

**Finance Committee Public Hearing  
Minutes of February 3, 2016  
FINAL**

The Finance Committee met Monday evening at 7:00 pm on February 3, 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, Richard Giles, Richard Jamison, Linda Miller, Pat Nelson, Karle Packard, Wendy Rovelli, June Rzepczynski, Phil Swain, and Tom Tarpey.

Members absent: Daniel Cassidy, Mark Garvey, Paul McGinn, Scott Randall, and Triveni Upadhyay.

Also present: Ardis Bordman; Johanna Boynton; Dan Conti, Concord School Committee; Bouzha Cookman, Chair, Community Preservation Committee; Sean Dugan, Information Technologist; John Flaherty, Deputy Superintendent for Operations and Budget; Carrie Flood, Vice Chair, Minuteman Career and Technical High School Committee; Tanya Gailus; Johanna Glazer, Town Meeting Procedure Resource Coordinator; Bob Grom; Anne Hayden; Jane Hotchkiss, Select Board; Mark Howell, Chief Information Officer; Wally Johnston, Chair, Concord Public School Committee; Alice Kaufman, Chair, Select Board; Lee Ann Kay; Ruth Lauer, Administrative Assistant to Select Board; Michael Lawson, Select Board; Tony Logalbo, Finance Director; Steven Ng, Select Board; Dee Ortner; Cynthia Rainey; Marcia Rassmussen, Director, Planning Division; Rich Reine, Director, Concord Public Works; Carmin Reiss, Select Board; Bill Renault, Town Engineer; Diana Rigby, Superintendent, Concord Schools; Kitsy Rothermel; Terry Rothermel; Janet Rothrock, Finance Committee Recorder; Dan Rowley, Highway/Grounds/Cemetery Superintendent; Louis Salemy; Anita Tekle, Town Clerk; Eric Van Loon, Moderator; Chris Whelan, Town Manager; Judy Zaunbrecher; and members of Town committees and of the public.

School Budgets and Articles, Community Preservation Committee Article:

Chairman Giles called the meeting to order at 7:00 p.m. He welcomed the public and thanked CCTV for recording and broadcasting the hearing.

Mr. Giles explained that the purpose of the hearing was informational in nature and an opportunity to debate the pros and cons of the articles. He encouraged participants to make comments and ask questions as well as make suggestions that would strengthen the presentations at Town Meeting. He urged those at home to participate by emailing questions to [public-hearing@concordma.gov](mailto:public-hearing@concordma.gov)

Mr. Giles presented some general FY17 budget information.

The Finance Committee's Guideline Recommendations completed in November 2015 call for an FY17 operating budget increase of 3.31%. The Select Board, Concord Public Schools (CPS) and the Concord Carlisle Regional School District (CCRS) proposed budgets are all consistent with this guideline. The Finance Committee has a stated goal of keeping town-wide overall tax increases under 4%. Free Cash as of June 30, 2015 is

expected to be certified at \$11,057,869 (11.5% of the FY16 Total Budget). The FY17 operating budget increase is less than the FY16 and FY15 operating budget increases.

**Article 11: Public School Budget** – Ms. Rigby noted that two school budget books are now available, one for Concord Public Schools (CPS) and one for Concord-Carlisle Regional High School (CCRSD).

The CPS FY17 budget calls for \$35,660,111, an increase of \$1,117,376 (3.23%) over the FY16 budget; the increase is the same as the Finance Committee guideline set in November 2015. Salary and legally mandated costs continue to drive budget increases. CPS continues to be a high performing school system. Enrollment has plateaued with little change in four years and NESDEC projects a stable K-8 population. There have been no Prop 2½ operating overrides for the past 10 years.

