

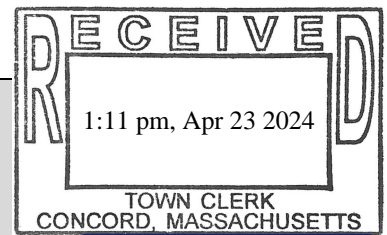


Town of Concord
Concord Finance Committee
AGENDA

April 25, 2024, at 7:00 PM

Concord Town House
22 Monument Sq., 2nd Fl. Select Board Conference Room

Notice of public meeting as required by M.G.L. Chpt.30A §18-28



REVISED

1:15 pm, Apr 23, 2024

HYBRID IN-PERSON AND VIRTUAL MEETING VIA ZOOM

Join the meeting: <https://us02web.zoom.us/j/84582200325?pwd=QWtkbEVQM0ZKRHV6QzNrZEl6dzlLZz09>

Meeting ID: 845 8220 0325 Passcode: 756313 Dial in Toll-Free: 833-548-0282

*Please be advised that this open meeting is being broadcast live via Zoom and MMN and recorded for playback online, video-on-demand viewing at <https://concordma.gov/2409/Government>. The listings of matters are those reasonably anticipated by the Chair 48 hours before said meeting, which may be discussed at the meeting. Not all items listed may be addressed. Items may be taken out of order and at times differ from those listed below. Other items not listed may also be brought up for discussion to the extent permitted by law. **Video or call will be muted upon joining meeting please use the "raise your hand" feature in the zoom meeting to ask to speak. ATTENDEES ARE REMINDED THAT BY ATTENDING THIS MEETING THAT YOU CONSENT TO YOUR LIKENESS AND AUDIO BEING USED AND REBROADCAST BY MMN.***

7:00 PM	1. Call to Order
7:05 PM	2. Public Comment
7:10 PM	3. 2024 Special Town Meeting <ul style="list-style-type: none">Discussion and potential vote on recommendation for Article 1, In-town Utility Scale Battery
7:30 PM	4. Article 7 of the 2024 Annual Town Meeting <ul style="list-style-type: none">Discussion and potential vote on recommendation for 2024 Budget Line-Item Adjustments
7:40 PM	5. 2229 Main Street <ul style="list-style-type: none">To hear update from 2229 Main Street Advisory Task Force Chair Paul Boehm
8:10 PM	6. Finance Committee Year-End Review
8:30 PM	7. Correspondence
8:35 PM	8. Minutes <ul style="list-style-type: none">Approve the minutes of March 21, 2024 & April 16, 2024
8:45 PM	9. Anticipated Adjournment

UPCOMING MEETINGS

Next Meeting: Monday, April 29, 2024, 2024 Annual Town Meeting
Tuesday, April 30, 2024, 2024 Annual Town Meeting
Wednesday, May 2, 2024, 2024 Special & Annual Town Meeting



Concord Finance Committee
AGENDA ACTION REQUEST

April 25, 2024

3

2024 Special Town Meeting

Article 1 – In-Town Utility Scale Battery

Requested by: FC Chair

Action Sought: Recommendation

Proposed Motion(s)

Discussion Dependent

Additional Information

This article authorizes the Concord Municipal Light Plant to borrow money to pay for the design and construction of utility-scale battery storage within the Town of Concord to improve the resilience of the distribution system; allow for continued in-town solar expansion; and lower the regional electricity peaks, which is good for the environment and saves rate payers money. Because of its relationship to the work done by the Solar Implementation Task Force, this article is intended to replace Article 33 within the Annual Town Meeting. While the project costs are still being developed, it is anticipated that additional monies from various federal and state incentive programs will be made available to help defray some of the costs of construction. The addition of utility-scale battery storage is consistent with voters' intent for reducing total greenhouse gas emissions as set forth in the goals of Concord's Climate Action and Resiliency Plan, which looks to site 60MWh of in-town storage by 2030.

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>

From: [Parashar Patel](#)
To: [Suresh Bhatia](#); [Peggy Briggs](#); [Kathy Cuocolo](#); [Eric Dahlberg](#); [John Garofalo](#); [Greg Guarriello](#); [Amrith Kumar](#); [Don Kupka](#); [Lyndsey Lis](#); [Dee Ortner](#); [Karlen Reed](#); [Christine Reynolds](#); [Quazi Sadruzzaman](#); [Lois Wasoff](#)
Cc: [Anthony Ansaldi](#); [Elizabeth Rourke](#); [Jason Bulger](#); [Brian Foulds](#); [Kerry Lafleur](#); [Dinos Gonatas](#)
Subject: Summary slide for Article 1
Date: Wednesday, April 24, 2024 9:55:33 AM
Attachments: [2024-04-23 Article 1 Context - JB.pptx](#)

Colleagues,

Wanted to share a slide that summarizes the issues related to Article 1. The slide was developed to help me “disentangle” the interwoven topics in a digestible manner. The slide nicely summarizes, in my opinion, the issues and what has been/is being done/should be done to address/mitigate the issues.

Sharing because many of you may find it helpful as well.

See you tomorrow.

Parashar

Article 1 Background

Battery Storage to Address Two Issues

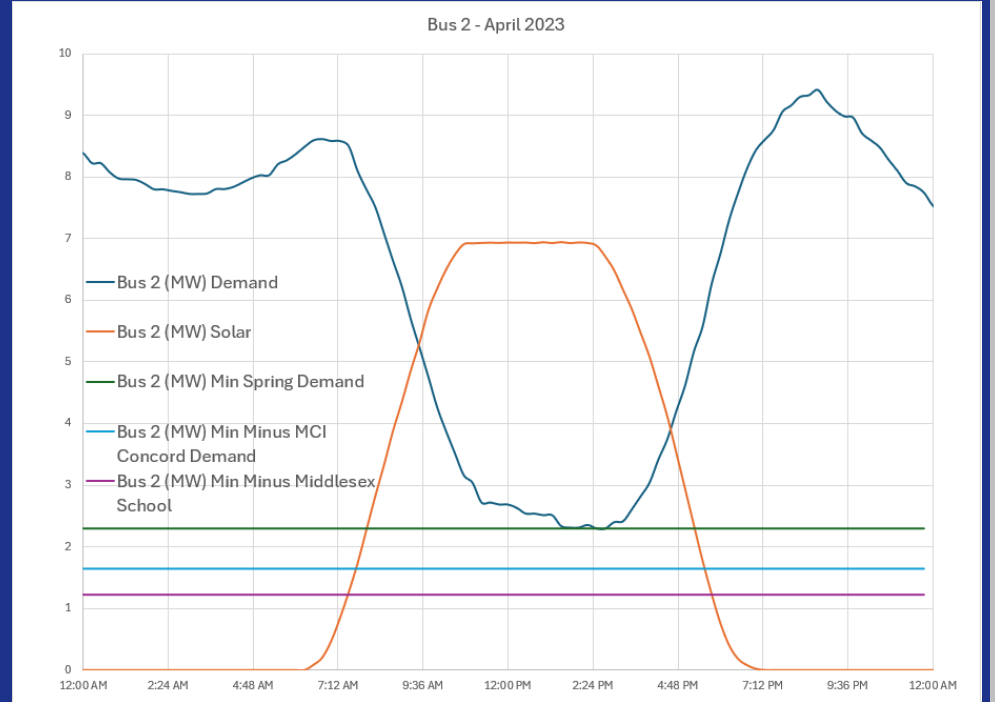
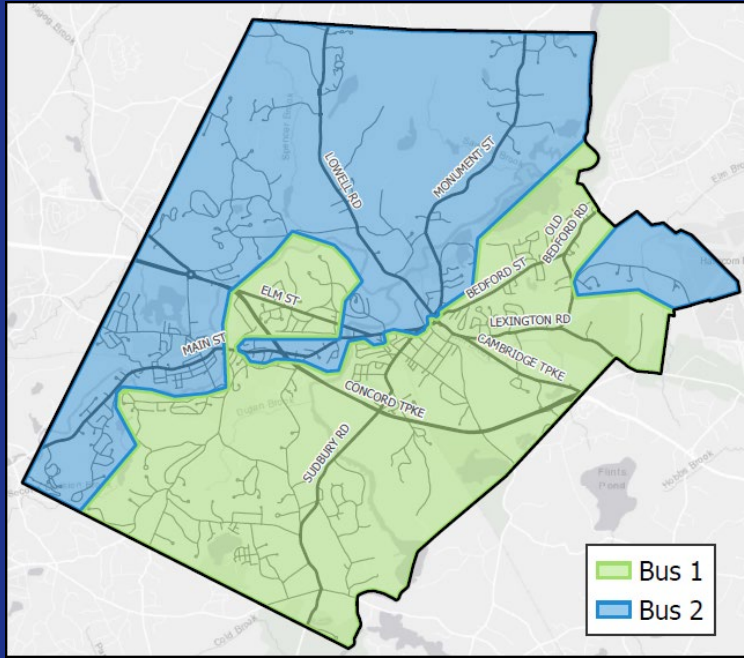
Issue	Current Status	Current Mitigation	Potential Mitigation	Considerations
Minimum load required for power protection	<ul style="list-style-type: none"> • Electro-mechanical relays require load to arm. • Solar saturation is causing system demand to drop too low. • Load continues to drop and will drop significantly with closure of MCI-Concord. 	<ul style="list-style-type: none"> • Keep load above 1.25MW 	<ul style="list-style-type: none"> • Increase demand through electrification, circuit redesign, battery storage 	<ul style="list-style-type: none"> • Engage citizens to create load (similar to the requests for load reduction during the peak). • Consider powering off W.R. Grace solar and incurring steep penalties or legal action.
Cannot ever have negative load (push power to Eversource)	<ul style="list-style-type: none"> • Concord and Maynard substations are not configured for Concord to send power to Eversource; the transformers could be permanently damaged. 	<ul style="list-style-type: none"> • Keep load above zero 	<ul style="list-style-type: none"> • Set up bidirectional flow (metering domain) 	<ul style="list-style-type: none"> • Work with regulators and lawyers to setup a metering domain. • Develop policies and SOPs regarding the metering domain.
Solutions				
Battery storage to absorb excess electricity	<ul style="list-style-type: none"> • Pending vote at 2024 Special Town Meeting 	<ul style="list-style-type: none"> • No mitigation in place 	<ul style="list-style-type: none"> • Article 1: add batteries by Fall 2025 	<ul style="list-style-type: none"> • Peak shaving to reduce CMLP demand charges • Appropriate battery(ies) sizes • Cost of capital • Assumptions used in business model

- Closure of MCI-Concord and adding new solar capacity poses challenges to manage CMLP distribution
- Solution(s) not currently on schedule to be in place prior to Fall 2025

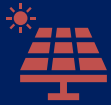
ARTICLE 1: In-town Utility Scale Battery

To determine whether the Town will authorize the Town Treasurer with the approval of the Select Board, to borrow by the issuance of general obligation bonds or notes under the provisions of Mass. Gen. Laws c. 44 or any other authority, a sum not to exceed \$10,400,000 for the design and construction of grid-scale battery storage in the Town of Concord, the funds so borrowed to be expended for engineering design and legal services; hearings; permits and other approvals; material, construction, and installation specifications; bid preparation; materials purchase; construction and installation services; control systems; and distribution and expansions, upgrades and improvements, and to be repaid in the first instance from revenues of the Concord Municipal Light Plant, or take any other action relative thereto.

Transforms and Bus bars



Solar growth



Concord went from 3.8MW of rooftop solar in 2020 to 4.95MW in 2023 – a 1.15MW increase.



The IRA is likely to increase the requests we get for residential and commercial solar development.



Concord wishes to continue to add more solar, as outlined in the Climate Action Plan.

Goals

1. Protect the distribution system to ensure there is no downtime or damage.
2. Allow for continued expansion of in-town solar.
3. Save emissions and money by shaving the peak.

Solutions

Can we curtail solar?

- Not possible with current contracts and is contrary to the Town's goals

Metering domain

- Two years away; costs/hurdles unknown

Battery storage

- Capital intensive initially but has a big payback

Why now?

- MCI-Concord is closing on 6/30/2024
 - Steadily uses 0.65-1.0MW
 - Shares wastewater treatment with NCC
 - Likely will be redeveloped using heavy electrification plus solar
 - Next year will be too late

Battery Characteristics

- Power (MW)
 - The maximum amount the battery can charge or discharge at any given time
- Energy (MWh)
 - The length of time over which the MW can be stored

Battery size

A bigger battery:

- Better manages solar saturation.
- Allows rate payers to invest in more solar capacity
- More progress towards Town's 60MWh storage goal
- Lower capital cost per MW due to economies of scale
- Larger IRA credit in dollars
- Higher cashflow in dollars; more savings to ratepayers

Recommended size:
4.9MW / 14.97MWh

Battery Financials

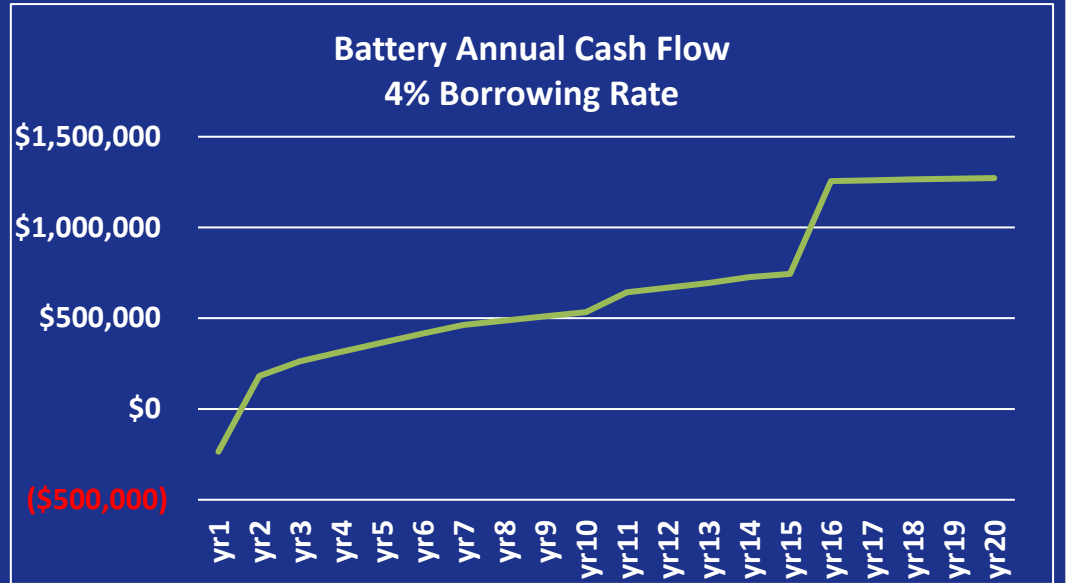
20-Year Net Present Value of Annual Cash Flows (Rev. minus Cost) MM\$

		WACC				
		5%	7%	9%	10%	12%
loan rate	3.40%	\$7.1	\$5.6	\$4.5	\$4.1	\$3.3
	3.60%	\$7.0	\$5.5	\$4.5	\$4.0	\$3.3
	3.80%	\$6.9	\$5.5	\$4.4	\$3.9	\$3.2
	4.00%	\$6.8	\$5.4	\$4.3	\$3.9	\$3.1

Capacity 4.99MW
Storage 14.97MWh

Assumptions

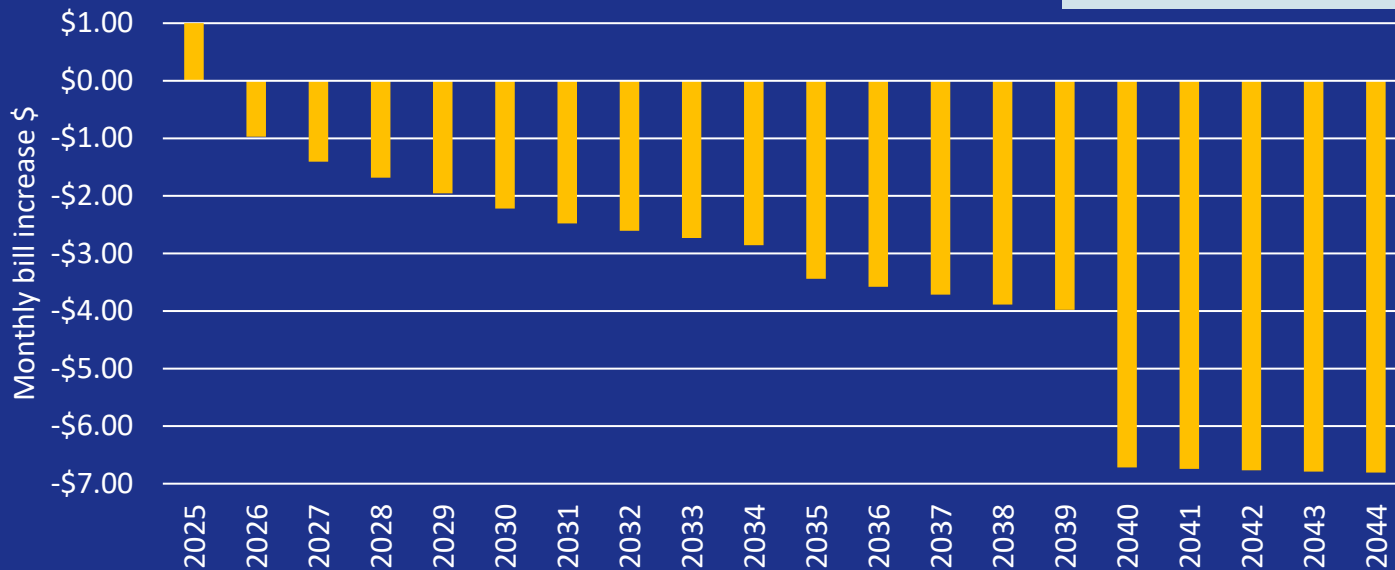
Energy Storage System \$9.0M
Engineering \$0.2M
Managed services \$0.03M
Insurance \$0.04M
Shipping + Duties \$0.4M
Installation & BoP \$0.8M
RNS forecast accuracy 83%
ICAP forecast accuracy 90%
BESS cost \$603/kW



Rate Impact

4.99MW / 14.97MWh

Million \$	
Capital Cost	\$10.4
IRA Credit	\$2.6
20-yr NPV	\$3.1



Average customer 883 kWh/mo.

