

**Finance Committee Debt Sub-Committee
Final Minutes of Meeting on November 9, 2020**

The Debt Sub-Committee met at 7:00 PM by ZOOM (Meeting ID 850 5874 0647). Notice of the meeting was duly filed with the Town Clerk, Town of Concord, Massachusetts and was recorded.

Members present: Dee Ortner, Christine Reynolds, Mary Hartman, and Parashar Patel

Others present: Kerry Lafleur, Finance Director; Linda Escobedo, Select Board Chair; and John Hickling, Finance Committee.

Parashar Patel acting as Chair called the meeting to order at 7:00PM with Kerry Lafleur taking the roll call.

Item 1: Approval of minutes, meeting of November 9, 2020

Draft minutes were not yet available and will be reviewed for approval at the Sub-Committee's next meeting scheduled for December 9, 2020.

Item 2: Review comparable town statistics from S&P and Moody's

Kerry Lafleur directed attention to a document titled Debt Statistics—a Comparison of Aaa /AAA rated Communities. This contains data that she had drawn from a much more detailed document provided by Hilltop Securities, titled Town of Concord, Massachusetts, Credit Comparison with Massachusetts Aaa/AAA Rated Communities. The summary shows specific values for Concord and the Town's ranking relative to the other 75 Massachusetts communities currently rated as Aaa or AAA by the two agencies. Ms. Lafleur pointed out that many of these measures are as of FY19 year-end, so current status will have shifted somewhat, but that the agencies will evaluate a combination of factors and trends over time when determining a particular community rating.

Item 3: Discuss plan to develop Finance Committee workshop on current state

Parashar Patel shared a preliminary timeline for the Sub-Committee to prepare its presentation for discussion at the December 17, 2020 meeting of the full Finance Committee. It was decided that Ms. Lafleur will work with the most recent version of the outline and convert that to a PowerPoint format. She will plan to share this with Sub-Committee members before Thanksgiving. Comments or suggestions will be sent directly back to her (rather than being shared with other Sub-Committee members at that point) by December 1, 2020. Ms. Lafleur will incorporate these and send an updated draft back to members in time for them to be able to review prior to the Sub-Committee's next meeting on December 9, 2020.

Further discussion led to questions about how potential projects already identified, most notably the Middle School, might impact the Town's financial position and bond rating. Mary Hartman suggested that recommendations for further work by this Sub-Committee, the Long Range Capital Planning Task

Force, and/or some other entity might come forth following the upcoming Finance Committee. In response to a question on this point, Linda Escobedo noted that the Select Board thought long and hard about its charge to the LRCPTF, but that they could ask for expansion depending on where their process leads them.

Item 4: Public Comment

John Hickling noted that the evening's discussion had frequently referred to "debt capacity" and similar terms. He suggests that the impact of debt service should be stated relative to something that is meaningful, perhaps "total budget". Ms. Lafleur suggested annual debt service as a percentage of the median tax bill.

Item 5: Adjourn

The meeting was adjourned at 8:25PM on a motion made by Mary Hartman and seconded by Dee Ortnier, followed by rollcall vote.

Documents distributed or referred to during this meeting:

- Debt Statistics – A Comparison of Aaa/AAA Rated Communities (November 9, 2020)
- Town of Concord, Credit Comparison with Massachusetts Aaa/AAA Rated Communities (Hilltop Securities, October 2020)