

**Town of Concord  
Finance Committee  
Meeting Minutes - May 23, 2019**

**Present:** Thomas Tarpey, Dean Banfield, Peter Fischelis, Greg Guarriello, Mary Hartman, John Hickling, Dee Ortner, Karle Packard, Parashar Patel, Christine Reynolds, Wade Rubinstein, Phil Swain and Brian Taylor

**Absent:** Richard Jamison and Andrea Zall

**Others Present:** Finance Director Kerry Lafleur

**Meeting Opened**

Mr. Tarpey called the meeting to order in the Hearing Room at the Town House at 7:00 pm. He announced that the meeting was being televised and recorded by MMN.

**Nominating Committee Report & Vote on New Officers**

Karle Packard, Clerk of the Nominating Committee, reported that the Committee had met earlier this evening and recommends the following slate of officers for the coming year:

- Finance Committee Chair - Dean Banfield
- Finance Committee Vice Chair/Guidelines Subcommittee Chair - Mary Hartman
- Finance Committee Clerk - Christine Reynolds
- Guidelines Subcommittee Clerk - John Hickling

Mr. Tarpey asked if there were any other nominations, and none were made. On a **MOTION** made by Ms. Ortner and seconded by Mr. Swain, the report of the Nominating Committee was **UNANIMOUSLY ACCEPTED**. On a **MOTION** made by Ms. Ortner and seconded by Mr. Swain, it was **UNANIMOUSLY VOTED** to accept the above slate of officers.

Mr. Tarpey transferred the Committee's Chair to Mr. Banfield for the remainder of the meeting.

**Town Meeting Recap with Moderator**

Since the Moderator was not present, it was agreed to defer this agenda item to a future meeting.

**Finance Committee Miscellaneous**

The revised roster of Finance Committee (FC) members was distributed with the packet. Mr. Banfield asked that any corrections or changes be given to Ms. Lafleur. He suggested that members consider using an email address specific for FC

correspondence, to make it easier to respond to Public Records requests. An alternative is to place all FC correspondence into a separate folder.

**Follow Up:** All members review the FC Roster and advise Kerry Lafleur of any corrections or changes.

The FC reviewed the one remaining meeting date for FY19 (June 27, 2019). The calendar for the remainder of 2019 will be created once the Select Board (SB) establishes the 2020 Town Meeting dates. Mr. Banfield noted that in 2018, the Guidelines Subcommittee began meetings the first week of October, and met weekly until just before Thanksgiving. One of his goals for the year is to improve attendance at the Guidelines Subcommittee meetings. He noted that the School Department has asked for schedule flexibility in terms of the budget calendar, to allow time in the fall to understand how expenses in FY20 are going prior to having to commit to FY21 numbers.

The practice of remote participation was discussed. The Town has a Remote Participation Policy adopted by the SB, although the FC has not used the practice in recent years. The policy provides for remote participation for a limited number of reasons by no more than one member per meeting. In accordance with the policy, participation may be made using a telephone, internet connection, or satellite-enabled audio or video conferencing. The member who is remotely participating does not count towards the quorum, but is counted as present at the meeting and may participate and vote. Individuals wishing to consider participating remotely must request permission from the Chair at least 48 hours prior to the meeting. Mr. Banfield remarked that he understands when members must miss meetings; however, he asked that all make an effort to watch the MMN tape of the meeting, which would greatly help in deliberations at future meetings. Mr. Packard also noted that remote participation would provide for input from a member who is following a particular issue and whose remote input would benefit the entire group.

On a **MOTION** made by Mr. Swain and seconded by Mr. Taylor, it was **UNANIMOUSLY VOTED** to allow remote participation at Finance Committee meetings, in accordance with the Town's Remote Participation Policy.

Mr. Banfield noted that FC members are each assigned to observe other boards/committees that have a financial impact on the Town. Some of these boards meet once/month, while others meet more frequently. He noted that the FC has four principal functions:

- Prepare a Finance Committee Report to distribute to all households prior to the Town Meeting
- Create budget guidelines for all the budget entities
- Prepare a 5-year tax projection plan

- Further develop the Sustainable Growth Rate, with the hope of including a specific number in the letters that are distributed around July 31 to the budget entities

The observers provide important information at FC meetings. Mr. Banfield agreed to circulate to members a lists of when the groups to be observed meet, and he will ask FC members to respond with preferences (1, 2 and 3 choices), with responses sent to Ms. Lafleur for compilation. It was agreed that Mr. Banfield is authorized to make the observer assignments once preferences are made.