Assumptions

- 15-year loan; 4% borrowing rate
- IRA credit is used in year 2 to reduce the loan balance
- One inverter replacement in year 10
- Battery is dispatched by a third party for an annual fee
- O&M escalation: 2.5%
- Electricity market price escalation: 1.5%
- Annual battery degradation: 1.5%
- Discount rate for net present value: 12%

Alternatives we have explored:

- Curtailment
 - Illegal or unsafe
- Tying bus bars together
 - Short-term emergency only; you lose power protection and resilience
- Third-party battery construction
 - Their priority on peak shaving does not solve our resilience issue or future solar expansion.
- Adding load
 - Early stages; requires capital investment dependent on certainty

ARTICLE 1: In-town Utility Scale Battery

To determine whether the Town will authorize the Town Treasurer with the approval of the Select Board, to borrow by the issuance of general obligation bonds or notes under the provisions of Mass. Gen. Laws c. 44 or any other authority, a sum not to exceed \$10,400,000 for the design and construction of grid-scale battery storage in the Town of Concord, the funds so borrowed to be expended for engineering design and legal services; hearings; permits and other approvals; material, construction, and installation specifications; bid preparation; materials purchase; construction and installation services; control systems; and distribution and expansions, upgrades and improvements, and to be repaid in the first instance from revenues of the Concord Municipal Light Plant, or take any other action relative thereto.

Frequently Asked Questions on the Battery Storage Project

Contents

Project.....	3
What is being proposed?.....	3
What will the battery be used for?	3
What is peak shaving?	3
How was the size of the battery determined?	4
Where will the battery be installed?	4
What is the former W.R. Grace site?	5
Who will do the engineering work required to install the battery?	6
Who will setup and install the battery?	6
Who will determine when to charge and discharge the battery?.....	6
Why does this have to happen at a special town meeting now?	6
Why was this such a surprise?.....	6
Impact.....	7
How much solar development will this battery allow in the future?	7
What is the impact on the electrical distribution system if this article passes?	7
What is the impact if it doesn't pass?.....	7
Are there any environmental impacts of this project?	7
What would a yes vote mean?	7
What would a no vote mean?	7
Does the battery improve our resilience in the event of an emergency or natural disaster?.....	7
Technology.....	8
What are the pros and cons of a bigger or smaller battery?	8
What is the battery technology going to be used?.....	8
What is the expected life of the battery?	8
What happens after 20 years?	8
Are batteries a new technology? Is there a chance that this won't work?	8
Who will manufacture the battery?.....	9

If there is a problem with the battery, who will fix it?	9
How do we make sure that the battery does not have any adverse impacts on the distribution system?	9
How will the battery be kept safe?	9
Will the battery be a fire hazard?	9
Are batteries environmentally friendly? Are there Rare Earth Elements inside these batteries? ..	10
How long does the inverter last?.....	10
Finance.....	10
If this passes, how much will it cost taxpayers?.....	10
If this passes, how much will it cost ratepayers?	10
If this passes, how much total debt will we have?.....	11
Are there economic benefits to installing a battery?	11
Are we getting an Inflation Reduction Act (IRA) credit when we buy this?	11
Will the purchase of this battery require us to hire additional staff at CMLP?	11
Will this change the amount of the PILOT paid from the Light Plant to the Town?	11
What was the methodology used to calculate the economic impact of the battery?	11
Capital Cost and Debt Service Expense	12
Operations and Maintenance Expense.....	12
Battery Revenue.....	12
Cash Flow	13
Background / Process	13
How long will it take for this to become operational?	13
Have alternatives been explored to dealing with the solar saturation issue?	13
Who is moving the article and why?	14
At what times of the year is the battery most critical?	14
What is the relationship between the Solar Implementation Task Force, the Concord Municipal Light Board, and the Concord Municipal Light Plant?.....	14
Who is supporting this article?	14
Are batteries mentioned in the Climate Action Plan?	15
If the Climate Action Plan specifies 60MWh of battery storage, will CMLP return at future Town Meetings for another 40MWh of battery storage?.....	15
Do other municipal light plants install batteries on their distribution networks? What about the investor-owned utilities?	16
How will the final scope of the project be determined?.....	16
Index	16

Project

What is being proposed?

The request before the Town at the Special Town Meeting is for borrowing authorization for a \$10.4 million dollar battery, battery control system, and associated ancillary costs to be installed within the Town of Concord. The borrowing will be done by the Light Plant with the interest and principal to be paid for by the electricity ratepayers.

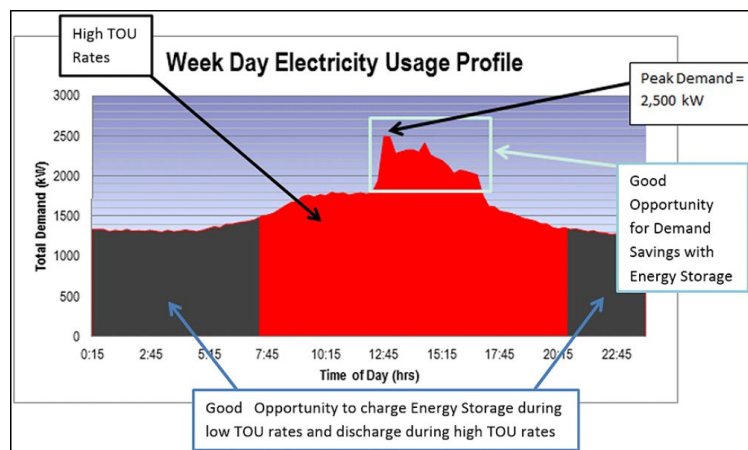
What will the battery be used for?

The battery will have three purposes, in this order:

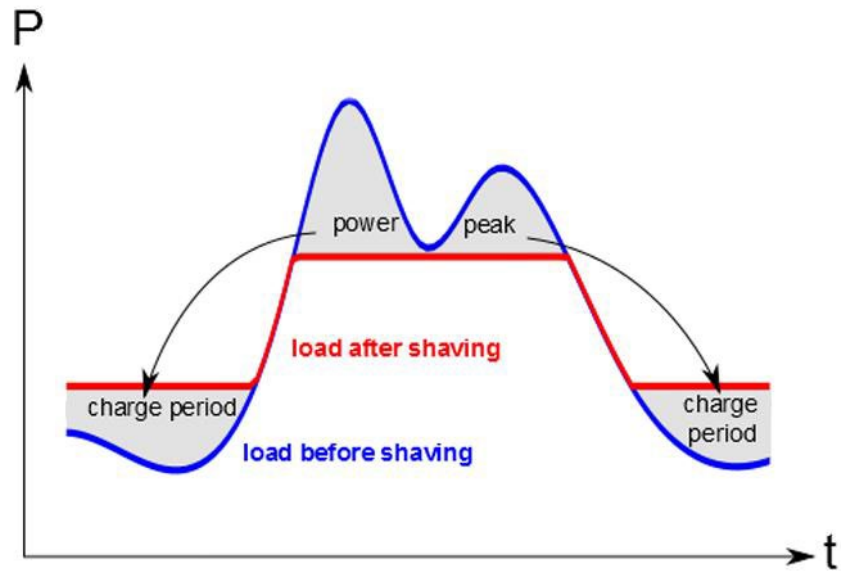
- To absorb the solar saturation during the shoulder months (March/April and September/October) when demand is relatively low and solar production is very high.
- To allow Concord to continue to develop in-town solar installations.
- To be used to reduce Concord's total demand when there is an anticipated peak load for ISO New England. (This is known as peak shaving.)

What is peak shaving?

Peak shaving is the process of lowering demand (either by turning off or down things that use electricity or by dispatching power from a battery) when the grid in New England is experiencing heavy usage (a peak). CMLP's grid bills are determined by how much electricity our system uses during each of the 12 monthly peaks and also during the single highest usage hour of the year. By shaving our usage during the peaks, CMLP can reduce costs significantly.



Source: NREL ([link](#))



Source: Batteryblokk

How was the size of the battery determined?

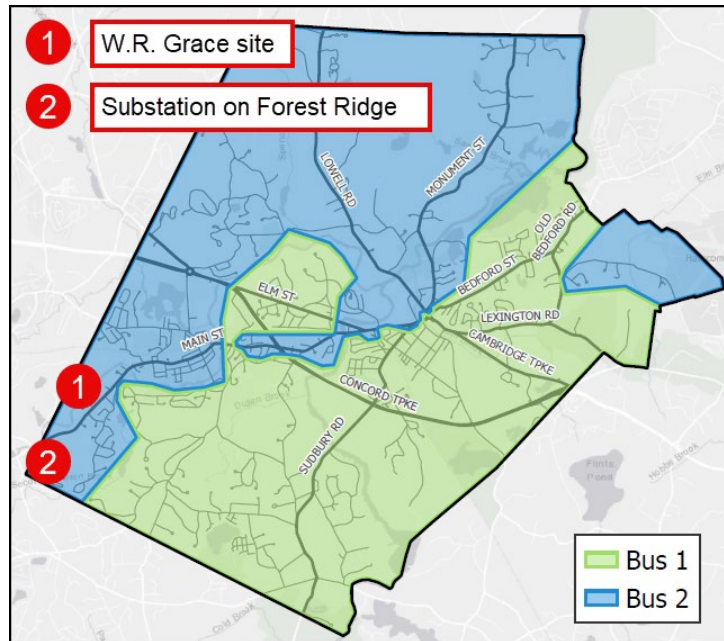
The battery needs to be large enough to achieve the three purposes above (address solar saturation, allow future solar development, reduce our peaks).

A battery has two dimensions. The first is the maximum amount the battery can charge or discharge at any given time (MW.) The second is the length of time over which the MW can be stored (MWh.)

The more megawatts in the battery, the greater the peak savings. The more megawatt hours, the more hours of solar CMLP can absorb and the easier it is to hit the peaks – especially going forward as others attempt to do the same thing, thereby pushing the peak to unusual times per year.

Where will the battery be installed?

The wording of the article allows for flexibility of placement, but CMLP is closely exploring either the W.R. Grace solar site or the Forest Ridge substation.



What is the former W.R. Grace site?

The W.R. Grace site refers to a superfund site on the border with Acton. The Town of Concord took ownership of the land in 2016 and later, through a power purchasing agreement, developed 5.4 megawatts of solar (DC).

Learn more on the [EPA's website here](#).



Who will do the engineering work required to install the battery?

This would be a combination of internal resources and third-party contractors. This will be the second battery that CMLP is installing (after the one located at the new middle school).

Who will setup and install the battery?

A third party contracted through a bid process will be selected to provide the battery and install it.

Who will determine when to charge and discharge the battery?

At least initially we will be using a company to make manual adjustments to the schedule we program in the battery controller. Once CMLP has completed its roll out of SCADA, some of the real-time data from load profiles and advanced meter data will shape the charging and discharging of the battery. Agreements to control batteries often come with guarantees that ensure you hit the peak a certain percentage of the time.

There are several companies that exist to manage battery dispatching. Final selection depends on cost thresholds and procurement rules, so we don't know who that will be yet.

Energy New England, of which CMLP has owner equity, provides Distributed Energy Resource Management. You can [learn more about these services here](#).

Why does this have to happen at a special town meeting now?

The state's sudden announcement of the closure of MCI-Concord expedites a trend that was underway for a while. If we do not start the process of battery procurement now, we will be at risk of having equipment fail or of blackouts once the MCI-Concord load goes away.

Why was this such a surprise?

The closure of MCI-Concord was a surprise, but the trend of increasing solar saturation has been known for a number of years. Concord's Climate Action Plan, written in 2017, targeted 60MW of solar by 2030. CMLP has been making plans to add battery storage since 2018.



Impact

How much solar development will this battery allow in the future?

If a battery size of 5MW/15MWh is installed, it will allow for about 3-4MW of additional regular rooftop solar to be added in Concord. Larger installations of solar may require additional batteries or curtailment strategies so we don't end up in this place again in the future.

What is the impact on the electrical distribution system if this article passes?

If this borrowing is authorized and the battery built, it will ensure that solar production does not exceed demand and cause distribution problems. See the next question for specific results if solar production exceeds demand.

What is the impact if it doesn't pass?

If it doesn't pass, then we may get to points in time in the near future when solar production exceeds our demand. This will cause power protection devices to cut power to businesses and homes that share that transformer. It also means we cannot continue to allow people to install additional solar.

Are there any environmental impacts of this project?

The batteries would be installed at either an industrial substation or a former superfund site currently housing a 5.4MW DC/4.5MW AC solar array. Some site work, like a concrete pad, would be required. There are no other current expected uses for this site.

What would a yes vote mean?

A yes vote would authorize CMLP to borrow \$10.4 million dollars. In this case, CMLP would move forward with analysis and purchase of a battery and control system.

What would a no vote mean?

A no vote would not authorize CMLP to borrow \$10.4 million dollars.

Does the battery improve our resilience in the event of an emergency or natural disaster?

Depending on the size, batteries would be able to provide power in the event of a grid failure. But this single battery would likely not be enough to provide enough load for an entire transformer (bus), so the real answer is not yet, but if enough batteries were installed (like the 60MW proposed in the Climate Action Plan), and they were deployed and configured to allow this, then yes, for a period of time.

Technology

What are the pros and cons of a bigger or smaller battery?

A larger battery costs more up front, but allows more solar to be developed in town without compromising the distribution system and generates more cash flow from peak savings. Economies of scale make larger batteries more cost effective on a dollar per installed megawatt basis

A smaller battery is a lower upfront cost option, but it won't allow as much solar to be developed in town and creates lower future cash flows. Investing in several smaller batteries over time rather than one technology all at once would allow CMLP to take advantage of future technology improvements in battery storage.

What is the battery technology going to be used?

The technology will depend on the vendor selected. Due to price, availability and space , the technology is likely

What is the expected life of the battery?

Batteries typically have a guaranteed number of charge/discharge cycles before they drop below a threshold of capacity (usually 80%). Manufacturers of grid-scale batteries will guarantee a capacity for any number of years you choose and will replace individual modules to get that capacity. Manufacturers will guarantee any capacity for any duration but obviously will charge more for a longer duration. The expected guaranteed lifetime is 15-20 years.

What happens after 20 years?

Battery modules and components can be changed to extend the life of the project, hopefully for more than 50 years.

The procurement contract may have provisions for the proper recycling of expired cells and modules.

Are batteries a new technology? Is there a chance that this won't work?

The first grid-scale battery was a 5MW/1.25MWh system installed in 2012 (in Oregon).

In Massachusetts, Sterling Municipal Light Department installed their first battery in 2016. You can [learn more about their project here](#).



The manufacturer of the battery and the vendor who sells it to us will guarantee it will work.

Who will manufacture the battery?

Because we will need to go through a bid process, we cannot know the manufacturer until we have issued an RFP and selected a bidder based on the criteria specified in the RFP.

If there is a problem with the battery, who will fix it?

The vendor who sells the battery will warranty it and guarantee a level of uptime. They will monitor the condition and operation of the battery system and proactively address any detected issues.

How do we make sure that the battery does not have any adverse impacts on the distribution system?

The battery will be carefully managed and monitored by third parties. Any unusual activity will be monitored 24x7x365.

How will the battery be kept safe?

The location, whether it is at the former W.R. Grace site or the Substation on Forest Ridge Road, will be secured from the general public. All facilities will be secured and locked to prevent entry.

Will the battery be a fire hazard?

Lithium phosphate batteries are remarkably stable and safe. In fact, the rate of electric car fires is 25.1 per 100,000 cars sold, whereas the rate of internal combustion engines is 1,529.9 per 100,000 cars sold ([source](#)). What is true, however, is that if a lithium phosphate battery catches on fire, it is very difficult to extinguish.

Any battery modules will be kept in secure containers and have adequate cooling and fire suppressions systems to prevent thermal runaway and limit any issues to a small number of cells or modules.

The Fire Department will be involved in the planning process to make sure that we follow the latest recommendations from the State Fire Marshal as well as the National Fire Protection Associations guidelines, [which are summarized here](#).

Are batteries environmentally friendly? Are there Rare Earth Elements inside these batteries?

The battery chemistry will be chosen in the bid selection process. There is a good chance that it will be a lithium iron phosphate battery, which does not contain nickel, manganese, or cobalt, which, while not technically Rare Earth Elements, are still rare and mined in problematic ways.

How long does the inverter last?

The inverter is expected to last 10 years. The cost of a replacement inverter is included in the model (see below).

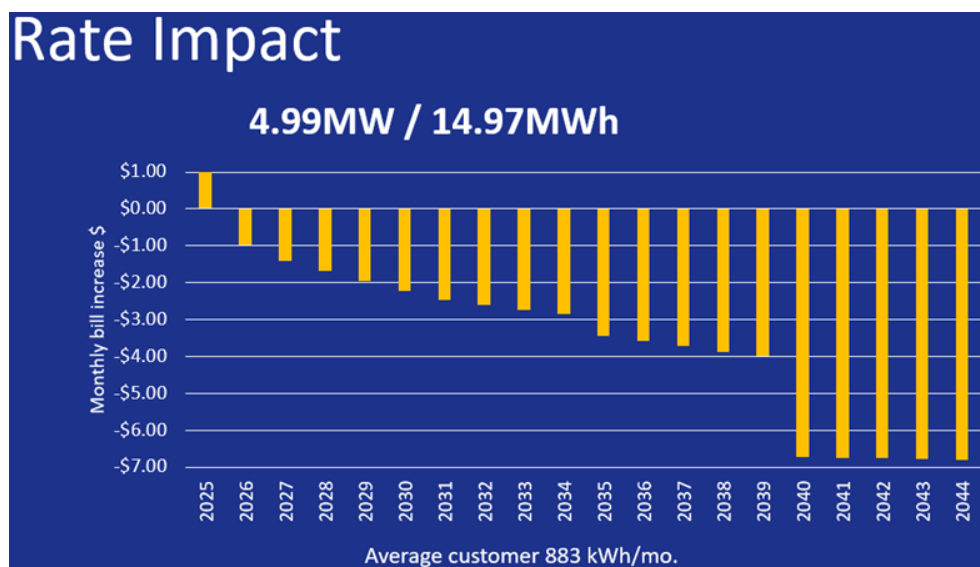
Finance

If this passes, how much will it cost taxpayers?

Nothing. This is financed by electric ratepayers, not taxpayers.

If this passes, how much will it cost ratepayers?

With a 4% interest rate and a 20-year project, it is expected to **save** the average homeowner \$841.08 (this assumes a median usage of 883kWh/month). Below is the expected *monthly* bill impact of this project.



If this passes, how much total debt will we have?

We currently have \$3.5M of debt authorized for the Advanced Metering project plus \$7.5M for the Middle School solar and battery project. The total authorized debt if this passes would be \$21.4 million.

Are there economic benefits to installing a battery?

Yes! See the rate impact summary above. It will also allow for further solar expansion which helps the environment and supports the clean energy sector.

Are we getting an Inflation Reduction Act (IRA) credit when we buy this?

