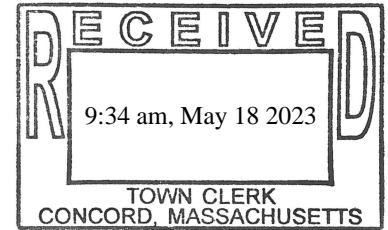


Town of Concord
Finance Committee



Minutes of January 26, 2023 Meeting

YouTube Link:

www.youtube.com/watch?v=1fD4q3F9cME&list=PL1TTzrWEKOOonnNx4Y97syFCGhi0OGGQrA

Members present: Present: Ray Andrews (online & scribe), Peggy Briggs – Chair, Suresh Bhatia, Eric Dahlberg (online), John Garofalo, Greg Guarriello, Don Kupka, Lyndsey Lis, Dee Ortner, Parashar Patel, Christine Reynolds, Lois Wasoff (online)

Members absent: Kathy Cuocolo, Amrith Kumar, Brian Taylor

Others attending: Bob LeLacheur - Interim Town of Concord Finance Director, Gail Dowd - Town of Concord Chief Financial Officer, Matt Johnson – Chair, Concord Select Board, Mary Hartman – member Concord Select Board, Karlen Reed (online)

1. Call to Order. Ms. Briggs called meeting to Order at 7:00 with a roll call vote. Mr. Andrews volunteered to serve as scribe for the meeting.

2. Special Town Meeting follow up. There was a discussion about next steps now that the Special Town Meeting has been held and the article seeking an additions appropriation for the construction of the Middle School has been approved. Mr. LeLacheur said if the vote in February approves the additional \$7.2M appropriation, the current plan is to borrow \$50M toward construction of the new Middle School this spring after Annual Town Meeting. The current expectation is that the debt will be structured with a 30-year term and level payments. It is also expected that some additional funds will be added to the Middle School stabilization fund. Ms. Briggs reminded the committee that it is possible that CPC funds can be used for the outdoor playing fields. Ms. Ortner said there will be an article from CPS requesting approval of \$1.8M for construction of playing fields, at the new Middle School, if bids for the school itself come in above \$110M. Mr. Bhatia asked if the recreational areas could be done as public private partnership like Beede Center.

3. Annual Town Meeting Warrant Preview MS. Reynolds said that the Warrant for the ATM will contain 46 Articles including 31 that will be presented at FinCom hearings. Many of those are the usual items that come before ATM every year, such as Town and school budgets. CMLP will present an article to approve borrowing \$13M to install solar panels and battery storage at the new Middle School. Although CMLP is an Enterprise Fund the debt would be a general obligation of the Town. CMLP will have a public hearing on this. Ms. Reynolds suggested we invite Brian Foulds, Chair of the Light Board, to make a presentation about this topic in preparation for a public hearing.

The 250th Anniversary Celebration Committee will request an initial amount of \$650K. Mr. Johnson said the Massachusetts Legislature may be asked to approve \$1M for use by Concord and Lexington to celebrate the 250th anniversary.

Ms. Reynolds suggested we invite CPC to brief FinCom on what the proposals it intends to present at the ATM.

4. Storm Water Enterprise Fund. This is a proposal, being discussed now, to establish a separate fund to cover the costs of complying with new federal regulations related to clean water. The fund would cover the costs of the work that will have to be done (such as, for example, cleaning, maintaining, and repairing culverts) and separate those costs from the capital planning process. Several towns in Massachusetts have established funds of this type. The source of the funds could be a flat fee to residential property owners and a fee to commercial property owners that is calculated based on the amount of impervious surface in their properties. The proposal is not on the ATM Warrant. Instead, \$100K from the ARPA funds will be used to fund a feasibility study. Ms. Ortner volunteered to be the liaison from FinCom for this project.

5. Guideline budget updates. Mr. Patel reported that there is still a gap between the current CPS budget and the Guidelines. CPS has reduced the budget from its initial request by \$150K. CASE Collaborative reduced by \$50K cost of student transportation for out-of-district services, and CPS reduced by \$100K how much of state aid for Special Education it will “bank” for future needs. This still leaves a budget gap of \$583K. This situation (of CPS having difficulty meeting the Guidelines) has arisen in past years. Ms. Reynolds noted that CPS’s addition of 11 FTEs plus increases in compensation of 4-5% are driving the increase. Enrollment has not risen. It was noted that the State plans to use the Best Western as an emergency shelter for homeless families, which may have some impact on the schools.

Mr. Patel reported the CPS would like to come to FinCom in February to give context for its request for more money in an attempt to persuade FinCom to change the guidelines.

Ms. Briggs raised concern that CPS Budget may be higher than FinCom Guideline and FinCom may recommend “no action” on CPS Budget at ATM. Then at ATM some members of FinCom may vote to approve the CPS Budget and others may not, which would look “messy.” Ms. Wasoff reminded us that democracy is messy and that last year a similar situation arose which was resolved when CPS and CCRSD were able to present a combined budget that met the Guidelines.

Mr. Kupka shared highlights of information he retrieved from the Massachusetts Department of Elementary & Secondary Education regarding such metrics as operating budgets, standardized test scores and student:teacher ratios at nearby high schools. He will share this data with members of FinCom through Ms. Dowd.

Mr. Patel pointed out that the CPS budget increases over last 4-5 year have been 2.3-3.9%. This year they are asking for 5% increase. The current teacher contract expires in December 2024. Mr. Patel suggested that approving the CPS budget request at \$583K above Guideline sends the wrong message as the school administration begins to negotiate the next contract.

CPS will share more detailed information about its budget with FinCom at a meeting in February at which its budget will be the only agenda item. Mr. Patel will inform us when that meeting will be.

6. Capital Planning update. Ms. Briggs gave a brief update on Capital Planning for Tier 1 and Tier 2 projects.

7. ARPA. Ms. Dowd gave a brief update on the current plans with respect to the allocation of the funds to which the Town is entitled pursuant to the federal ARPA legislation.

8. Free Cash. Ms. Dowd informed the committee that Free Cash is currently estimated to be \$7,588K (or approximately 6%). She expects that amount to be certified by DOR as of July 1, 2022. She will be able to update that figure in March.

9. Personnel Classification & Compensation Study. The study is still ongoing. There was a brief discussion of what FinCom's involvement in that study should be. FinCom's role is to address the overall budget. Specific personnel decisions are not within its remit, although the overall impact of compensation changes on the budget is.

10. Approval of Minutes. The members present unanimously approved, on a roll call vote, meeting minutes for October 27, 2022, November 10, 2022, and November 21, 2022 (with minor amendments and corrections), and January 19, 2023 (as submitted).

11. Facilities Usage Policies. Mr. Patel noted that Minuteman Tech has reported a surplus from rental of their facilities. He and others will gather written Facilities Usage Policies from Minuteman, Beede, the schools, and town departments including recreation. Hopefully Facilities Usage Policies can be created that will enable the Town to offset part of the cost of the enlarged gymnasium and auditorium at the new Middle School.

12. Other Topics. Ms. Briggs asked members to suggest topics for the agendas of future meetings.

13. Adjournment. Mr. Patel made a motion to adjourn, which was duly seconded and passed unanimously. The meeting was adjourned at 8:33PM