**Follow Up:** Mr. Banfield to distribute meeting dates for committees to be observed, with members then asked to submit preferences for observing to Ms. Lafleur. Mr. Banfield then will compile the assignment list.

### **Correspondence**

None

### **Chair's Report**

Mr. Banfield noted that when individuals make public records requests to town officials, it gets more complicated if personal email accounts are used and files are not segregated. He asked the Moderator if concordma.gov e-mail addresses could be provided to committee members, and that was determined to not be possible. One solution was to assign such accounts to the Chair and Vice Chair, and ask that all correspondence be sent to one of these addresses. A possible workaround is to set up a separate Gmail account for use by each FC member. The goal is to respond to public records requests with ease, without exposing a member's personal email account to public disclosure. Mr. Swain explained that any search conducted in response to a public records request could be extended to include personal email accounts of FC members, although the search itself would be conducted by the member.

Ms. Ortnier emphasized the importance of all FC discussions taking place at a posted meeting, so as not to violate the Open Meeting Law. She reminded all that email deliberations about FC business are not allowed. The only correspondence that can occur via email are housekeeping in nature—when and where to meet, distribution of agenda, administrative matters, etc. Correspondence should be directed to the Chair or the Finance Director with no copies to other members. Ms. Lafleur could then distribute correspondence to committee members in the agenda packet.

Mr. Tarpey reported on his attendance at the recent Chair's breakfast. He noted that nothing of a financial impact was announced, but some interesting items were discussed. The Board of Health is looking at limiting the sale of both combustible and vaped nicotine at stores that are restricted to customers 21+ of age. This has been done in other communities, although the Board of Health anticipates legal challenges and a robust discussion in the coming year. Ms. Ortnier noted that there is federal

legislation pending that would limit all tobacco sales to users 21+ of age. Mr. Taylor commented that the proposed limitation on nicotine sales may have a financial impact to the town in terms of litigation costs which should be considered and anticipated. Mr. Tarpey also noted that the Planning Board is considering additional efforts to liberalize the use of accessory residential units, aimed at both family and non-family use.

**Follow Up:** FC members either set up a separate email account for FC correspondence, or set up a file folder for FC correspondence in order to more easily segregate the files.

### **Observer Reports**

Regional School Committee - Mary Hartman reported that a revolving fund has been established to collect donations to subsidize high school trips. Although the funds are being collected, the procedure as to how they will be expended has not yet been identified. She also noted that Carlisle officials have requested a joint meeting between the Concord and Carlisle Finance Committees prior to the budget guidelines being adopted. She noted that this had been done in the past, in the form of a joint meeting of the Select Boards, Finance Committees, Town Managers and School Superintendents of both communities for the purpose of discussing upcoming financial concerns and joint budget issues. Mr. Banfield suggested that this be added to the calendar.

Select Board - Mr. Banfield noted that the SB voted to waive the Town's right of first refusal on a piece of property on Monument Street (landlocked) that had benefited from a Ch. 68A tax break. Mr. Banfield reminded all members that every two years all committee members and employees must take the state ethics test and certify to the Town that it has been completed. He suggested that this would be a good time to complete the test.

Michael Lawson, Chair of the SB, has prioritized for the coming year the following goals identified in the Long Range Plan:

- Capital planning
- Affordable housing
- Economic Vitality
- Transportation

**Follow Up:** Add a joint meeting with Carlisle officials to the calendar. All FC members should complete the online ethics test and provide a receipt to the Town.