Yes. The Light Plant will be eligible for a 25.5% credit under the rules of the Inflation Reduction Act. This equals about \$2.6 million. The battery project itself would cost \$10.4 million, and this credit would be received after 1 year and be used to pay down the principal. In the end, the project just needs to pay back \$7.8 million of principal.

Will the purchase of this battery require us to hire additional staff at CMLP?

No. No additional staff will be required since the battery will be constructed and managed by a third party.

Will this change the amount of the PILOT paid from the Light Plant to the Town?

The current PILOT is calculated based on a formula created by the CFO and Light Plant Director with approval from the Town Manager, and it is based on the audited financials kWh of electricity sold within a year, so the purchase of this battery would not impact the PILOT under today's formula.

What was the methodology used to calculate the economic impact of the battery?

For the battery proposal for Special Town Meeting, CMLP prepared a 20-year financial forecast that subtracts debt-related and operating-related costs from the battery's expected revenue by year. Below is a list of assumptions used in the forecast.

Battery Energy Storage System			Energy		
Power (Apparent DC)	4.99	MVA	Energy price	60	\$/MWh
Energy (BoL DC)	14.97	MWh	Energy price annual escalator	1.5%	%
Power factor	1		Financial		
One-way efficiency	97%	%	Sales tax	0	%
Average auxiliary load at stand-by	0.004	MW	Borrowing interest rate	4%	%
Auxiliary loads peak power	0.036	MW	Inflation Reduction Act	25.5%	yes
Power (Active at POC)	4.8363	MW	WACC	12%	
Discharge duration	2.997597	h	Forecast Accuracy		
Energy Discharge (active at POC)	14.49728	MWh	RNS & LNS accuracy	83%	%
Cycles per year	365		ICAP accuracy	90%	%
EPC work by	CMLP		Capacity reserve margin	30%	%
Capital Cost	\$603.36	\$/kWh			

Capital Cost and Debt Service Expense

In addition to the conservative \$603/kWh cost for the battery energy storage system itself (\$9MM,) the following additional upfront, capitalizable costs have been assumed: Engineering \$200k, Shipping & Duties \$375k, and Installation & Balance of Plant \$750k. In year one, CMLP borrows the full \$10.3MM at 4%. First year principal expense is \$690k ($\$10.3/15$) and first year debt expense is \$415k ($\$10.3 \times 4\%$) In year two CMLP receives a payment from the IRA elective pay program of \$2.64MM. The credit is used to reduce the principal owed to \$7MM ($\10.3MM minus \$690k first year principal payment minus \$2.64MM.) In years two through 15, the annual principal expense is \$468k. The interest expense in year two is \$281k – declining each year as the loan balance diminishes.

Operations and Maintenance Expense

The model assumes the battery will be dispatched once daily. Energy losses assuming \$60/MWh values power are about \$20k per year, escalating at 1.5%. First year managed services expense is assumed to be \$30k. First year insurance expense is assumed to be \$40k. Each escalates at 2.5% per year. We expect to replace the inverter in year 10 when it will cost ~\$830k. Each year money is set aside, earning 2.5% interest such that the full \$830k is available in year 10 to pay for the inverter. Annual opex starts at \$150k in year one and grows to \$200k in year 10. After year 10, opex drops to \$115k in year 11 because money is no longer set aside for a future inverter replacement.

The total capital and O&M cost is \$1.25MM in year one, falling to \$0.9 in year two and subsequently thereafter to \$0.6 in year 15. In years 16 through 20 the cost is merely O&M as the loan expense has been fully paid.

Battery Revenue

The lion's share of the battery revenue derives from peak expense reduction. CMLP pays about \$178,000 per megawatt per year in transmission-related expenses and \$47,000 per MW/yr in capacity-related expenses. If CMLP can reduce the volume of electricity it imports from the grid

during the grid's peak hour, these expenses can be reduced. If CMLP knows exactly when a peak will occur, it can schedule the battery to release the maximum capacity available, which will reduce our imports from the grid and our peak expenses. It is not always easy to forecast when the peak will occur. In the model we assume that we can correctly guess the monthly peak 10 out of 12 months per year (83% forecast accuracy.) We assume we can correctly guess the annual peak hour 9 out of every 10 years (90% forecast accuracy.) It is easier to identify the annual peak than the monthly peak.

If we can reduce CMLP's load by nearly 5MW (4.836 in the first year, declining to 3.458 in year 20;) then we save $\$178,000 * 4.836 \text{ MW} * 83\% = \714k in transmission expense and $\$47,000 * 4.836 * 90\% = \205k in capacity expense. We gain a further \$100k in energy arbitrage by filling the battery during low cost hours and discharging it when we would otherwise be paying the highest market prices to meet our local peak load.

Total revenue in year 1 is $\$714\text{k} + \$205\text{k} + \$100\text{k} = \1.019MM . In year 2 it is \$1.085MM.

Cash Flow

Year 1 cash flow is negative (\$1MM revenue less \$1.25MM expense = (\$0.25MM).) Reducing debt expense in year 2 by using the IRA credit turns cash flow positive (\$1.1MM revenue less \$0.9MM expense = +\$0.2MM.)

As debt expense attenuates and expected transmission and capacity expenses increase, the forecasted net cash flow increases. The 20-year NPV is +\$3.1MM using a 12% discount rate. If you were to self-fund the investment, the IRR would be 8.5%.

Background / Process

How long will it take for this to become operational?

If borrowing authorization is approved, staff at the Light Plant will present all options to the Light Board and look for approval of a recommendation based on the best possible financing and procurement options.

Next we will go out to bid on this project and then have a much better idea of the timeline. It is expected to be operational 12-18 months after vendor selection.

Have alternatives been explored to dealing with the solar saturation issue?

Yes! We have explored:

- Curtailment – powering down solar sites
 - Our current contracts only allow for curtailment in the event of an unpreventable emergency (like fire) but not because of an issue like solar saturation.

- Curtailment – discharging solar into the ground
 - This is both dangerous and illegal, so we cannot do this.
- Batteries built by third parties
 - They prioritize peak shaving over grid resilience, which is reversed from CMLP’s goals. Regardless, we continue to investigate this route.
- Increasing load during critical times
 - This can be done by a lot of individuals in small ways or a few companies in bigger ways. The first is less reliable but likely doesn’t require a capital investment.
- Pushing power back to Eversource
 - This work, called a **metering domain**, is underway. Prior to doing this, we need to install a SCADA system and replace or reconfigure many pieces of equipment on our distribution network. As a result, it is expected to be done no sooner than 2 years from now.
- Readjusting the locations served by the transformers so they are better balanced
 - Moving a portion of the town served by one transformer to another is a very time-consuming and expensive process. It requires significant engineering, planning, dangerous switching and work. After it is complete, one or two medium-to-large projects can require that the changes be reversed.

Who is moving the article and why?

The Town Manager on behalf of the Concord Municipal Light Plant. The seed of this started with the Solar Implementation Task Force, who was working at the Select Board’s request to try to expand solar development in Concord. Unfortunately, the warrant closed prior to the announcement of MCI-Concord’s closure. To move forward with this vital process, the Select Board opened a warrant for a Special Town Meeting to be held within the Annual Town Meeting in late April/early May.

At what times of the year is the battery most critical?

For addressing solar saturation it would be most critical during the shoulder months (March/April and September/October). For shaving the peak, whenever the peak occurs. Summer peaks are often on the 2nd, 3rd, or 4th day of a heat wave between 5-9pm.

What is the relationship between the Solar Implementation Task Force, the Concord Municipal Light Board, and the Concord Municipal Light Plant?

- The Solar Implementation Task Force was seated by the Select Board after a citizen’s petition at the 2023 Annual Town Meeting.
- The Municipal Light Board is appointed by the Town Manager.
- The Municipal Light Plant acts as a Town Department, with the staff appointed by the Town Manager.

Who is supporting this article?

- The Solar Implementation Task Force voted unanimously to support this article ([link here](#))
- The Concord Municipal Light Board voted unanimously to support this article ([link here](#))
- The Finance Committee will be voting on this soon.

- The Select Board will be voting on this soon.

Are batteries mentioned in the Climate Action Plan?

Yes. It sets a target of 60MW by 2030.

You can [read the plan here](#). Here are a few snippets:

IMPLEMENTATION STEPS	PLANNING CONSIDERATIONS	
	TIME FRAME	KEY PARTNERS
1. Evaluate options for the installation of a utility-scale energy storage battery system. Evaluation considerations to include: <ol style="list-style-type: none"> Technology options Ownership vs. lease or PPA models Additional financing options and grant availability Renewables integration potential Cost-benefit analysis for CMLP and ratepayers, including potential stacked value streams (e.g. upcoming MA Clean Peak Standard credits) Siting considerations (optimum substation location; proximity to existing and potential solar sites) Potential to support building and transportation electrification Potential for key town facility microgrid integration Resiliency benefits 	2021-2022	<ul style="list-style-type: none"> • CMLP • Concord Municipal Light Board

Indicators of Success

How we generate electricity is a huge determinant in Concord's ability to meet its climate action and resilience goals. With a municipal utility, we have an opportunity to accelerate the adoption of non-fossil fuel electricity generation and these indicators will help keep us on track. We can use the indicators below to track our progress.

Indicator	Baseline Data	Baseline Year	2030 Target
GHG Emissions from electricity generation ¹⁶	54,234 MTCO ₂ e	2016	0
Percent carbon-free electricity ¹⁷	54%	2018	100%
Total MW capacity of residential renewable generation installations in Concord ¹⁸	3.5 MW	2020	5.44 MW
Number of homes with rooftop solar ¹⁹	358	2020	558
Number of homes with battery storage ²⁰	9	2020	109
Total MW capacity of solar generation on town property ²¹	7.57 MW	2020	20 MW
Total MWh capacity of battery storage on town property ²²	0	2020	60MWh

If the Climate Action Plan specifies 60MWh of battery storage, will CMLP return at future Town Meetings for another 40MWh of battery storage?

CMLP believes that the current request under the 2024 Special Town Meeting (Article 1) is required to stabilize the grid and ensure we do not have negative impacts from the Town's solar saturation. We are not moving this project forward simply to achieve the goals stated in the Climate Action Plan.

Future solar projects will require battery storage components, which will help work toward achieving this goal.

Do other municipal light plants install batteries on their distribution networks? What about the investor-owned utilities?

Yes to both. Groton, Holyoke, Reading, Wellesley and many other MLPs all have or will have batteries.

How will the final scope of the project be determined?

If Town Meeting authorizes the borrowing of \$10.4 million, then the Light Plant staff will continue collecting information on alternative financing options (leasing a battery vs. buying one, for example), along with analysis on the benefits and drawbacks of considering a small, medium, and large battery. This information will be presented to the Light Board, which will vote to support a project.

The Town Manager, CFO, Treasurer, and Select Board all play a role in the issuance of debt, and they will play a part if a battery is purchased (for an amount that requires borrowing).

Index

Battery size, 4, 8

Cash Flow, 13

Climate Action Plan, 6, 7, 15

Cost, 6, 8, 10, 12, 13

Debt, 11, 12

Peak shaving, 3, 14

Revenue,

W.R. Grace, 4, 5, 9



Concord Finance Committee
AGENDA ACTION REQUEST

April 25, 2024

4

2024 Annual Town Meeting

Article 7 – FY24 Budget Line-Item Adjustments

Requested by: FC Chair

Action Sought: Recommendation

Proposed Motion(s)

Discussion Dependent

Additional Information

The Town's FY24 budget was appropriated in sixteen (16) distinct line items. Adjustments to these line-item totals may only be made through subsequent Town Meeting action or at the end of the fiscal year with the approval of the Select Board and Finance Committee, under the authority granted in Mass. Gen. Laws Ch. 44, § 33B. This article seeks approval to make certain line-item adjustments to rebalance the budget to account for actual spending, while maintaining the total appropriation of \$55,036,779. This article does not seek a supplemental appropriation and approval of this article will not increase total FY24 spending.

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>



ARTICLE 7: FY2024 Town Budget Line-Item Adjustments

Article 7: FY2024 Town Budget Line-Item Adjustments

Mr. Dane moves that the Town vote to amend the FY24 Budget approved under Article 9 of the 2023 Annual Town Meeting by making the adjustments shown in the handout pertaining to the Article, for a total net adjustment of \$0, for the purpose of rebalancing the FY24 Town Budget.



Manner of Appropriation

- The Town’s budget is appropriated by Town Meeting in 16 distinct line items
- The Town Manager must then manage to the “bottom line” of each line-item appropriation
- Adjustments are then only allowed:
 - By further Town Meeting action; or
 - Year-end transfer process provided under MGL Ch. 44, §33B

Note: It is generally accepted that remedies to cure budget issues should be taken up by Town Meeting when practicable



ARTICLE 7: FY2024 Town Budget Line-Item Adjustments

Why is an adjustment needed?

- Allocation error found late in the budget process
- Due to timing, full adjustment posted to Line Item 1, General Government
- ATM action requested to equitably allocate adjustment across budget
- *Note: approval of this transfer does not increase the total appropriation approved under 9-ATM-2023*

ARTICLE 7: FY2024 Town Budget Line-Item Adjustments

Proposed Adjustment



Line No.	Department	FY24 Appropriation	Decrease	Increase	FY24 Appropriation (Adjusted 04.29.2024)
1	General Government	\$ 4,913,601	\$ (97,220)	\$ 515,402	\$ 5,331,783
2	Legal Services	\$ 450,000	\$ -	\$ -	\$ 450,000
3	Finance	\$ 2,473,813	\$ (40,740)	\$ -	\$ 2,433,073
4	Planning & Land Management	\$ 2,505,856	\$ (41,266)	\$ -	\$ 2,464,590
5	Human Services	\$ 3,451,331	\$ (56,837)	\$ -	\$ 3,394,494
6	Public Safety	\$ 11,928,437	\$ (196,441)	\$ -	\$ 11,731,996
7	Public Works	\$ 4,958,795	\$ (81,663)	\$ -	\$ 4,877,132
8	Employee Wellness	\$ 75,000	\$ (1,235)	\$ -	\$ 73,765
9	Reserve Fund	\$ 200,000	\$ -	\$ -	\$ 200,000
10	Salary Reserve Fund	\$ 755,000	\$ -	\$ -	\$ 755,000
11	Land Fund	\$ -	\$ -	\$ -	\$ -
	Total: FY Town, General Fund	\$ 31,711,833	\$ (515,402)	\$ 515,402	\$ 31,711,833



Will budget adjustments impact service levels?

- No, given where we are in the current fiscal year, we do not expect these adjustments to impact service levels
- The majority of the required adjustment will be absorbed by planned under-spending in various lines
- The proposed FY24 budget adjustments have also already been taken into account in planning for FY25



What happens if the adjustment isn't approved?

- If the transfer is not approved by Annual Town Meeting, the Town's only other remedy is to seek a year-end adjustment under MGL Ch. 44, §33B
 - May 1 – July 15 with approval of both FinCom & Select Board



ARTICLE 7: FY2024 Town Budget Line-Item Adjustments

Article 7: FY2024 Town Budget Line-Item Adjustments

Mr. Dane moves that the Town vote to amend the FY24 Budget approved under Article 9 of the 2023 Annual Town Meeting by making the adjustments shown in the handout pertaining to the Article, for a total net adjustment of \$0, for the purpose of rebalancing the FY24 Town Budget.

Handout, Article 7: FY2024 Budget Line-Item Adjustments

Motion: Mr. Dane moves that the Town vote to amend the FY24 Budget approved under Article 9 of the 2023 Annual Town Meeting by making the adjustments shown in the table below, for a total net adjustment of \$0, for the purpose of rebalancing the FY24 Town Budget.

Line No.	Department	FY24 Appropriation	Decrease	Increase	FY24 Appropriation (Adjusted 04.29.2024)
1	General Government	\$ 4,913,601	\$ (97,220)	\$ 515,402	\$ 5,331,783
2	Legal Services	\$ 450,000	\$ -	\$ -	\$ 450,000
3	Finance	\$ 2,473,813	\$ (40,740)	\$ -	\$ 2,433,073
4	Planning & Land Management	\$ 2,505,856	\$ (41,266)	\$ -	\$ 2,464,590
5	Human Services	\$ 3,451,331	\$ (56,837)	\$ -	\$ 3,394,494
6	Public Safety	\$ 11,928,437	\$ (196,441)	\$ -	\$ 11,731,996
7	Public Works	\$ 4,958,795	\$ (81,663)	\$ -	\$ 4,877,132
8	Employee Wellness	\$ 75,000	\$ (1,235)	\$ -	\$ 73,765
9	Reserve Fund	\$ 200,000	\$ -	\$ -	\$ 200,000
10	Salary Reserve Fund	\$ 755,000	\$ -	\$ -	\$ 755,000
11	Land Fund	\$ -	\$ -	\$ -	\$ -
Total: FY Town, General Fund		\$ 31,711,833	\$ (515,402)	\$ 515,402	\$ 31,711,833

Summary of Appropriations and Funding Sources:

Unlike other operating budgets, the Town’s budget is appropriated by Town Meeting in 16 distinct line items. Lines 1 – 11 appropriate what is commonly referred to as the “Guidelines” budget and lines 12 – 16 appropriate Fixed Costs shared by the Town and Concord Public Schools. Once appropriated, the Town Manager must then manage to the “bottom line” of each line-item appropriation, rather than to the total warrant article appropriation. Adjustments to the Town’s budget are then only allowed, either by further Town Meeting action or at year-end with the approval of the Finance Committee and the Select Board.

This article requests Town Meeting approval to make various adjustments as detailed above. As was noted at last year’s Annual Town Meeting, very late in the budget process, an error was discovered which resulted in an overallocation of \$515,402 in new money under the Finance Committee’s FY24 Guideline.

Due to the timing of the discovery, the **full** adjustment was posted against Line Item 1, General Government, with a note that additional corrective action would follow, which is what is now being presented here in Article 7.

Note that the increase proposed in Line Item 1 above reverses the temporary adjustment made at the 2023 Annual Town Meeting, while the decrease then assigns the Line’s equitable share of the required adjustment.

