



Lowell City Council

Michael Q. Geary
City Clerk

Finance SC Minutes

August 11, 2026

City Council Chamber / Zoom

5:30 PM

PRESENT:

Present on Roll Call were C. Juran and C. McDonough, 1 absent (C. Scott). Also present Conor Baldwin (CFO); Terry Ryan (Parking Dir.); and Austin Ball (Asst. CFO).

MEETING CALLED TO ORDER:

C. Juran called the meeting to order noting those in attendance and agenda items which she noted will be taken out of order.

ORDER OF BUSINESS:

Mr. Baldwin provided presentation entitled "Finance Subcommittee Meeting – August 11, 2026". C. Juran requested presentation be added to minutes of this meeting. (See Attached) Mr. Baldwin noted three items on the agenda; wages; budget stressors; and parking fees. Mr. Baldwin opened discussion with budget stressors indicating they include fixed costs, health costs and debt service. Mr. Baldwin noted in regard to the fixed costs the charter school costs that they are a Cherry Sheet allotment and they rise annually. Mr. Baldwin noted that the City applies pressure each year to the legislature to change formula to lessen the burden on local municipalities. C. Juran questioned the reimbursement formula and how it could be changed. C. McDonough questioned the status of charter schools in the City. Mr. Baldwin noted the increase in costs and that any costs are a part of Net School Spending. C. McDonough commented that charter schools should have to pay for costs that public schools are required to pay. Mr. Baldwin noted that there are some overlaps in services.



The second item discussed by Mr. Baldwin was health costs. Mr. Baldwin noted City was a part of the state GIC program. Mr. Baldwin noted at the outset of the program there were good savings, but they have diminished over the years. Mr. Baldwin noted that the coverage is for city and school employees. Mr. Baldwin indicated that there has been some research regarding going to a private vendor for these services. C. Juran noted GIC coverage is the same for all municipalities. Mr. Baldwin noted the only changes are as to the scale of coverage. C. McDonough suggested a per costs for employees could be used to reduce costs within the GIC. Mr. Baldwin indicated that there has been some discussion regarding "buy out" costs.

The next agenda item reviewed by Mr. Baldwin regarded pension costs. Mr. Baldwin noted they were part of the state system which oversee the investments. Mr. Baldwin noted date in which City must fully fund the system but indicated there are ways to extend that date. Mr. Baldwin noted that teachers are under a different retirement system. C. McDonough noted that paraprofessionals in the classroom should be under the same system of the teachers.

Mr. Baldwin commented on current debt service of the City. Mr. Baldwin noted the largest debt involves the school buildings, driven by the high school and the many MSBA projects. Mr. Baldwin noted the debt service has grown due to the number of investments in the City. Mr. Baldwin noted that debt could decrease if not all funding is used or if there were a more favorable reimbursement rate by the MSBA. Mr. Baldwin outlined current debt and what future debt will be taken on by the City. Mr. Baldwin noted if debt is managed properly, it derives many benefits.

The last budget stressor discussed was energy costs. Mr. Baldwin noted the yearly increases and the many programs used to reduce those increases. In conclusion Mr. Baldwin indicated that the administration would continue to work with delegation to benefit the City.

The second item on agenda for discussion was parking fees. Mr. Baldwin commented how the fees are tied to a price index and that there is a need for an escalator clause to keep Parking Enterprise Fund viable, outlining the costs



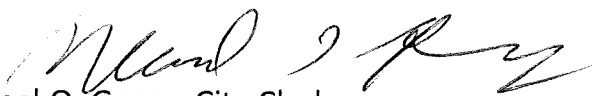
without increased rates. Mr. Baldwin outlined the differences between transient parking and pass holders, noting that big institutions are not included with the pass holders. C. McDonough questioned the student rates and that they may need to be increased. C. Juran commented on costs at the LRTA facility. C. Juran noted more research would be needed to fully develop the program. C. McDonough noted adjustments to certain rates may cover any potential costs.

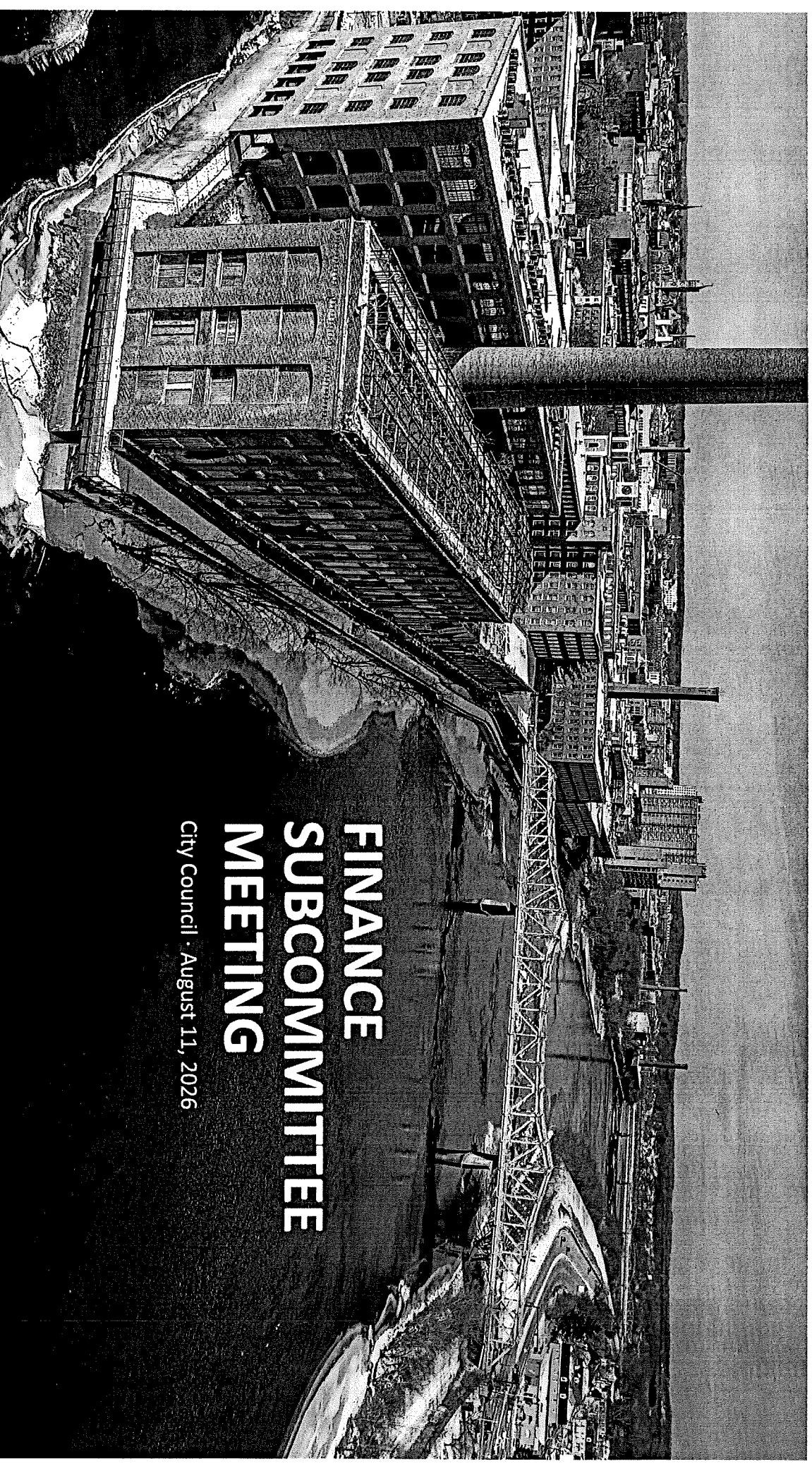
C. Juran noted upcoming Finance SC on September 8th which would review an Auditor report and that the Wage Ordinance discussion could be added to agenda.

