

**TOWN OF CONCORD  
JOINT SELECT BOARD AND FINANCE COMMITTEE MEETING SUPPLEMENTAL PUBLIC HEARING  
MINUTES  
AUGUST 17, 2020 7:00PM  
VIDEO CONFERENCE CALL**

Pursuant to notice duly filed with the Town Clerk, the Concord Select Board and Finance Committee convened in a meeting via video conference call on August 17, 2020 at 7:00pm.

Present from the Select Board were Michael Lawson, Chair; Linda Escobedo, Clerk; Terri Ackerman, Jane Hotchkiss, and Susan Bates.

Present from the Finance Committee were Dean Banfield, Chair; Mary Hartman, Vice Chair; Christine Reynold, Clerk; Greg Guarriello, John Hickling, Richard Jamison, Karle Packard, Parashar Patel, Peter Fischelis, Wade Rubinstein, Phillip Swain, Brian Taylor, and Andrea Zall.

Also present were Stephen Crane, Town Manager; Town Moderator, Carmin Reiss; Finance Director, Kerry Lafleur; and Deputy Town Manager, Kate Hodges.

**1. Call to Order**

Select Board Chair Michael Lawson called the meeting to order at 7:00pm.

**2. Public Hearing: Warrant Article 10, 11, 16, 23**

Upon a motion duly made and seconded, the Select Board UNANIMOUSLY:

**VOTED:** to open the public hearing.

**Roll call vote**

Mr. Lawson: Aye  
Ms. Ackerman: Aye  
Ms. Hotchkiss: Aye  
Ms. Escobedo: Aye  
Ms. Bates: Aye

Upon a motion duly made and seconded, the Finance Committee UNANIMOUSLY:

**VOTED:** to open the public hearing.

**Roll call vote**

Mr. Banfield: Aye  
Ms. Ortner: Aye  
Mr. Tarpey: Aye  
Mr. Taylor: Aye

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Ms. Reynolds: Aye  
Ms. Hartman: Aye  
Mr. Hickling: Aye  
Mr. Patel: Aye  
Mr. Jameson: Aye  
Ms. Zall: Aye  
Mr. Rubenstein: Aye

### **Article 10: Town Budget**

**ARTICLE 10.** That the Town raise and appropriate the sum of \$44,122,095, transfer \$145,587 from the Parking Meter Fund, transfer \$184,565 from the Cemetery Fund, transfer \$262,165 from the Sewer Fund, transfer \$728,557 from the Water Fund, transfer \$584,136 from the Light Fund, transfer \$148,560 from the Solid Waste Fund, transfer \$38,613 from the Telecom Fund, transfer \$170,880 from the Emergency Services Stabilization Fund, transfer \$3,500 from Transportation Network Fees, transfer \$1,802 from PEG Access Fund and transfer a total of \$555,020 from accounts requiring no further appropriation, for a total appropriation under Article 10 of \$47,660,480, as printed in the handout, as Fiscal 2021 Proposal, Items 1 – 16, for the necessary and expedient purposes of the Town for the Fiscal Year ending June 30, 2021, and that the same be expended only for such purposes under the direction of the Town Manager; and further, that the Town Manager is authorized to turn in or sell at public auction surplus equipment, the amount allowed or received therefore to be applied against the purchase of new equipment; and that the Town appropriate and transfer the sum of \$1,000 from the Dog Inoculation Fees Reserve Account for the cost of the Board of Health's Rabies Clinic; and further that the Town appropriate \$126,334.42 from the Title 5 Septic Loan Betterment Reserve Account to meet the loan payments to the Massachusetts Clean Water Trust due and payable during FY2021.

Town Manager Stephen Crane and Finance Director Kerry Lafleur presented Article 10.

