

**Town of Concord  
Finance Committee - Guidelines Subcommittee  
Final Meeting Minutes - February 25, 2021**

**Present:** Ray Andrews, Dean Banfield, Kathy Cuocolo, Greg Guarriello, Mary Hartman, John Hickling, Richard Jamison, Dee Ortner, Parashar Patel, Christine Reynolds, Wade Rubinstein, Phil Swain, Lois Wasoff and Andrea Zall

**Absent:** Brian Taylor

**Others Present:** Select Board Chair Linda Escobedo; Town Manager Stephen Crane; Chief Financial Officer Kerry Lafleur; Residents Ardis Bordman, Henry Dane and Brooks Read; Recording Secretary Anita Tekle

**Open Meeting**

Ms. Reynolds called the meeting to order at 7:00 pm with a roll call vote, with the following voting in the affirmative: Reynolds, Hartman, Ortner, Hickling, Banfield, Swain, Jamison, Cuocolo, Rubinstein, Wasoff, Andrews and Patel. The meeting was held via Zoom using the Webinar format, and broadcast via MMN. She noted that the meeting was being recorded.

**General Discussion of FY22 Guidelines**

Ms. Reynolds summarized the status of the preliminary guidelines vs. budget requests, and made an initial proposal for the final guidelines (in \$ millions), as follows:

<b>Budget Entity</b>	<b>FY22 Preliminary Guidelines</b>	<b>Requested Budgets as of 2.25.2021</b>	<b>Recommended Final Guidelines</b>
<b>Town</b>	\$28.5	\$29.1	\$29.0
<b>CPS</b>	\$41.5	\$41.8	\$41.7
<b>CCRS</b>	\$21.3	\$21.4	\$21.4
<b>TOTALS</b>	<b>\$91.3</b>	<b>\$92.3</b>	<b>\$92.1</b>
<b>% incr. GL \$ vs previous year</b>	2.29%	3.45%	3.13%
<b>% incr. in Tax Bill</b>	2.50%	2.80%	2.50%

Ms. Reynolds noted that the recommended final guidelines take into account the projected increased revenue for FY22. The total incremental amount available for spending subject to the Guidelines is \$2.8 million. She suggested the amount be divided three ways so that each entity would receive a Guideline increase of approximately \$930,000. Ms. Lafleur reviewed her revised revenue estimate, which provides for an additional budget capacity of \$749,894. Of that amount, \$345k is coming from increased revenue, and \$404,894 is coming from a reduction in fixed cost estimates. In response to a question about the Town’s OPEB contribution, Ms. Lafleur clarified that OPEB contributions have fluctuated in recent years, which is difficult to manage. After working with the Town’s Actuary, it has been decided to “smooth” the annual OPEB contributions for budgetary purposes rather than strictly adhering to the original funding schedule. This provides for a more predictable stream of payments, with no reduction in the overall payments. The change will not result in an extension of time for the payments.

In response to a question from Mr. Banfield, Ms. Lafleur indicated that fixed costs are increasing 1.67%. The unused levy capacity is 4.55% (about \$4.5 million). If all budget requests are funded and the additional \$750k is fully allocated, then the unused levy capacity would be 4.26% (about \$4.2 million). Ms. Reynolds asked for a straw poll on her recommendation as noted above (i.e., no change in the 2.5% tax increase from the preliminary Guidelines, but an increase in available dollars by \$750k). The consensus appeared to be unanimously in favor.

Mr. Patel asked Mr. Crane if he could live with the \$100,000 shortfall between his budget request and the revised Guideline. He responded that there are still lots of variables, and the Town won't shut down with a shortfall of \$100,000. He is optimistic that receipts may come in more favorably than estimated, and he is confident that he will be able to figure it out in the coming months. He agreed to do his best to meet the Guideline. Mr. Banfield suggested that instead of dividing the \$2.8 million in available Guidelines funding evenly by three, that it be divided in proportion to each entity's percentage of the total budget. Ms. Hartman noted that the Town took the largest budget hit last year, and the FC is trying to make it up this year. Ms. Reynolds noted that the schools have other sources of revenue (CPS—circuit breaker & budget surplus from last year; CCRSD has E&D).

Ms. Ortner noted that at last week's School Committee meeting, it appears that the budget requests may still go down a bit. Mr. Crane noted that there may still be some movement with increased Ch. 70 funds. Ms. Lafleur noted that the Meals Tax is a general receipt for the Town, and doesn't belong to either the Town departments or the Schools. The same goes with Ch. 70 funds—those go into the General Fund for the Town to allocate/appropriate. For example, if the meals tax were to come in higher than estimated, then it doesn't mean that the Town budgets could be increased. Mr. Andrews asked whether the Guidelines number for the high school takes into account the enrollment shift. Ms. Reynolds responded that separating out the amount for the enrollment shift was originally considered, but is no longer needed since CCRSD gets the full amount it has requested under the revised Guidelines.

On a **MOTION** made by Mr. Rubinstein and seconded by Ms. Hartman, it was unanimously **VOTED** on a roll call vote (with Andrews, Reynolds, Ortner, Jamison, Hickling, Cuocolo, Wasoff, Hartman, Rubinstein, Swain, Patel, Banfield, Guarriello and Zall all voting in the affirmative) to recommend to the Finance Committee the Final FY22 Budget Incremental Guidelines of \$2,793,693 and total FY22 spending of \$92,038,872, with a distribution as follows:

Budget Entity	FY21 Budget	FY22 Final Budget Guidelines	FY22 Incremental Budget Allocation
Town	\$28,031,664	\$28,962,895	\$931,231
CPS	\$40,777,193	\$41,708,424	\$931,231
CCRSD	\$20,436,322	\$21,367,553	\$931,231
<b>TOTALS</b>	<b>\$89,245,179</b>	<b>\$92,038,872</b>	<b>\$2,793,693</b>

At 7:38 pm, and on a **MOTION** made by Ms. Hartman and seconded by Ms. Ortner, and on a roll call vote (with Reynolds, Cuocolo, Banfield, Ortner, Guarriello, Hickling, Jamison, Rubinstein, Swain, Andrews, Patel, Hartman, Wasoff, and Zall all voting Yes), it was **VOTED** to adjourn to the regular Finance Committee meeting, with no intent to return.

Respectfully submitted,

Anita S. Tekle  
Recording Secretary

Documents Used or Referenced at Meeting:

- Proposal for Final FY22 Budget Guidelines (Chris Reynolds, 2.25.2021)
- Fiscal Year Actuarially Determined OPEB Contributions based on 6.30.20 Valuation
- FY22 Guidelines Model (Kerry Lafleur 2.23.2021)
- Memo from Kerry Lafleur to Finance Committee (dated 2.23.2021)