

**Finance Committee
Minutes of June 30, 2016
FINAL**

The Finance Committee met Thursday evening on June 30, 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, Dean Banfield, Richard Jamison, Linda Miller, Karle Packard, June Rzepczynski, Phil Swain, Tom Tarpey, and Triveni Upadhyay.

Members absent: Daniel Cassidy, Scott Randall, Wendy Rovelli, and Christina Williams.

Also present: Ardis Bordman; Amy Foley, Human Resources Director, Town of Concord; Bob Grom, Concord School Committee; Michael Lawson, Chair, Select Board; Tony Logalbo, Finance Director; Kelly McCausland, Human Resources Director, CPS/CCRSD; John Flaherty, Deputy Superintendent, CPS/CCRSD; Diana Rigby, Superintendent, CPS/CCRSD; Janet Rothrock, Recorder.

Chairman Miller called the meeting to order at 7:07 p.m. and noted that the meeting was not being recorded or broadcast.

1. Approval of Minutes: The minutes of the May 26 Regular Meeting were discussed and it was decided that more detail of the questions and answers about the Junction Village project was needed. There was a discussion of the level of detail that should be included in minutes and the Finance Committee (FC) requested that in the future more detail be included. The May 26 minutes were tabled.

Action Item: Ms. Rothrock will listen to the tape of the discussion, summarize the discussion and resubmit the minutes to the Clerk.

There was discussion of the Junction Village project and the need to develop a working group to study the issue. Ms. Ackerman, Mr. Packard, Mr. Tarpey and Mr. Upadhyay volunteered.

VOTE: The motion was made by Mr. Banfield, seconded by Mr. Tarpey and voted unanimously to form a working group including Ms. Ackerman, Mr. Packard, Mr. Tarpey and Mr. Upadhyay to study the Junction Village project more fully.

2. Human Resources Discussion:

Amy Foley – Human Resources Director, Town of Concord
Kelly McCausland - Human Resources Director, CPS/CCRSD

Ms. Foley and Ms. McCausland discussed their two handouts in detail. Aside from the information in the handouts several points were made, among them:

- At the Town government, there are 250-300 employees who work 20 hours or less per week during the course of a year, mostly in seasonal or intermittent

employment such as summer camp, elections, library pages and part-time office personnel.

- Grouping of non-union positions is complex.
- The Town does not have a rigid step pay structure for most classification groups.
- Non-governmental employees will now earn paid sick time due to a new state law. While the law is not applicable to municipal government or the state itself, the future impact on municipal part-time employment is uncertain.
- Employees note the comparatively higher share of employee health insurance premium paid by Concord employees than in other municipalities, although Concord's salary scale is generally higher. However, many municipalities have in recent years acted to decrease their percentage share.
- It is harder now than a few years ago to fill many school positions such as superintendent, principal, SPED, world languages, and sciences because there are fewer qualified applicants.
- Applicants who are offered jobs in Concord schools usually take them and most that leave employment in Concord do so for family reasons.
- Few Concord employees live in Concord but instead come from a < 25 mile radius. They tend to stay for a long time and those who do leave usually do so for a better position.
- Municipal employees working at least 25 hour per week in a regular position are eligible to receive a pension, vesting with 10 years of service, so they may feel less affected by economic fluctuations. This contributes to Concord's workforce stability.
- Concord has outsourced the operation of the sewage treatment to an engineering firm since the mid '90s because recruitment and retention of qualified employees proved to be a continuing problem for the Town. SPED transportation is also outsourced. Large public works projects and snow removal are contracted out so the Town does not need to carry staff that it requires only sporadically.
- A few Town services are regionalized: health services with the Town of Lincoln, advanced life support systems, and the Regional Housing Services Office.

3. Review Guidelines Process: Ms. Miller reviewed the Town Meeting calendar for 2016-2017 issued by the Select Board and noted that Town Meeting is now scheduled to start on April 24. The Guidelines Subcommittee will begin to draft letters to the budget entities that will be reviewed at the next Finance Committee meeting on July 28th and will be issued on or about August 1st.