Town Government Operating Budget					
Line No.	Item No.	Department	FY24 Appropriation (Revised)	FY24 Line Item Adjustments	FY24 Revised Budget
General Government					
1	A	Town Manager's Office	\$ 730,350	\$ (13,427)	\$ 716,923
	B	Human Resources	\$ 573,682	\$ (10,231)	\$ 563,451
	C	Information Systems (Technology)	\$ 1,757,756	\$ (31,347)	\$ 1,726,409
	D	Town Meetings & Reports	\$ 95,400	\$ (1,701)	\$ 93,699
	E	Facilities Administration	\$ 1,930,088	\$ (34,420)	\$ 1,895,668
	F	Parks & Playgrounds	\$ 216,727	\$ (3,865)	\$ 212,862
	G	Resource Sustainability	\$ 125,000	\$ (2,229)	\$ 122,771
	H	Visitor's Center	\$ -		\$ -
	I	Adjustment	\$ (515,402)	\$ 515,402	\$ -
		sub-total:	\$ 4,913,601	\$ 418,183	\$ 5,331,784
2	A	Legal Services	\$ 450,000	\$ -	\$ 450,000
		total: General Government	\$ 5,363,601	\$ 418,183	\$ 5,781,784

Finance					
3	A	Finance Administration	\$ 647,927	\$ (10,670)	\$ 637,257
	B	Treasurer-Collector	\$ 466,957	\$ (7,690)	\$ 459,267
	C	Town Accountant	\$ 367,594	\$ (6,054)	\$ 361,540
	D	Assessors	\$ 434,957	\$ (7,163)	\$ 427,794
	E	Town Clerk	\$ 464,499	\$ (7,650)	\$ 456,849
	F	Elections	\$ 80,714	\$ (1,329)	\$ 79,385
	G	Registrars	\$ 11,165	\$ (184)	\$ 10,981
		total: Finance	\$ 2,473,813	\$ (40,739)	\$ 2,433,074

Planning and Land Management					
4	A	Planning Administration	\$ 661,933	\$ (10,901)	\$ 651,032
	B	Natural Resources	\$ 449,610	\$ (7,404)	\$ 442,206
	C	Inspections	\$ 593,097	\$ (9,767)	\$ 583,330
	D	Health	\$ 561,895	\$ (9,253)	\$ 552,642
	E	Economic Vitality & Tourism	\$ 235,721	\$ (3,882)	\$ 231,839
	F	141 Keyes Road	\$ 3,600	\$ (59)	\$ 3,541
		total: Planning & Land Management	\$ 2,505,856	\$ (41,267)	\$ 2,464,589

Human Services					
5	A	Library	\$ 2,490,316	\$ (41,011)	\$ 2,449,305
	B	Senior Services			
		B1. Senior Services	\$ 652,076	\$ (10,739)	\$ 641,337
		B2. Harvey Wheeler Community Center	\$ 65,342	\$ (1,076)	\$ 64,266
	C	Recreation Services			
		C1. Recreation	\$ -		
		C2. Hunt Recreation Center	\$ -		
	D.	Human Services	\$ 93,350	\$ (1,537)	\$ 91,813
	E	Veteran's Services	\$ 86,647	\$ (1,427)	\$ 85,220
	F	Ceremonies & Celebrations	\$ 63,600	\$ (1,047)	\$ 62,553
		total: Human Services	\$ 3,451,331	\$ (56,837)	\$ 3,394,494

Public Safety					
6	A	Police Department	\$ 5,219,135	\$ (85,950)	\$ 5,133,185
	B	Animal Control Officer	\$ 29,260	\$ (482)	\$ 28,778
	C	Police-Fire Station	\$ 52,918	\$ (871)	\$ 52,047
	D	Fire Department	\$ 6,611,011	\$ (108,872)	\$ 6,502,139
	E	Emergency Management	\$ 14,550	\$ (240)	\$ 14,310
	F	West Concord Fire Station	\$ 1,563	\$ (26)	\$ 1,537
		total: Public Safety	\$ 11,928,437	\$ (196,441)	\$ 11,731,996

Public Works					
7	A	Public Works Administration	\$ 422,120	\$ (6,952)	\$ 415,168
	B	Engineering	\$ 701,634	\$ (11,555)	\$ 690,079
	C	Highway Administration	\$ 1,805,133	\$ (29,727)	\$ 1,775,406
	D	Winter Maintenance	\$ 655,500	\$ (10,795)	\$ 644,705
	E	Parks & Trees	\$ 992,220	\$ (16,340)	\$ 975,880
	F	Cemetery	\$ 273,790	\$ (4,509)	\$ 269,281
	G	133/ 135 Keyes Road	\$ 68,088	\$ (1,121)	\$ 66,967
	H	Street Lighting	\$ 40,310	\$ (664)	\$ 39,646
		total: Public Works	\$ 4,958,795	\$ (81,663)	\$ 4,877,132

Unclassified					
8		Employee Wellness	\$ 75,000	\$ (1,235)	\$ 73,765
	A	Unused Sick Leave	\$ -		
	B	Public Safety Disability	\$ -		
	C	Employee Assistance Program	\$ -		
		sub-total:	\$ 75,000	\$ (1,235)	\$ 73,765
9		Reserve Fund	\$ 200,000		\$ 200,000
10		Salary Reserve Fund	\$ 755,000		\$ 755,000
11		Land Fund	\$ -		\$ -
		Total: Unclassified	\$ 1,030,000	\$ (1,235)	\$ 1,028,765

TOTAL TOWN GOVERNMENT					
TOTAL TOWN GOVERNMENT			\$ 31,711,833	\$ (0)	\$ 31,711,833



Concord Finance Committee
AGENDA ACTION REQUEST

April 25, 2024

5

2229 Main Street

To hear update from the 2229 Main Street Advisory Task Force
Chair Paul Boehm

Requested by: FC Chair

Action Sought: Recommendation

Proposed Motion(s)

Discussion Dependent

Additional Information

The purpose of the 2229 Main Street Advisory Task Force is to recommend to the Select Board whether the Town should acquire the property at 2229 Main Street. 2015 Town Meeting authorized this acquisition for a future time, if and when the Select Board votes to do so. In making this decision, the Task Force and the Select Board will need to consider potential uses for the site as well as potential risk, liability, timing, costs, institutional controls, liens and other legal matters. The job of the Task Force is to thoroughly research these matters, seek public input, and then make recommendations to the Select Board. The 2229 Main Street Advisory Task Force hosted a hybrid public forum on November 9, 2023. The meeting reviewed the charge and work of the task force, outlined considerations for possible reuse, answered questions and solicited ideas regarding the NMI/Starmet superfund site.

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>

2229 Main Street Advisory Task Force Update: Finance Committee Discussion

- Financial aspects of Task Force's work may include:
 - Cost estimates of acquisition
 - Will include costs of negotiations and planning
 - Limited cost estimates of reuse/development
 - For "site preparation" only
 - Development costs will be part of planning
 - Cost estimates of Town ownership
 - Meeting obligations
 - Insurance
 - Estimates of costs to the Town if site is privately acquired
- On track for developing recommendations and report to Select Board by end of October

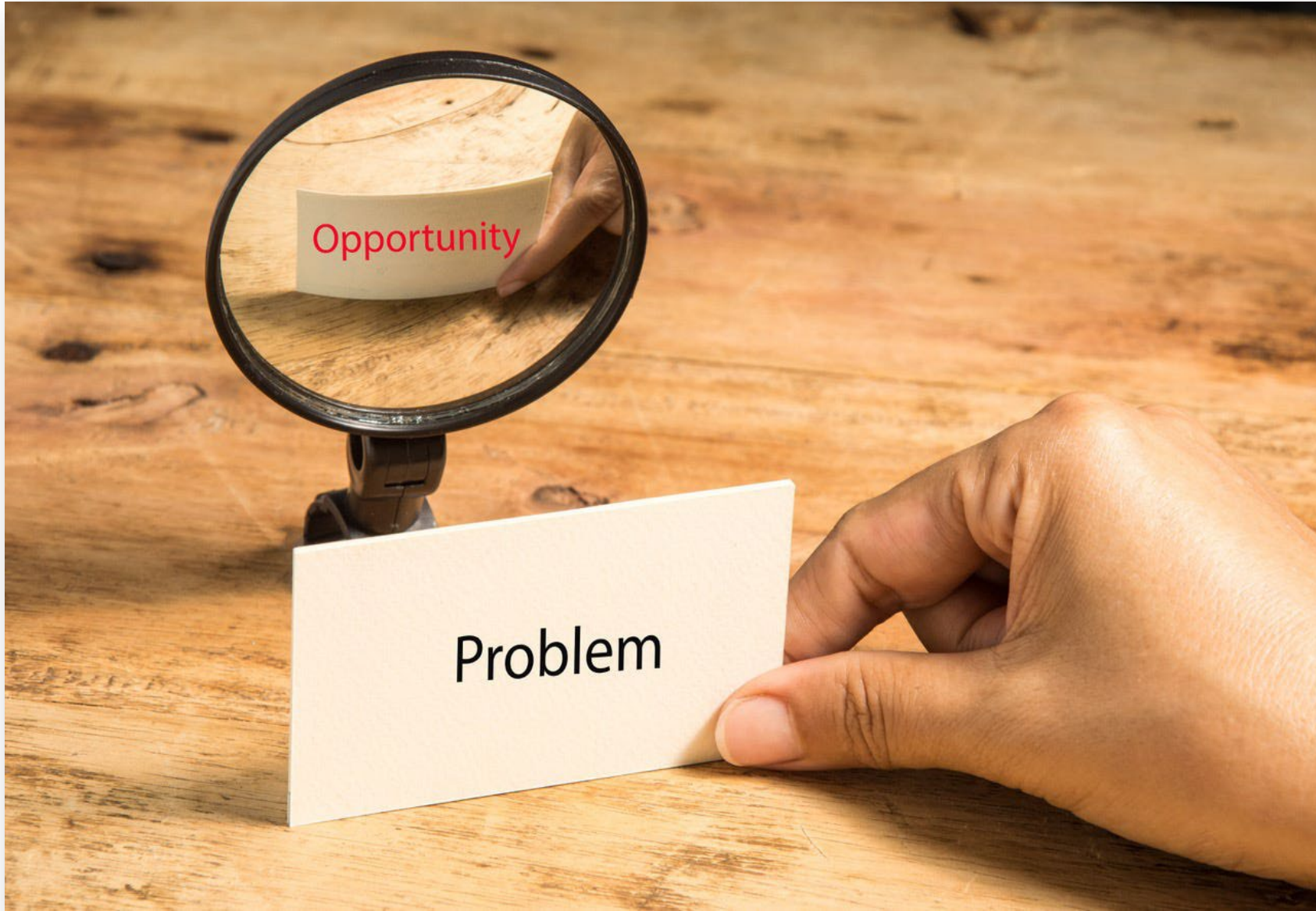


The 2229 Main Street Advisory Task Force:

A Discussion with The Public



Public Forum
Concord, MA
November 9, 2023

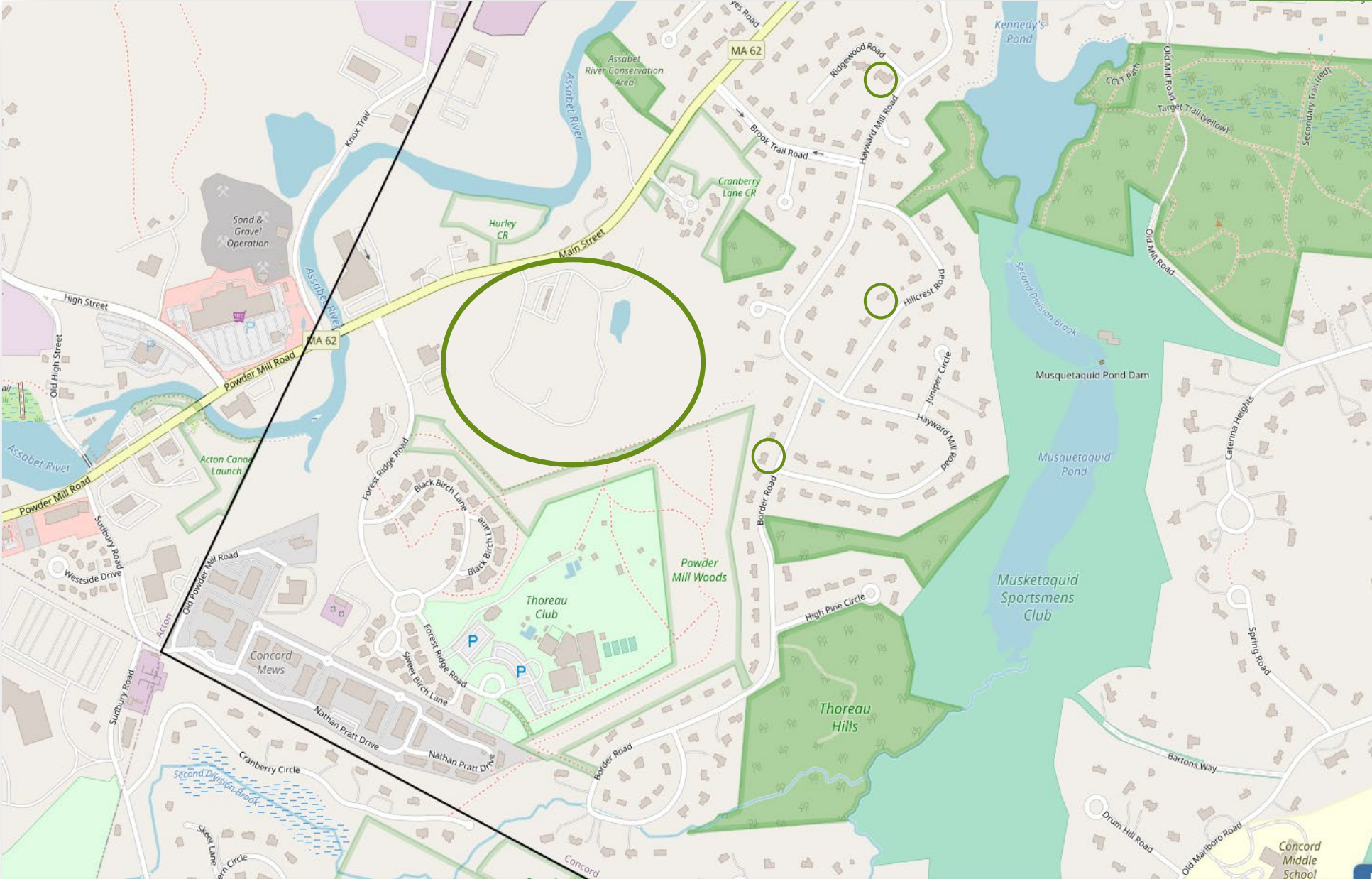


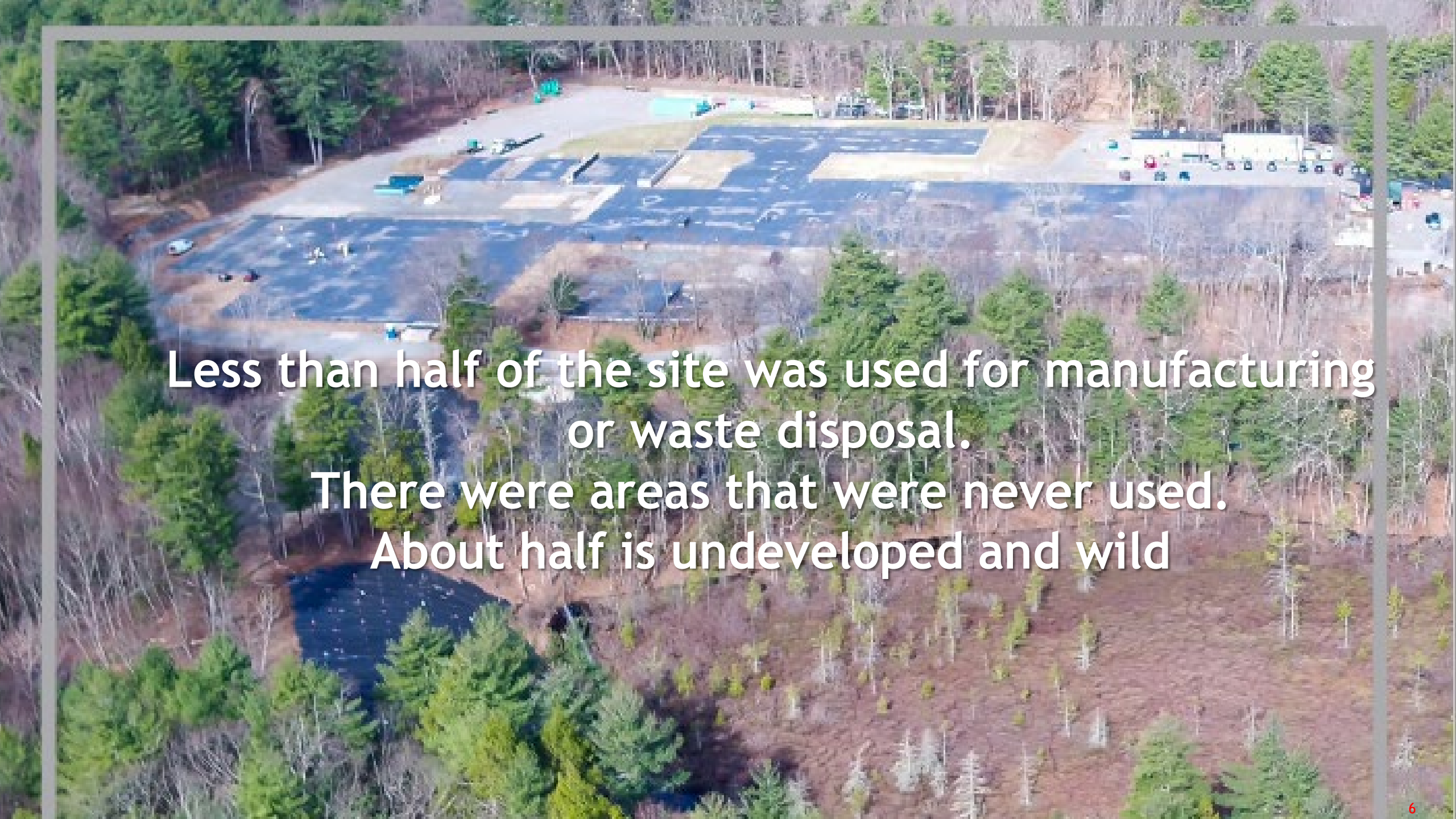
Tonight's Agenda

- ▶ About the Site
- ▶ What has the Select Board asked the Task Force to do?
- ▶ How are we organized to accomplish our tasks?
- ▶ How will we accomplish the tasks?
- ▶ **Public input**
 - ▶ Questions
 - ▶ Suggestions
 - ▶ Concerns
 - ▶ Advice



Location and Surrounding Properties



An aerial photograph of an industrial site. The site features a large, rectangular paved area, likely a parking lot or storage yard, with several vehicles and trailers parked. The paved area is surrounded by a dense forest of trees, some of which are bare, suggesting a late autumn or winter setting. The overall scene depicts a large, mostly undeveloped industrial site.