ADJOURNMENT:

Motion to Adjourn by C. Juran, seconded by C. McDonough. So voted.

Meeting adjourned at 6:29 PM.


Michael Q. Geary, City Clerk



FINANCE SUBCOMMITTEE MEETING

City Council · August 11, 2026



TODAY'S AGENDA

Three items referred to the Finance
Subcommittee:

DISCUSSION TOPIC	TIME ALLOTMENT
Item 6.1J (4/7/26): Ordinance Employee Wage History	10 minutes
Item 5.4 (6/16/26): Budget Stressors & Legislative Relief	20 minutes
Item 4.1I (6/30/26): Parking Garage Fees & CPI Adjustment	15 minutes



ITEM 1 WAGE HISTORY

Item 6.1J

Ordinance Employee Wage History, FY2023–FY2026
Motion: Councilor C. Robinson, referred 4/7/2026 — report
complete

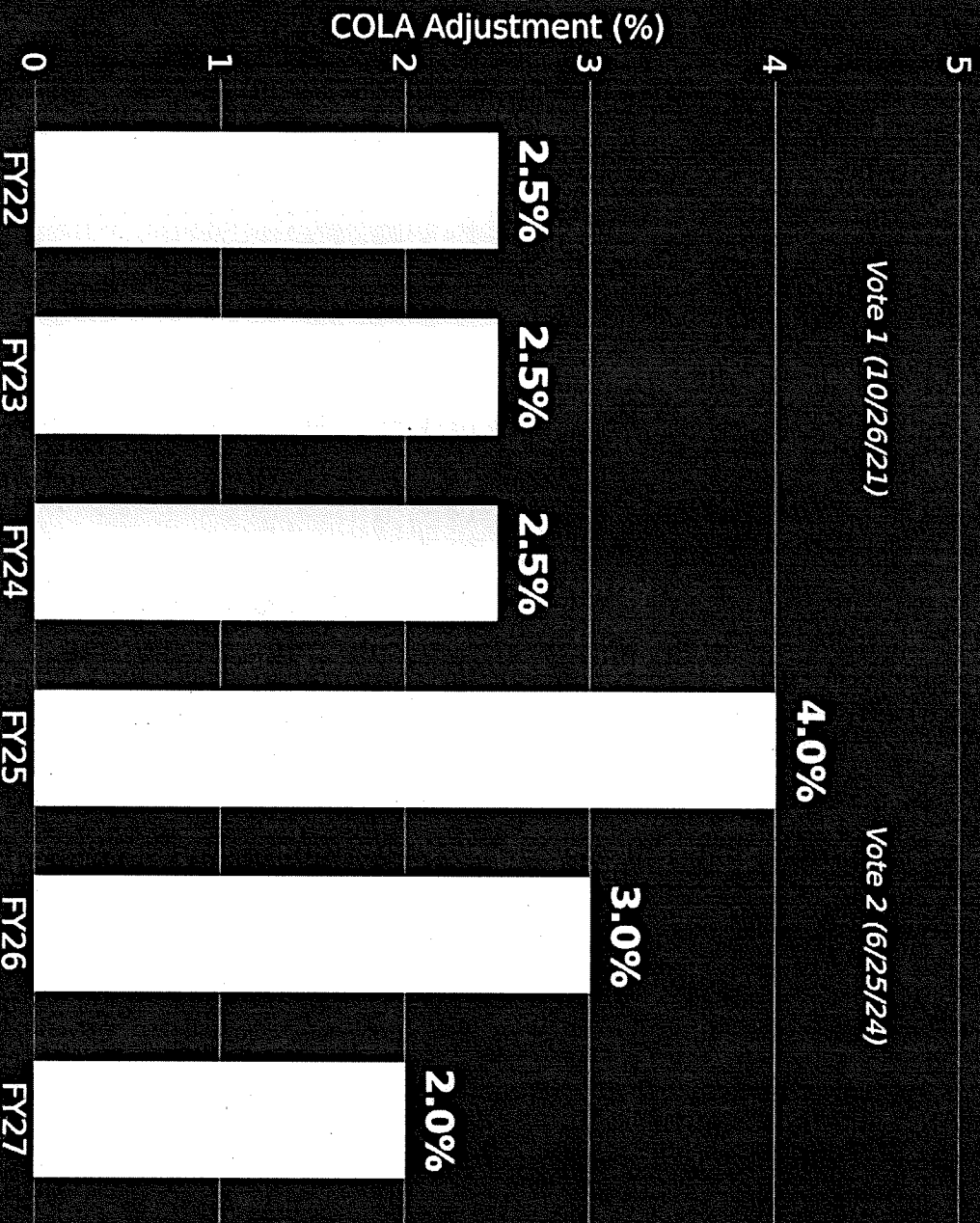


LEGAL FRAMEWORK

Two distinct legal frameworks govern City employee compensation.

- Union employees: City Manager negotiates under Plan E (MGL c.43); Council funds via appropriation
- Ordinance employees: compensation set by Chapter 56; any change requires a Council vote
- 152 active Ordinance employees govern by the Grid System (grades DH00-DH08, 7 steps each)
- Council has directly voted on every Ordinance COLA in this report period

