



Town of Concord
Finance Committee
22 Monument Square
Concord, Massachusetts 01742-0535

AGENDA

Concord Finance Committee

July 22, 2021

7:00PM

via Zoom Webinar and broadcast on MMN

Zoom Access Info:

Please click this URL to join.

<https://us02web.zoom.us/j/85671675372?pwd=bHd1K2dUSk5iM0YzWUxIbmNHVm1jdz09>

Passcode: 070408

1. Minutes, as available
2. Chair's Comments
 - a. FY planning calendar
 - b. Observer Assignments
 - c. Orientation/ training
 - d. Compliance
3. FY23 Guideline Information Request Letters; Sustainable Growth Rate/ Guidelines Planning
4. Final FY21 Budget Adjustment
5. Observer Reports
6. Correspondence
7. Public Comment

Reminders:

- **Next Regular Meeting:** September 23, 2021
- **Orientation Meeting:** TBD
- ***When Finance Committee members anticipate being absent from a meeting, it would be appreciated if they would notify Chair Chris Reynolds by email at:***

Supporting materials for agenda items are available online at www.concordma.gov/fcmtgdocs . Materials are generally uploaded on the Tuesday prior to the Regular Meeting.

If any member has materials they would like to present for discussion, please inform the chair in advance of the meeting.

Town of Concord
Finance Department
Memorandum

TO: Select Board
 Finance Committee
 Stephen J. Crane, Town Manager

FROM: Kerry A. Lafleur, Chief Financial Officer

SUBJ: Request to approve FY21 year-end transfers

DATE: July 15, 2021

As you will recall, the Town’s fiscal year budget is appropriated by Town Meeting in sixteen (16) distinct line items. Transfers are allowed between line items either by:

- Further Town Meeting action; or
- Under the procedure outlined in MGL Chapter 44, Section 33B.

At this time, I am seeking approval of **final** transfers under MGL Ch. 44, Section 33B. Under this law, line item transfers are allowed between May 1 and July 15, with the approval of the Select Board and Finance Committee, the purpose being to close the year without line item deficits.

The following are the final requests needed to close FY21:

Chapter 44, Section 33B Transfers Needed to Close FY21				
number	to/ from	line item	line description	amount
1	to	6	Public Safety	\$ 400,000.00
2	to	15	Joint, Social Security & Medicare	\$ 11,200.00
3	to	16	Debt Service	\$ 40,000.00
4	from	5	Human Services	\$ (151,200.00)
5	from	12	Joint, Insurance	\$ (200,000.00)
6	from	13	Joint, Unemployment/ Workers Comp	\$ (100,000.00)

You may recall that at the recent Annual Town Meeting, we transferred a total of \$545,286 from Line 6, Public Safety to help offset the increased and unbudgeted expenses in Public Works (Saw Mill Brook culvert repair and additional costs for pedestrian improvements on Sudbury Road). At the time, and based upon our initial analysis, we believed that this amount of surplus existed. Unfortunately, as we close FY21, we have determined that this is not the case due to higher than estimated OT expense and additional capital expense

(unmarked cruisers) not originally taken into account. But for this transfer, the Line 6 appropriation would have been under budget.

Slight adjustments are needed in both Line 15, Joint, Social Security & Medicare (\$11,200) and Line 16, Debt Service (\$40,000) to bring these lines under the appropriation. Estimates are made very early in the budget development process with regard to fixed costs. In the case of the Line 15, we estimate both total payroll expense and the amounts charged off to other funding sources (other Town funds, grants, etc.) approximately nine months ahead of the budget. Often actuals vary slightly from estimates which is the case in FY21. With respect to the adjustment in Line 16, we were able to set a more favorable debt service schedule for the 2020 bond issue by shortening the repayment term for a slight increase in annual payment.

These overages are proposed to be covered by Line 5, Human Services (Senior Services, Community Services & Library) and Line 12 and 13, Insurances. Surplus appropriation exists in Line 5 due to the pandemic-related closures early in the fiscal year. Surplus appropriation exists in Lines 12 and 13 due to actual expense being less than estimates and significant portions of Unemployment Expense being covered by the federal government.

Even with these additional adjustments, we expect to close the Town's FY21 budget approximately \$200,000 under appropriation.