Less than half of the site was used for manufacturing or waste disposal.
There were areas that were never used.
About half is undeveloped and wild

Unique Ecological Habitat: The Sphagnum Bog



Brief Overview of History

- ▶ 1958-2011: Site operated; manufacturing depleted uranium armaments; research on specialty metals
- ▶ 1980 - present: Extensive and ongoing investigations; many cleanup & removal actions initially overseen by MA DEP, later by EPA
- ▶ 2001: Site was designated as a “Superfund Site”
- ▶ 2001-2011: Additional cleanup actions
- ▶ 2011: Site abandoned by Starmet
- ▶ 2014: Intensive site investigations completed as part of the Superfund Program
- ▶ 2015: EPA’s Record of Decision (ROD) set rigorous cleanup goals (“*residential standards*”)
- ▶ 2015: Approved Town Warrant authorizing the Select Board to acquire site

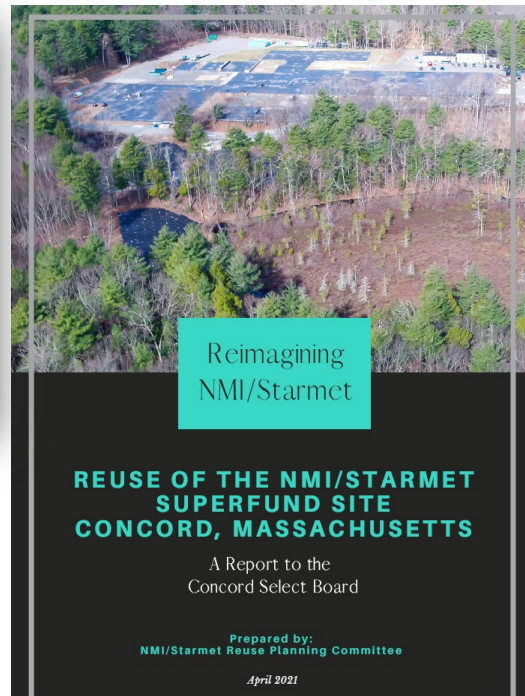
Special Town Meeting, Article 2. Authorized the Select Board to take by eminent domain...for municipal purposes including residential housing, the property at 2229 Main Street...that the property will be cleaned up to a residential standard...such purposes to commence following the completion of all components of ongoing work by the U.S. EPA...provided that prior to such acquisition the Select Board shall hold a public hearing at which time the specific terms and conditions shall be disclosed and discussed publicly.

1,336
Superfund
sites
nationwide

31
Massachusetts

Brief Overview of History (cont'd)

- ▶ 2019: Consent Decree filed by USDOJ, securing funding and binding responsible/settling parties to meet strict, low level, cleanup goals (*residential standards*)
- ▶ 2021: Report issued by Town committee on reuse options
- ▶ May 2023: 9-member Advisory Task Force begins work



More than \$250 million
to be spent for cleanup
at the site

Who is Responsible for Cleanup Costs?

98%



2%

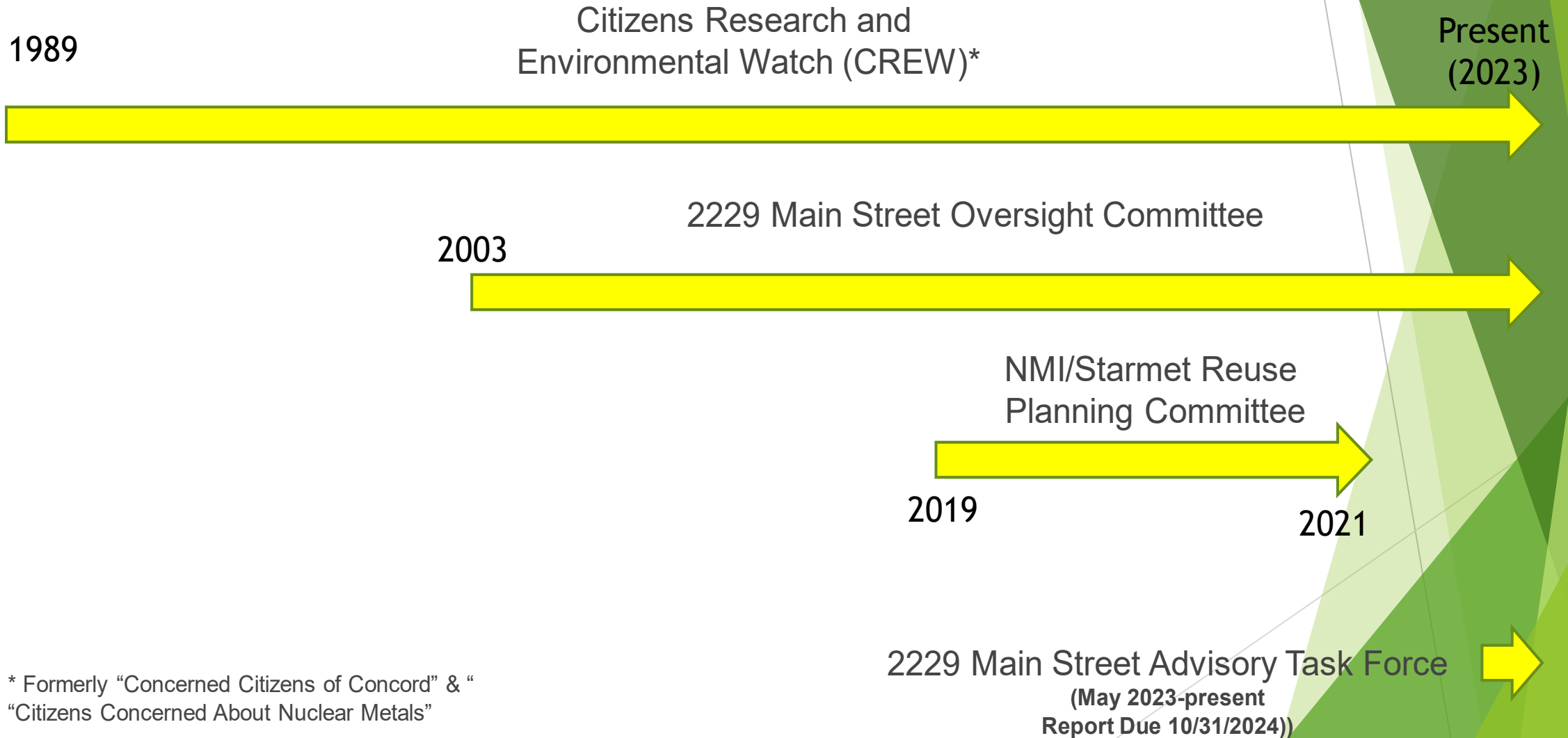
TEXTRON
Whittaker

Multi-phase cleanup includes:

- *Removal of flammables*
- *Demolition of buildings and removal of their contents*
- *Soil excavation (more than 85,000 CY) and replacement*
- *Onsite and offsite groundwater treatment*
- *Isolation of "Holding Basin" wastes*
- *Ongoing investigations*

Clean-up work scheduled to be complete and ready for reuse in 2028
EPA's and Responsible Party obligations do not end with cleanup!

Town and Citizen Involvement



* Formerly “Concerned Citizens of Concord” & “Citizens Concerned About Nuclear Metals”

2021 NMI/Starmet Reuse Committee Report Suggested Many Possible Uses

Figure E-1. NMI/Starmet Site "Master Plan" reuse concept



Multiple Integrated Uses: Reuse should address multiple community needs.



Environmental Stewardship: Reuse should be sustainable and preserve environmental assets, be carbon-neutral, and improve landscape resilience.



Fiscal Sustainability: Find creative way to fund reuse.

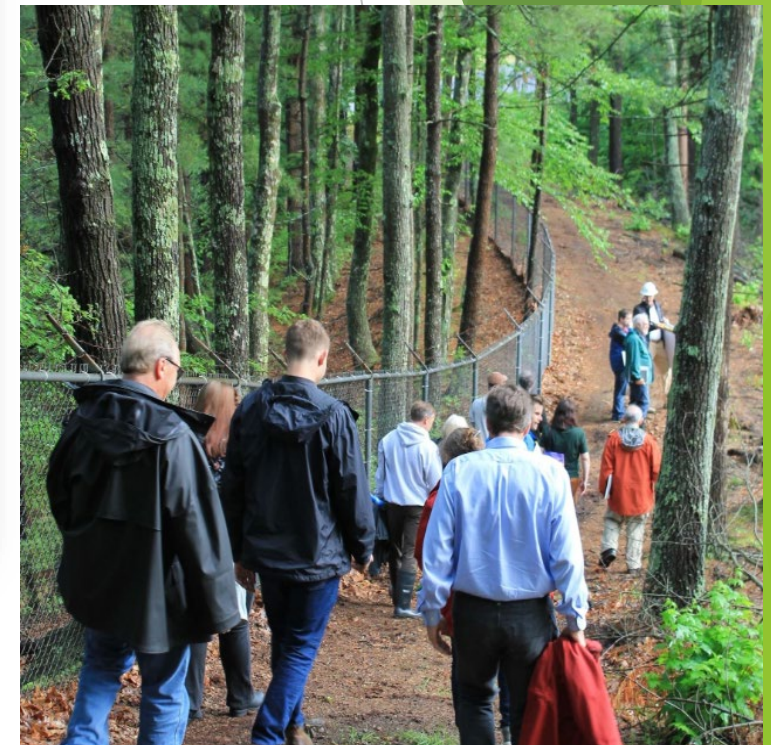
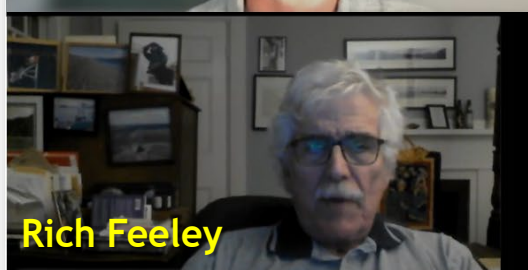


Community synergy: Strengthen the community and our relationships with neighboring towns. Offer opportunities for people from diverse social groups to interact, and provide access to local neighborhoods.

Examples

- Passive and active recreation
- Housing
- Community Center
- Energy Production
- Commercial/municipal offices
- Retail
- Others...

The Task Force and Its Work



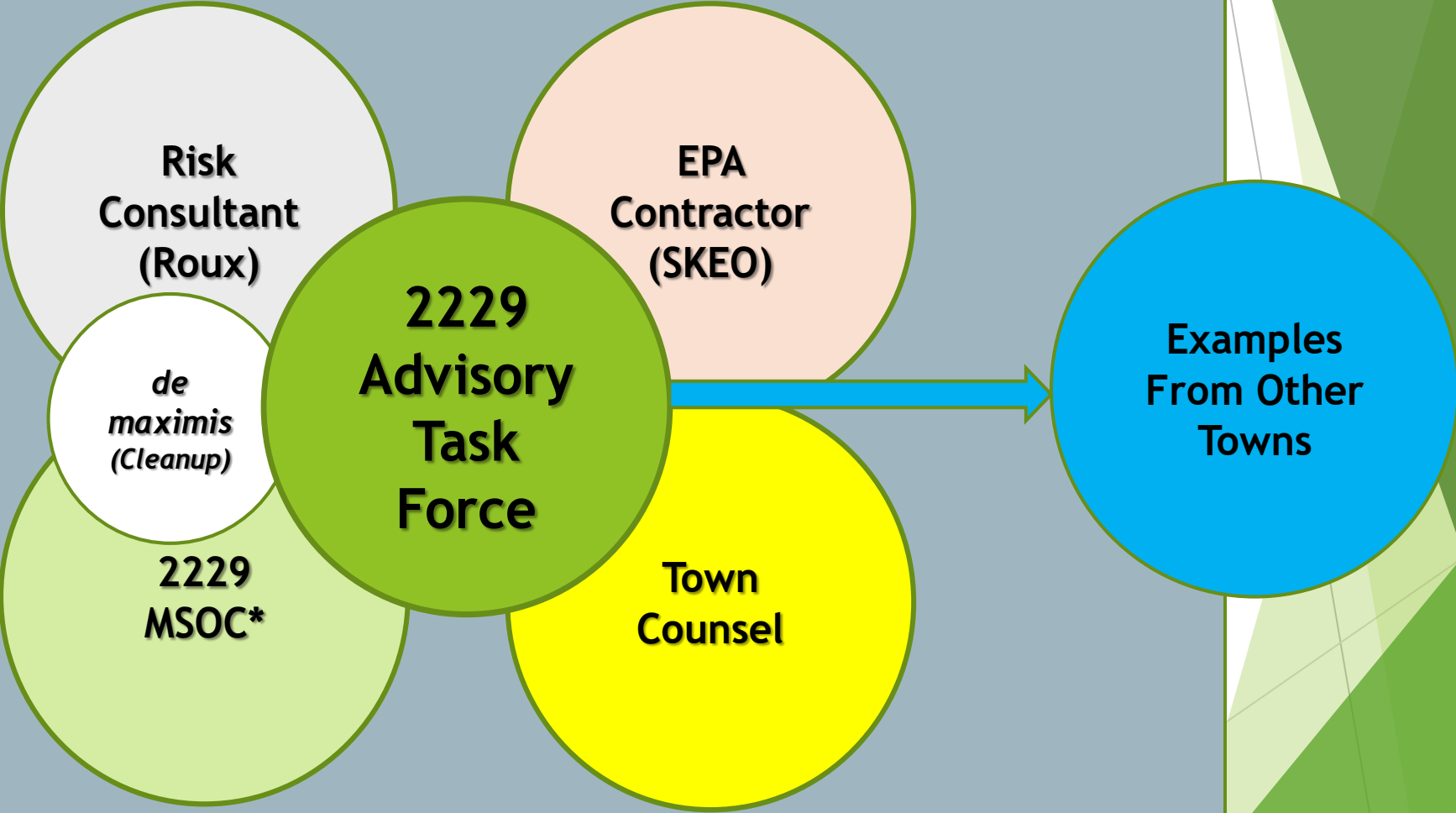
Select Board Developed a “Charge” for the Task Force - March 2023

- ▶ *“The purpose of the 2229 Main Street Advisory Task Force is to recommend to the Select Board whether the Town should acquire the property at 2229 Main Street.*
- ▶ *Would this be a sensible business decision and, if so, how, when and under what conditions should the Town acquire it?*
- ▶ *...the 2015 Town Meeting authorized this acquisition for a future time if and when the Select Board votes to do so.*
- ▶ *In making this decision the Task Force and the Select Board will need to consider potential uses for the site, as well as potential risk, liability, timing, costs, institutional controls, liens, and other legal matters.*
- ▶ *The job of the Task Force is to thoroughly research these matters, seek public input, and then make recommendations to the Select Board.”*

**Report Due
October 31, 2024**

Key Interfaces for the Task Force

The Public, and other Stakeholders



Public Consultation - A Key Component of Our Work

- ▶ Task Force is committed to a robust program of public and municipal consultation
- ▶ Tonight is the first of several public forums
- ▶ Meetings with Town departments and committees are planned
- ▶ Other outreach being planned



To meet the objectives we are organized into 4 workstreams

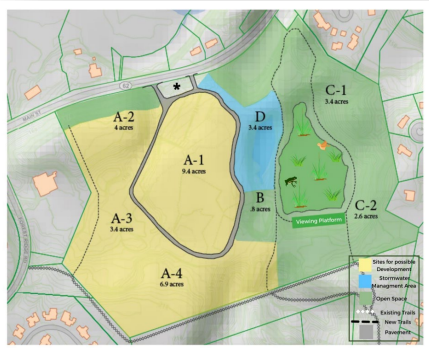
2229
Advisory
Task
Force

- ▶ Acquisition Pathway/Legal (Court Booth, Pam Hill)
 - ▶ Support of ARPA funding - Town Counsel (Mina Makarious -Anderson Krieger)
- ▶ Human Health Risk and Safety of Reuse (Kurt Herman, David Ropeik)
 - ▶ Support of MADEP Technical Assistance Grant and ARPA funding(Roux Associates)
- ▶ Reuse Options & Concept (Gary Kleiman, Rich Feeley)
 - ▶ Support of EPA's contractor (SKEO)
- ▶ Economics of Ownership & Operations (Karl Seidman, Carrie Flood)
 - ▶ Support of multiple Town Departments and others

The 4 Workstreams



Legal



Reuse



Safety and Risk



Operations & Maintenance

Legal

Who are we?

▶ Court Booth

- ▶ Northeastern University professor
- ▶ Concord School Committee member
- ▶ community educator

▶ Pam Hill

- ▶ Former US EPA attorney
- ▶ Environmental law faculty member at Boston University Law School
- ▶ Prior town service including membership on Finance Committee, Town Governance Study Committee, Light Board, and Energy Future Task Force



Legal

What we hope to accomplish?

- ▶ Determine legal implications to guide recommendation to Select Board for acquisition or non acquisition
- ▶ Determine risk mitigation strategy for Town for acquisition or non acquisition
- ▶ Considerations to include:
 - ▶ Acquisition methods
 - ▶ Property FMV
 - ▶ Potential acquisition costs (and offsets?)
 - ▶ Property Title
 - ▶ Property Liens
 - ▶ Liability management
(institutional/NAUL and engineering controls, insurance, oversight)
 - ▶ Re-use rights
 - ▶ Options other than acquisition



Legal

What questions are we going to address?

- ▶ *How could liens be resolved?*
- ▶ *What acquisition methods are available?*
- ▶ *What potential legal and financial liabilities, if any, follow acquisition by Town, or by private party?*
- ▶ *What protections can be put in place to manage risk exposure?*



Legal



How will we get answers?

- ▶ This workstream will focus on reports and studies to date, Town Counsel evaluation, and review of selected Superfund sites involving possible municipal acquisition
- ▶ Pros and cons, including benefits and risk factors, will accompany each aspect of potential acquisition methods and pathways that are identified

Safety and Human Health Risk

Who are we?

- ▶ **David Ropeik (Risk Communication/Public Engagement)**
 - ▶ Former Environmental Reporter, co-Founder of Society of Environmental Journalists
 - ▶ Retired Instructor in Risk Communication, Harvard School of Public Health
 - ▶ International consultant in risk communication and risk perception psychology
- ▶ **Kurt Herman (Risk and safety assessment)**
 - ▶ Principal at an environmental and risk science consulting firm
 - ▶ Member of Concord Board of Health



Safety and Human Health Risk

What we hope to accomplish?

▶ Risk Communication/Public Engagement

- ▶ Provide multiple opportunities for public input to fully understand public interest and concerns so the Task Force can incorporate these concerns and public ideas and suggestions into its research and its final report to the Select Board.

