Present:  Greg Guarriello, Mary Hartman, John Hickling, Richard Jamison, Dee Ortner, Karle Packard, Parashar Patel, Christine Reynolds, Thomas Tarpey and Andrea Zall

Absent:  Dean Banfield, Peter Fischelis, Wade Rubinstein, Phil Swain and Brian Taylor

Others Present:  School Committee Member Cynthia Rainey; Finance Director Kerry Lafleur; Recording Secretary Anita Tekle

Meeting Opened
Ms. Hartman called the meeting to order in the Select Board Meeting Room at the Town House at 7:00 pm.  She announced that the meeting was not being televised or recorded.

Approval of Minutes
On a MOTION made by Mr. Packard and seconded by Mr. Patel, the Finance Committee (FC) Guidelines Subcommittee minutes of November 21, 2019 were unanimously APPROVED, as amended.

On a MOTION made by Ms. Ortner and seconded by Ms. Reynolds, the FC Guidelines Subcommittee minutes of December 5, 2019 were unanimously APPROVED, as amended.

On a MOTION made by Mr. Hickling and seconded by Ms. Ortner, the FC minutes of December 5, 2019 were unanimously APPROVED, as drafted.

Ms. Ortner inquired how follow-up items come back to the FC.  Ms. Lafleur responded that some information items come back to her or to the Chair.  Ms. Ortner asked that the Town's financial policy to spend 2-3% of the operating budget annually on capital projects without debt funding and 5-6% of the operating budget on debt financed capital projects be brought back to the FC at a future meeting for discussion.  In addition, Ms. Ortner agreed to review the minutes for the past six months to make a list of items that required follow-up, to be sure that they have been completed.

Follow-Up:  Add to future agenda an item to review the Town’s financial policy on capital projects.  Ms. Ortner to compile a list of follow-up items from the previous six months of FC meetings.

Review of 2020 Annual Town Meeting Warrant Articles
The group reviewed the preliminary list of Warrant Articles, noting that the order has not yet been determined by the Select Board (SB).  The purpose of the review was to determine which articles are of sufficient interest to the FC that the proponent may be invited to come before the FC prior to the public hearing.  Ms. Lafleur noted that five public hearings are scheduled, as follows:

• Select Board – February 24
• Planning Board – February 25 (Zoning Articles)
• Finance Committee – March 9 (Town Budget & Town Capital Articles)
• Finance Committee – March 16 (School Budget & School Capital Articles; CPC Articles)
• Finance Committee – March 23 (Enterprise Fund Budgets & Articles)
Ms. Lafleur noted that she had tentatively assigned the articles to one of the five hearings, but that is subject to change by the SB. The following articles were discussed:

<table>
<thead>
<tr>
<th>Article #</th>
<th>Title</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>FY20 Town Budget Adjustment</td>
<td>May be necessary to adjust FY20 Legal Services budget, as expenses are expected to exceed budgeted amount. Options are: Reserve Fund transfer; Year-End transfer; or Budget Adjustment. Town Manager will discuss at the Jan 23 FC meeting.</td>
</tr>
<tr>
<td>10</td>
<td>FY21 Town Capital Improvement Plan</td>
<td>Ask the Town Manager to be prepared to discuss on Jan 23 or Feb 6</td>
</tr>
<tr>
<td>12</td>
<td>Retirement COLA Base Adjustment</td>
<td>Currently, an annual COLA is added to the first $12,000 of the pensions of retirees. For many years, the COLA adjustment has been 3%. Pension amounts above $12,000 are not adjusted for COLA. This article proposes to increase the pension amount to which COLA is applied from $12,000 to $14,000. Retirement Board Chair will be invited to attend the March 5 FC meeting.</td>
</tr>
<tr>
<td>13</td>
<td>FY21 Minuteman Technical HS Budget</td>
<td>Expected to be $1,227,684; assessment has increased by 19%. MM staff and/or rep will be invited to attend meeting, possibly on Feb 6 or 13.</td>
</tr>
<tr>
<td>14</td>
<td>FY21 CPS Budget</td>
<td>School Committee (SC) &amp; School Supt scheduled to attend Feb 13 FC meeting.</td>
</tr>
<tr>
<td>15</td>
<td>FY21 CPS Capital Improvement Plan</td>
<td>Embedded in Town Manager's FY21 capital budget</td>
</tr>
<tr>
<td>16</td>
<td>FY21 CCRSD Budget</td>
<td>SC &amp; School Supt scheduled to attend Feb 13 FC meeting</td>
</tr>
<tr>
<td>17</td>
<td>CCRSD Capital Budget/Parking Lot</td>
<td>Request is $848,410; SC &amp; School Supt scheduled to attend Feb 13 FC meeting.</td>
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<tr>
<td>19</td>
<td>Community Preservation Com Appropriations</td>
<td>Funding for two churches is included—does the Town have legal exposure? Invite Chair to attend Feb 6 FC meeting.</td>
</tr>
<tr>
<td>22</td>
<td>Appropriate Funds for Affordable Housing</td>
<td>Second year of this request; no need to invite to FC meeting.</td>
</tr>
<tr>
<td>24</td>
<td>Tax Increment Financing (TIF) Agreement for Junction Village</td>
<td>Junction Village developer requested this article be placed on the Warrant to allow them to seek property tax relief. Invite SB and/or Junction Village developer to FC meeting (possibly March 5, to allow ample time for information to be gathered).</td>
</tr>
<tr>
<td>31</td>
<td>By Petition: Healthy School Buses for Schools</td>
<td>Request for $200,000 for electric buses; invite petitioner to attend on Feb 13, in conjunction with SC and School Supt</td>
</tr>
<tr>
<td>36</td>
<td>Zoning Bylaw Amendment—2-family dwelling units</td>
<td>These two proposals may affect Town's finances, since the # of school children may increase with additional housing units.</td>
</tr>
<tr>
<td>43</td>
<td>Zoning Bylaw Amendment—Additional Dwelling Unit</td>
<td>If units are small, the impact on schools may be negligible, but unknown at this time. Invite Planning Board Chair to come to FC meeting to discuss possible financial impact.</td>
</tr>
</tbody>
</table>

During the discussion of Article 8, Ms. Lafleur noted that the Town Manager wishes to discuss the option of a Reserve Fund transfer for Legal Services, since he doesn’t anticipate using the Reserve Fund for any other budget items, and the funds have already been appropriated. Mr. Hickling noted that the Town Manager had been asked for a Legal Services expenditure estimate for FY20. Ms. Lafleur responded that Mr. Crane will provide that information when he meets with the FC on January 23. Ms. Lafleur also agreed to put together a memo explaining the options for funding the anticipated Legal Services overage. Ms. Hartman emphasized the importance of televising next week’s FC meeting, in the ongoing goal of transparency regarding legal expenses. Ms. Lafleur noted that legal expenses for Estabrook Woods are separately tracked in her accounting records. Ms.
Hartman noted that an additional appropriation for Legal Services for FY21 could be made at a fall 2020 Special Town Meeting, should one be called for the new middle school.

**Follow-Up:** Ms. Lafleur will ask Mr. Crane to be prepared to discuss the FY20 legal services budget/estimated expenses and the Town’s Capital Improvement Plan at the January 23 FC meeting. Ms. Lafleur to prepare a memo explaining the options for funding the anticipated Legal Services overage. Ms. Lafleur to confirm with MMN that the Jan. 23 FC meeting will be televised.

During the discussion of **Article 12**, Ms. Lafleur noted that most Retirement Boards across the state provide a COLA adjustment on a higher base than Concord. Ms. Lafleur was asked to provide information about the number of retirees, the median retirement benefit, and a projection of the cost of increasing the base going forward. Ms. Lafleur agreed to discuss these items with the Retirement Board’s actuary.

**Follow-Up:** Ms. Lafleur to invite Retirement Board Chair to attend FC meeting on March 5. Ms. Lafleur to obtain information noted above from Retirement Board actuary.