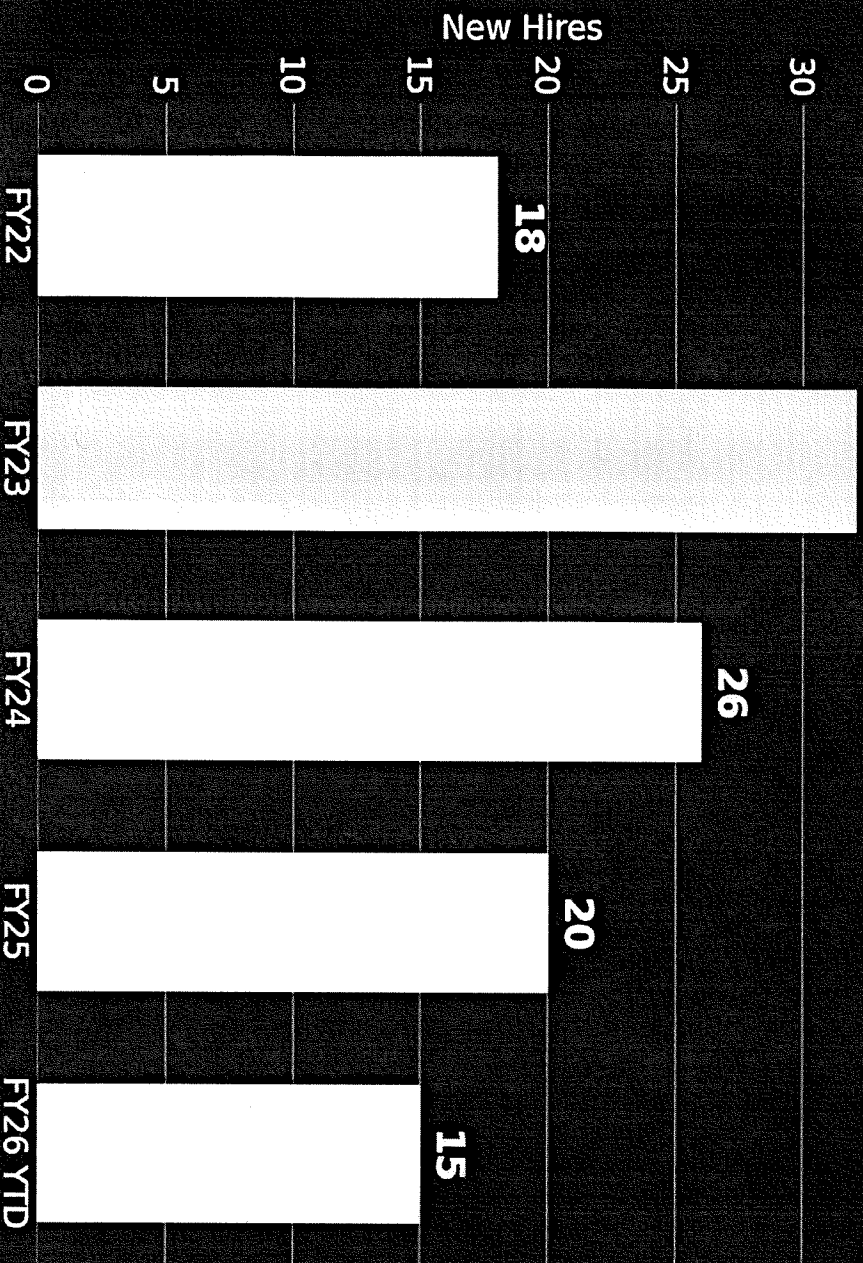
COLA HISTORY



Two Council votes set every Ordinance COLA adjustment, FY2023–FY2026.

- Vote 1 (10/26/21): FY22–FY24
- Vote 2 (6/25/24): FY25–FY27
- Cumulative compound increase, FY23 → FY26: ~13.3% (math in notes)

35
111 of 152 (73%) of the current workforce hired since 7/1/2021



WORKFORCE OUTCOMES

Compensation reform is translating into real hiring and retention results.

- 73% of the 152-person workforce hired since 7/1/2021
- 43 senior/director-level positions filled in that span
- Step 1 dollar increases average +9.8% across all grades (up to +\$11,920 at DH01)

DISCUSSION ITEM 1

Questions from the Chair and Subcommittee members on the wage history report.

Councilor Juran · Councilor McDonough · Councilor Scott

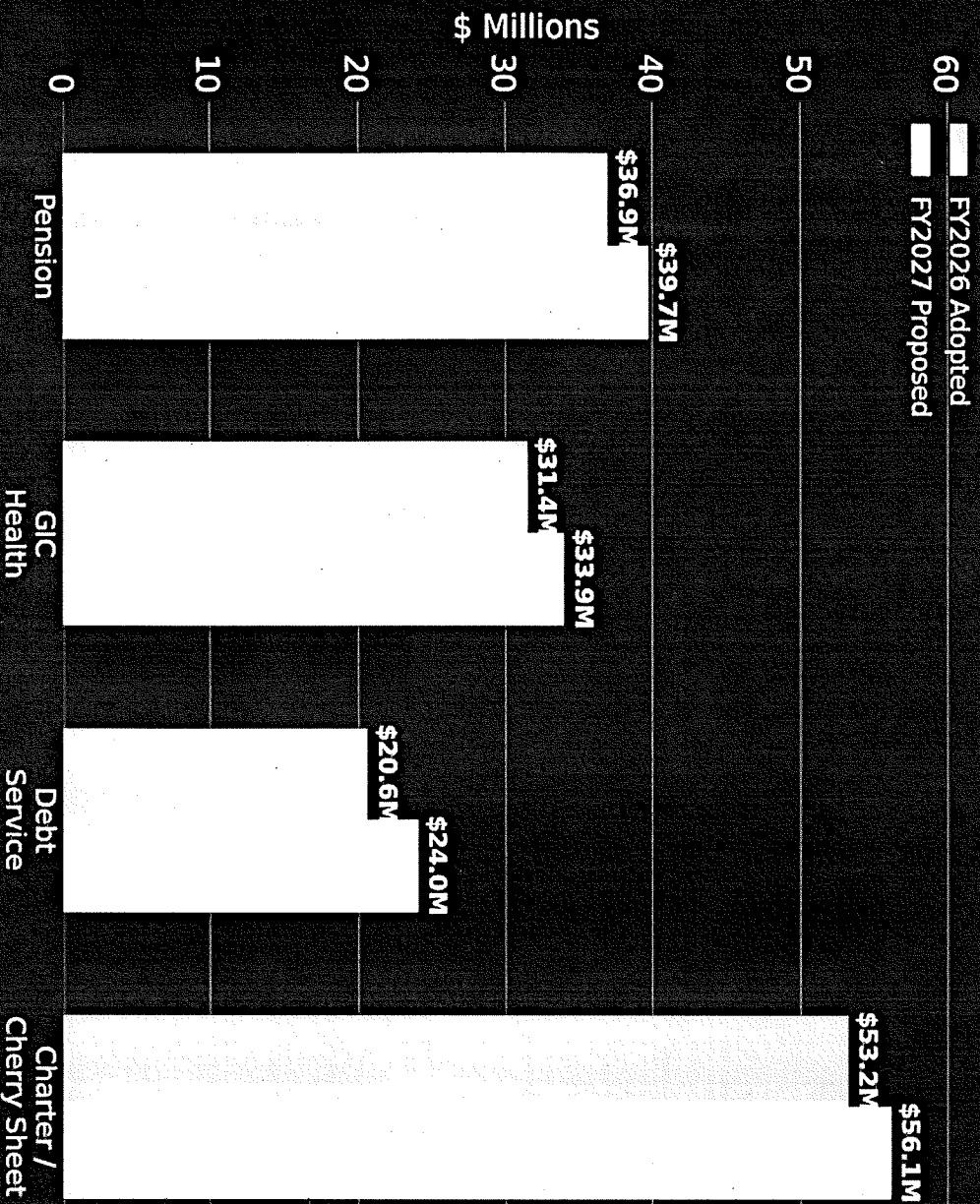


ITEM 2 BUDGET STRESSORS

Item 5.4

Budget Stressors and Legislative Relief Strategies
Motion: Councilor Scott, referred 6/16/2026 — draft pending CM
sign-off

