



**Town of Concord
Minutes of the January 29, 2026
Meeting of Finance Committee
Hybrid Meeting**

Members Present: Brian Conway (online), Kathy Cuocolo (online), Eric Dahlberg, John Garofalo, Pat Geyer (online), Gerald Jansen, Don Kupka, Lyndsey Lis (online), Karlen Reed, Paul Rodriguez, Sri Tupil (online), Lois Wasoff.

Members Absent: Suresh Bhatia, Peggy Briggs, Quazi Sadruzzaman.

Others Attending: Jennifer Barrett (CFO), Ryan Ferrara (Assistant CFO), Zach Lamoureux (Concord Senior Financial Analyst), Wendy Rovelli (SB Liaison to FinCom, online).

1. Call to Order: of the Finance Committee Meeting at 6:30 p.m. by Chair Lois Wasoff.
Materials are in the FinCom meeting packet.

2. Public Comment: None.

3. Correspondence: None.

4. Minutes: Ms. Reed moved to approve the minutes of December 8, 2025, as submitted. Mr. Rodriguez seconded. **Vote: 12 Yes, 0 No, 0 Abstain. The motion passed.** For the minutes of December 11, 2025, Mr. Kupka asked that page 3 be corrected from \$30 million debt exclusion to \$27.5 million. Ms. Reed moved to approve the minutes of December 11, 2025, as amended. Mr. Jansen seconded. **Vote: 12 Yes, 0 No, 0 Abstain. The motion passed.**

5. Liaison Report: The packet included summaries of reports. Ms. Cuocolo reported that the Land Use Working Group has spent about six months working in three subcategories and will prepare preliminary findings for the Select Board. Key leanings (not final decisions) include:

- **Public Works:** The group is leaning toward requesting an additional 3–4 acres at MCI for a new public works facility, which would free up the Keyes Road property for sale.
- **Public Safety:** Renovations to the current combined fire/police facility are expensive and offer shorter useful life than new construction. Growing needs in West Concord are weighing heavily toward splitting fire from police and situating the fire department in the West Concord area.
- **Municipal Consolidation:** With 135 employees across 18 locations, the most cost-effective path appears to be acquiring a vacant office building for consolidation, freeing up Peabody, Ripley, and other properties for sale to fund capital improvements.

A Warrant Article will be included at this year's Town Meeting requesting funds for studies to verify costs and opportunities. The Land Use co-chairs (Sven and Judith) have been invited to present at the February 26th Finance Committee meeting. Chair Wasoff will miss that meeting so Vice Chair Lis will preside.

Ms. Reed announced that two Finance Audit Advisory Committee (FAAC) meetings have been scheduled:

- February 11 at 1:00 p.m.: Review and discussion of the FY24 Town Audit; scheduling for the Regional School District audit, Light Plant audit, and FY25 Town Audit.

- February 26 at 1:00 p.m.: Review of the FY24 Regional High School Audit and Calendar Year Light Plant Audit; discussion of the FY24 Town Audit letter to the Select Board.

Ms. Reed noted that apparently the FAAC last met on September 18, 2024, making these meetings well overdue.

Chair Wasoff highlighted the adoption in December by the Select Board of a new reserves policy, a product of the Financial Policy Working Group. The final policy (included in the meeting packet) was described as a significant achievement involving contributions from Mr. Kupka, Ms. Rovelli, Chair Wasoff, Ms. Barrett and Mr. Ferrara. The policy aims to help the town anticipate and plan for future expenditures, manage them proactively, and minimize tax impacts. Warrant Articles proposing the creation and funding of stabilization funds are expected at Town Meeting.

6. Update on FY 2024 Town Audit and FY 2027 Town Budget: Ms. Barrett and Mr. Ferrara presented the audit review and read a statement from Town Manager Lafleur that acknowledged the FY24 audit identified material weaknesses in internal controls, calling the findings serious and inconsistent with Concord's standards. Ms. Lafleur, in the statement, took accountability, confirmed the issues are understood and actively being addressed, and cited staffing instability, a major financial system conversion, and misalignment in finance leadership as contributing factors. The independent review through the FAAC will proceed in February.