**Follow-Up:** Ms. Reynolds to invite Minuteman Rep and/or Finance staff to attend FC meeting either Feb 6 or 13.

**Follow-Up:** CPC Chair will be invited to attend the February 6 FC meeting to discuss recommendations of Article 19 prior to the hearing.

**Follow-Up:** Ms. Lafleur to invite Brian Foulds (petitioner for Article 31) to attend Feb 13 FC meeting to discuss his proposal for more funding for electric buses.

**Follow-Up:** Ms. Lafleur to invite Matt Johnson (PB Chair) to attend FC meeting to discuss possible financial impact of Articles 36 and 43.

**Finance Committee Write-Ups for FC Report**

Ms. Hartman reminded attendees that drafts for the FC report are due next week. She suggested that members look at last year’s FC Report (available online, with hard copies available at the Town House) in order to see a template of what is expected. It is expected that the Feb. 20 meeting may be cancelled, if agenda items can be moved to other scheduled meetings.

**Middle School Building Committee Update**

Ms. Hartman thanked Mr. Fischelis (liaison) for information provided about the public hearings for the proposed new middle school. Several FC members were in attendance. It was noted that the MS Building Committee has a Finance Subcommittee. Some concern was expressed that the public hearings are turning into “wish list” forums. Ms. Hartman urged the FC to get involved sooner rather than later on the issue of the proposed scope of the building project, providing any data or information that may be helpful to them. Among the issues being considered are a larger auditorium (to accommodate Concord’s Town Meeting), a larger gymnasium, a central kitchen for the CPS District, security measures, and a design that meets the educational goals for the 21st century. Mr. Guarriello noted that his wife is the Co-Chair of the MS Building Committee, and that the hearing attendees are making requests for additional design elements without understanding the cost implications. He noted that constructing a fully sustainable, “net zero” building will increase the building’s cost.
In response to a question from Mr. Patel, it was noted that the Middle School Finance Subcommittee is not responsible for arranging the financing of the project—that is the responsibility of the Town's Finance Director (this is a Town project). Ms. Rainey noted that in many other communities, the FC partners with the school building committee to provide financial information. It was suggested that the Finance Subcommittee Chair be invited to a FC meeting, along with the School District's Director of Finance & Operations.

Mr. Hickling questioned why a large item like a new middle school would be considered at a Fall 2020 special town meeting rather than at the 2021 annual town meeting. It was noted that the timing of the Middle School project vote would be hard to slow down at this point, given project momentum. Ms. Ortner suggested that a brief presentation be made at the 2020 annual town meeting about what is scheduled to come up at a fall 2020 special town meeting.

Mr. Hickling suggested that benchmark data may be helpful to the Finance Subcommittee (the Town of Harvard, MA recently put out some benchmark information that may be useful). He also noted that the range and scope of debt service in our peer group towns would be helpful. Mr. Packard noted that Ms. Lafleur had provided information last spring about the tax impact of a new middle school.

Ms. Hartman suggested that the FC consider revising/refining its debt policy, in light of the growing debt that the Town has incurred in recent years. Ms. Ortner suggested that the FC assign an observer/liaison to the Finance Subcommittee. Mr. Guarriello noted that the focus of the Finance Subcommittee is not the cost of debt to the Town. Ms. Hartman responded that the FC could provide a financial context for the work that the Middle School Finance Subcommittee is doing. She noted that most Concord households do not have school-aged children. She emphasized the importance of the SC considering the financial impact of all school proposals—we are all in this together, and capital planning is essential. Mr. Packard commented that Concord’s real estate values are positively impacted by the quality of Concord’s schools, so we should proceed cautiously.

Mr. Tarpey commented that the proposed new middle school project would most likely be approved at a special town meeting, which would have a lower attendance than an annual town meeting. He felt it important that the FC remind the SC that we all represent Concord residents in our work as Town and School Officials. We need not build the finest school possible, but rather the finest school that we can afford to build.