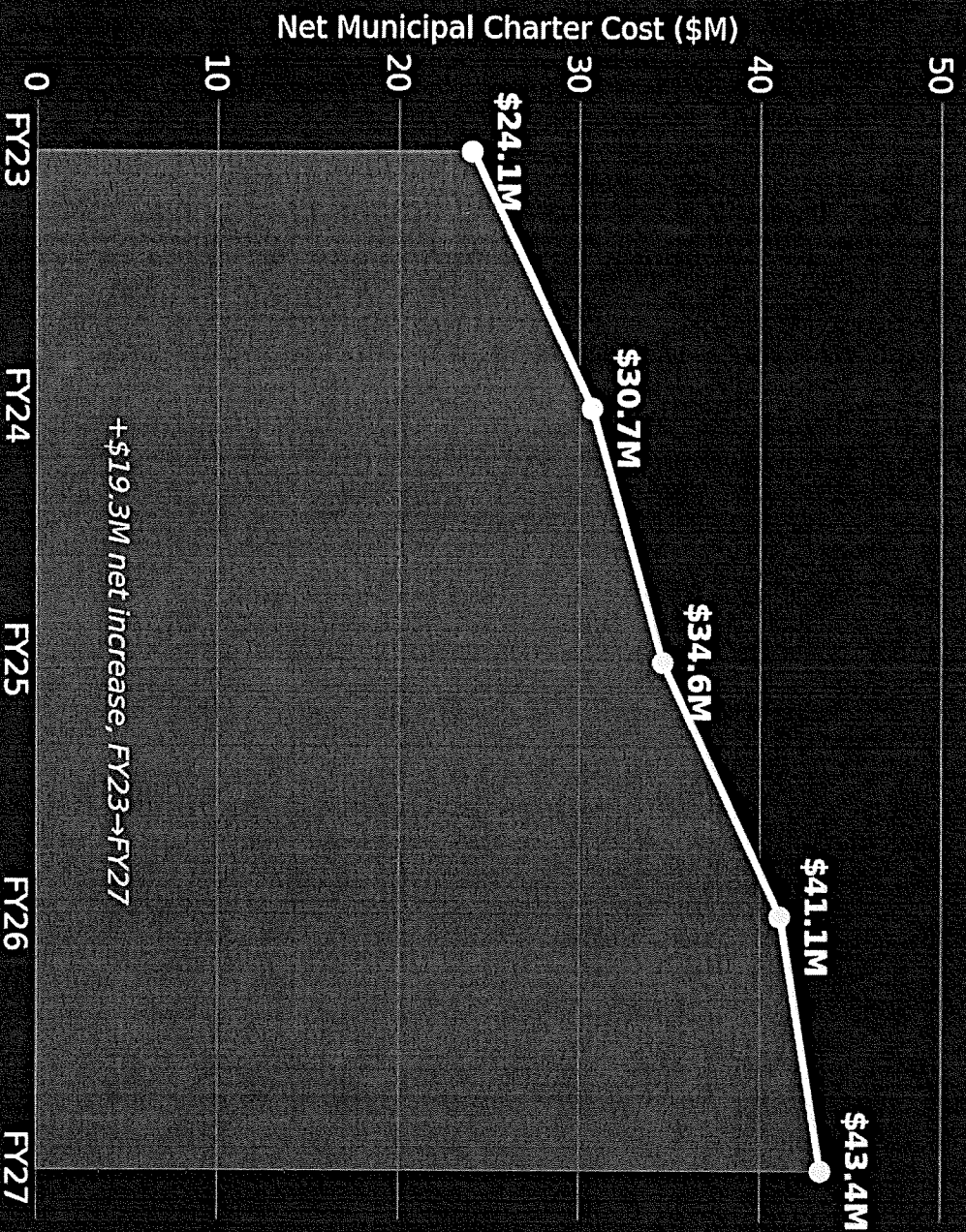




FIXED COST PRESSURE

FY2027 non-discretionary costs are outpacing general revenue growth.

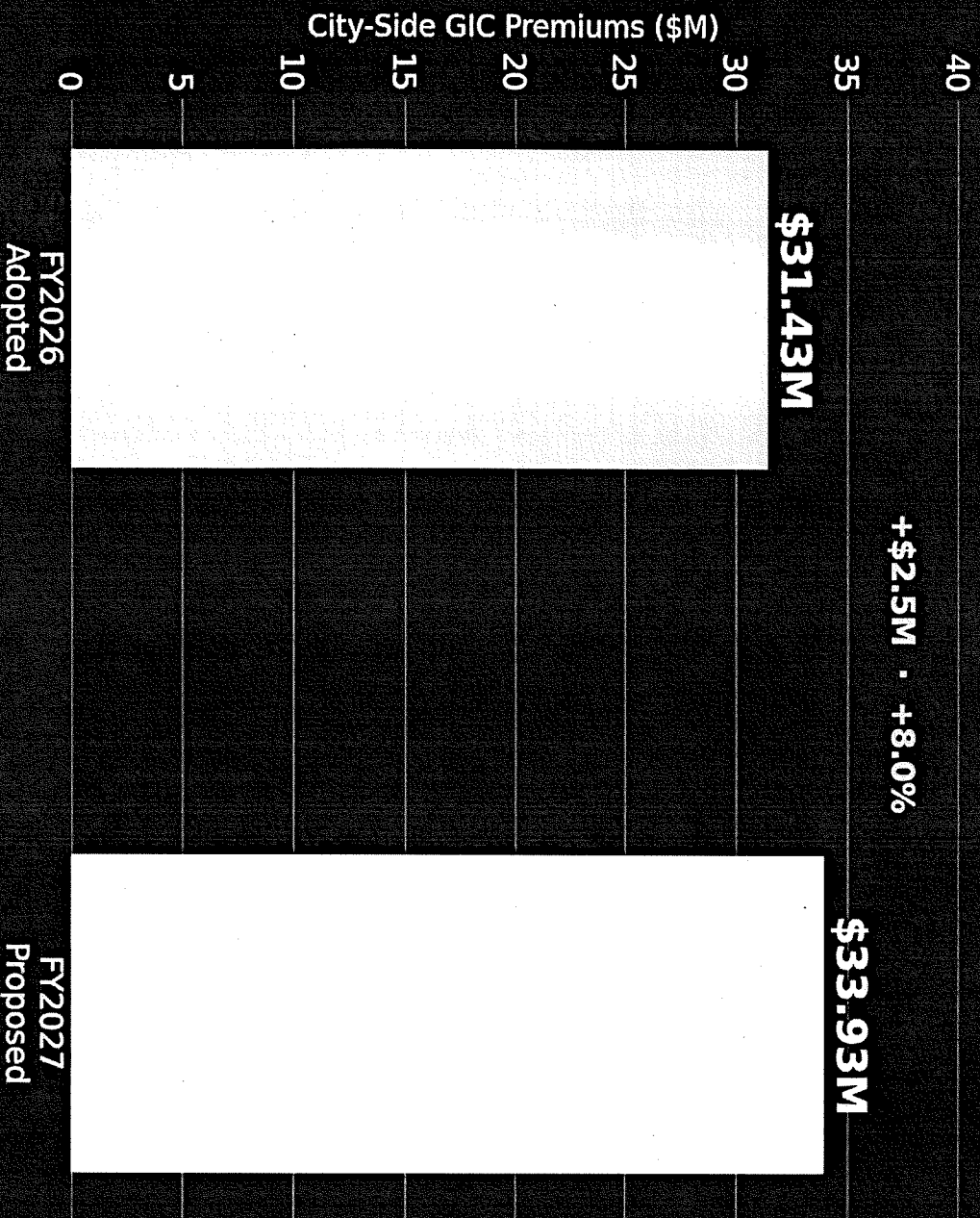
- +\$13.5M in growth over FY2026, concentrated in 4 categories
- Together: \$153.6M — more than 44% of the General Fund operational budget
- None of these categories are subject to local discretion