Action Item: Ms. Miller asked the FC members to think about and send to Mr. Packard what questions to ask in the letters to be sent to the budget entities in August.

4. Finance Director's Report:

Mr. Logalbo reported that the CCHS Building Committee reviewed a report at its June 22nd meeting projecting that final spending will be about \$400,000 below the original project authorization of \$92,578,523. The projected final local share is \$65,000,000, exactly what CCRSD has already issued in permanent financing through the issuance of serial bond issues with final maturity in 2038.

The Minuteman Career and Technical High School (MCTHS) Committee has voted to conduct a district-wide election on the question of authorizing the debt for a new high school, as a consequence of one of the 16 member towns, Belmont, rejecting the project at its annual town meeting. The election, to be held on September 20, will be organized and paid for by MCTHS. There will be one polling place in each town and the hours of the election will be noon to 8:00 pm. Votes can also be cast by absentee ballot. A district-wide majority vote determines the outcome. The Massachusetts School Building Authority (MSBA) has given MCTHS a five-month extension of the original deadline, to November 30, 2016, to obtain local approval for the project.

The Concord-Carlisle High School Building Committee has authorized payment of the \$100,000 building permit fee to the Town of Concord, as promised.

The state primary election is scheduled for Thursday, September 8.

5. Correspondence: Ms. Miller asked what correspondence the FC members want to see. Currently, mail and e-mail to the FC is received at the desk of Erin Mulcahy, Finance Assistant in the Concord Finance Department, who conveys it to the Chair. Mail is either mentioned as part of the Chair's Report on each meeting agenda or is distributed to the Committee at the Chair's discretion. The FC members discussed the issue with some taking the viewpoint that the Chair should pass on to the FC members only correspondence that the FC would need to act on and others who felt that correspondence copied to the FC was intended by the sender to be seen by all FC members. There was concern that sometimes there might be too much e-mail but many felt that the delete button could be used in those cases. It was noted that the volume of mail has not been unwieldy. Some felt it was an appropriate use of the Chair's discretion and some felt that acting as a filter gave the Chair too much jurisdiction.

Action Item: It was decided that the Chair will pass along all mail to all Finance Committee members and that those pieces of correspondence not requiring action would be marked, “Information only, no action required”.

6. Chair’s Report:

From the Chairs’ Breakfast - A Concord Middle School Facilities Planning Committee will soon be formed to consider the potential investments needed at the Peabody and Sanborn buildings that would make them last for another decade, with possible significant reconstruction after that point. The results of the feasibility planning committee’s work will likely be addressed at the 2018 Annual Town Meeting. The Historic Districts Commission reports that there will soon be activity in the area of the Concord Museum. A committee to study a later start time at the high school has convened. The Library Corporation’s plans for its 151 Main Street building are moving forward; the building’s expected use for library operations will have an impact on the Town’s operating budget for this department, possibly as soon as the FY18 budget.

From the Select Board (SB) Meeting –

The Community Preservation Committee reported that it faces annual requests for more funding than the CPC has available and therefore the Committee may seek the Town’s approval for an increase in the surcharge rate from 1.5% to 3%. The timing may not be right to bring this to Town Meeting as a Warrant Article until 2018. Town Meeting approval to increase the surcharge would also require approval at a general election. The FC discussed the need to be proactive on this topic and noted that if Concord raises the tax to 3% it will get additional state matching funds at the standard “round 1” match percentage, now projected to be 20% but likely to decline perhaps to 10% in future years. If Concord were to adopt the maximum 3% allowable surcharge, it would also become eligible for supplemental state matching funding, but could expect to receive only a small increment from this source due to its high property wealth ranking.

The SB sent a letter to the State Department of Housing and Community Development expressing its support of the Junction Village development concept, indicating that it is working to identify possible sources of the local funding share funding of the project, and stating its position that the impact of construction on abutters should be minimized to the extent practical.

7. Observer Reports:

Public safety – Ms. Rzepczynski met with the police chief who expects that soon either state or federal legislation will require police to wear body cameras as a “best practice”, and that the cost of the cameras will be about \$35,000.