Key Audit Findings: The FY24 audit found no fraud, misconduct, or non-compliance. The findings relate to process and oversight, not the town's financial condition. Four material weaknesses were identified:

- Reconciliation Timing: Reconciliations were not completed in a timely manner. A new schedule requiring completion within 45 days of month-end has been established, accounting for delays in receiving bank statements (10–15 days) and cross-department coordination.
- Capital and Cutoff Controls: Invoices were sometimes paid in the wrong fiscal year. Written procedures and training are being developed for deployment in May, with additional review layers during fiscal year-end transitions.
- Budget Posting and Monitoring: The budget presented at Town Meeting differed from what was uploaded into the system, causing reconciliation challenges. Strict version control and verification checks before software import have been established.
- Journal Entry Processing: Staff turnover led to a loss of segregation of duties. Duties have been re-segregated so that the person drafting a journal entry is not the same person posting it.

While FY24 (18+ months ago) was characterized as an outlier due to staffing instability, leadership misalignment, and a new financial system conversion, FY25 was a period of delayed visibility where some deficiencies were unidentified. FY26 is a year of correction and stabilization, with verified findings and a leadership change enabling corrective action. The Town's new audit firm (Roselli, Clark and Associates) is currently on-site for the FY25 audit. CMLP (Town's Light Plant) has switched to Goule, Salvidio & Associates, specializing in light plants. The Regional School District will use CBiz for one more year (FY25) per contract, and they then may transition to Roselli, Clark in FY26.

Mr. Dahlberg emphasized the failure of FAAC oversight—the committee did not meet once in calendar year 2025 and has historically fallen short of its charge to meet at least three times annually. He called for additional oversight layers until confidence is restored. Ms. Rovelli explained that FAAC schedules meetings based on audit availability, and delays in audits contributed to the meeting shortfall. Mr. Garofalo questioned whether the audit firm is specifically tasked with finding fraud (it is not). He noted that material reconciliation issues lasting a year are unusual and that public trust has been significantly damaged. Mr. Kupka asked whether FY24 was an outlier because existing policies were disregarded or because policies/processes were never in place. Ms. Barrett indicated that staff turnover meant new employees may not have known existing procedures; now process/procedure manuals are being updated. Mr. Conway inquired about the vendor management process. Ms. Barrett confirmed that invoices over \$500 require dual authorization, orders over \$10,000 go through procurement, and new vendors require W-9 verification and are set up through the accounting office. Ms. Barrett commented that the Town expects to be fully caught up on audits by the end of FY26, with normal audit cadence restored by FY27.

FY27 Town Budget Update: Ms. Barrett and Mr. Ferrara presented slides and explained that the guiding principles included maintaining level services while consolidating costs, right-sizing departments, and incorporating agreed-upon COLAs, steps, and union agreements.

Ms. Barrett noted changes in the estimated revenues and the FY27 budget, including; State aid will increase about 3.15%; Local revenues will increase slightly; Tax levy is calculated at 0.3% below maximum levy (this is a benchmark for calculations, not the actual levy); one FTE was moved from Manager's office to a public safety business manager position; funds were added for a potential special town meeting; legal services funding was restored to FY23/24 levels; all Finance vacancies have been filled. She observed that the software conversion was complete; outsourced consulting/implementation services removed; public records support was increased by \$40,000; the Assessor's budget was increased by \$10,000 for abatement cases; two major elections in FY27 drive a ~\$70,000 increase; dispatch budget reflects that this operation will be a standalone department; the Police budget is down ~10% offset by dispatch and business manager additions, netting a 9.18% combined increase; the Fire department shows significant decrease due to ALS (ambulance) cost transfer to the ambulance fund; Public Works salary realignment was from admin to water/sewer; and Parks & Playgrounds merged into Parks, Trees & Playgrounds with same staffing. Thus, the Town reached the target of the FinCom guideline of 2.5% growth: \$34,520,861.

Among the joint accounts, health insurance is expected to increase by 10%. Property/liability insurance increases were also expected to be reduced. Fourteen debt projects are retiring off the debt schedule, increasing levy capacity. Debt service for excluded debt now included estimates for the roads project and the final Middle School borrowing.