80% of CPS cost is for salaries, and about half of that amount is for teacher salaries. Growth in supplies, materials and operations is less than 1%. Total annual fixed growth is \$1,545,675 (4.47%) but is offset by savings in Special Education of \$428,299 (1.24%) for net growth of \$1,117,376 (3.23%). There were questions from the Finance Committee (FC) and the public and the following points were made:

- None of the newly ordered buses have yet been received and put into service. The delay is attributable to the vendor. Rental buses paid for by the vendor are being used in the meantime.
- Many of the CPS SPED students have moved on to CCRSD which has decreased CPS SPED costs but the integrated preschool SPED enrollment is increasing so CPS SPED costs may rise again in the next few years.
- Do teachers do individualized teaching? Reading and math skills are assessed every six weeks so targeted instruction can be given where necessary.
- What sort of enrichment does Concord offer? Kindergarten and 1<sup>st</sup> grade METCO students participate in an enrichment program supported by a state grant. They have morning classes at Alcott and an afternoon STEM program at Emerson Umbrella.
- A committee researched teaching Spanish in CPS and recommended implementing it in K-5 classes but there are no funds available to do that now.
- If more funds were available a K-5 interdisciplinary math program would be adopted.
- CPS continues to use the Ropes and Gray lawyer whose hourly rate exceeds \$900 per hour.
- Legal services are budgeted at \$35,000.
- The integrated preschool has 32 SPED and 31 typical students this year but 10 new SPED students are starting next week (they enroll as they reach their third birthday) so space will become a problem. There is a legal requirement that SPED students be served.
- The METCO program costs Concord about \$50,000 or \$60,000 per year.
- Two years ago the METCO program was reorganized so that all METCO students are assigned to Alcott and Sanborn where they receive intense remedial

instruction. These children now achieve at the same level as non-METCO students in Concord but classes are less diverse.

**Article 12: Concord Public School Renovations** – This article would authorize the Town Treasurer to borrow \$870,000 for construction, renovation, and repairs at various Concord Public Schools facilities. \$300,000 of this funding would be assigned on an as-needed basis to the School Transportation Facility if Article 15 passes. This borrowing falls within the Town Manager’s five-year capital plan and the debt service cost is to be paid within the levy limit. Specific projects include the Sanborn boilers and hot water heaters, Sanborn walkway repairs, and Thoreau fields improvement. A study will be done to evaluate the useful life of the Sanborn and Peabody buildings and estimate needed renovations. If Article 15 fails, the \$300,000 to be assigned from the Article 12 vote would be used instead for Alcott and Thoreau carpeting and HVAC systems upgrades.

**Article 13: Concord-Carlisle Regional High School Budget** - Ms. Rigby presented. CCRSD continues to be a high-performing high school. The FY17 CCRSD budget calls for \$20,719,713, an increase of \$805,552 (2.75%) over the FY16 budget; the increase is the same as the Finance Committee guideline set in November 2015. Salary and benefits costs continue to drive budget increases.

Enrollment has increased by 33 students but is expected to decrease in the coming years. Total annual fixed growth is \$1,292,115 (5.5%) which was offset by reductions of \$486,563 for a net budget increase of \$805,552 (2.75%).

The FY17 budget calls for an OPEB funding increase of \$215,039 for a total of \$705,000 for OPEB funding. Concord’s proportion of students at October 1, 2015 and thus its assessment for FY17 is 73.61% of total high school costs; \$17,035,005 for operating budget and \$3,684,708 projected debt service for a total Concord assessment of \$20,719,713. The bus replacement schedule will resume and a bus purchase is included in the FY17 budget.

There were questions from the Finance Committee (FC) and the public and the following points were made:

- The high school building project has \$500,000 of contracted work left: erosion mitigation, a light pole at the west entrance, and \$123,000 of tree and shrub installation. The MSBA audit is expected to be completed by July, with final MSBA reimbursement occurring after the audit.
- Concord’s student enrollment will grow relative to Carlisle’s.
- The OPEB Annual Required Contribution (ARC) is approximately \$1,300,000.
- 36 out-of-district faculty children are taught in the Concord school system.

**Article 14: Concord-Carlisle Regional High School District – Landfill Remediation** – Mr. Flaherty described the remediation work planned for the 3.5 acre site. The article calls for approval of the Regional School Committee vote authorizing \$1,100,000 of debt. Approval requires a simple majority vote at Town Meeting. The Article proposes that the

assessment for future debt service payments on this borrowing be made subject to a debt exclusion ballot vote of the town electorate.