The Community Preservation Committee – Mr. Tarpey reported that the CPC is considering an increase in the surcharge from 1.5% to 3.0%. The CPC noted the decline in state matching funds and they discussed the capacity of the CPC surcharge to support debt. Mr. Logalbo interjected that he met with the CPC to discuss this issue and noted his concern that the issuance of debt supported from CPA revenue would make it much

more difficult to manage the town's overall debt position within existing and long-standing policies, a circumstance that could eventually affect Concord's credit rating; the Finance Director advised the CPC that its allocations should be made within the current revenue stream and that debt financing of town priorities should be met from property taxes within the constraint of the 5-year capital plan.

Schools –

Concord Public Schools - Mr. Packard reported on the June 14th Concord Public School Committee meeting. Bids returned for the bus depot building project are higher than anticipated; if the project contingency is used there would be no money to build a fuel tank and instead a tanker truck would be used to deliver fuel. The FY16 Concord Public Schools budget will close within the appropriation. The Deputy Superintendent anticipates that future building maintenance budgets within the operating budget will need to increase gradually, eventually by \$400,000 - \$500,000 per year over the current level within several years, as the elementary school buildings age. The new Alcott opened in 2004, Thoreau in 2006 and Willard in 2009. Bids for a new modular classroom at Sanborn came in at \$56,000 under budget.

Concord Carlisle Regional School District – The Affordable Care Act requires reporting on employee hours to determine eligibility for health insurance coverage. For this and other reasons, a new “punch clock” system to track the work hours of hourly employees is being implemented to replace a paper-based system. One system being piloted uses a thumb print as the means of employee access.

The CCRSD FY16 budget is challenging. While the new building is much more efficient, the existing budget includes minimal funding for building upkeep as little was being expended on the old building due to be torn down. Concord Carlisle at Play's (CCAP) fields renovation project has had its Phase 3 plans approved which includes a cross country track, and a maintenance shed, but CCAP will not construct the amenities building which would house required toilets. CCRSD is applying to the state for a waiver or variance from state requirements, but there may be a need in the future for a capital project in the range of \$400,000 - \$1,000,000 to build such a facility. Portable toilets could be used temporarily until a solution is found.

The SC wants to establish a plan to be addressed at the 2017 Annual Town Meeting regarding the landfill remediation solution. They are discussing various uses of the land such as parking, fields, and capping with clay and are getting costs for the various options.

8. Five-Year Forecast

Ms. Miller asked for volunteers for the 5-year Forecast Committee to assist Ms. Rovelli. Mr. Banfield and Ms Rzepczynski volunteered.

9. Committee questions/comments: At next month's meeting Mr. Logalbo will review the Town Manager's capital planning process.

10. Citizen questions/comments:

Ms. Bordman reported that the Select Board sent the Tax Fairness Committee petition (voted under Article 8 at the 2016 Annual Town Meeting) to the state legislature for action. If it passes, it adds a small tax increase. If the CPC surcharge is increased as discussed earlier, that also adds to the tax bill.

Ms. Hayden applauded the FC's interest in more detailed minutes because citizens need the detail to understand issues and the flow of discussion about them. She added that citizens send correspondence to committee chairs with the expectation that the correspondence will go to all committee members. She pointed out that the current \$15,000,000 fundraising effort by Umbrella for the Arts started out as a \$6,000,000 campaign as noted in their 2012 lease. The CPC granted \$100,000 this year for window renovation and she questioned the need for large expenditures. Mr. Logalbo noted that the planning process revealed more issues that needed to be addressed to bring the old building up to a very workable standard than had originally been understood and therefore the project had grown.

There being no further business, the meeting was adjourned at 9:52 pm.

Respectfully submitted,

Richard Jamison, Clerk

Documents consulted or reviewed at the meeting:

Salary Administration Programs, Town of Concord/Concord Public Schools/Concord-Carlisle Regional High School, Presentation to the Finance Committee, 6/30/16 (two documents: one of text and a separate document of tables and charts)