Thank you for your consideration of this request.

Finance Committee Action: _____

Select Board Action: _____

DRAFT
Finance Committee
FY 22 planning, continued

July 22, 2021

FY 22 Core responsibilities/deliverables/dates*

- July 31, 2021 – annual SGR calculation and info request letters sent to Town and Schools
- August 2021 – orientation TBD
- Fall 2021 – Meetings with Schools and Town re FY23 Budget
- **December 29, 2021 – Final Budget Guideline letters sent to Town and Schools (warrant expected close Feb 2, 2022)**
- Budget hearings – Feb 28 through March 21, 2022
- Article Recommendations – March 2022
- Finance Committee Report, including 5-year projection – April 11, 2022
- **Annual Town Meeting – May 1, 2022**

*Select Board has approved ATM date but has not finalized calendar

FY22 -Key Topics Impacting Town Finances

Short Term

- Post-Covid Operations – Town and Schools
- Capital Spending - Middle School Funding Special Town Meeting and New Capital Planning Process
- Affordable Housing - use of Free Cash

Medium Term

- Middle School Building Project
- 2229 Main Street
- Town Building Needs

Ongoing/Long Term

- Affordable housing funding
- Economic Vitality Efforts
- Financial resiliency
- Climate Action Efforts

FY 22 Work Plan

Short term Topic	Lead	Support	Data sources	Deliverables
Town coordination /communications/hearings	Reynolds	Hartman, Patel, Wasoff, Hickling - Clerk	Select Board, Planning board, Warrant	FinCom report April 5 yr projection April Hearings March Minutes – monthly Personnel Board articles
Town and School Budget guidelines	Patel	Cucolo, Wasoff -Clerk Ortner Hickling ALL	School boards Assessor’s	SGR July, Guidelines – Dec, article recommendations March Minutes – as needed
MS Building	Banfield	TBD	Building Committee Special town mtg	Inform MS debt article deliberations – Dec/Jan
Capital planning process/articles	Erik Dahlberg	Patel, Reynolds, Briggs	Task force report, Prioritized Tier 3 items, Tier 1 and 2 budgets, School cap plan, other Articles	Integrate new process Fall/Winter -Nov meeting with Select board and School Comm, article recommendations
Affordable Housing funding	Ray Andrews	Ortner, Hickling, Briggs, Reynolds	CHDC, CAHT, CHA, CPC Select board	Develop framework for evaluating requests for funds – Fall?
Enterprise units	Greg Guariello		CMLP and new Broadband expansion	Observe and inform Fincom

FY 22
Work Plan,
continued

Medium/Long Term Topic	Lead	Support	Data Source	Deliverable
Economic Vitality	Hartman		2229 Main Street Comm, Economic Vitality Comm, Planning Comm, Zoning Board	Explore options to expand Town's commercial base reducing reliance on residential property tax

Lead and Support Roles, defined

- Topic Lead

- Ensure Fincom coverage on Town committees re topic/assignments
- Communicate updates on topic to FinCom meetings
- Coordinate with Chair on agenda re topic including: approach, research, discussions, timing, deliverables

- Topic Support

- Observe assigned Town meetings
- Perform requested research
- Participate in Fincom meeting discussions

FY 22 Committee Observer assignments

- Town Coordination

- Select Board Reynolds
- Planning Board Wasoff
- Assessors Ortner
- Library ?

- Schools

- CPS/CCRSD Cucolo/?
- Minuteman TBD

- Capital Spending

- Middle School Banfield
- Public Works TBD
- Recreation TBD
- Comm Preserv. Briggs

- Affordable Housing

- Afford Hous. Trt (CAHT) TBD
- Housing Dev Corp (CHDC) TBD
- Housing Authority (CHA) TBD

- Economic

- 2229 Main street Hartman
- Economic Vitality Hartman

- Enterprise

- Light Plant Guariello
- Broadband exp. Guariello

Future topics

- Climate Change

Gather info on town activities, assess financial impact and if needed, recommend role for Fincom going forward in financial matters

- Financial resiliency

Review lessons learned from financial crisis of 2008 as well as 2020 pandemic and revisit with town management free cash/ stabilization reserve policies