#### **Budget Highlights**

- The original budget was a 2.5% increase in the general fund
- Revised budget is a 2.35% reduction compared to FY20, reflecting COVID-19 related revenue reductions
  - Mr. Crane explained that the adjustments made will maintain services and operational needs
- Increased legal services budget
- Four new positions (Dispatcher, Land Manager, and two new custodians)
  - Reductions in salary reserve and eliminate funding to certain vacant

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positions

- Salary grid adjustments reduced from \$500,000 increase in original budget to \$250,000 in revised budget
- Capital Outlay and Debt authorized in one warrant article, and reduced by \$705,340
- Over \$350,000 in total attrition savings
- \$2,819,885 in proposed transfers and credits – to adjust for reduction in revenue
- Total original FY21 Budget went from \$117,551,365 to \$115,770,429 (\$1,753,008 decrease, 1.54% change)
- Allocation of each tax dollar in the FY21 Budget
  - \$0.24 Town Government
  - \$0.35 Public Schools
  - \$0.18 CCRSD
  - \$0.06 Group Insurance
  - \$0.01 OPED
  - \$.04 Retirement
  - \$.1 Debt
  - \$.03 All Other

**General Government**

- Consolidation of building expenses in the Facilities Division resulting in approximately \$10,000 in savings
- Approximately an additional \$94,000 for Legal Services
- Approximately \$12,000 additional for Economic Vitality Coordinator
- Approximately \$12,000 additional for a new part time position added to the Visitor Center
- Approximately \$26,000 additional for a Land Manager to be added to the Department of Planning and Land Management to oversee conservation land
  - Potential reduction in spending on inspections and enforcement with this role

**Public Safety**

- Approximately \$44,000 for Fire Department command structure change
- Approximately \$40,000 for a second Dispatcher for the overnight shift
- Approximate reduction of \$124,000 in support from Emergency Services Stabilization
- Attrition savings of approximately \$277,000.

**Public Works**

- Approximately \$20,000 for replacement of fuel depot
- Decrease of approximately \$12,000 in cost of street lighting due to efficient

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fixtures

**Human Services**

- Approximately \$32,000 in attrition savings at the Library
- Approximate \$25,000 market adjustment in social services

**QUESTIONS**

Phill Swain, Finance Committee, asked if the \$94,000 increase in Legal Services would be enough. Town Manager Stephen Crane responded that it would be enough.

Mary Hartman, Finance Committee, asked if the new Custodian positions were permanent. Town Manager Stephen Crane answered that they were permanent, as the Town is looking to consolidate the Facilities Division to save money.

Dean Banfield, Finance Committee, asked if the Town is going to keep custodial contract services when the COVID-related demand falls off. Mr. Crane responded that existing contracts that the Town had been paying for before COVID would not be removed preemptively, and that two new custodians are being hired as part of the Town's restructured Facilities Division.

Dee Ortner, Finance Committee, asked what the source was for the \$36,000 in fees that will pay for the Land Manager. Finance Director Kerry Lafleur responded that the source of the fees is the Tree Preservation Bylaw, which is recurrent.

Linda Escobedo, Select Board, stated that the CARES Act provided reimbursement for expenses that weren't previously budgeted from March 2020 to December 2020, and asked how this fact intersects with expenses that have been built into the revised FY21 budget that were not budgeted before March. Mr. Crane responded that the ongoing costs of Town employees such as custodians would not be submitted for CARES funding, but items such as overtime and technology resources required to work from home would be a possibility for CARES funding.

**Article 11: Capital Improvement & Debt Plan**

**Article 11.** Ms. Hodges moves that the Town vote to raise and appropriate the sum of \$1,081,855, to re-appropriate the sum of \$150,000 representing unexpended bond proceeds and premium originally borrowed to fund public safety equipment authorized under Article 24 of the 2016 Annual Town Meeting to fund a portion of the costs of the Fire Department Ambulance #2 Replacement (2011) project, and to authorize the Town Treasurer with the approval of the Select Board to borrow by the issuance of bonds or notes under the provisions of Massachusetts General Laws c.44 S.7 or S.8, or any other

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enabling authority, the sum of \$2,675,000 for a total appropriation of \$3,906,855 to fund the FY21 Capital Improvement Plan, said funds to be expended under the direction of the Town Manager, and further that any premium received by the Town upon the sale of any bonds or notes approved by the vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Massachusetts General Laws c.44 S.20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

Deputy Town Manager Kate Hodges presented Article 11. Ms. Hodges stated that many projects did not change since the February 24 public hearing.

