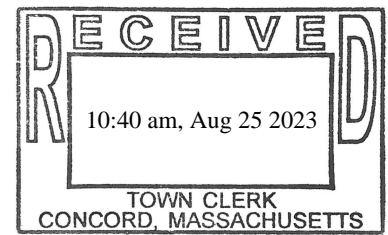


Town of Concord
Meeting of the Finance Committee
Minutes of Meeting – April 27, 2023
Hybrid Meeting



Members present: Ray Andrews, Suresh Bhatia, Margaret Briggs, Eric Dahlberg, Greg Guarriello (on-line @ 7:35pm), Amrith Kumar (on-line), Don Kupka, Lyndsey Lis, Dee Ortner, Parashar Patel (on-line), Brian Taylor (on-line), Christine Reynolds, Lois Wasoff.

Members absent: Kathy Cuocolo, Jon Garofalo

Others Attending: Gail Dowd (Chief Financial Officer), Bob LeLacheur (Interim Finance Director) (on-line), Dr. Laurie Hunter (School Superintendent), Kerry Lafleur (Town Manager), Karlen Reed

Call to Order: Ms. Briggs called the meeting to order at 7:00pm and a roll call was conducted noting a quorum was present. The Chair noted that the Finance Department has staffed up and will be providing a minute taker. The minute taker will be reviewing the meetings on-line and preparing the minutes during the day and will not be attending the meetings in person.

Public Comment: None

Consideration of 2023 Annual Town Meeting Warrant Articles:

Article 18: The Chair discussed the Concord Public School Capital Budget noting that additional information was in the handout. The vote had been delayed as members had questions, particularly from Mr. Kupka regarding the boilers. The budget has been revised and decreased to \$495,000. Ms. Reynolds made a motion to move affirmative action on the revised motion and Mr. Kupka seconded the motion. The Chair took a roll call vote which carried unanimously.

Article 26: The Chair turned the discussion of the Community Preservation Committee appropriation over to Ms. Ortner. Ms. Ortner reminded the committee that the item that was removed related to Item E Warner's Pond. There was a communication received by the Chair and Vice Chair from Ms. Proctor from CPC during the week. Ms. Ortner read the communication to the Committee. Ms. Proctor was unable to attend the meeting and her memo was read. The CPC voted unanimously to support Item E. If the project is not going to be for dredging, Ms. Dowd clarified that the Town would need to go back to Bond Counsel as the purpose of the funds has changed, which would delay use of funds. Ms. Ortner also clarified that any money not spent would be returned to the CPC for other uses. Ms. Ortner concluded by stating that she believes the Committee should approve Item E.

Mr. Patel had a couple of questions and concerns. The first concern is that we are being asked to endorse spending \$550,000 to fund a study but we will not see the total cost of further work until 2024. Ms. Ortner confirmed that there are estimates for both dredging and dam removal based on figures from March. They do not anticipate to utilize the full \$550,000 for the study; the downside is if they lost the ability to use the funds for a project next year. Mr. Patel restressed that we are being asked to approve and spend funds without an overall sense of the direction we are heading. Ms. Wasoff also commented that we have allocated funds on the assumption the project would be done through dredging. Ms. Wasoff questioned how borrowing and bond counsel was involved. Ms. Dowd clarified that the project was a combination of CPC funds and borrowing funds. Ms. Ortner stated that they have not received enough feedback in order for a final decision to be made on which direction they are going to go forward. Ms. Wasoff has reservations concerning the pool of money and wants to understand the funding and what has been utilized. Mr. Kupka also stated he was unclear as to what the process would be

and who the decision maker would be and feels the \$550,000 is an odd request given there are other projects and therefore, he cannot support the request. Mr. Kupka also stated that any motion should also include the return of any unspent funds. Ms. Briggs stated that having some funding to make the studies is needed and without the funding they cannot move forward with the study. Ms. Ortner stated that she has struggled with this as this is the first time the CPC has not previously put forth a project without a plan. Ms. Reynolds made a motion of no action on this item, Ms. Wasoff seconded the motion. The Chair took a roll call vote which carried unanimously.

Article 9: The Vice Chair made some initial comments that when we set guidelines for FY24 the fiscal FY23 guidelines figure was overstated by approximately \$490,000. When you take that overstatement in the FY23 base and inflate that by 5% you end up with a guideline figure for FY24 that is higher than should be. The Vice Chair turned the discussion over to the Town Manager, Kerry Lafleur and the CFO, Gail Dowd to provide more detail. Ms. Dowd discussed that during the preparation of the final presentation the issue surfaced. The Vice Chair commented that there is some misconception around town as to what happened. He further explained that the issue was discovered last Thursday afternoon and that the Town Manager and CFO took time to confirm and subsequently over the weekend came up with a recommendation as to how the Town's proposed budget would be reduced. Due to the time spent to work through this, the information was not shared until Monday/Tuesday and it was not something the Committee knew about ahead of time.