CHARTER SCHOOLS

Rising assessments and eroding reimbursement compound each year.

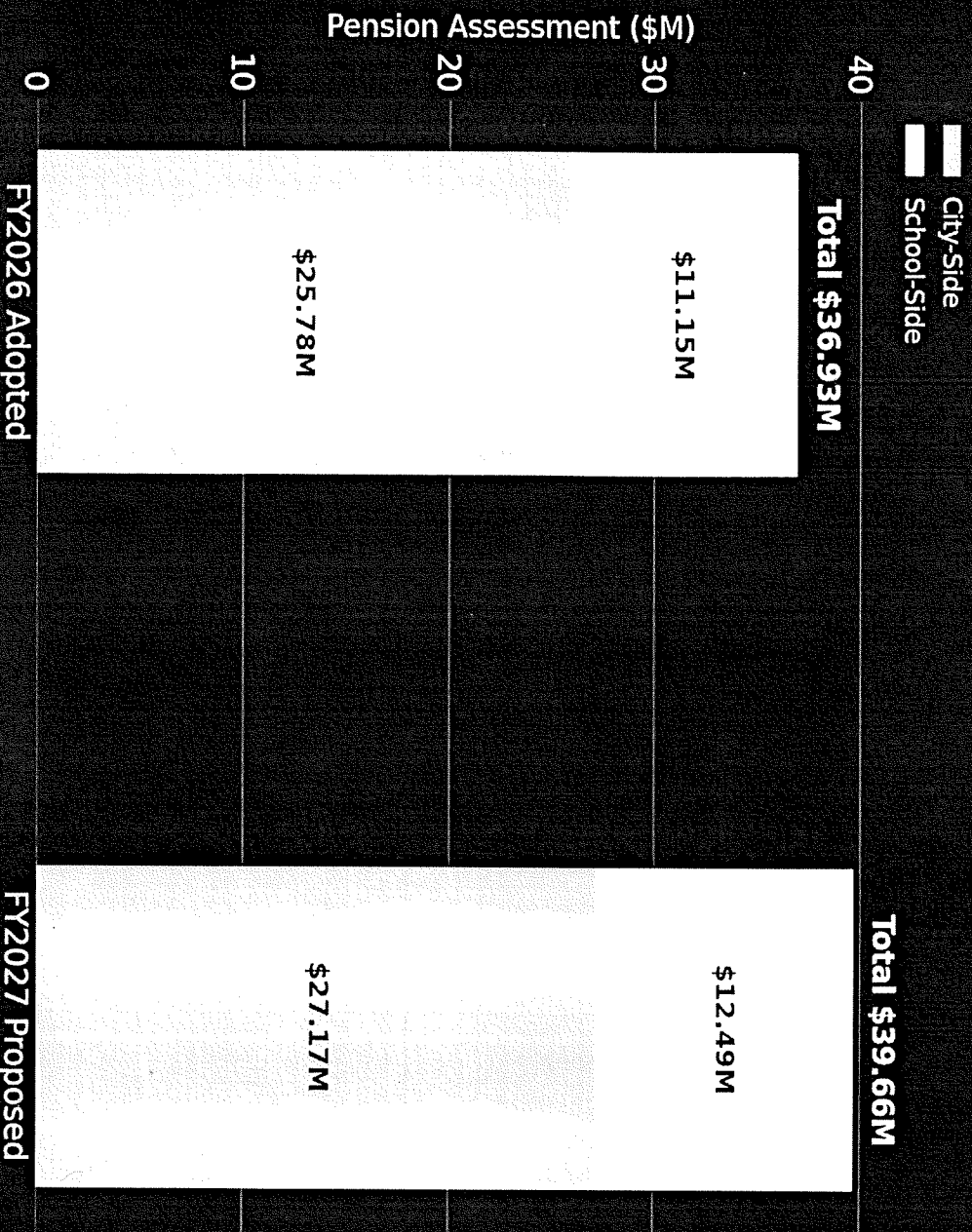
- Gross assessment: \$52.3M in FY2027, up \$26.8M since FY2020
- Reimbursement phases out after 3 years per enrollment cohort
- Ask: permanent reimbursement, enrollment caps, SOA formula reform



HEALTH INSURANCE

GIC premiums are set by the Commonwealth, outside City control.