- Original request of \$1,787,195 changed to \$1,081,855 in Capital Outlay
- Municipal buildings budget FY21 changes: 4.350 million to 2.825 million
- Emerson playground project funding remains at approximately \$200,000
- The Rideout Field restroom project will be delayed by a year
- The Warner Pond dredging project will remain in this year's budget for \$500,000. The total cost of the project is \$2,000,000. \$1,500,000 will be requested in FY22.
- The \$600,00 improvement for physical accessibility and storm water management at White Pond will remain in the budget
- The 2012 fire truck refurbishment costing \$250,000 will be pushed to FY22
- New ambulance for @75,000.
- 2020-2021 Roads Program will do 107 miles of upkeep in the following neighborhoods
  - Prescott Road
  - Minot Road and culvert
  - Peter Spring Road
  - Hubbard Street
  - Butternut Circle

## **QUESTIONS**

John Hickling, Finance Committee, asked if the old ambulance has value. Ms. Hodges responded that when it is retired, it is used as a backup ambulance, and then eventually it is used for training or is scrapped

Dee Ortnier, Finance Committee, asked how does your Town's plan addresses issues at White Pond, Ms. Hodges responded that there is 58-foot drop from the parking lot to the beach, and runoff from the road and fertilizer from crop fields are coming down and creating a funnel through the driveway. The Town's storm water improvements would create a path with a retaining wall, storm water control, and native plantings. The Town is also looking to develop additional catch basins on the beach side that would send

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water through a filtration tank and be connected to the storm water system.

Diane Proctor, 57 Sudbury Road, asked if there is an existing plan for the Emerson lot, and how will residents know what the cost and impact will be. Ms. Hodges responded that when Emerson was renovating, they worked on expanding the lot in order to increase the number of spaces. The Emerson Umbrella architect worked with Town engineers to come up with an idea to elongate the buffer in the parking lot. The project has been put on hold for now.

### **Article 16: Approval of Tax Increment Financing Agreement**

**Article 16.** Mr. Lawson moves that the Town take affirmative action on Article 16 as printed in the Warrant.

Mike Lawson presented the article. If Town Meeting votes in the affirmative, it would approve a revised TIF agreement between the Town and Junction Village, and allow the Select Board to executive the TIF.

The project

- Consists of 83 units of affordable assisted living for very low, low, and moderate-low income households
  - Property given to CHDC by the state in 2013 with the restriction that it would be for affordable housing and open space
    - 8 acres – 4 for housing, and 4 for open space
- Previous Town meeting actions relating to this project
  - 2017 Town Meeting: a CPC appropriation for 350k for project was approved
  - CPC appropriations approved at 2018 Town Meeting for 350k, and in 2019 for 300k
  - 2017 appropriated \$1,000,000 in free cash for this project
  - in 2011, 2012, and 2013 Town approved 200k for pre-development, 78k remains
- Grantham applied to state and received tax credits in amount of 7.5 million, 6.9 million in available funds
- Grantham received \$3,325,000 in soft debt from DHCD

TIF

- Application to state as part of EDIP program as a local incentive application
  - if granted, SB can create an economic opportunity area at proposed site
  - creates 30 full time jobs
  - TIF allows Town to reduce property valuation of a project for up to 20

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- years so taxes assessed on property would be reduced
- Revised TIF
    - Developed for a 15 year period
    - Property valuation is \$13,982,443
  - Important points
    - Amount the project will pay in taxes if the TIF is approved is exact amount that was proposed in developer's budget when Town allocated funds to support the project
    - Tax credit investor will not purchase credits if the project is not financially feasible
    - Since the project is restricted to affordable housing, the revenues will be fixed. Since the revenues are limited by regulations, they cannot invest in the affordable housing project without documented assurances of long-term financial feasibility
    - Town is not forgoing revenue by granting TIF. If there is no project, the Town will lose 83 units of affordable assisted living and 65k in annual tax revenue, 10k in ground lease

**QUESTIONS**

Jerry Evans of 1844 Main Street stated that the completion of this project is a long-time coming, and recommends that the Town vote affirmative action on Article 16.

