings. The funds are mostly used now but LED lights, and automation of various energy management systems would further save operating costs.
- Restructure and reorganize the bylaws.
- Improvements to the GIS software.
- Acquiring permit tracking software.
- The Information Officer, Mark, Howell, could use more staff.
- Full time fire inspector – for now the increased need for fire inspection services is being covered by four staff who inspect as time allows in their schedules. They are funded through an increase in some fees and a new burn permit fee of \$20 (good for the entire season). A full time inspector would be more efficient and assure uniformity of inspections.

Mr. Whelan described how 80 acres off Ball's Hill Road are proposed to be acquired. The land is adjacent to the Brewster well site and has frontage on the Concord River. The land is desirable for several reasons: as open space and for passive recreation (trails and hiking), and the Water Department may want to drill wells for municipal water supply in the future. The price is \$6,400,000 (down from the original asking price of \$6,900,000); the plan is for the Town to fund \$800,000 from debt supported by the tax levy, the Community Preservation Committee (CPA funding) would fund \$400,000, the Water Fund would support \$800,000 of debt supported by water user fees, and the Concord Land Conservation Trust is seeking to raise the remaining \$4.4 million through private donations.

Ms. Flood had not yet arrived so Item 7 was covered next.

7. Observer Reports:

Schools – Ms. Miller reported that the 12th session of teacher negotiations between the Concord Teachers Association and the Concord school administration took place that afternoon and that the tone was more cordial than in previous meetings. Agreement has not been reached but the parties are closer in their positions. The next session will be held on February 2.

5. Minuteman Vocational Technical High School:

Carrie Flood –

Ms. Flood presented background information on the Minuteman Career and Technical High School (MCTHS) district agreement, and the proposed project to replace the school building. MCTHS has 16 member towns as well as several other towns that send students to the school. The regional agreement was formed 40 years ago among the 16 towns. Non-member towns may send students to the school if there is room but district towns' qualified students are guaranteed admission. The towns that send these out of district (OOD) students pay somewhat less for the same education than member towns, a consequence of state Department of Education rules regarding out-of-district tuition caps. Most towns send few students and the number they send can vary substantially from year to year; the disparities in cost became a more serious issue when the building project started being discussed. Not only are operational costs assessed differently for member and non-member towns but under the current district agreement capital costs to rebuild the school would be born only by member towns. Recent changes in state regulations are reflected in the proposed revised district agreement that require building costs to be born more evenly between member and non-member towns for an MSBA funded project.

Each town in Massachusetts is required to provide access to vocational education for their students who want it. MCTHS is more convenient than other vocational schools to its member towns. The towns now served by MCTHS might be charged lower basic tuition to send their students farther to a different vocational school but they would also be responsible for transportation and special education costs and if they were not member towns their students would not be guaranteed admission. Currently there is a reported 3000 –seat shortage of vocational secondary school space throughout the Commonwealth.

Ms. Flood stated that 3 other districts have built new schools recently and seen a sharp increase in in-district enrollment. She conjectures that MCTHS' in-district enrollment would increase to about 435, even with some towns leaving the district.

Member towns will hold town meetings this spring and vote on two issues pertaining to MCTHS: Whether or not to adopt a new agreement and remain in the MCTHS district and whether to approve the new building project. The new agreement would charge OOD students more than they are now charged because of the share in capital costs. Seven towns have indicated they are not sure if they will remain members. Those towns that remain member towns will likely support a new building. Towns that leave would also be absolved of the Other Post-Employment Benefits (OPEB) liability (about \$17 million as of June 30, 2015) and would not own any of the new or existing district assets. Based on certain enrollment assumptions, Concord's share of

the annual capital costs if all 16 member towns remain would be \$209,000 in 2020 and would increase to \$226,503 if seven members leave and nine remain.

MCTHS's plan for a new building has been approved for 44.75% reimbursement of eligible costs from the Massachusetts School Building Authority (MSBA) but it must submit the plan with agreement from its member towns by June 30, 2016 or be removed from the years-long pipeline for state support. The new building would serve 628 students; MSBA would not fund a school for fewer than 600 students because of inefficiencies in ongoing annual costs per student and it would be too small to offer a variety of strong programs.

6. Review of Town Warrant Articles:

Mr. Giles said he would soon pass out to the FC the warrant article assignments made at the last meeting.

He asked that observer reports for the Finance Committee Report to the 2016 Annual Town Meeting be submitted by February 5. There were eight reports last year: Assessors, Council on Aging, High School Building, Minuteman Career and Technical High School, Public Safety, Recreation, Retirement Board, and Tax Fairness Committee. He suggested that the High School Building report be replaced with a school report and that the report on Minuteman Career and Technical High School be placed in the front of the Finance Report.

8. Finance Director's Report:

Mr. Logalbo distributed a draft of the Town Budget Book and pointed out some pages that needed editing. He asked the FC to look it over and report any more needed edits that they find.

9. Committee questions/comments: There were no questions or comments.

10. Citizen comments: There being no questions or comments the meeting was adjourned at 9:35 pm.

Respectfully submitted,

Karle Packard, Clerk

Documents consulted or reviewed at the meeting:

Pathways to Bonding, MSBA Approval Jan 27, 2016, Local Approval (120 days) = May 23, 2016

Special Town Meetings to Consider Amendments to the Minuteman Regional Agreement,
January – February 2016

Minuteman Regional High School Estimated Tax Rate Impact, 16 Member Towns