- System-wide cost (incl. Schools) approaches \$60M
- Ask: GIC plan/pharmacy reform, tiering flexibility, Gateway City premium support
- Local: encouraging migration to high-deductible/tiered plans

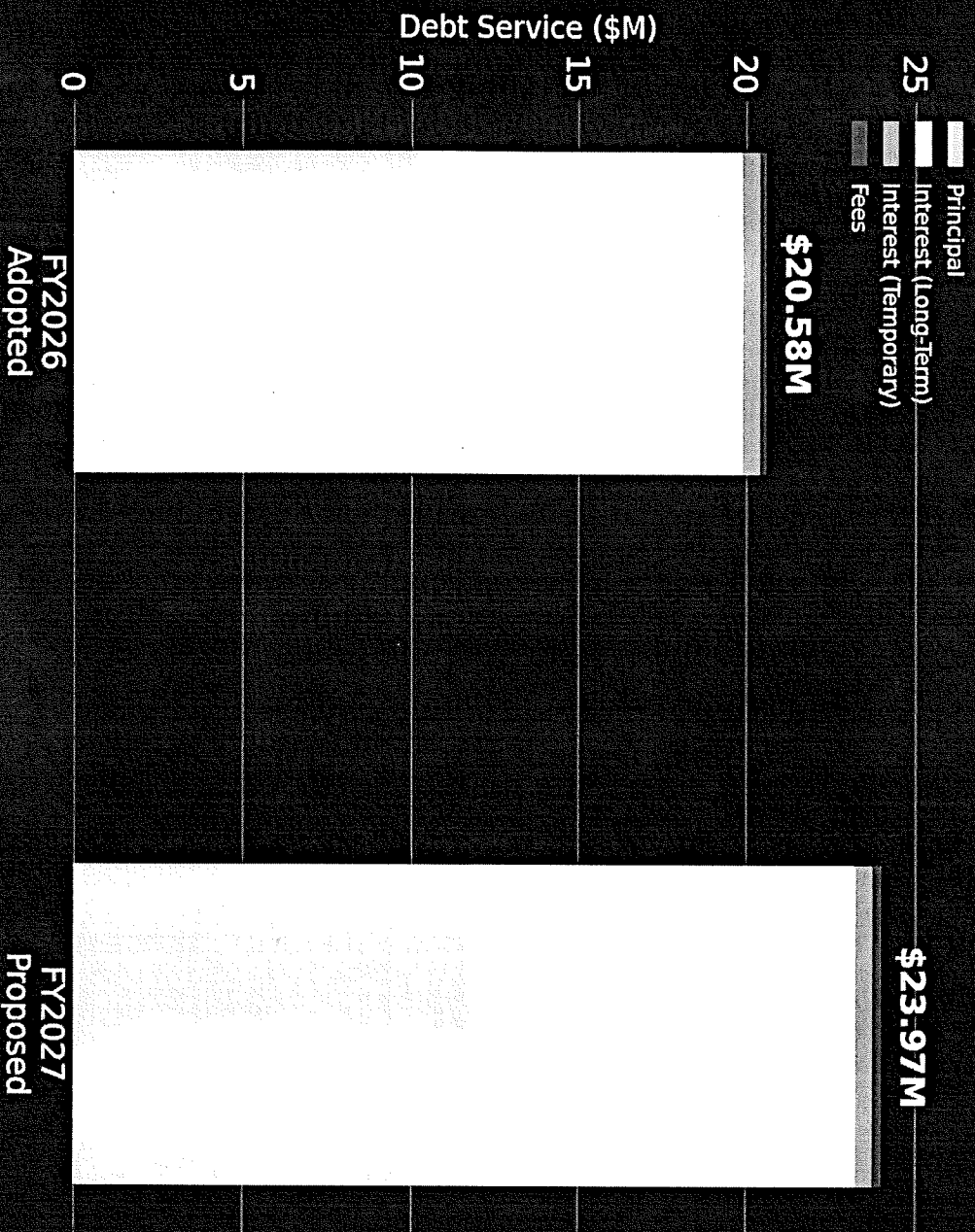


PENSION SYSTEM

The pension assessment is actuarially determined — the City has no discretion.

- Governed by MGL c.32 and the LCRS funding schedule
- Ask: PRT investment enhancements, optional extended amortization
- Ask: State matching program for Gateway City retirement systems