Walter Ohanian, Managing Director for Grantham Group, stated that the reason for the TIF is that revenues for the project are restricted, and investment is required to move ahead. He stated assisted living employees take care of most vulnerable, and the project will bring affordable housing downtown.

A nearly two hour (1:48) discussion ensued.

Terri Ackerman, Select Board, asked if Grantham could move forward without the TIF. Walter Ohanian responded they could not. Ms. Ackerman asked why did they sign a MOA in 2017 saying they wouldn't seek additional financial support from the Town? Mr. Ohanian responded that Junction Village Study Committee recommended they apply for the TIF.

Mary Hartman, Finance Committee, asked if they have flexibility regarding the management or development fee. Mr. Ohanian responded that they do not.

Ms. Hartman stated that the 2017 MOA could be interpreted either way, but asked if Grantham would come back to the Town for financial assistance in any form. Mr. Ohanian responded that they would not.

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Phillip Swain, Finance Committee, stated that he was concerned about the level of transparency for the project. Mr. Swain asked if the Town ever agreed to a TIF in the past. Mr. Lawson stated that the Town has not done a TIF before.

Tom Tarpey, Finance Committee, stated that if this project doesn't go forward, something else will eventually.

Michael Cucchiara of Grantham Group stated that they went before the Finance Committee, were transparent, and these issues were discussed at length. Grantham was actively engaged with CHDC about what it would take to make the project work from the beginning.

Susan Bates, Select Board, asked how we know if anyone from Concord lives in these units in 15 years, meanwhile the Town will be picking up the cost and the public service expenses. Mr. Ohanian that there is an initial residency requirement for Concord, and he expects residents of Concord to live in the units in the long-term.

Jane Hotchkiss, Select Board, noted that it was a one-time only Concord residency requirement, and suggested that Grantham should encourage local hiring if possible.

Brian Taylor, Finance Committee, asked that given the way the markets are moving, are there investors lined up? Mr. Ohanian stated that they have people working with investors to have the Junction Village project included in their investment portfolio.

Terri Ackerman, Select Board, asked why the developer budgeted \$75,000 for ground lease and property taxes in 2017 but only recently spoke to the Town Assessor about this estimate. She also asked if the developer would be coming back to the town to request additional funding. Mr. Ohanian responded that the developer would not request any additional financial aid from the Town.

Jerry Evans, 1844 Main Street reminded the attendees that back in 2011 when the project was begun, the abutters rejected proposals for family housing and other types of affordable housing. The current project was the only feasible option left.

Parashar Patel, Finance Committee asked how the 77% property tax relief was arrived at. Mr. Lawson responded that it was a mathematical calculation based on the \$75,000 budgeted for ground lease and property taxes.

Stephan Bader, 7 River Street asked why the 20 year projected operating budget was not included in the pro forma on the Town website and noted that it would be important to see projected revenue and expense of the project. Mr. Lawson responded

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that if it was not there, it would be posted. Mr. Bader also remarked that the pro forma was dated February 2020 which was pre COVID 19. He asked if there were any changes to construction costs as a result of pandemic, and if so, would the developer be asking Town for additional financial assistance. Mr. Ohanian responded that no request will be made to the Town for additional funds.

Dorrie Kehoe, 51 MacArthur Road asked where the \$40,000 property tax estimate came from. Mr. Ohanian responded that it was an average of what the Grantham Group paid in property taxes in their six other locations.