▶ Risk and safety assessment

- ▶ Help explain the Superfund risk assessment process and how that process ties in with the remediation approach at the Site
- ▶ Evaluate and communicate post-remediation risks and safety of various potential Site uses (e.g., recreational, commercial, residential)



Safety and Human Health Risk

What questions are we going to address?

- ▶ Risk Communication/Public Engagement
 - ▶ *What do people and businesses want to know about the site and it's potential future.*
 - ▶ *What are the public's suggestions and ideas for how the Task Force answers its key questions as it fulfills its charge to the Select Board.*
- ▶ Risk assessment
 - ▶ *Will the remedy be protective for the contemplated future site uses?*
 - ▶ *After cleanup to "residential standards," will there be risks to human health associated with various areas of the site, if any?*
 - ▶ *After cleanup, what limitations (if any) are needed to ensure protectiveness?*



Safety and Human Health Risk

How will we get answers?

- ▶ Risk Communication/Public Engagement
 - ▶ Outreach to individuals and businesses to ask them for their input.
 - ▶ Speaking/presentations to groups and organizations.
 - ▶ Public meetings at which individuals and businesses can offer their input.
 - ▶ Provide contact information for the Task Force to enable individuals and businesses to offer their input.
- ▶ Risk and safety assessment
 - ▶ Rely on extensive work performed to-date (agencies, contractors, town, community groups)
 - ▶ Work with an outside consultant (Roux) to evaluate post-remediation risks associated with various potential Site uses for different areas of the Site



Reuse

Who are we?

▶ Gary Kleiman

- ▶ Former Co Chair, NMI/Starmet Reuse Planning Committee
- ▶ Former Chair, Concord Planning Board
- ▶ Member, Concord Natural Resources Committee

▶ Rich Feeley

- ▶ Worked in Mass State Government (Welfare, Public Health)
- ▶ President, Concord Housing Foundation
- ▶ Member, Concord Municipal Affordable Housing Trust



Reuse

What we hope to accomplish?

- ▶ Recommend one or more potential uses that are:
 - ▶ Appropriate for the site and parts thereof
 - ▶ For which need or demand is clearly established
 - ▶ Which are economically, legally and technically feasible



Reuse

What questions are we going to address?

- ▶ *What uses of the site are?*
 - ▶ *Economically feasible*
 - ▶ *Suitable for the site and adherence to site restrictions*
- ▶ *What use/uses meet the Town's highest needs/priorities?*
- ▶ *Are multiple uses of the site possible?*
- ▶ *Suggest a package of priority uses for the site that zoning should accommodate*



Reuse

How will we get answers?

- ▶ Review existing or upcoming planning documents (e.g.,
 - ▶ Recreation Plan
 - ▶ Envision Concord
 - ▶ Transportation Plan
 - ▶ Housing Production Plan
- ▶ Discussions with:
 - ▶ Interested Town Agencies and Committees
 - ▶ Private developers with experience with similar sites
 - ▶ Key State agencies (Mass Development)
 - ▶ Towns that have decided to acquire or not acquire similar sites
- ▶ Input from public meetings



Ownership/Operations

Who are we?

▶ Karl Seidman

- ▶ Planning, real estate and economic development consultant
- ▶ Taught development finance and economic development planning at MIT for 25 years
- ▶ Part of consultant team for Envision Concord comprehensive plan
- ▶ Member of the NMI/Starmet Reuse Planning Committee

▶ Carrie Flood

- ▶ Employed at Mass Audubon, 2014-present, currently Operations Manager for its Metro West Region
- ▶ Managing Director, Umbrella Center for the Arts, 2003-2013
- ▶ Worked at NMI/Starmet, 1979-2001, most of that time as Production Control Manager
- ▶ Town Service, 1989 - present, Select Board, Finance Committee, Assessors, rep to Minuteman Technical Vocational High School Committee



Ownership/Operations



What we hope to accomplish?

- ▶ Understand operational needs and costs related to controls to protect clean-up remedies (“institutional controls”)
- ▶ Understand financial impacts and obligations with site reuse and Town ownership
- ▶ Identify financing options and resources for reuse

Ownership/Operations



What questions are we going to address?

- ▶ *What are the Town's obligations and responsibilities related to management of the site*
- ▶ *What new Town operations are needed? What will they cost?*
- ▶ *What new Town capital costs may be needed for site reuse?*
- ▶ *How do these costs vary with and without Town ownership of the site?*
- ▶ *What are Town revenue and financing options to address these costs?*
- ▶ *Are there any relevant partnership models with private parties?*

Ownership/Operations

How will we get answers?

- ▶ Interviews/information collection from other communities with superfund reuse experience
- ▶ Input from SKEO (EPA Contractor) and Town Counsel
- ▶ Information from Town Departments
- ▶ Financial analysis and research on revenue/funding sources by Task Force members



The Future



Thank you!

Questions?
Suggestions?
Email the TaskForce:

2229TaskForce@concordma.gov

Review the website:

<https://concordma.gov/3308/2229-Main-Street-Advisory-Task-Force>



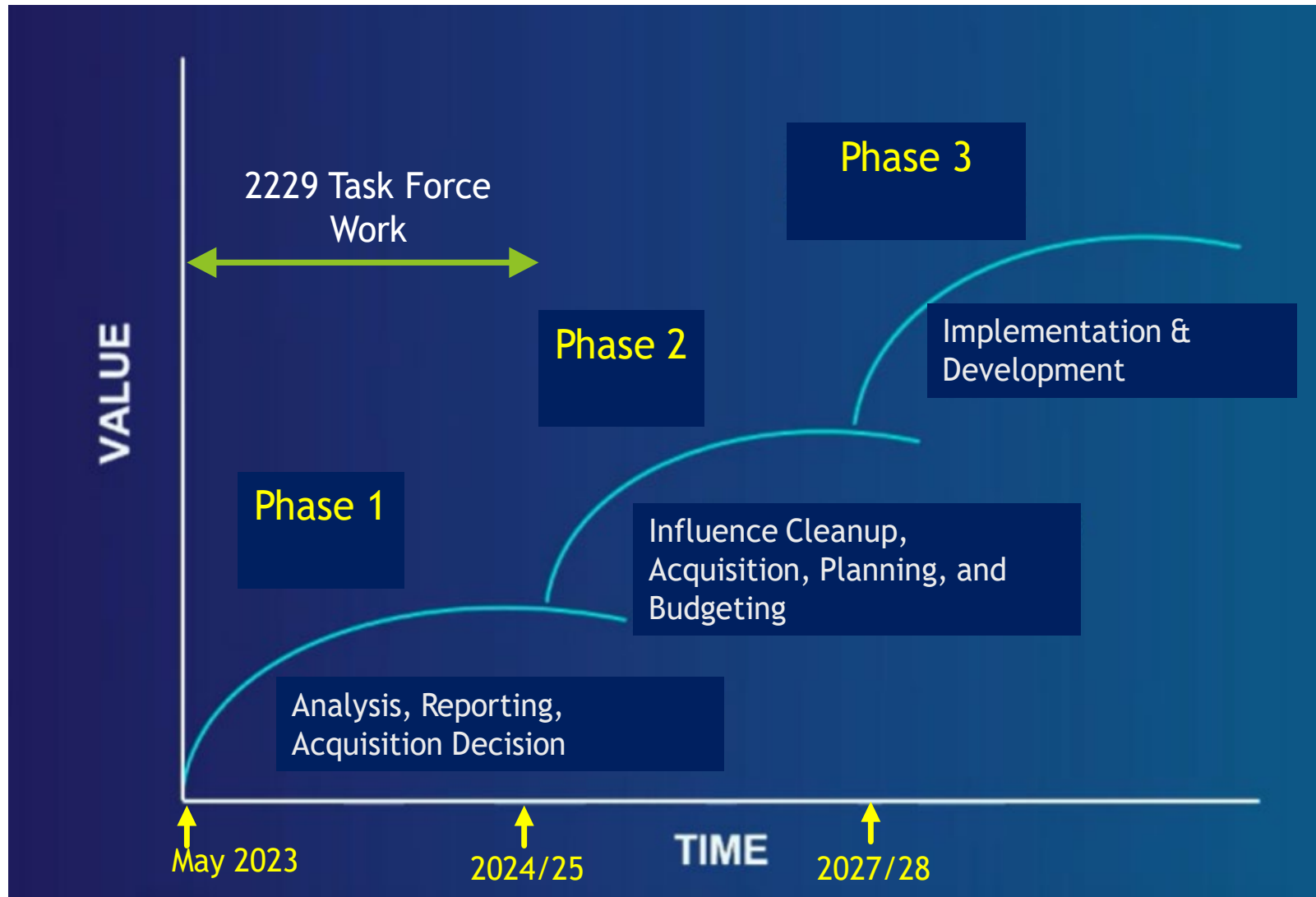
Extra Slides

Task Force Chair

▶ Paul D. Boehm, Ph.D

- ▶ Environmental scientist/consultant (47 years)
 - ▶ Arthur D. Little
 - ▶ Battelle Memorial Institute
 - ▶ Exponent
- ▶ Worked on major oil spills around the world (*Exxon Valdez; Deepwater Horizon; etc.*)
- ▶ Multiple Superfund projects in the U.S.
- ▶ Prior member of 2229 Main Street Oversight Committee
- ▶ Prior Co-Chair NMI/Starmet Reuse Committee
- ▶ Community Preservation Committee (Current)
- ▶ Recreation Commission (Current)

2229 Main Street Property Decision & Planning Phases



Remediation Summary



- ▶ Operations at NMI/Starmet ended in 2011
- ▶ Site cleanup actively underway
- ▶ On-property and off-property risks being addressed through multi-phase remediation
- ▶ Clean-up work scheduled to be complete in 2028
- ▶ Site work being overseen by EPA, MassDEP, Concord community groups

"Residential use"

- ▶ Children/adults live at the Site
- ▶ 30 year duration
- ▶ Spend time indoors and outdoors
- ▶ Different routes of exposure
 - ▶ Incidental soil ingestion during time spent outside (e.g., yard work, playing sports)
 - ▶ Drinking groundwater (will be prohibited at the Site until groundwater plume is cleaned up)
 - ▶ Gardening, eating produce
 - ▶ Wading in water bodies



Concord Finance Committee
AGENDA ACTION REQUEST

April 25, 2024

6

Finance Committee

Year-End Review

Requested by: FC Chair

Action Sought: to provide update

Proposed Motion(s)

None anticipated.

Additional Information

The Finance Committee Chair Parashar Patel has requested this agenda item. Additional information is not available at this time but will be sent out separately and the packet will be updated to include this information.

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>

A photograph of a wooden bridge with a stone abutment and a statue on top, set against a background of trees. The bridge is made of light-colored wood and has a curved railing. The stone abutment is made of large, dark grey stones. A statue of a person is perched on the top of the abutment. The background shows a line of trees with green and yellow leaves, suggesting a park or a scenic area. The overall scene is bright and clear.

Finance Committee Work Plan 2023-24

Concord, Massachusetts

April 25, 2024

The Finance Committee will **emphasize open communication** with town residents and committees to **ensure our priorities of revenue growth and capital planning** are reflected in key town and school initiatives

Concord Finance Committee 2023-24 Priorities



Sustainable revenue growth



Capital planning and spend



Outreach and communications

FinCom-identified key town and school initiatives and areas of opportunity

		Revenue	Capital planning
1	Concord Public Schools Strategic Plan	✓	✓
2	Town Strategic Plan	✓	✓
3	Middle School Building Project		✓
4	2229 Main Street	✓	✓
5	Recreation Department Strategy	✓	✓
6	250 th Anniversary Celebration		

Finance Committee Work Plan 2023-24: Areas of Focus

Area of Focus	Deliverable / Objective	Start	End	Status
Sustainable Town revenue growth	<ul style="list-style-type: none"> Encourage Select Board (SB), School Committees (SCs), others to develop new sources of sustainable growth <input type="checkbox"/> Increase use of payments-in-lieu of taxes (PILOTs) <input type="checkbox"/> Zoning changes to encourage revenue generating development <input type="checkbox"/> Reassess user fee structures and amounts at Town and Schools <input type="checkbox"/> Review and update Town rental agreements <input type="checkbox"/> Review and change Town processes that inhibit new business development 	Jun-23	May-24	<ul style="list-style-type: none"> School letter sent 9/7 Select Board letter sent 9/7 Spotlight in FC report
Capital planning and spend	<ul style="list-style-type: none"> Better understand current Town and Schools' capital plans and processes Provide input on Tier 1 and Tier 2 capital items to Town and Schools Ask for integrated five-year plans by December 1, 2023 	Jun-23	Dec-23	<ul style="list-style-type: none"> Plan presented (11/14) Feedback by 11/30 Encouraged reconsideration of restroom building in context of other needs
Outreach/communications on FC	<ul style="list-style-type: none"> Develop communications strategy and tactics Proactively communicate major FC information & decisions to residents aligned with communications strategy and tactics 	Jun-23	May-24	<ul style="list-style-type: none"> Plan approved Website redesigned Periodic updates to Concord Bridge Regular stories in the Bridge Op/ed based on FC report
CPS strategic plan	<ul style="list-style-type: none"> Ask School Committees (SCs) for periodic updates Encourage FY 25 budget requests be "connected" to strategic plan 	Jul-23	May-24	<ul style="list-style-type: none"> Five-year capital plan available for FY 26 process
Town strategic plan	<ul style="list-style-type: none"> Encourage Town to develop robust five-year strategic plan Provide input to strategic plan 	Jul-23	TBD	<ul style="list-style-type: none"> No progress
Middle School Building project	<ul style="list-style-type: none"> Keep abreast of budget vs actual costs and budget impact of committee decisions 	23-Jul	May-24	<ul style="list-style-type: none"> Updates provided periodically

Met objectives

Mixed

Did not meet objectives

Finance Committee Work Plan 2023-24: Town & School Initiatives

Other Areas	Deliverable / Objective	Start	End	Status
Include in existing areas of focus and work product				
2229 Main Street	<ul style="list-style-type: none"> Encourage revenue-oriented approaches to site development/use Provide input to draft recommendations 	Oct-23	May-24	<ul style="list-style-type: none"> K. Cucolo named liaison
Recreation Department strategy	<ul style="list-style-type: none"> Understand budget impacts of strategy Ensure Town capital plan incorporates potential capital projects Incorporate those impacts into five-year forecasts 	TBD	TBD	
250th Anniversary celebrations	<ul style="list-style-type: none"> Encourage use of state and private funds such that Town is not required to appropriate funds in FYs 2025 nor 2026 If necessary, estimate impact to taxpayers in 2024 Annual Report 	Jul-23	May-24	<ul style="list-style-type: none"> Letter sent 9/7
CPS & CCHS union contracts	<ul style="list-style-type: none"> Provide estimate of tax impact of changes in collective bargaining agreements to CPS and CCHSRSD Committees Incorporate several potential scenarios into five-year cost projections Incorporate impact of final provisions into FC Annual Report projections 	Sep-23	Apr-23	<ul style="list-style-type: none"> No estimate to avoid perception of bad faith negotiations
Improve Guideline process	<ul style="list-style-type: none"> Guidelines Chair and Vice-Chair will review process to permit additional time for consideration of final guidelines 	Jul-23	Oct-23	<ul style="list-style-type: none"> Used single guideline
Improve Annual Report	<ul style="list-style-type: none"> Show total impact of articles on taxes 			<ul style="list-style-type: none"> Presentation at each public hearing on impact for each article Report did not include article-by-article impact
Benefit spending	<ul style="list-style-type: none"> Encourage Town and Schools to separately track benefit spending for Town and non-teacher School employees 	Jul-23	TBD	

Met objectives

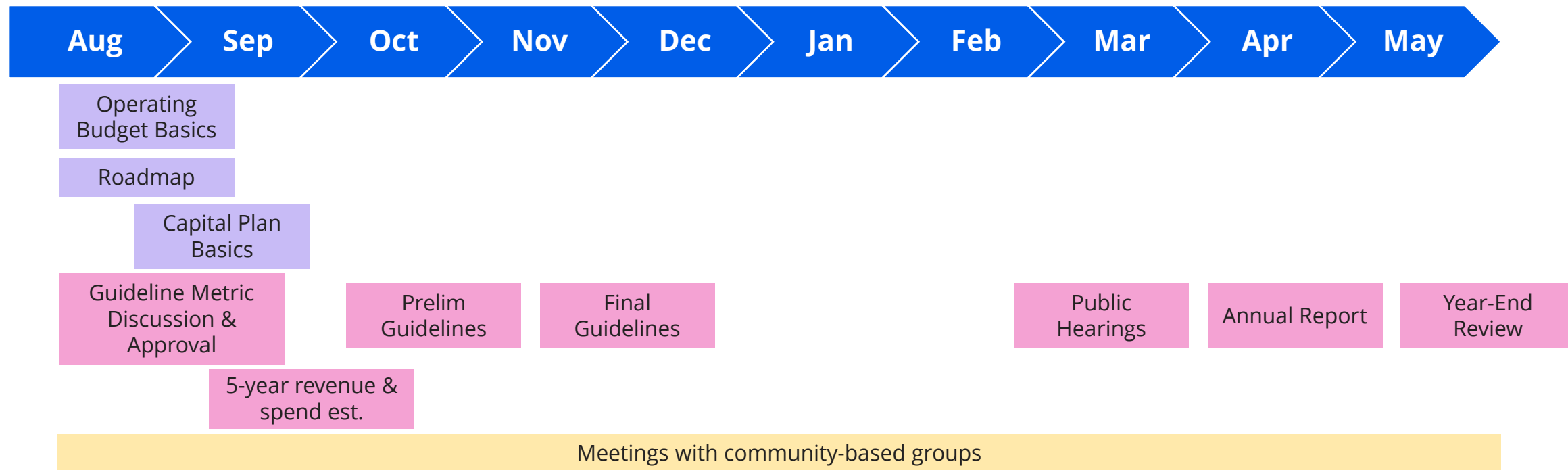
Mixed

Did not meet objectives

Finance Committee Communications Task Force

Communications Cadence

Communications Cadence



"Fact Sheets" (purple box) Informational Releases (pink box) Community-based Outreach (yellow box)

Potential Topics for “Fact Sheets”

- Finance Committee mission, etc. (Dee)
- Roadmap of major meetings, milestones to ATM (Parashar)
- Town’s Financial Picture (Dee)
 - Sources and uses
 - Bond rating
 - Levy limit...when might we need vote for override
- Operating budget basics (Volunteer needed)
 - Spending “buckets”: guideline spending, spending not subject to guidelines...what is the share for Town and Schools
 - Major categories of operating spending:
 - By department (e.g., Public Safety, DPW, Parks, etc.)
 - By spending types (FTEs, services/goods, interest payment)
- Capital plan basics (Volunteer needed)
 - Definition of “capital spending”
 - Tiers used by Concord
 - Excluded debt borrowing, etc.
- Debt (Volunteer needed)
 - Current state of debt
 - Potential future projects and borrowing
- Metrics used to set guidelines (Lois/Lyndsey)
 - Why?
 - How?
 - Sources?, etc.