Overall Outlook for Total Operating Budget (Town and Schools): Total projected FY27 budget of approximately \$148.2 million was forecasted across Town, Schools, capital, OPEB, and Overlay, with expected FY27 revenues of \$149.1 million. Indirect cost transfers from enterprise funds are not included in the revenue calculation. Expenses come in approximately \$1 million under expected revenues, a favorable outlook for levy capacity. Ms. Barrett noted that

she will present FY25 actuals, FY26 budget, and FY27 proposed figures in her final budget presentation. Ms. Reed raised concern about a tightening trend: the expense-to-revenue ratio has grown from 98.5% (FY25) to 99.0% (FY26) to 99.4% (FY27 projected). Ms. Barrett explained that indirect cost offsets are not yet factored into the comparison model, which would increase the gap, and that the tax levy is ultimately a calculated figure based on all other budget pieces.

Among the Town's capital improvements, the list is largely unchanged. Ms. Barrett reported approaching the Board of Assessors about the new reserve policy and their role in overlay/overlay release. The assessors were enthusiastic about not adding to the tax rate and will discuss overlay surplus at their next meeting. Tier 2 items for the Town now included Sleepy Hollow Cemetery expansion, building repairs (HVAC/mechanical), and two swap loaders at end of life. In discussion, Mr. Kupka clarified that reserve releases used last year to reduce middle school debt impact are factored into the FY26 tax levy but not included as an alternative funding source in FY27. Mr. Dahlberg expressed concern about accounting for stormwater expenses, public works resourcing given broken sidewalk plows, lost plow contractors, and the \$27.5M roads project, flagging Roads for budget hearings in the spring.

7. Initial Review of Warrant Articles for 2026 Town Meeting: Mr. Ferrara presented a preliminary list of 52 warrant articles, with those having financial impact highlighted in green. Ms. Reed counted 39 of 52 articles that will touch FinCom. Three hearings are scheduled for March to review all relevant articles. Ms. Reed asked for previews of three articles of particular interest:

- Article 14 (Restore Fund Balances Erroneously Returned to Free Cash): In FY24 closing, salary reserves (~\$755,000) and surplus insurance funds were incorrectly closed to Free Cash instead of being handled per policy. An Article requesting approximately \$200,000 from Free Cash will restore the needed portion.
- Article 20 (Retroactive Salary – Dispatch Union CBA): The dispatch collective bargaining agreement was 18 months out from settlement. Retroactive pay for July 2024–June 2025 was not encumbered and requires Town Meeting approval. The amount is being calculated.
- Article 21 (Transfer of COVID Fund Balance Deficit): Unreimbursed COVID expenses from FY20 (missed deadlines or ineligible expenses) have created a deficit that must now be zeroed out via Free Cash transfer, as the deadline for FEMA/CARES reimbursement has passed.

The Select Board will finalize Warrant Article ordering at their February 2 meeting. The Finance Committee will revisit Warrant Articles at their February 26th meeting.

8. Overview of Finance Committee Report: Ms. Reed outlined her approach to the Finance Committee's annual report for Town Meeting:

- Structure: Three major sections – (1) Can we afford the town budget? (revenue projections, budget, levy capacity); (2) Can we afford the Warrant Articles seeking to use Free Cash? (Free Cash certification level, article impacts); (3) Looking forward (growth possibilities, debt load, new financial reserve policies).

- Timeline: A draft of approximately 30–36 pages will be presented at the February meeting. The committee will see the final report at the March 19th meeting for inclusion in the Town Meeting briefing book (due ~March 23rd).
- Format: The report (excluding appendices) will be included in the briefing book mailed to every household. Color printing will be used for charts. Liaison members will draft recommendation explanations for related Warrant Articles. Tax impact calculations for each Article (well-received last year) will be included again.

Chair Wasoff emphasized the importance of clearly stating assumptions in any charts or narratives that include projections. Ms. Reed will reach out to individual members for input as needed, consistent with Open Meeting Law requirements.

9. Recap of Action Items and Adjournment of Meeting: Ms. Reed and Ms. Geyer will post the minutes. Mr. Rodriguez moved to adjourn the meeting. Chair Wasoff adjourned the meeting at 8:10 p.m.

YouTube video link: <https://www.youtube.com/watch?v=xNrz-0Dr-I4>

Meeting Documents link:

[https://concordma.gov/DocumentCenter/View/59553/20260129_Agenda_Packet_Finance Committee](https://concordma.gov/DocumentCenter/View/59553/20260129_Agenda_Packet_Finance_Committee)