Ms. Dowd explained that the Town would be recommending to reduce the town's budget by \$515,402. We are currently working through exactly where it would come out. The proposal is to take the reduction from the town government line in the budget. The plan would be that once each specific line item is identified, the results would be brought forth to the FY2024 Town Meeting to reallocate the funding. Given the timing we did not want to rush a decision, we have been having discussions with department heads. Ms. Dowd stated that she and Ms. Lafleur have been looking at headcounts and expenses to assess with each department head. In addition, there is also the FinCom reserve that could be utilized. The final plan would be brought back to the Finance Committee. Ms. Briggs asked if it was a one-time adjustment. Ms. Dowd clarified that the town was aware this was not a one-time reduction but that we would go through the guidelines process again based on the revised figure. Ms. Reynolds asked if we would be going to Town Meeting with an Amendment. Ms. Dowd confirmed that the Town would be and further shared a draft of the handout that would be presented.

Ms. Reynolds asked if any action was needed. It was noted that while no action was needed as it was originally voted affirmatively, and this was a lower figure it was within the scope. The Chair noted that out of transparency the Committee voted affirmatively as to how the funds have been reallocated. Mr. Kupka noted that the vote should indicate that the revised figure was within guidelines, whereas the original figure would not have been within guidelines. Ms. Wasoff made a motion that the Committee vote affirmative action on Article 9. Ms. Reynolds seconded the motion. The Committee voted affirmative action on the lower figure of \$55,036,779. The Vice Chair made a request to Ms. Dowd regarding the tables in the Finance Committee report. The members of the Finance Committee did not believe this was needed. Roll call was taken and the vote was unanimous.

Ms. Reynolds asked if there were any changes for Article 19. Ms. Briggs stated that this was not on the agenda for this evening and that the Committee has previously voted to make a recommendation at Town Meeting if it is moved. Ms. Briggs stated that she has spoken with Ms. Anderson and the School Committee had not decided at that time.

The School Committee has published a meeting for tomorrow afternoon at 3:30. The Chair, Ms. Anderson, stated that she would address the elephant in the room and the bids for the middle school. Most everyone knows there is a bid protest and that we will not have final bid figures until next week. Dr. Laurie Hunter, Superintendent, stated that we have been working hard to see if we can have the bids opened before the 3:30 meeting. It is a possibility but not a promise. Ms. Reynolds remarked that at the Select Board meeting it was discussed that the Attorney General's office had advised the town to delay the bid opening by a week. Ms. Dowd clarified that we were advised to delay the opening by a week, which is what the town did. The Town has notified the AG's office of the intent to proceed with the bid opening given the time sensitiveness of the project and the AG's office did not take exception.

Ms. Ortner asked a question if the Committee would be able to discuss any information at town meeting since they are not posted. The Chair clarified that they are posted for Town Meeting and would be able to discuss it. It is up to the School Committee if they plan to move the article. Mr. Kumar asked if there was a separate meeting. Ms. Dowd confirmed there is no separate meeting ahead of the town meeting, but the Committee can meet during Town Meeting.

Item 4: Appreciation for outgoing Members. The Chair acknowledged that there are two members going off our committee and that this would be their last regular meeting. Mr. Taylor served very diligently for six years working extremely hard. The Chair thanked Mr. Taylor for all of his work and insight. Mr. Taylor took a moment to note that it was a pleasure working with everyone in some capacity over the last six years and thanked everyone that helped carry the water along the way when he was unable to do that. Mr. Taylor further thanked all the Chairs.

The Chair also acknowledged Mr. Andrews who is going off the Committee upon finishing three years. Ray has been focused on the affordable housing envelope. Mr. Andrews gave an explanation of the affordable housing entities, how they interact and what is required. Mr. Andrews explained that there are four committee boards that he has been following: Concord Municipal Affordable Housing Trust which was created in 2019 at annual town meeting as a way to hold money to make it available opportunistically when units or property becomes available without having to wait for town meeting and go through the process. Members are Appointed by the select board and they currently have a million dollars in a trust and are expecting to receive another \$2 million at town meeting from the money that was allocated to Junction village Christopher Heights project. The Trust is following the legislation that is going through the legislature that has been refiled for home rule petitions to authorize a town to apply a surcharge to building permits.

The Concord Housing Development Corporation (contractor side) was created in 2006 and tasked with purchasing and building affordable housing. Members of the Board are appointed by the Select Board. Lee Smith is the current chair. The CHDC most recently finished up the 930 Main Street property just off Route 2. Both boards are supported to a great degree by the Regional Housing Services Office.

The Concord Housing Authority owns and manages rental property in the town of Concord and receives funds from state and federal sources. Their members are both elected and appointed. The Concord Housing Foundation is not part of the town but has been in existence for over 20 years raising money and advocating for affordable housing in town. If you want to know what is going to happen there is a little light reading on the Town's website called the housing production plan 2022.

The Finance Committee Chair noted that the Committee has two new appointees. The first appointee is Ms. Reed, who is present today and will be officially joining the Committee in May.

The other appointee is Mr. Sadruzzaman who is on the faculty at Brandeis as a Professor of finance and real estate with a Master's degree in finance.