Leads & Next Steps

Item	Leads	Comments
Informational Releases	<ul style="list-style-type: none">• GL Clerk• GL and FC Chairs approve	<ul style="list-style-type: none">• Posted on FC website• Sent to Concord Bridge• Distribution through Town Manager's weekly email?• Set up FC Distribution through Town website
Community Outreach	<ul style="list-style-type: none">• TBD based on group/club	<ul style="list-style-type: none">• Members to send suggestions to Dee Ortner



Concord Finance Committee
AGENDA ACTION REQUEST

April 25, 2024

7

Correspondence

Mail, letters, emails, presentation, etc.

Requested by: Chief Financial Officer

Action Sought: to provide update

Proposed Motion(s)

None anticipated.

Additional Information

Since the last Finance Committee meeting on March 28th, the Finance Committee received a memorandum from Superintendent Hunter regarding the FY25 CCRSD Budget. On April 10, Chair Patel responded to Dr. Hunter's memorandum. Both memorandums are attached following this cover page for your review.

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>



Town of Concord
Finance Committee
22 Monument Square
P.O. Box 535
Concord, Massachusetts 01742

To: Dr. Laurie Hunter, Superintendent

From: Parashar Patel, Chair, Concord Finance Committee

Cc: Concord Finance Committee
Anthony Ansaldi, Chief Financial Officer
Kerry Lafleur, Town Manager
Concord-Carlisle Regional School District Committee
Carlisle Finance Committee
Henry Dane, Chair, Concord Select Board

Date: April 10, 2024

Re: Fiscal Year 2025 CCRSD Budget

Dear Superintendent Hunter,

Thank you for your letter regarding the Fiscal Year (FY) 2025 budget for the Concord-Carlisle Regional School District (CCRSD).

In the spirit of ensuring all facts are accurate and clear, please note that the Finance Committee (FC) did not vote "No Action" on the CCRSD budget (Article 20). We voted to make a motion at the Annual Town Meeting to recommend "Affirmative Action" at the FC guideline amount.

We appreciate the effort by you, School leadership, the School Committee, the Town Manager, Town leadership, and the Select Board in developing your respective budgets. And we appreciate that the Concord Public School and Town FY 25 budgets met the FC guideline amounts.

With respect to the concerns expressed in your letter, while I believe many of the issues are best discussed in person, I hope to address some of them below.

"The FY25 CPS budget is at guideline. The CPS Capital plan was reduced from \$900,000 to \$446,000. The CCRSC amenities building warrant article was withdrawn at my recommendation." The Finance Committee weighs the merits of each article individually. We voted to recommend affirmative action on the Concord Public School operating and capital budget articles, and the sense of the FC is that the withdrawal of the "amenities" building article was the right approach. However, none of this is relevant to the CCRSD operating budget article.

"All compromises have been made only by the schools." The Finance Committee has consistently stated in our reports and meetings over many years that we balance a number of priorities and factors when setting guidelines. We believe the statement that only the schools have made compromises ignores the difficult choices the Finance Committee makes when setting guidelines and the Town makes when developing the Town budget.

“Previously, the CFC guideline would factor in these [fixed costs] variables and adjust the guideline to compensate.” This statement implies that we did not consider these variables.... As noted above, in our guideline process we look at a number of factors. For example, we increased CPS and CCRSD guidelines during the pandemic to account for unforeseen costs while decreasing Town guidelines to moderate the impact on property taxes.

“In listening to the recent CFC deliberations, references to the information provided are rare. I would appreciate future guidance on whether the context in which we build the budget will be considered in the guideline process. In fact, at one meeting this winter, I arrived ready to present and answer questions. Instead, the meeting opened with a presentation that had not been shared before the meeting and set a tone of irresponsible spending and declining performance of the schools. Conclusions had apparently already been made.” We carefully consider the information provided to us by the Town, CPS and CCRSD. While we may not cite specific information presented, our role has been to set overall guidelines rather than micromanage specific proposed line items. With respect to the data presented in February, the presentation ended with questions for all of us involved in the budget process and most importantly, for residents. The Finance Committee has always invited input and data from the Town, Schools, and the public. We welcome your perspective on these and other questions.

“...one comment was pulled out of context in the FY24 Finance Committee Report to make it appear that I expected to bring 4% budget increases in the future.” The exact quote in the FY 24 report was “four percent is probably likely in the coming years”. The statement last year was not definitive, and neither was the discussion in the FY24 annual report. When the FC started asking the Schools and the Town for 5-year projections several years ago we were very clear that we recognize projections may change and subsequent budget requests may be slightly higher or lower than projected the prior year. We also made clear that the Schools and the Town would not be held to the projections given that circumstances change over time. At the same time, reasonably accurate projections will improve planning and give residents a better sense of expected future tax impacts. We continue to believe this is the case.

We thank you for the information regarding how you propose closing the gap between the FC guideline amount and the proposed budget. As noted above and consistent with our long-standing policy, we leave the specific changes to your discretion and that of the School Committee.

Sincerely,



Parashar Patel
Chair
Concord Finance Committee

**CONCORD PUBLIC SCHOOLS
CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**

120 MERIAM ROAD CONCORD, MA 01742 PHONE: 978.318.1500 FAX: 978.318.1537
www.concordps.org

Dr. Laurie Hunter
SUPERINTENDENT OF SCHOOLS
lhunter@concordps.org

To: Concord Carlisle Regional School Committee
 Concord Finance Committee
Cc: Anthony Ansaldi, Concord Finance Director
 Kerry LaFleur, Concord Town Manager
 Carlisle Finance Committee
From: Dr. Laurie Hunter, Superintendent
Re: FY25 CCRSD Budget
Date: April 4, 2024

I write to provide an overview of the FY25 Concord Carlisle Regional School District (CCRSD) budget status. Given that the Concord Finance Committee (CFC) voted No Action on the CCRSD budget on March 30, 2024, in a 10-1 vote, and the resulting lack of alignment with the approved Concord Carlisle Regional School Committee (CCRSC) budget going into the 2025 Annual Town Meeting, all of the facts must be accurate and clear.

Budget Process and Factors

As has been explained on multiple occasions, the budget is built from the bottom up. This is done at every level and in every category. From the outset, it results in a lean budget that aims to reduce costs to offset increases.

Bringing a 3.08% operational increase was a tremendous task in FY25. Costs are increasing in essentially every category, including salaries, utilities, insurance, workers' compensation, special education, facilities and maintenance, and materials. It is worth noting that the CFC guideline does not appropriately provide sufficient funds to cover the known contractual obligations going into the budget process.

All aspects of the budget are reviewed, including enrollment. The enrollment decline allowed three FTEs to be reduced (one math teacher, two special education teachers). To realize FTE savings in a high school schedule, we must review every section, class size, and course offering. The math teacher reduction was made after the initial budget presentation due to ongoing review and the goal of getting closer to the CFC guideline. Several retirements are also assumed to reduce costs. The FY25 budget reductions offset teacher salary increases by only 1.3%. In addition, four full-time tutors were reduced during the budget build.

The intensive in-district special education programs currently serve almost 40 students who would have gone out of district. The budget accounts for current out-of-district placements for students' needs more significant than those in the intensive programs. Students from other districts are now tuitioning in,

resulting in revenue. Circuit breaker (special education state subsidy) is used to manage unexpected additions. In FY24, it is anticipated that between \$300,000-\$400,000 of circuit breaker will be expended. All unbudgeted placements will draw from circuit breaker in FY25.

Schools must manage ongoing mandates and regulations. In July of 2023, an extensive overview of the many mandates and related fiscal outcomes was shared. The mandates are the foundation of the budget. The emergency shelter students have not impacted the CCRSD budget, given healthy state subsidies.

The region's operating budget includes revenue incomes. Currently, \$300,000 has been a standing revenue drawn from the Excess and Deficiency (E and D) Fund. Other revenues primarily come from state aid. The budget understates the state aid number by \$84,000 based on current state projections.

E and D is the region's stabilization fund akin to free cash at the town level. State law allows for up to 5% of the operating budget. While recent amounts have been almost 5%, CCRSD now faces \$395,000 in insurance run-off costs due to a transition in the group provider. This brings E and D to 3.8%.

Concord's assessment is increased by \$55,000 in FY25 due to the student enrollment shift where additional Concord students and few Carlisle students attend CCHS. This is not an operational increase and should be considered a fixed cost outside of guideline.

All COVID ESSER funds are allocated and must be spent by September 30, 2024. The only position funded within those over the years has now been absorbed.

The delta currently between the CFC guideline and the approved budget is \$120,582. These will be applied to the regional formula, and reductions will be made to Carlisle's assessment because the total amount must be proportional to the overall assessment. The total required budget reduction is thus \$157,789.

Other Local Budget Comparables

FY25 is proving to be a challenging budget year in many districts, including some that are regularly considered our peers. Below, it is shown that the average increase this year is 4.85%.

	% FY24 to FY25
Acton Boxborough*	7.68
Bedford	6.1
Lexington	4.29
Lincoln Sudbury	3.4
Needham	6.01
Newton	3.68
Wayland	4.94
Wellesley	3.37
Westford*	5.81
Weston	3.31
*override needed	4.859

Concerns

In FY24, the Concord Public School (CPS) budget required funds beyond the guideline. For FY25, my administrative team worked diligently to bring responsible budgets that met student needs. In this environment, I was proud to bring budgets that met both the school and community needs. I looked forward to a budget season of collaboration and shared purpose.

The FY25 CPS budget is at guideline. The CPS Capital plan was reduced from \$900,000 to \$446,000. The CCRSC amenities building warrant article was withdrawn at my recommendation. All compromises have been made only by the schools.

CCRSB is beginning to tap its reserves to bring reasonable budget numbers, including the 3.08% in FY25. In 2018, we were cited by Moody's for E and D being under 3% and a lack of any circuit breaker funds for special education. I grow more concerned that we are beginning a path to return to this direction.

The CCHS guideline includes fixed costs not included in the Town's guideline. The resulting impact is that items such as health insurance increases of over 10% need to be negated within the increase. Previously, the CFC guideline would factor in these variables and adjust the guideline to compensate.

I met with the CFC at least six times between July and February. Each time, the intent was to share facts and patterns seen in the budgeting process with a goal of level service. In listening to the recent CFC deliberations, references to the information provided are rare. I would appreciate future guidance on whether the context in which we build the budget will be considered in the guideline process. In fact, at one meeting this winter, I arrived ready to present and answer questions. Instead, the meeting opened with a presentation that had not been shared before the meeting and set a tone of irresponsible spending and declining performance of the schools. Conclusions had apparently already been made. At many meetings, it has been difficult to present or respond before being interrupted. Last spring, one comment was pulled out of context in the FY24 Finance Committee Report to make it appear that I expected to bring 4% budget increases in the future. I have proven that not to be the case.

Since 2017, the CSC and CCRSC, along with my administrative team, have effectively managed well over \$500 million in school budgets and other allocations like the \$110 million new CMS. In 2017, there was no trust between the schools and town, the schools and unions, the schools and CFC, and the schools and community. We have worked tirelessly to build transparency and trust. I still regularly receive accolades from previously critical community members thanking me and my team for the change. What more needs to be done to reset the tone and process with the CFC based on the current dialogue is unclear to me.

Budget Reduction Recommendations

Given the use of reserves, risks in revenue, and lack of contingency for unbudgeted needs, I am making the following recommendation for reductions should the CCRSC approved budget not be funded. There are no options that do not touch students and programs, as we have already taken them. The recommendations and impact are as follows:

Reduction	Description	Amount
1 FTE Computer Science Teacher	Retirement not to be replaced Loss of electives and engineering certificate program requirement	\$134,330
.25 Chorus Teacher	Reduce select chorus sections	\$ 25,108
Total		\$159,438

Conclusion

The administration is very determined to collaborate with the local leaders to provide sustainable, responsible, and effective budgets for the children in the Concord schools. The hope is that the named reductions can be avoided through cooperation and mutual respect with the goal of aligning in what is best for the entire community.



Concord Finance Committee
AGENDA ACTION REQUEST

April 25, 2024

8

Minutes

Approve minutes of March 21, 2024 & April 16, 2024

Requested by: Dee Ortner, Clerk

Action Sought: Seek Approval

Proposed Motion(s)

None anticipated.

Additional Information

Attached are the Finance Committee meeting minutes from March 21, 2024, and April 16, 2024.

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>

Town of Concord
Public Hearing
Meeting of the Finance Committee
Minutes of Meeting – March 21, 2024
Hybrid Meeting

Members Present: Suresh Bhatia (remote), Kathy Cuocolo (remote), Eric Dahlberg, Don Kupka, Lyndsey Lis, Dee Ortner, Parashar Patel, Karlen Reed, Christine Reynolds, and Lois Wasoff

Members Absent: Margaret Briggs, Jon Garofalo, Greg Guarriello, Amrith Kumar, Quazi Sadruzzaman.

Others Attending: Anthony M. Ansaldi, Jr. (CFO), Kerry Lafleur (Town Manager), Elizabeth Rourke (Assistant CFO), Terri Ackerman (Select Board member), Mary Hartman (Select Board member), Carmen Reiss, Wendy Rovelli, Dean Banfield, Alan Cathcart, Gary Clayton, Fred Ryan, Nikki Andrade, Mr. Ledoux, Burtin Flint

1. Call to Order

Mr. Patel called the meeting to order at 7:02pm with a brief presentation of the budget/guidelines process used by the Finance Committee. A road map of the budget process was followed by steps undertaken by the Finance Committee throughout the year. Tonight, the enterprise funds will be discussed including the operating and debt service costs.

2. Finance Committee Annual Town Meeting Public Hearing

A.

Article 16 – Create Stormwater Enterprise Fund: Both the operating and debt service were mentioned. The process for establishing the Stormwater Enterprise fund was described. Bylaw definitions, department responsibility, fees etc. were described. The ERU is a common unit to assess the fee. The fee will be based on the need for Stormwater Management (SWM) currently targeted at \$1.5-2 Million with a preliminary needs assessment used for the year. The Outlook for next 5 years probably will increase after that due to additional needs. Currently, the department is taking funds out of other programs to meet near-term needs. Having an enterprise fund would address equity for distributing costs between rate payers and commercial landowners. Oversight management is thought to be through both the rate-payer and impervious cover (homeowner vs business). Cost will likely be incorporated in the water/sewer bill. The responsibility of the municipality (8% of total impervious area) would bare its cost as a fee.

B. Article 43 – Amend departmental Revolving Funds Bylaw

Revolving funds must be established on an annual basis. A 6th fund for ambulance services is being requested to be established. The Town is currently taking in \$900K for ambulance fees. Currently, the service is part of a consortium. Ms. Lafleur indicated that changing the structure of service would entail a considerable increase in cost. By

planning ahead during the upcoming fiscal year, the Town would be in a better position to manage the costs.

C. Article 44 – Authorize expenditure of Revolving Funds under Mass. Gen. Laws 44 § 53 E ½

The purpose of this article is to appropriate the budgets associated with each fund.

D. Article 45 – Light Plant Expenditures and Payment in Lieu of Taxes

MWH Sales has seen some fluctuation in electricity sales, which have dropped over the past two years. Transition costs are expected to increase over the years. Outreach and educating the public will be conducted to garner the public's interest in type(s) of service. This year, Capital outlay requires borrowing with anticipated borrowing of approximately \$10 million or more. Payment in lieu of taxes is \$464,500.

Telecommunications was presented in terms of broadband service with a revenue of approximately \$385,000. Forecast plan includes new hires (unspecified number) hiring as well as capital projects. With MCI closing, rates will be adjusted (\$870,000) resulting in a relatively small impact.

E. Article 46 – Solid Waste Disposal Fund Expenditures

Details of the program were described together with Fund expenses. Funds will be used for pay-as-you-go service. The average user cost in FY25 is up to \$637 compared with last year's average of \$482. The cost of recycling only is \$325 up from \$178 last year. Costs are no longer funded by the fund balance.

F. Article 47 – Sewer System Expenditures

The Sewer fund deals with general operations. Infrastructure is valued at \$18.8 million that supports 1/3 of the town's population. Total operational expenses are \$3.8M. Infiltration/Inflow (I/I) is an increasing annual need at \$248,000. The FY25 rate is anticipated to be 5% higher. Capacity has been reached in the sewer system, which is a big, future concern. The Town is looking for opportunities to increase capacity irrespective of cost!

G. Article 48 – Sewer Improvement Fund Expenditures

These expenditures are used to improve system. Currently the wastewater treatment plant needs \$675,000.

H. Article 49 – Water System Expenditures

The system valued at \$25.8M and supplies 95% of population. The town owns 134 miles of pipes and maintenance expenditures are targeted at compliance with the national Safe Drinking Water Act. Income from special services fees and other sources contribute towards system maintenance. Costs for current Cyber Security are \$5.8 million and security is a growing concern. The FY25 Capital Improvement Plan includes Meter-reading as being critically important. FY25 rates are increasing \$86/year (about +2%). Rates are set in anticipation of debt.

I. Article 50 - Authorize Expenditure from PEG Access & Cable Related Fund

Payments comes from both Carlisle and Comcast. The Town is renegotiating its contract with Comcast together with a fee paid by Carlisle. PEG Access is planning to support

the 250 Celebration and is expanding equipment in Town House. In addition, more equipment and software as well as a van to broadcast outside of theater are planned. Harvey Wheeler improvements were mentioned, which are not a big capital improvement. And, the Maker Space in Library is looking to increase equipment for borrowing.

- J. Article 51 – Beede Swim and Fitness Center Enterprise Fund Expenditures
Net income is \$127,150. Budget goals include pool space, swim lessons, flex membership options, personal training, and annual events. Personnel costs are 41% of the budget with capital outlay being 18%. Membership has increased! Capital projects require roof replacement and building improvements. The pool facility needs new pump. Highlights of Beede Shutdown were described.
- K. Article 52 – Unpaid Bills
Less than \$12K of unpaid bills are anticipated. FY24 funds will be used before Free Cash, which is neither planned nor expected to be used.
- L. Article 53 – Debt Recission
Not being moved.

3. Close the Finance Committee Annual Public Hearing

The Hearing was adjourned at 8:58pm.

4. Finance Committee Meeting

Mr. Patel opened the meeting at 9:05pm.