- FUTURE CONSIDERATION: Pension Obligation Bonds

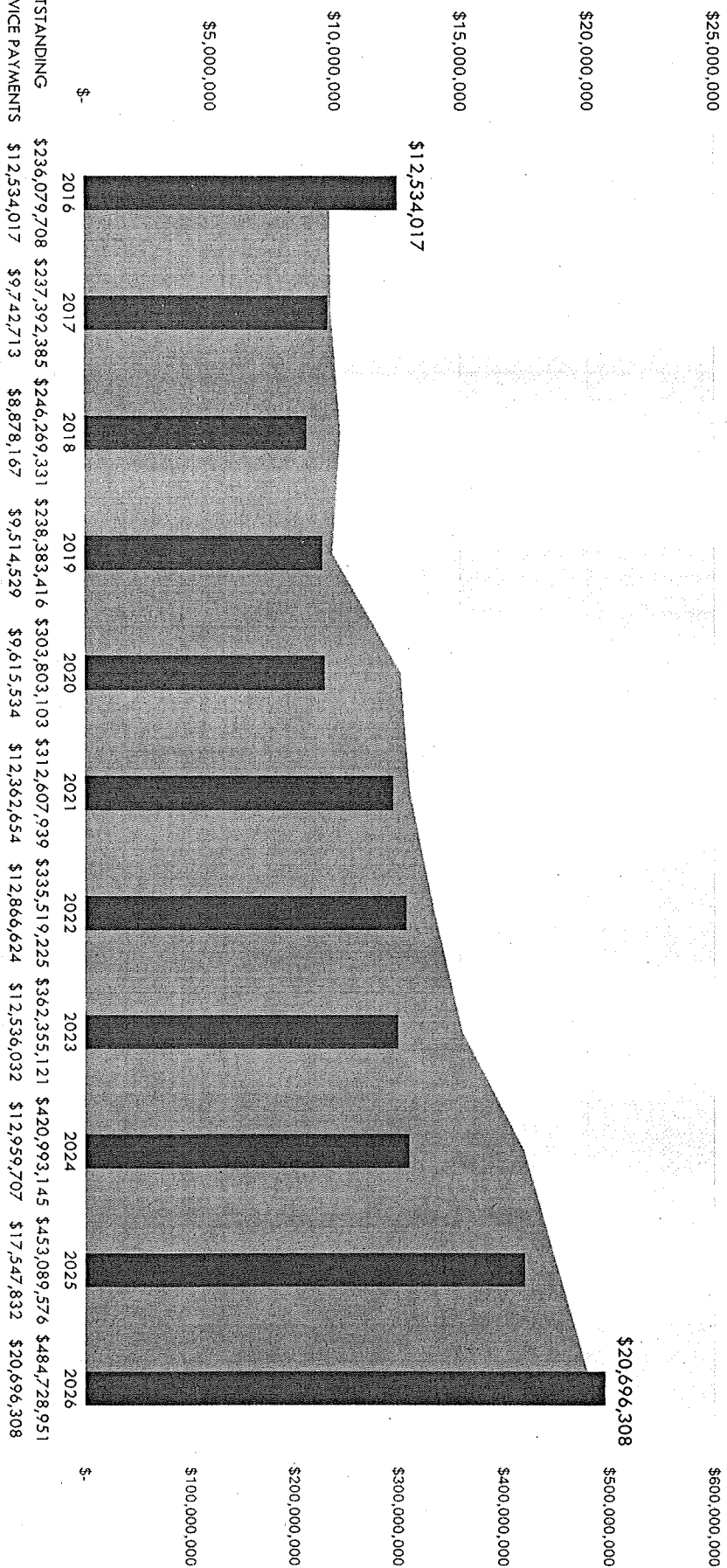


DEBT SERVICE

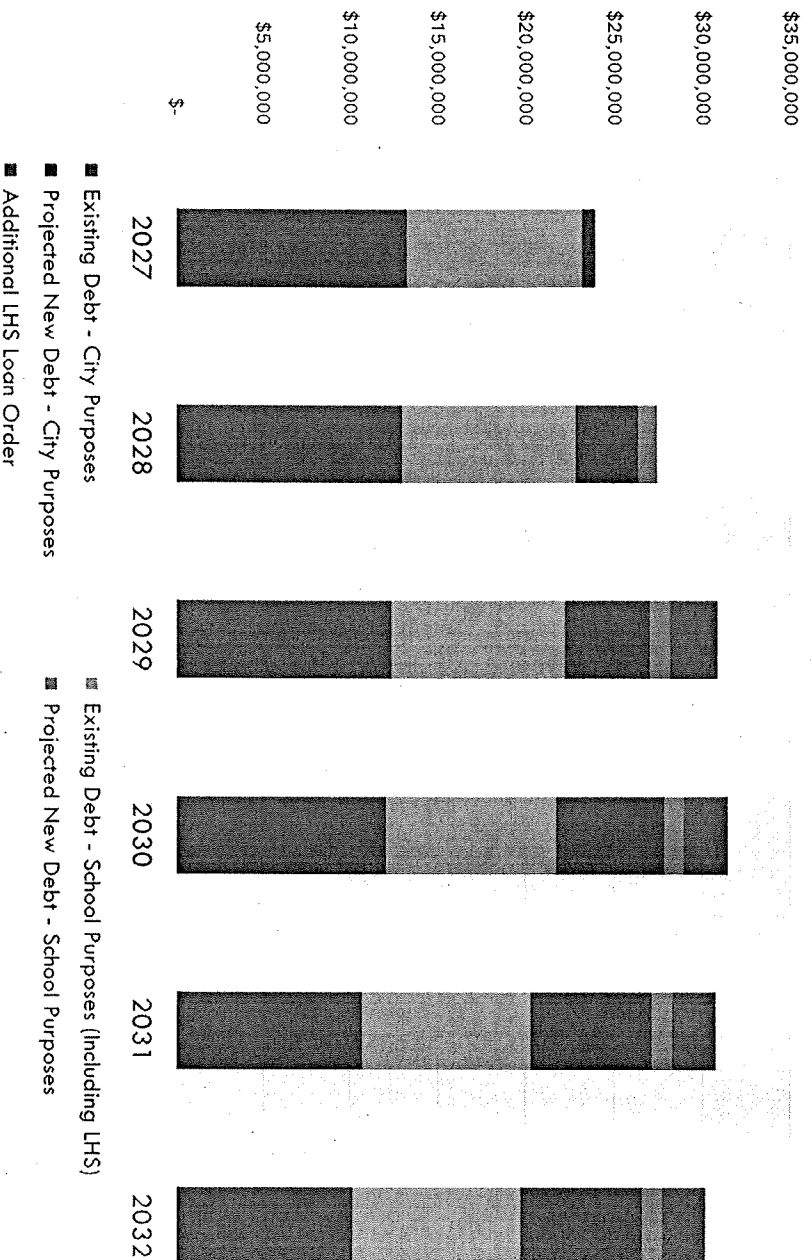
Debt service is FY2027's fastest-growing fixed cost in dollar terms.

- Primary driver: Lowell High School bond amortization
- Ask: higher MSBA reimbursement, a Capital Stabilization Fund
- Ask: an Infrastructure Equity Grant program for Gateway Cities