**Follow-Up:** Invite Chair of Middle School Building Committee’s Finance Subcommittee to attend a FC meeting, along with the District’s Director of Finance & Operations to discuss the costs and tax impact of the proposed new middle school. Invitation should come from the FC Chair (Mr. Banfield), with the suggestion that the FC may be able to provide assistance and/or data.

**Follow-Up:** FC consider revising/refining its debt policy.

**Follow-Up:** Suggestion that FC consider assigning a liaison/observer to the Middle School Finance Subcommittee—to be discussed.

**Chair’s Report**

Ms. Hartman reported that she had participated on a panel about the Town’s finances and capital planning, sponsored by the LWV. It was excellent, and may be viewed on MMN. She met with the Editor of the Concord Journal, Robert Fucci to discuss with him opportunities for op-ed space in
the Journal. Ms. Hartman agreed to discuss with Mr. Banfield the idea of a conversation with the Town Moderator about the FC making a presentation at Town Meeting.

Observer Reports
Public Works Commission – Mr. Jamison reported that a recent meeting was cancelled. As of a few weeks ago, about 50% of snow removal funds had been expended. While the department had not received funding for all of its proposed FY21 capital projects, they did receive a sufficient amount.

Board of Health – Mr. Guarriello reported that he attended a public hearing on flavored vaping products and flavored cigarettes. The Board of Health’s proposals may have financial implications for increased legal costs, but it is too early to tell.

Capital Planning Task Force – Ms. Ortner reported that the group is making significant progress. She reported that Mark Kost, Chair of Westford’s Capital Planning Committee, had provided useful information about capital planning committees. Westford’s group looks at all capital requests greater than $10,000. The Task Force is also looking at Arlington’s and Lexington’s capital planning process, along with Concord’s past capital planning reports. A public hearing is scheduled for March 2. The task force is aiming to provide a report to the SB by the beginning of April.

Planning Board – Mr. Patel reported that the proposed PRD on Main Street in West Concord required that the developer include a narrative of the cost impact to the Town in its application, and this was not included. Mr. Patel noted the omission at the public hearing, which he felt should be included in the Planning Board’s letter to the Zoning Board of Appeals. It was agreed that Mr. Patel will draft a letter to be sent from the FC to the Planning Board about this issue.

Follow-Up: Mr. Patel to draft a letter from the FC to be sent by Mr. Banfield to the Planning Board, concerning the incomplete application from the developer.

Minuteman Regional School – Ms. Reynolds reported that Minuteman has received 303 applications for 180 freshman slots, including 225 from member communities. It appears that few if any out-of-district applicants will be able to be accepted. Given the increase in applications associated with the new school building, the updated admission policy will be of greater interest to member towns. It was requested that Minuteman representatives cover this topic when they meet with the FC in February.

Middle School Building Committee – Mr. Hickling expressed concern that the MS Building Committee is apparently not planning to apply for MSBA funding. He noted that they had applied twice and had been rejected. He was concerned about the transparency of this decision, given the significant financial consequences of the Town forgoing possible state funding of this project. He noted that this project is historically the second costliest project for the Town of Concord, and other affluent communities have received MSBA funding.

Finance Director’s Report
Ms. Lafleur reported that the proposed FY21 budgets represent a tax impact of 2.76%. This estimate includes the projected increased cost for Minuteman high school. She also noted that the PILOT for the Light Plant is higher than budgeted, so we are in good shape. The projected cost of the Retirement Board proposed article is not yet known—additional funds may be needed. Ms. Hartman asked Ms. Lafleur to provide an update on free cash at the next FC meeting.

Follow-Up: Include on the agenda for the next FC meeting an update on free cash.
Adjournment
The meeting adjourned at 9:20 pm.

Respectfully submitted,

Anita S. Tekle
Recording Secretary

Documents Used or Referenced at Meeting:
• Finance Committee Schedule January-June 2020
• Annual Town Meeting and Election Calendar 2019-2020
• Finance Committee Town Meeting Planner
• Draft Articles for 2020 Annual Town Meeting