



Town of Concord  
Finance Committee  
Meeting Minutes – January 27, 2022

**Present:** Chris Reynolds (Chair), John Hickling, Amrith Kumar, Mary Hartman, Peggy Briggs, Ray Andrews, Dee Ortner, Eric Dahlberg, Lois Wasoff, Greg Guarriello, Brian Taylor, Dean Banfield, Parashar Patel

**Absent:** Kathy Cuocolo

**Others Present:** Kerry Lafleur

**Open Meeting:**

1. Minutes. Ms. Reynolds called the meeting to order at 7:03pm with a roll call vote, with all present voting in the affirmative. The meeting was held via Zoom using the Webinar format, and broadcast via MMN. The Chair noted that the meeting was being recorded via MMN.

Ms. Reynolds also mentioned that documented minutes of these meetings are falling behind due to a lack of staffing to prepare the minutes. Ms. Lafleur is working on this issue and expects that it will be resolved shortly. Meanwhile, Lois Wasoff has agreed to prepare two sets of minutes from April 2021 meetings and develop a template for documenting future meeting minutes.

2. Chair's Comments and Correspondence. The Chair briefed the Committee on a variety of topics and upcoming meetings that will be discussed in detail later during this meeting or during future meetings. The February meeting will be held via Zoom; no decision as yet regarding how upcoming Hearings will be managed. Capital planning and land acquisition will be topics for future meetings.

Regarding a response to correspondence, the Chair articulated the Committee's rationale in support of the development of the proposed new middle school. A copy of the correspondence is available online. A motion was made to endorse the letter written by the Chair.

**VOTE:**

Affirmative: All members voted in the affirmative.

3. Reduction in Free Cash Estimate. A reduction in the free cash estimate and the reason for the change were described by Ms. Lafleur. At this time, free cash has not been certified, it is merely an estimate, which is still \$8.5 million. The certification process was detailed. A reduction of \$1 Million dollars to the estimate may result due to timing and deadlines for verifying expenditures, especially those related to Covid. A different discussion with the State Department of Revenue regarding the accounting of \$700,000 should be resolved within a couple of weeks, and could bring the Town's free cash amount closer to the original \$8.5 million.

4. Town and Schools Response to Final Guidelines. The School Committee has voted on budgets for both CPS and Concord's portion of the Regional High School. These numbers will

appear in the warrant. The budget for the Region does meet the Finance Committee's guideline. The voted CPS budget is approximately \$400,000 over the guideline. The school administration and the School Committee are continuing to work on lowering that budget. The Finance Committee guideline shows a budget increase of 2.8 percent, which is lower than the current 3.5 percent increase presented in the Warrant. Additional examination of the budget will continue to further reduce costs where feasible.

A warrant article will be included in this year's Town Meeting for repaving the Regional High School ring road and the installation of more exterior lighting. The amount is set at \$800,000. This amount, if passed, will be added to \$200,000 currently in a stabilization fund. The CPS budget includes \$900,000 as part of its capital projects plan.

The Town has a budget that meets the guideline. This is accomplished by including a surplus amount of funds from the fiscal 2022 budget. Approximately \$500,000 will be carried-forward from the fiscal 2022 budget to meet the guideline for fiscal 2023. The carried-forward funds will augment the Tier 1 funding for a total of \$1.5 million as funding in the previous two fiscal years fell short of needs that can no longer be deferred. The surplus funds from fiscal 2022 are due primarily to unfilled personnel vacancies. Other surplus funds will be used to address personnel needs. As required, Town Meeting will address motions to approve the transfer of funds. Further discussion on how surplus funds should be handled in future years focused on whether surplus funds should be carried-forward or returned to the free cash account. Revenue from the State is estimated at \$450,000 more than previously assumed.

5. Update Guidelines Model Tax Projections. Property tax shows a 2.89 percent increase on the median tax bill assuming state revenue and \$2 million in available free cash. The gap with the current school budgets is \$486,000, which equates to a 3.41% tax increase, if the schools cannot reduce their budgets. The School Committee has asked for a 3.3% budget increase or a 3.16% tax increase.

Cynthia Rainey, Chair of School Committee, announced that the schools have received additional revenue of \$225,000 from Chapter 70 funds for the Regional High School, and that the School Committee will review and consider adjusting the budget(s) at its next meeting.

Finally, in prior years the Finance Committee has recommended the transfer from free cash of \$500,000 for the purpose of developing affordable housing. This year the request may be made to allocate ARPA funds for this purpose.

6. FY23 ATM Finance Committee Articles, Free Cash appropriation for debt stabilization fund and tax support. The transfer of free cash to the Board of Assessors to reduce the tax levy for the fiscal year ending June 30, 2023 was discussed. A motion was made and seconded to support the transfer of funds to reduce the tax levy.

VOTE:

Affirmative: All members voted in the affirmative.

Discussion then focused on the use of free cash to augment the Middle School stabilization fund. The amount for fiscal 2023 is \$500,000. A motion was made and seconded to support the use of free cash for the stabilization fund.

VOTE:

Affirmative: All members voted in the affirmative.

7. ATM Warrant Articles with Financial Impact, including CPC and Affordable Housing. Operating budgets, capital budgets, affordable housing, stabilization and tax support, senior means tax exemption, Community Preservation Committee (CPC), OPEB assets' advisor (trust manager), reformatory trail study, and several articles without financial implications were described and discussed. Details were provided on CPC projects, the Assabet River Bluff project, updates to guidelines for funding and development of affordable housing, and the status of State legislature on transfer tax and funding. Currently, the affordable housing fund accumulated \$1.5 million over three years (FY2020-2022) of which \$555,000 remains.

8. Calendar Review. Meeting dates and contents for the upcoming months of February through April were reviewed; meetings are in the evening with Hearings beginning at 7pm; the Finance Committee report is due in early April. Once the outline for the report is developed, observers will be called upon to prepare remarks. Committee members will let the Chair know of particular warrant articles for which they have questions or want more information.

From the audience, Select Board Chair Ackerman stated that hearings/meetings will start at 7pm; the Town House will be the venue for hearings if Covid cases remain the same; a Select Board meeting on January 31<sup>st</sup> will address ARPA funding.

9. Public Comment. None

A motion to adjourn was made and seconded. Meeting adjourned at 9:43pm.

VOTE:

Affirmative: All members voted in the affirmative.