HISTORIC DEBT SERVICE PAYMENTS & TOTAL OUTSTANDING DEBT



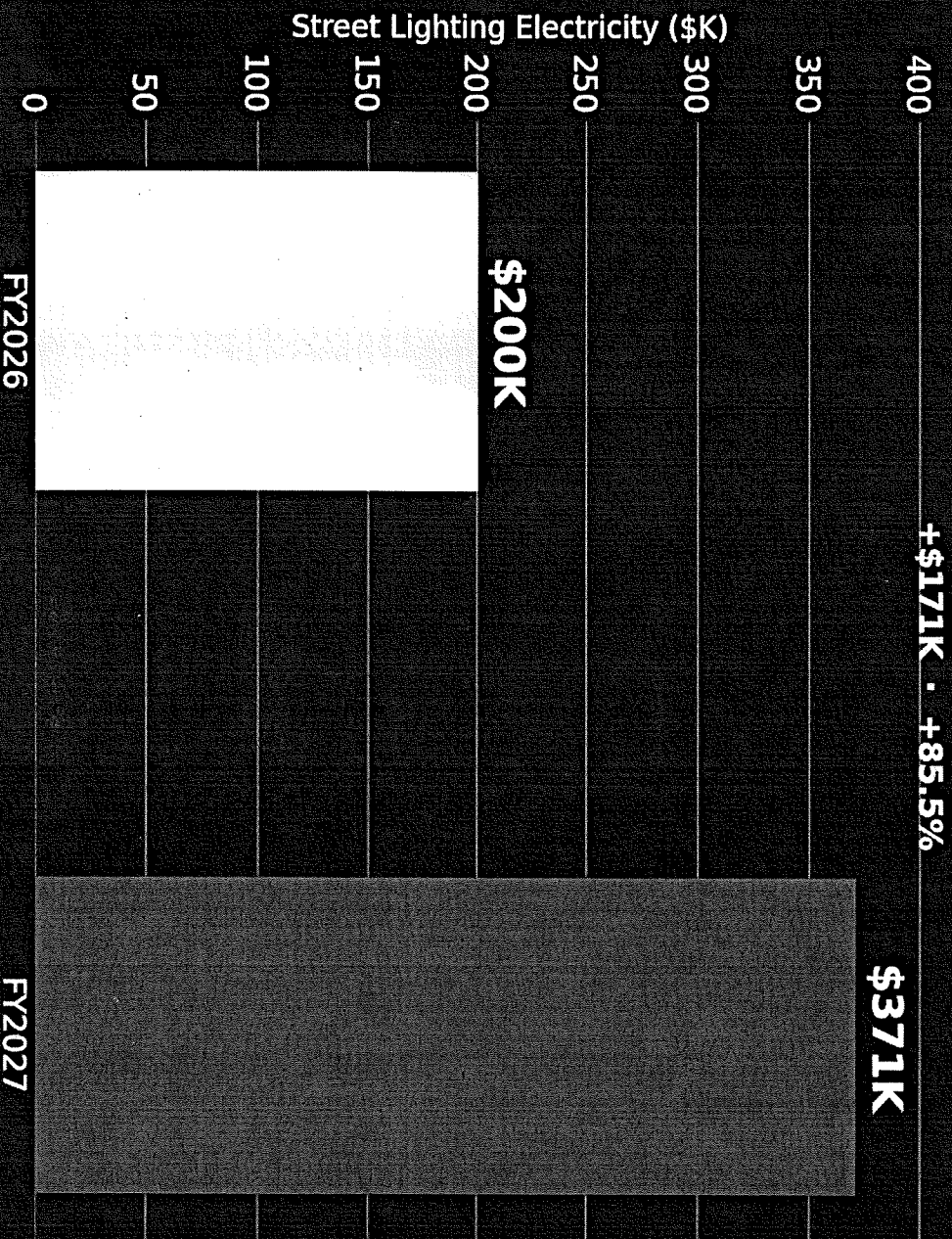
5-YEAR DEBT SERVICE FORECAST - BY TYPE



DEBT SERVICE

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ENERGY COSTS

Energy costs are volatile and growing across City facilities.

- Street lighting electricity nearly doubled in a single fiscal year
- Ask: expanded Green Communities grants, a Municipal Energy Procurement Cooperative
- Local: continued Green Communities participation, solar/net-metering expansion

Issue Area	#	Legislative Ask
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Charter Schools	3	Permanent reimbursement · enrollment caps
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Health Insurance	2	Gateway premium support · tiering flexibility
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Pension	2	PRT enhancements · state matching program
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Debt Service	3	Higher MSBA rates · Capital Stabilization Fund
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Energy	2	Green Communities expansion · energy co-op
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12 priorities total — full detail and delegation letters in the briefing packet

LEGISLATIVE PRIORITIES

Twelve legislative priorities are being transmitted to our state delegation.

- Grouped across all four fixed-cost categories
- Letters going to Sen. Howard, Rep. Elliott, and Rep. Hong

DISCUSSION ITEM 2

Questions from the Chair and Subcommittee members on budget stressors and legislative priorities.

Councillor Juran · Councillor McDonough · Councillor Scott



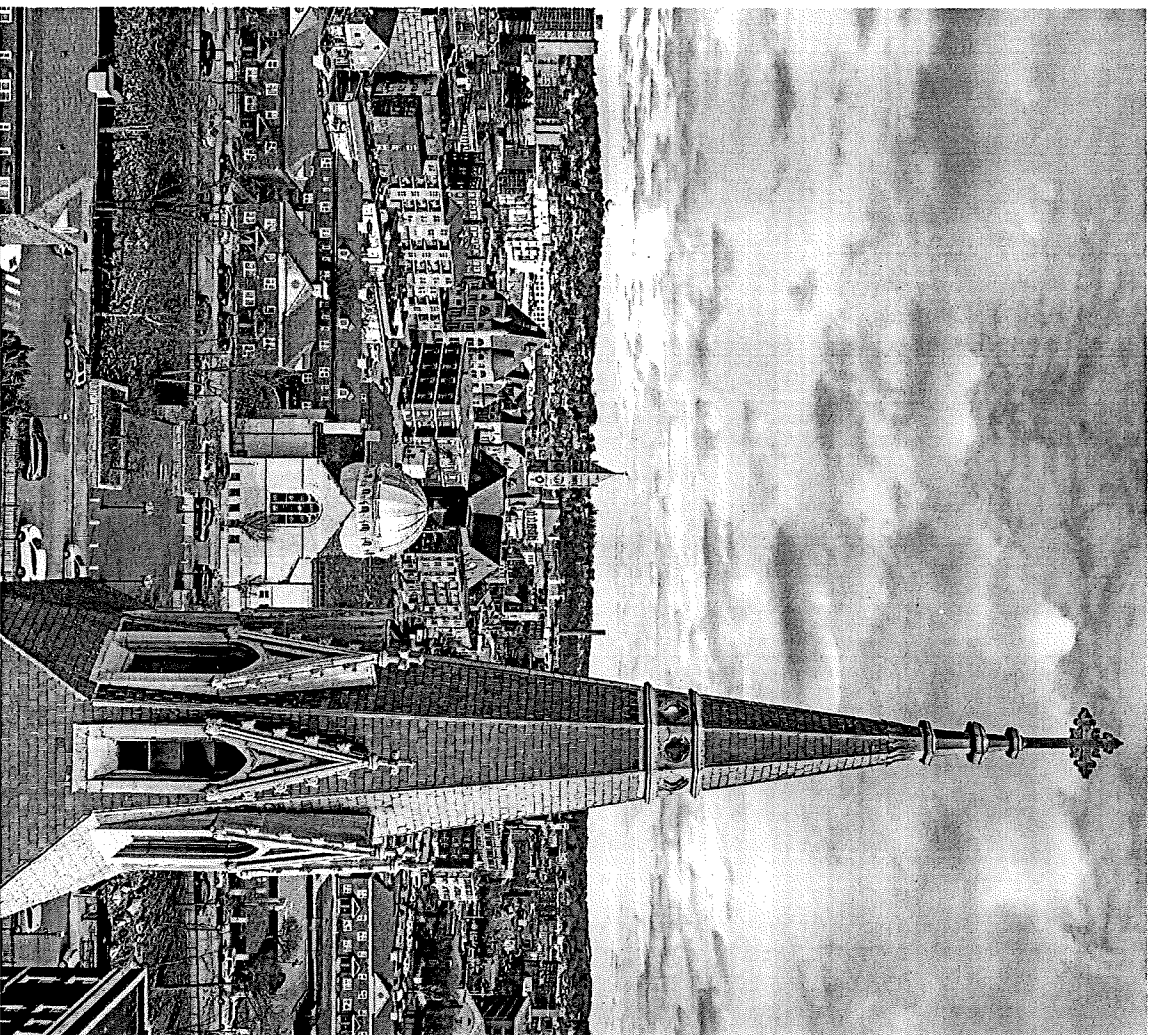
ITEM 3 PARKING & CPI

Item 4.11

Parking Garage Fees and Automatic CPI Adjustment

Motion: Councilor McDonough, referred 6/30/2026 — analysis in progress





PARKING & CPI

Motion 4.11 proposes removing the automatic CPI+1% parking rate adjustment.

- Follows the June 30 Council discussion on the garage rate escalator
- Key issue: the Garage Enterprise Fund relies on the adjustment to track its own cost growth
- Removing it would require an alternate revenue source or a General Fund subsidy
- Full rate/enterprise-fund analysis and peer-city comparison in progress
- Update on status of Audit for prior year COLA

DISCUSSION & CLOSING

Questions, and any final items from the Chair or Subcommittee.
Next steps and follow-up meeting scheduling as needed.

Thank you — Conor Baldwin,
ACM for Fiscal Affairs / CFO