More extensive work would cost significantly more and it was determined that a permanent engineered barrier was the optimal solution. To pave the site for use as a bus depot would cost at least \$5,000,000 and a variance would be required to locate the depot within the Town's water conservancy district.

**Article 15: School Transportation Facility – Supplemental Appropriation** – Mr. Whelan presented the article.

In 2014 Town Meeting authorized \$925,000 for construction of a transportation depot at the Knox Trail site. In 2015 Town Meeting authorized another \$950,000 for the project. This year an additional \$1,950,000 is sought to complete the needed funding. (Another \$300,000 for the project is included in the borrowing authorization proposed in Article 12, for a total of \$4,125,000.)

Vertex Companies has been chosen as the Project Manager and Weston and Sampson as the Architect/Engineer. The Tennessee Gas easement runs along the northwest edge of the property. A solar array is planned and could eventually serve the bus depot. The depot plans include 43 staff parking spaces, 40 bus parking spaces, four maintenance bays (one includes doors at both ends so a tow truck can deliver a bus and exit easily), employee support space, fuel storage, mezzanine space for equipment and tire storage, cement lower and metal upper walls, and much passive solar lighting. The consultant observed staff workflow and listened to staff desires and concerns prior to designing the space.

Cost estimates are: \$3,504,000 for construction costs, and \$620,000 for professional services costs (design, engineering, construction management), for a total of \$4,125,000. A contingency of \$457,000 is included in the construction cost and a contingency of \$50,000 is included in the professional services cost. The construction cost is equivalent to \$211 per square foot.

A 2/3rds vote at Town Meeting followed by a majority ballot vote at a special election is needed to approve a debt exclusion borrowing.

There were a number of questions and the following points were raised:

- Costs are higher now than originally estimated because soft costs, contingency costs, and storm water management costs were not originally included.
- If the project is voted down the funds set aside from the CPS Capital Needs Stabilization Fund (\$925,000) would be returned to that fund buy a future vote of Town meeting and the authorized debt (\$950,000) would be rescinded by a future vote of Town Meeting.
- If the project is voted down there is no alternative plan for school transportation, other than outsourcing.
- Completion is estimated to be April 2017.

- Costs for a full-time clerk of the works are included in the professional services budget for construction management.
- Water is not on the site now and both drinking water and fire suppression supply are needed. Acton needs state legislative approval to supply water to Concord and is in the process of getting that approval. If it is not forthcoming, there is \$60,000 in the budget to obtain a water supply by other means: directional drilling under the Assabet River to tap into Concord's municipal water supply; or installation of a cistern for fire suppression and use of bottled water for drinking.
- Value engineering resulted in little cost savings and much loss of functionality.
- There is no indication so far of contamination but if some is found Concord would remediate now and seek to recover costs from W. R. Grace later.
- Electric vehicle charging stations are planned.
- If Articles 14 (High School landfill remediation), 15 (transportation depot) and 18 (Minuteman Vocational Technical High School building project) all pass the impact on the median tax bill (1/8th of 1% for Article 14 and 1/4 of 1% for Article 15 and 1/3 of 1% for Article 18) would be about \$70 on the median tax bill.
- A member of the public requested that the town reconsider Article 16 (return the bus depot to the high school campus) if Article 15 does not pass.

**Article 17: Minuteman Regional Technical High School District Budget-** Ms. Flood presented the article. About half of Minuteman students are on Individual Education Plans. The school maintains 3.5% - 4.5% of their budget in the excess and deficiency fund. Costs for transportation, which is outsourced, rose 8% this year. There was only one transportation bidder on both rounds of bidding; the district is so large (30 miles; it stretches from Lancaster to Arlington to Needham) that it is not attractive for contractors.

The school aims to decrease enrollment to 628 students with a higher proportion of them coming from member towns. The number of teachers has decreased by 11.5 FTEs mainly through early retirement.

In FY16, the school is receiving \$2,177,027 in Chapter 70 funds and \$926,951 in transportation reimbursement. There is a \$972,684 decrease in the revenue budgeted for FY17 in funds from tuition.