Item 5: The Chair lead a brief discussion on the Finance Committee leadership roles and thanked Ms. Reynolds, Mr. Patel and Ms. Wasoff for all of their work. They did discuss a memo on leadership roles; there were a lot of volunteers for roles next year. At the May meeting, the following slate will be presented at the May meeting: Parashar Patel - Chair, Eric Dahlberg, Vice Chair, Lois Wasoff – Guideline Chair, Lyndsey Lis – Guideline Vice Chair, Dee Ortner – Clerk, Don Kupka – Vice Clerk (which is a new position). The Chair stated this is a broad slate with a mix of veterans and new people.

Item 6: Ms. Dowd provided an update on the hiring of a new member in the Finance Department - Laurie Giovino, who has been working for the town spending time in the TMO's office and most recently in the facilities department as their administrative assistant. Over the last couple of weeks, she has been spending time organizing the finance committee webpage, ensuring all packets and annual reports are now updated. In addition, we are trying a new approach to make communication easier. Invitation links for meetings are being sent out to all committee members and will be updated to include links to the agenda and the packet which will clean up the email clutter. The Committee will be receiving emails from the new administrator Ms. Giovino. Ms. Wasoff stated that the idea of the link to the packet is great; helpful to have copies of the presentation attached to the link. A process is in place to get minutes approved and loaded on the website the next day.

Ms. Dowd also let the committee know the Town did receive free cash certification of \$8,113,053, which is \$524,000 higher than the initial estimate. The reason for the increase is that in the majority of instances if you have a grant in which you have spent but have not received reimbursements that is a hit to free cash. The one carve out is that for any of the COVID related grants the DOR is not making you take a hit to free cash. The free cash percentage increased from 6.06 percent to 6.48 percent for fiscal year 22, as 6/30/22. If the town meeting article votes were to pass the original estimate would be at 4.58. It's now 5.0 percent. The Town has also resubmitted to get it re-certified with the opioid funds. The Chair reminded the Committee that free cash is on the consent agenda so this will not have any impact on town meeting. Ms. Dowd indicated that the goal is that this upcoming year end we will be much closer to regular timing with books closed earlier to enable free cash to be certified earlier and working towards that for this year end (FY 2023). The Vice Chair asked if that meant it would be done in September. Ms. Dowd stated that September would be early and the target would be the October - November time frame.

The last item that was discussed was the Finance Committee report. There are two tables on page 11 that incorrectly had a footnote stating that the town figures included health and retirement which is not a correct statement and was removed. We have updated the report to indicate that this is guideline spending only changed footnote number 1. No numbers were changed, just the footnote disclosure. The Chair asked if Mr. LeLacheur would be continuing on the staff. Ms. Dowd responded that we are working through upcoming debt offering and Mr. LeLacheur will be assisting through the bond offering. Ms. Reynolds asked about the Munis (accounting system) implementation. Ms. Dowd indicated that it is going well and that the current target go-live date is July 1, 2023 so as not to go-live in the middle of the fourth quarter.

Item 7. Discuss Future Meeting Dates: The Chair informed the members to review the agenda for the upcoming meetings: May 25th and June 29th. The Chair asked members to let the Vice Chair know if you cannot make the 25th and let the future chair know if you cannot make the 29th.

Item 8. Meeting Minutes: Ms. Dowd let the Committee members know that the minutes are included in the packets which list the minutes that are available.

Ms. Wasoff started with the February 23rd minutes. Ms. Ortner moved to approve the minutes from February 23rd, the Mr. Patel seconded the motion. Ms. Wasoff indicated she had a correction to the March 9th noting that the heading was wrong as caught Ms. Reynolds. Ms. Wasoff made a motion to approve as amended and Ms. Ortner seconded the motion. Ms. Wasoff indicated on the March 9th Public Hearing minutes there was a typo "March" spelled wrong on the third line of the first full paragraph, and a typo on page 4 where a speaker was misidentified under questions/remarks from the public, second bullet point it says Wilson Curry it should have said Mr. Carr. Ms. Ortner moved to approve March 9th hearing as amended, seconded by Mr. Kupka. The Finance Committee meeting on March 23rd with no corrections. Motion to approve by Ms. Ortner, seconded by Mr. Andrews.

Roll call to approve February 23rd meeting, March 23rd meeting and March 9th meeting as well as the March 9th hearing. Motion passed unanimously.

9. Public Comments: The Chair acknowledged Ms. Reed. Ms. Reed, 83 Whitsend, soon to join your group. My first non-official act is going to ask Ms. Dowd a question on what she said regarding free cash. With the revised figures an increase of 524 thousand which brings the percentage of free cash from 4.58 up to five percent. Ms. Dowd clarified that this figure is based upon all articles being approved. Ms. Reed asked about the impact of Article 17. Ms. Dowd clarified that the CPS numbers are not included as they do not impact free cash. Mr. Johnson was acknowledged as this was his last finance committee meeting.

10. Correspondence: Ms. Dowd stated that the approach we are taking is that any emails received up to the Monday before the meeting will be included in the packet; anything received after that will go into the next packet, unless it is something of immediate importance to the upcoming meeting for which members must deliberate.

11: Adjourn: Ms. Briggs announced meeting adjourned at 9:30pm.

Respectfully submitted,

Laurie Giovino, Office Administrator