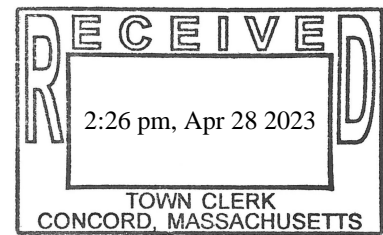


Town of Concord
Meeting of the Finance Committee
Minutes of Meeting March 23, 2023
Hybrid Meeting



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

Members Absent: Kathy Cuocolo, John Garofalo

Others Attending: Bob LeLacheur (Interim Finance Director), Gail Dowd (Chief Financial Officer), Richard Loughlin (250th Celebration Committee), Alexa Anderson (Chair, Concord Public Schools Committee), Carmin Reiss (Town Moderator), Karlen Reed (online), Mark Howell (online), Wilson Kerr (online)

Ms. Briggs called meeting to order at 7PM and assigned Mr. Andrews as Scribe. Ms. Briggs agreed with Ms. Ortner’s suggestion that public comment be at end of meeting.

ATM WARRANT ARTICLES 17 AND 18: Ms. Briggs gave summary of the votes taken On Article 17 at the last meeting. She noted that Article 18 may change from the version in the warrant. Ms. Reynolds asked for more info on the items in Article 18. She noted the Town’s goal of sustainability and long-term plan for Ripley and its equipment and suggested there be a study of needs and plans at Ripley as was done for Alcott last year. Ms. Ortner suggested that this type of work be handled as part of the capital planning process. Mr. LeLacheur noted that borrowing \$900K, as has been done in past years and is proposed this year, is lumping several relatively small projects together rather than making specific decisions about when to use debt to finance a capital project. He noted that the \$900K approved last year will be borrowed around May this year.

Ms. Anderson provided some background on the Ripley HVAC project. A 2013 study identified Ripley as a carbon offender. In 2019, Kate Hanley (Town Sustainability Director at CMLP) applied for a grant for \$200K for heat pumps at Ripley and that grant was awarded by Green Communities organization. Utilizing that grant will require spending \$745K on electrical upgrades. The \$300K approved for Ripley last year has not been spent yet. Ms. Andersen also noted that Capital Plan will be reviewed at the School Committee meeting on Tues March 28.

Mr. Bhatia said his current knowledge of construction is that there is an acute shortage of manpower and equipment, so no one is bidding work to start before May 2024.

ATM Warrant Article 25: Mr. Loughlin reported that the Celebrate 250th Committee will not move Article 25 this year. They expect to get \$200K from State and are seeking funding from other sources as well. They need to refine their plan and work on raising funds and will meet with the surrounding towns (especially Lexington).

Preparations for Annual Town Meeting (ATM). Ms. Briggs suggested that FinCom plan to make a presentation at ATM on Article 17, although it may be useful to prepare presentations for other articles in case they are needed. Ms. Wasoff suggested there be a presentation at ATM about the general trend that expenses are increasing at a faster rate than revenues, and the projections that free cash could be depleted and Prop 2 ½ overrides needed in the next few years. Avoiding overrides has been one of the objectives of the Finance Committee for a variety of reasons, including that overrides are an unreliable funding mechanism since they may be defeated when presented for a vote.

Mr. Kupka noted that Concord's debt service has grown by 6.5% per year over the last 20 years. Mr. Kumar pointed out that we seek to maintain "level service" but when an additional person is hired that becomes part of level service in subsequent years. Mr. Taylor and others suggested we recommend that town entities seek ways to increase sustainable revenue by \$2-3 million per year. Ms. Ortner agreed and suggested we do further investigation into sources of increased revenue and ask Mr. LeLacheur to prepare a projection of how much additional revenue would be needed to avoid an override in future years.

Ms. Wasoff reported that the FinCom Annual Report is in good shape thanks to the efforts of many people on FinCom and in the Town Finance Department. A few sections still need to be finalized but the report is on track to be completed by the deadlines set by the Town.

Demographic Changes in Concord. Ms. Lys made a presentation, using data from the US census, showing changes in the town of Concord. The data show that Concord is becoming less economically diverse. Looked at as both an absolute number and as a percentage of households, lower income households (defined as households with income of \$75K annually or less, which is the figure used by the census) are becoming a smaller portion of Concord's population. Those lower income households are more likely to paying more than 30% of their income for housing costs and are also more likely to be headed by people 65 years of age or older. This suggests, but does not prove, that older people or those with lower incomes may be leaving Concord due to the cost of living here. It appears the town is becoming less diverse at least economically. It was noted that there are several town and state programs available to residents of limited means, but those programs are relatively modest and are not widely used in Concord.

Suggestions for FinCom Processes. Ms. Reynolds reported on some changes FinCom might make to attract and retain talent as members and as leaders. Two improvements might be better training to accelerate learning for new members and better distribution of the workload. She suggested that committee liaisons communicate directly with the chair of the committee or board being observing to make sure observers are informed when financial issues may arise, as a way of staying abreast of developments and of using committee resources efficiently. She also noted the need to make the best use of available town staff resources and suggested several other steps, including making sure information is readily available about policies and standard procedures and having experienced members assigned to mentor new members. Other suggestions made by committee members were the increased use of technology for holding meetings, producing minutes, improving access to data presented at previous meetings, using Google Drive to improve access to documents, and a system to make an information packet easily accessible to members and the general public. All these improvements will need to be made with security in mind. Ms. Reynolds also suggest that FinCom set specific goals for each year and formally compare results to those goals at the end of each year.

Approval of Minutes. After a motion duly made and seconded, Committee unanimously approved minutes for both the Public Hearing and FinCom meeting of March 1, 2023, with corrections as noted during the discussion of the motion.

Ms. Briggs adjourned the meeting 9:30pm.

Respectfully submitted,

Ray Andrews, serving as scribe.