The FY17 budget is \$19,728,097. The FY17 budget increase is 0.52% less than the FY16 budget. The total assessment to member towns for FY17 is \$10,941,834, an increase of 0.48%. Concord's assessment is \$467,345, an increase of 14.8%. It's enrollment at Oct. 1, 2015 increased to 17 students from 12 the prior year. Concord's enrollment has ranged from 7 to 25 students over the last 15 years.

Half of Minuteman's applicants enroll. The school has 19 majors and two of these will be phased out. The optimal number of students is 40 per major because students alternate weeks in vocational and academic classrooms.

**Article 18: Minuteman Building Project Approval** – Ms. Reiss presented. This article seeks borrowing approval for \$144,922,478 for construction of a new building for Minuteman Regional Technical School.

The Minuteman Regional Technical High School building is in very poor condition and repair costs exceed the cost to build a new building. The school is on NIASC warning status solely because of the condition of the building. The educational program cannot be well-served by the current building.

About 55% of the students go on to college and about 35% go on to careers. There are 16 towns in the Minuteman District which was established in 1972, the year Concord became a member. Out-of-district students attend and pay operating costs and some capital costs.

In June 2015 the Minuteman School Committee recommended a \$144,922,478 building project. The MSBA estimates reimbursement at \$44,139,210 with a maximum of \$45,206,061 for possible extra points. Project completion is estimated to be September 2020. June 30, 2016 is the MSBA's deadline for district approval of the building application. In February 2016 the Minuteman School Committee is expected to approve the debt authorization which requires a 2/3rds vote of the Regional School Committee. District towns must vote approval by majority vote at their town meetings. Those towns which make their approval contingent upon a Proposition 2 ½ debt exclusion ballot would then need to conduct a special election for that vote. All 16 district member towns must be unanimous in approval in order for the project to proceed.

The Minuteman campus straddles the Lexington-Lincoln line; the current building is in Lexington and the new one would be built in Lincoln. The old building would be used while the new one is built and then it would be repurposed or razed.

There are several reasons why rebuilding the school will be expensive: 1) vocational schools serve both the standard educational and the vocational needs of students, and 2) the Minuteman school's vocational facilities would be built to business and industry standards. The Minuteman school building cost estimate is in line with those of two recently built vocational schools in Massachusetts, Essex (about \$134,000,000 for fewer than 500 students) and Putnam.

Seven towns have expressed an interest in leaving the Minuteman district; all of them except Sudbury have maintained small enrollments. Estimates of Concord's assessment in 2020 (inclusive of its share of debt service and assuming current enrollment levels) are: \$590,363 if all 16 towns remain in the district and \$627,795 if all seven leave, only a 6.34% difference. Concord's assessment for the building is not known now because: 1) it is not known how many towns will remain in the district, 2) the assessment varies with the number of Concord students enrolled, and 3) Concord's assessment varies with the number of students enrolled from other towns. Concord's average enrollment over the last four years is 10.25 students. Massachusetts law requires towns to provide vocational technical education for students who request it.

**Article 20: Community Preservation Committee Appropriation Recommendations** – Ms. Cookman presented some background on the CPC in Concord, detailed this year's CPC recommended projects, and answered questions.

Concord's CPC has awarded \$15,616,108 since 2015 when Concord voters passed an article at Town Meeting forming Concord's CPC and voting to adopt the CPA surcharge

at a rate of 1.5%. About 30% of the \$15,616,108, or \$4,698,418, was state matching funds. Across the state, 160 towns have adopted the CPA Act. There are four types of CPA projects and the state requires that at least 10% of funds be directed annually to three of those project categories: housing, open space, and historic preservation. . There is a small administrative expense category. In 2012 the CPC added about \$118 to the median tax bill and in 2016 the surcharge impact was about \$146.

This year about \$5,000,000 was requested and only \$1,481,234 was available to award. The CPC asked all applicants to consider phasing projects over multiple years, finding alternate sources of funding, and decreasing costs.

Ms. Cookman presented the 18 recommended projects which total \$1,480,844.

Mr. Giles adjourned the Public Hearing at 10:00 pm.

Respectfully submitted,

Karle Packard, Clerk