- A. Discuss and Potentially Vote on the Following Articles:
 - Article 16 – Create Stormwater Enterprise Fund
VOTE: Affirmative Action

 - Article 43 – Amend departmental Revolving Funds Bylaw
VOTE: Affirmative Action

 - Article 44 – Authorize expenditure of Revolving Funds under Mass. Gen. Laws 44 § 53 E ½
VOTE: Affirmative Action

 -
 - Article 45 – Light Plant Expenditures and Payment in Lieu of Taxes
VOTE: Affirmative action

 -
 - Article 46 – Solid Waste Disposal Fund Expenditures
VOTE: Affirmative action

 -
 - Article 47 – Sewer System Expenditures
VOTE: Affirmative action

 -
 - Article 48 – Sewer Improvement Fund Expenditures
VOTE: Affirmative action

-
- Article 49 – Water System Expenditures
- VOTE: Affirmative action
-
- Article 50 - Authorize Expenditure from PEG Access & Cable Related Fund
- VOTE: Affirmative action
-
- Article 51 – Beede Swim and Fitness Center Enterprise Fund Expenditures
- VOTE: Affirmative action
-
- Article 52 – Unpaid Bills
- VOTE: Affirmative action
-
- Article 53 – Debt Recission
- VOTE: Not moved
- Any Article Presented on March 7, and/or March 19, 2024

5. Correspondence – None

6. Minutes

Minutes of the March 19, 2024 meeting were unanimously approved.

7. Adjournment

Mr. Patel adjourned the meeting at 9:41pm.

YouTube: Ctrl+Click to follow link: [Concord Finance Committee March 21, 2024 \(youtube.com\)](#)

Respectfully submitted,

Dee Ortner, Finance Committee Clerk

	Article 4
<p>M. Article 16 – Create Stormwater Enterprise Fund Both the operating and debt service were mentioned. The process for establishing the SW enterprise fund was described. Bylaw definitions, department responsibility, fees etc. were described. The ERU is a common unit to assess the fee. The fee will be based on the need for STM ocurrently targeted at \$1.5-2 Million, preliminary needs assessment for the year. (Outlook for next 5 years; probably will increase after that due to additional needs.) Currently taking funds out of other programs to meet near-term needs. Having an enterprise fund, would address equity for distributing costs between rate payers and commercial landowners. Oversight through the rate-payer and impervious cover (homeowner vs business). Cost will likely be incorporated in the water/sewer bill. Municipal (8% of total impervious area) would bare that cost as a fee.</p> <p>N. Article 43 – Amend departmental Revolving Funds Bylaw Revolving funds must be established on an annual basis. A 6th fund for ambulance services is being requested to being established. Currently taking in \$900K for ambulance fees. Current service is part of a consortium. Changing the structure of service would entail a considerable increase in cost. Trying to plan ahead.</p> <p>O. Article 44 – Authorize expenditure of Revolving Funds under Mass. Gen. Laws 44 § 53 E ½ The purpose of this article is to Appropriate the budgets associated with each fund.</p> <p>P. Article 45 – Light Plant Expenditures and Payment in Lieu of Taxes MWH Sales has seen some fluctuation; electricity sales have dropped over the past two years; transition costs are expected to increase over the years. Educate the public and garner the public’s interest in type of service. Capital outlay requires borrowing this year. (\$10+M) Payment in lieu of taxes is \$464, 500. Telecommunications was presented in terms of broadband service. Revenue ~ \$385K. Forecast plan: hiring, capital projects. With MCI closing, rates will be adjusted (\$870,000) and a relatively small impact.</p> <p>Q. Article 46 – Solid Waste Disposal Fund Expenditures Funds to be used for pay-as-you-go. Details of the program were described as well as Fund expenses. Average cost in FY25 = \$637 (from \$482). Recycling only = \$325 (from \$178) (No longer funded by the fund balance.)</p> <p>R. Article 47 – Sewer System Expenditures</p>	Y.

Sewer fund deals with general ops. Infrastructure valued at \$18.8 million that supports 1/3 of population. Total ops expenses = \$3.8M; I/I is increasing need (\$248,000); installing xxx ; FY25 rate is 5% higher. With impact of \$39. Capacity was reached in the sewer system – big, future concern. The Town is looking for opportunities to increase capacity – irrespective of cost!

- S. Article 48 – Sewer Improvement Fund Expenditures
Expenditures used to improve system. Wastewater treatment plant needs \$675,000.
- T. Article 49 – Water System Expenditures
Income from special services fees. System valued at \$25.8M. Supplies 95% of population. 134 miles of pipes. Expenditures are targeted at compliance of Safe Drinking Water Act. Cyber Security are \$5,8M security is a growing concern.
FY25 – Capital Improvement Plan; Meter-reading is critically important. Rates in FY25 are increasing \$86/year; increase is +12%. Rates are set in anticipation of debt.
- U. Article 50 - Authorize Expenditure from PEG Access & Cable Related Fund
Payments from Carlisle and Comcast. Renegotiating contract with Comcast; fee paid by Carlisle; Planning to support the 250 Celebration; expanding equipment in Town House; More items and software as well as a van to broadcast outside of theater. Harvey Wheeler improvements were mentioned, not a big capital improvement; Maker Space in Library is looking to increase equipment for borrowing.
- V. Article 51 – Beede Swim and Fitness Center Enterprise Fund Expenditures
Net income = \$127,150; net income estimate = \$42,981. Budget goals pool space, swim lessons, flex membership options, personal training, annual events. Personnel is 41%, capital outlay = 18%. Membership has increased...; Capital projects = roof replacement, building improvements; pool facility = pumps...
Highlights of Beede Shutdown were described.
- W. Article 52 – Unpaid Bills
<\$12K of unpaid bills; FY24 funds used before Free Cash (which is not be planned to use)
- X. Article 53 – Debt Recission
Not moved

- A. Article 13 – Funding Public Safety during the Concord 250 Celebrations in 2025
Funding public safety during the 250 celebrations. The timelines extend implementation now and continue into 2026. Regional, state and national attention is anticipated. Responsibilities and obligations are ours! A total of \$700,000 funds is needed for public safety for which an additional \$350,000 is needed to bolster public safety. Assumptions regarding the number of spectators and venues that are hard to monitor or control warrant additional funding for security. All events have been submitted for federal review together with a detailed breakdown of the complexity of the planning process. Remaining funds (\$475,000) of the proposed \$1,175,000 budget goes to programs.
- B. Commemorating the Beginning of the American Revolution, April 19, 1775
No additional information provided.
- C. Article 15 – Establish a Permanent Senior Means Tested Property Tax Exemption

Approval of the Act establishes a permanent Senior Means Tested Property Tax Exemption for those who qualify. Last year, the impact on property tax was \$0.01 increase last year. The eligibility criteria (\$250,000) last year and \$275K this year showed 37 and 34 applications respectively. The focus on eligibility targets elders with limited means. Tax payers must reapply and qualify every year. Having boundary limits for eligibility guard against a throng of folks applying.

D. Article 17 – Nagog Pond Improvements and PFAS Mitigation

Alan Cathcart, Director of Public Works, is proposing an appropriation of \$50M for design and infrastructure improvements for two facilities and several groundwater wells. Carbon, fluoride and other compounds have infiltrated the environment and go back to the 1930's/1940's. Now, PFAS has become an emergent contaminant. Nagog is the primary facility for mitigation (no detection in 2014); state regulators in 2020 and required a PFAS limit of 20 parts per trillion (PPT). In 2022, the Federal EPA announced an interim level of 4 PPT. Currently, the impact in Concord shows two groundwater sources out of compliance in addition to the Nagog facility's lack of compliance. The final Federal Standard is anticipated at 4PPT, but yet approved.

The present cash reserve is \$10M. The \$50M covers the 3 sources over next 3 years. Currently it is premature to determine a breakout of permitting and costs. At this time the estimates are \$35M for Nagog and \$5-\$10M for other sources. The application for borrowing from state is dependent on having TM approval, which is why the articles are on the agenda. The bottom line shows a doubling of rates in the next 10 years. There is a 12.5% increase on water rates this year.

Upon questioning, Mr. Cathcart indicated that he is still working with MWRA as a different option, yet the possibly of merging would be considered in 10-20 years. To date \$7-8 M has been spent on design, legal and other concerns regarding the Nagog facility.

Mark Howell asked about the phase of the overall process and wrap the story in that context of Nagog. \$7-8M spent on design/legal/etc. to date.

E. Article 19 – Minuteman Regional Technical High School District Budget

Ms. Andrade provided a status report on the budget and Concord's share for the regional technical high school. Concord's assessment is \$1,732,805. Ms. Andrade mentioned that all 12 applicants from Concord were accepted at Minuteman. She also mentioned that with a decreasing number of students from non-member schools, Concord's share of the budget would increase as there would be no offset. Concord's share of costs will increase. Currently Concord has 15 slots for students per year; current numbers show a total of 41 students from Concord currently enrolled in the four-year program.

F. Article 33 – In-Town Solar Expansion

Costs have dropped substantially and ground-mounted solar is a better value than rooftops due to installation costs. At this time only specific components of the system are being proposed. These include a Control system (approximately \$100,000) and Battery storage facility (\$2+M). Questions regarding maintenance, degradation of battery performance and longevity indicates a life-span of 20 years. Ongoing maintenance would be performed by the Light Plant or an outsourced service. The source of power to fuel the battery is at night by fossil fuel. Comments and questions from audience included the quickly changing improvements of this technology and marginal return on investment at this time.

G. Article 40 – Community Preservation Appropriation Recommendations

A total of \$1,878,320 is proposed for 17 projects. Chairperson Burton Flint briefly described each of the projects. Questions focused around higher dollar amount projects such as the amount of \$500,00 for the Concord Municipal Affordable Housing Trust, final design request of \$200,000 for the Assabet River Bridge, CPS athletic fields (\$250,000), and historic preservation at 51 Waldon Inc. (\$195,000).

- 8. Close of the Finance Committee Annual Public Hearing** – Mr. Patel motioned to close the meeting, Mr. Kupka second @ 9:33pm

The Meeting adjourned at 9:33pm

YouTube: Ctrl+Click to follow link:

Respectfully submitted,
Dee Ortnier, Finance Committee Clerk

**Town of Concord
Public Hearing
Meeting of the Finance Committee
and Select Board
Minutes of Meeting – April 16, 2024
Hybrid Meeting**

Members Present: Suresh Bhatia, Margaret Briggs, Eric Dahlberg, Don Kupka (remote), Dee Ortner, Karlen Reed, Christine Reynolds, Lois Wasoff

Members Absent: Kathy Cuocolo, John Garofolo, Greg Guarriello, Amrith Kumar, Lyndsey Lis, Parashar Patel, Quazi Sadruzzaman

Others Attending: Anthony M. Ansaldi, Jr. (CFO), Kerry Lafleur (Town Manager), Henry Dane (Select Board Chair), Terri Ackerman (Select Board member), Mary Hartman (Select Board member), Linda Escobedo (Select Board member), Mark Howell (Select Board member), Jason Bulger (Interim Director of CMLP), Brian Foulds (remote), Cameron McKennitt

Item 1: Call to Order of the Finance Committee and Select Board Meeting at 7:02 pm by Eric Dahlberg, Vice Chair. The eight Finance Committee members present constituted a quorum.

Item 2: Finance Committee Special Town Meeting Public Hearing

Mr. Bulger of the Concord Municipal Light Plant (CMLP) began his presentation by specifying that Article 1 of the Special Town Meeting is for the borrowing of \$10.4 million to be paid by ratepayers and not tax payers. His technical presentation included such topics as transformers and bus bars in the context of grid usage as well as the increase of solar growth within the Town. Mr. Bulger spoke of the following goals: 1) protect the grid, 2) allow expansion of the grid, 3) save emissions (reduce peak load) and 4) save ratepayers money. Mr. Bulger also stated that with the impending closure of the MCI facilities the existing power load would decrease significantly and could work against the delivery of services to the ratepayers.

Various approaches for addressing the goals were mentioned. The CMLP investigation focused on battery storage as the optimal solution for expansion. The use and size of a \$10.4 million battery allows CMLP to expand at a faster rate, better manage solar saturation, provides economies of scale, and offers better cash flow. These are considered all positive benefits for ratepayers. Mr. Bulger stated that rates would be higher during the first year (deficit year). After the first year a positive cash flow would be realized. A 4% borrowing rate is anticipated. Stated differently, Mr. Bulger said that ratepayers would see an increase of \$1/year for the first year with savings in all future years.

Alternative technical aspects and general questions were explored and discussed. Several questions addressed the following topics: the load as it pertains to in-town companies; the notion of rushing the decision; location of the grid; capability to even the use of the battery between storage and use; and, timing of discharge (AM) and storage during the day/overnight. The degree of difficulty in managing the system was mentioned especially during a four-month period of the year when uncertainty in usage creates subsequent uncertainty in costs. For CMLP there are two main goals: #1 grid stabilization, and #2 make money on the system.

Item 3: Close the Finance Committee Special Town Meeting Public Hearing
Mr. Dahlberg adjourned the public hearing at 8:25pm.

YouTube: Ctrl+Click to follow link: [Concord Select Board & Finance Committee Public Hearing April 16, 2024 \(youtube.com\)](#)

Respectfully submitted,
Dee Ortner, Finance Committee Clerk

Town of Concord
Meeting of the Finance Committee
Minutes of Meeting – March 28, 2024
Hybrid Meeting

Members Present: Suresh Bhatia (7:02), Margaret Briggs, Kathy Cuocolo, Eric Dahlberg, Greg Guarriello (Remote, 7:08), Don Kupka, Lyndsey Lis, Dee Ortner, Parashar Patel, Christine Reynolds, and Lois Wasoff (Remote)

Members Absent: Jon Garofalo, Amrith Kumar, Karlen Reed, Quazi Sadruzzaman

Others Attending: Anthony M. Ansaldi, Jr. (CFO), Kerry Lafleur (Town Manager), Elizabeth Rourke (Assistant CFO), Terri Ackerman (Select Board member), Mary Hartman (Select Board member), Carmen Reiss, Wendy Rovelli, Dean Banfield, Alan Cathcart, Gary Clayton, Fred Ryan, Nikki Andrade, Mr. Ledoux, Burtin Flint, Paul Macone, Sandy Smith

1. Call to Order

Mr. Patel called the meeting to order at 7:00pm.

2. 2024 Annual Town Meeting

A. Discussion and Potential Vote on the Following Articles

- Article 7 – FY24 Budget Line-Item Adjustments
No discussion

- Article 14 – Use of Free Cash
The Town currently has \$8.5 million in Free Cash. With upcoming Warrant articles this number will drop to approximately \$7 million. The Tax for a median valued property would increase by 3.7 percent. Under discussion, members of the committee raised concerns about the impacts from upcoming new projects, potentially higher borrowing costs, and the bond rating. Suggestions included gradually eliminating the \$1 million tax relief versus completely eliminating it. Mr. Ansaldi encouraged better planning and examination of what we should have as a policy for creating a stabilization fund for future projects.
Motion: Withdraw the article, which was approved.

- Article 20 – CCRSD Budget
With an exchange of emails late this afternoon, the committee learned that the School Committee is not going to meet our guideline number. According to the Governor's Budget the Regional High School will be getting \$89,000 less in State Aid than what was assumed in their budget. To make up the revenue shortfall they are going to cut that money from their operating expenses. Unfortunately, this does not mean a reduction to Concord's assessment. Numerous questions arose regarding: the impact of reduced state aid; cost per student with reduced enrollment of 100 students (+10%). The committee intends to ask for a written response from the school regarding the impacts of a 100+ student reduction.

Motion: Affirmative action at the Finance Committee's guideline of \$23,029,906 w/o debt.

Vote: 10 yes; 1 - abstain

- Article 21 – Amenities Building at Concord-Carlisle High School
Article withdrawn.
 - Article 24 – Concord Public Schools Capital Project
Renovations at the Thoreau School form the basis for the \$200,000 request. An additional +\$200,000 from an individual will be added. Any remaining fund needs will be coming from creative sources.
Motion: Affirmative Action
 - Article 33 – In-Town Solar Expansion
Special Town Meeting to be held on April 16th.
Recommendation: to be determined at a future meeting.
 - Article 40 – CPC Appropriation Recommendations
Being asked about applicant requests spanning more than one year, Burtin Flint, CPC Chair, indicated that currently three projects are known to have follow-up requests in future years in areas including housing, staff and tech support and from the Housing Trust. Upon further questioning of frequency or length of time, the Trust responded that it will return every year until state funding starts. Future returning requests include: Hillcrest steps (post design phase), Assabet bridge trail (\$850,000 for design study and construction of bridge with costs ranging between \$8-10 million).
Motion: Affirmative action
 - Any and all Articles from the three Finance Committee Public Hearings – None
- B. Review and discuss the FY25 Finance Committee Report
Document preparation is on schedule and will go to the printer on April 1. Ms. Wasoff commented that there should be a section dealing with the five-year tax projection. At a past Town Meeting, tax projections were voted to be required and included in this report. Ms. Ortnier will discuss with the CFO and will include them. Ms. Wasoff expressed concerned that there is no longer a deep dive section on specific articles.

Mr. Patel reviewed his cover letter. Mr. Kupka questioned if we want to mention the off-budget increases to the Enterprise fund for storm water and the \$50 million for freshwater. Mr. Kupka will send a sentence or two.

3. Finance Committee Reorganization

Slate for FY25:

Eric Dahlberg – Chair

Lois Wasoff – Vice Chair

Don Kupka – Clerk

Karlen Reed – Vice Clerk

Lyndsey Lis – Chair, Guidelines Quazi Sadruzzaman – Vice Chair, Guidelines

The slate for next year is approved.

Christine Reynolds and Parashar Patel are off the Committee following Annual Town Meeting.

Amrith Kumar is declining to serve out his term.

4. **Correspondence**

Paul Macone speaking online indicated that not having a budget book available at this time is unfortunate. His remarks were not directed at specific individuals but more of a concern for having a record. In response, Mr. Patel suggested he share his questions, comments, and thoughts with the Town Manager.

Sandy Smith stated that the Finance Committee can always review decisions and votes on articles. Bylaws can be read and/or reviewed and can be reviewed by the Finance Committee annually noting that changes can occur every year.

5. Minutes

Minutes from the March 19, 2024, meeting are approved.

Minutes from the March 21, 2024, meeting are not reviewed.

The Meeting adjourned at 9:33pm

YouTube: Ctrl+Click to follow link: [Concord Finance Committee Meeting - March 28, 2024 \(youtube.com\)](#)

Respectfully submitted,
Dee Ortner, Finance Committee Clerk