Karlen Reed of 83 Whits End stated she intends to offer amendment with a ten year term limit for the TIF instead of 15 due to the discontent described in this process. Ms. Reed also stated that in their Marlborough project, there are 40 FTEs included in the project, and wondered why the Concord project only has 30. Mr. Ohanian responded that they base their employees on the care required by residents.

Cynthia Wood, 362 Bedford Street, stated it sets a very bad precedent for the Town to get into offering tax assistance. Ms. Wood stated the Town should use affordable housing tax breaks and dollars for a more diverse population.

Lane Partridge, Town Assessor, stated that the TIF is the only legal method to give tax relief to the project.

### **Article 23: Beede Swim & Fitness Center Enterprise Fund Expenditures**

Deputy Town Manager Kate Hodges and Recreation Director Ryan Kane presented Article 23.

Ms. Hodges reported that the Recreation Department has been hit the hardest by the COVID-19 Pandemic. Since March, Beede has been offering virtual classes, and trying to reimagine what operations will look like moving forward. Beede closed in mid-March, and furloughed 50 employees. As of August 12<sup>th</sup>, 302 households have continued their Beede membership out of the approximately 880 that held one previously to March. Ms. Hodges commended the leadership of the Recreation Director and Beede Center General Manager during these difficult times.

#### **Beede Enterprise Fund Changes**

- Were projecting a \$22,177 net gain in FY21, expecting to suffer loss of \$271,128
- 37.5% budget decrease of \$882,148

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- Expecting and hoping to be operating at 75% capacity for second half of the fiscal year
- Originally hoped to hire Management Director, someone with a specialty in marketing
  - Plan to hire this position in the second half of the year, but if things head in the wrong direction this role won't be filled at all
  - 27% decrease in expenditures – down by \$362,727
  - Projecting a \$753,343 loss, originally were projecting \$26,927
  - Original fund balance projection was 2.8 million, now projected fund balance of approximately 2 million

**QUESTIONS/COMMENTS**

Mary Hartman, Finance Committee, asked if delaying the Marketing Manager would have the reverse impact, and stated that if the Town hired the right person, there could be a net gain in the fund.

Susan Bates, Select Board, thanked Ms. Hodges and the Recreation team for their work to withstand the Pandemic.

Terri Ackerman, Select Board, asked what the dollar amount is that residents are being asked to vote for at Town Meeting. Ms. Hodges responded \$2.3 million, as the Beede Center needs to have the ability to spend more. They are trying to be cautiously optimistic, and hoping to be operating at close to 80% in the second half of the fiscal year.

Stephan Bader of 7 River Street thanked the Town and Recreation staff for their management during this time.

Town Manager Stephen Crane offered that the best way for residents to support Beede is to get a membership or sign up for a class.

Recreation Director Ryan Kane thanked the Finance Committee, and stated they are not going to spend down the reserve fund at their recommendation.

Upon a motion duly made and seconded, the Select Board UNANIMOUSLY:

**VOTED:** to adjourn.

**Roll call vote**

Mr. Lawson: Aye

Ms. Ackerman: Aye

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Ms. Hotchkiss: Aye  
Ms. Escobedo: Aye  
Ms. Bates: Aye

Upon a motion duly made and seconded, the Finance Committee UNANIMOUSLY:  
**VOTED:** to adjourn.

**Roll call vote**

Mr. Banfield: Aye  
Ms. Ortner: Aye  
Mr. Tarpey: Aye  
Mr. Taylor: Aye  
Ms. Reynolds: Aye  
Ms. Hartman: Aye  
Mr. Hickling: Aye  
Mr. Patel: Aye  
Mr. Jameson: Aye  
Ms. Zall: Aye  
Mr. Rubenstein: Aye

**Minuteman Media Network:** [https://www.youtube.com/watch?v=xUBS\\_OmDV2w](https://www.youtube.com/watch?v=xUBS_OmDV2w)

**Meeting Materials:** <https://concordma.gov/2537/2020-Public-Hearings-by-Date>