### **Finance Director 's Report**

Ms. Lafleur reported that the Town will be selling \$6.435 million in municipal bonds in a couple of weeks -- \$5.5 million for General Fund capital projects and \$925K for enterprise fund capital projects. She noted that the Town's Aaa bond rating was recently upheld by Moody's. In response to a question raised at a previous meeting, the

rating entities would consider the following items when considering whether to assign a community a negative outlook: 1) declining financial reserves; 2) lack of voter support for operational or capital needs; and 3) a material increase in a community's debt burden. She noted that the rating companies also want to see a commitment to maintain existing infrastructure. She noted that she has received some documents further explaining what is considered in a rating review, which she will distribute to FC members. She also noted that Moody's has provided a "score card" for Concord explaining the specifics of the rating. It was suggested that the Town's financial advisor be invited to a future FC meeting. In response to a question, Ms. Lafleur indicated that Moody's does not distinguish between free cash and stabilization funds when looking at "reserves." In response to a question from Mr. Patel, Ms. Lafleur noted that the Town sells bonds annually, and Concord's bond rating is reviewed annually. She also noted that the Town provides audited financial statements and other financial documents to Moody's, to assist them in their review. She suggested that any specific questions be directed to the Town's financial adviser. In response to a question from Mr. Hickling, Ms. Lafleur indicated that the regional school committee uses the same bond counsel as the Town, but a different financial adviser.

**Follow Up:** Ms. Lafleur will distribute Moody's supporting documents to the FC. The Town's financial advisor will be invited to a future FC meeting.

### **Citizen Comments**

None

### **Fiscal Sustainability**

For the benefit of the new members, Mr. Banfield briefly explained that the concept of sustainable growth rate (SGR) was introduced last year by the FC as a policy initiative. He agreed to distribute some of the literature from last year to the new FC members. He hopes that the SGR will be determined early in the budget process. Ms. Hartman suggested that a public hearing be held, noting that many of last year's attendees were solicited to attend in support of a particular budget interest. It was suggested that getting the SGR number out early is critical, before the budget entities are locked into specific numbers or projects. Mr. Banfield questioned what would be gained by a hearing, noting that the established formula would set the SGR. Ms. Hartman suggested that a hearing could explain to the attendees a number of items that are considered by the FC: the Randall curve, the increased debt burden, and the OPEB liability. She felt that this would provide an opportunity to communicate these concepts and to listen to the responses from the public—an outreach and listening session. Mr. Patel noted that education of the stakeholders is an important part of the process. Ms. Hartman noted that we are not inviting input into the SGR number itself, since that would be established by the formula. Mr. Swain felt that input about the formula should also be invited—perhaps there are other metrics to consider besides the CPI and the 10-year

Treasury bill. Mr. Banfield suggested that other ways for gathering input and feedback be considered, in addition to a public hearing. Ms. Hartman commented that traditionally those who wish to spend money do an excellent job of marketing their projects and the need for public funds. She felt that the FC should more proactively engage with the community about fiscal and tax concerns.

**Follow Up:** Mr. Banfield to distribute background information about Sustainable Growth Rate to new FC members.

Mr. Taylor noted that the FC has a mandate to advise Town Meeting on financial items. He felt that there was a disconnect last year between the FC and the SB on items coming before Town Meeting. He suggested that the FC look for ways to better collaborate with the SB prior to Town Meeting, and commit to making this a priority for the coming year. Ms. Hartman suggested that groups like the Council on Aging and League of Women Voters would be better aligned with the FC, so discussions should perhaps occur early in the school year. All agreed that the FC should look for ways to more effectively communicate with the stakeholders (taxpayers, budget entities) and gain more traction. Mr. Swain also suggested that the Moderator explain the role of the FC at the beginning of Town Meeting. When Town Meeting is stacked with special interest voters, it can be very challenging. Mr. Hickling suggested that the FC provide some guest commentary in the Concord Journal, to keep the FC's concerns out in the public.

In response to a question, Mr. Banfield explained that the FC has a five-year projected tax model, which includes spending projections. Capital projects that are under consideration but have not yet been approved for funding are not included in the projections. He noted that historically, the projections have not been very accurate. Mr. Hickling noted that ClearGov provides a useful means of comparing Concord's expenditures with other communities. A training exercise to explain how to use ClearGov was suggested.

**Follow Up:** Schedule a training session for using and understanding ClearGov.

### **Adjournment**

The meeting adjourned at 8:40 pm.

Respectfully submitted,  
Anita S. Tekle (from MMN videotape)

### **Documents Used or Referenced at Meeting:**

- Finance Committee Roster with contact information (dated 5.22.2019)
- Finance Committee meeting schedule Jan-June 2019
- Finance Committee meeting schedule (July-December 2018—for projections only)
- Observer Assignment Chart

