

Section I

Financial Summary

Section I Highlights**1: Overview**

- Proposed appropriations are as follows (see page 8):
 - Town Government: \$24,050,513
 - Concord Public Schools: \$38,461,880
 - Concord-Carlisle Regional School District: \$19,544,198
- Town Credit Rating: Moody's Investors Service Aaa (see page 2)
- FY17 Free Cash: \$10,798,936 (see pages 6 - 7)

2: Property Taxes

- Property Taxes fund 86.4% of the FY19 proposed budget (see page 1)
- FY19 Property Tax Levy for existing taxpayers is projected to increase by 4.32% over FY18 (see page 10)
- FY19 Unused Levy Limit is projected to be \$2,512,624 (see page 11)
- The FY18 Tax Rate is \$14.29 per \$1,000 assessed valuation (see page 12)
- A tax bill for the median valued home of \$838,900 is projected to increase by 517, from \$11,988 in FY18 to \$12,505 in FY19 (see page 14)

3: Resources

- 86.4% of the budgeted resources come from property taxes. State Aid (4.7%), Other Receipts (4.2%), Motor Vehicle Excise (2.9%), Interfund Transfers (1.4%), Stabilization Funds (0.3%) and Debt Service Reserve (0.2%) make up the remainder of the resources for FY19 (see page 16)

4: Other Resources

- Other Resources provides information on Stabilization Funds, CPA Funds, the Parking Meter Fund, and other funds that support the goals of the Town (see page 20)

5: Expenses

- Total proposed expenses are budgeted at \$107,185,217, a 3.85% increase from FY18 (see page 29)
- Town, CPS, & CCRSD Operating Budgets are proposed to be \$82,056,591 (see page 26)
- Joint accounts (Insurance, Retirement, Social Security, Medicare) are proposed to be \$16,214,468 (see page 28)
- Other obligations (Minuteman Tech., Debt Exclusions) are proposed to be \$7,644,961 (see page 29)
- Unappropriated accounts (State Assessments, Snow Deficits, Overlay) are proposed to be \$1,269,197 (see page 29)

6: Capital Outlay

- Capital outlay expenditures from Town departments is proposed to be \$1,945,000 (see page 42)
- Borrowing for Capital Projects is proposed to be \$6,000,000 (see page 43)

7: Debt

- As of June 30, 2017, total outstanding principal is \$54,309,398 (see page 54)
- The FY19-23 Debt Authorization Plan details the proposed projects for the next 5 years (see pages 58 to 59)
- The Total Debt Service for FY19 is projected to be \$8,548,733 (see pages 60 to 61)

8: Major Liabilities

- As of June 30, 2017, the total major General Fund Liabilities totaled \$87,521,371. Of this amount, \$36,661,977 was for debt, \$22,709,149 for pension, and \$28,150,245 for OPEB (see page 66).
- As of the January 1, 2017 actuarial valuation, the employee pension system has been funded at 85% with an unfunded accrued liability of \$25,889,394 (see page 69)
- As of the June 30, 2017 actuarial valuation, Concord has a projected Funded Ratio of 25.4% for OPEB, net of FY17 contributions. The projected Unfunded Actuarial Accrued Liability (UAAL) is \$30,167,082 (see page 70)

Section Overview:

This Budget Summary contains charts, schedules, and narratives that describe the Budget and the Town’s finances in general. The level of detail used in this summary section aims to allow the reader to grasp the “big picture” relating to the Town’s recent-past, present, and near-future.

The sub-sections found in this summary are:

- Overview** **1 to 9**
- Property Taxes** **10 to 15**
- Resources** **16 to 19**
- Other Resources** **20 to 25**
- Expenses** **26 to 41**
- Capital Outlay** **42 to 53**
- Debt** **54 to 71**
- Unfunded Liabilities** **72 to 76**

The Town Manager’s Budget

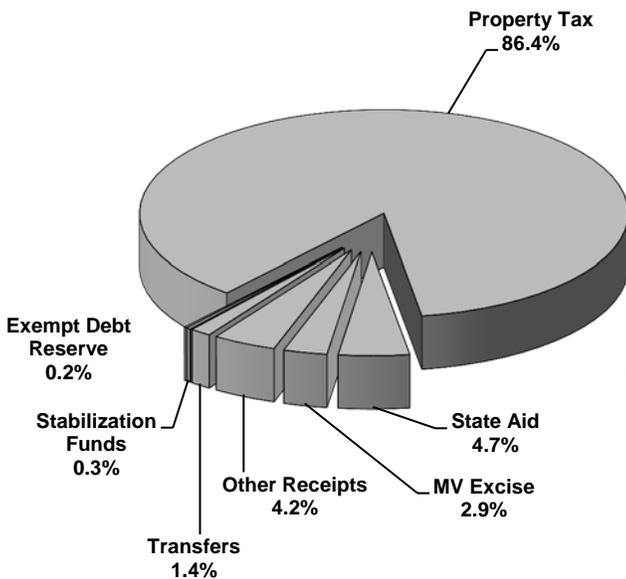
The Town Manager’s Proposed FY19 Budget totals:

\$107,185,217

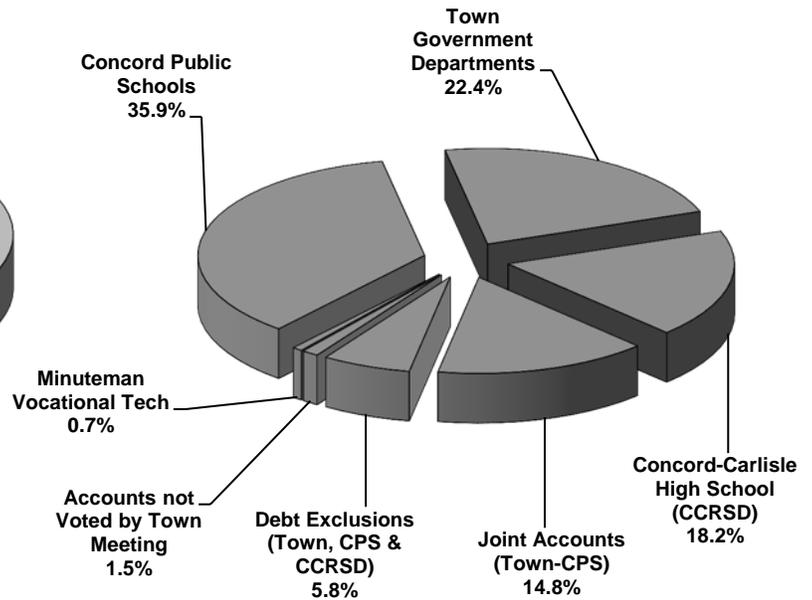
This level of appropriation is at the Finance Committee’s FY19 Budget Guidelines.

*See the Appendix for the Finance Committee Guidelines.

FY19 General Fund Resources
Totaling \$107,185,217



FY19 General Fund Expenses
Totaling \$107,185,217



Fiscal Balance:

This FY19 Proposed Budget represents a balanced budget. Both budgeted resources and expenses equal \$107,185,217.

Budget Level and Credit Rating:

The information depicted below shows the overall financial health of the Town over the last decade.

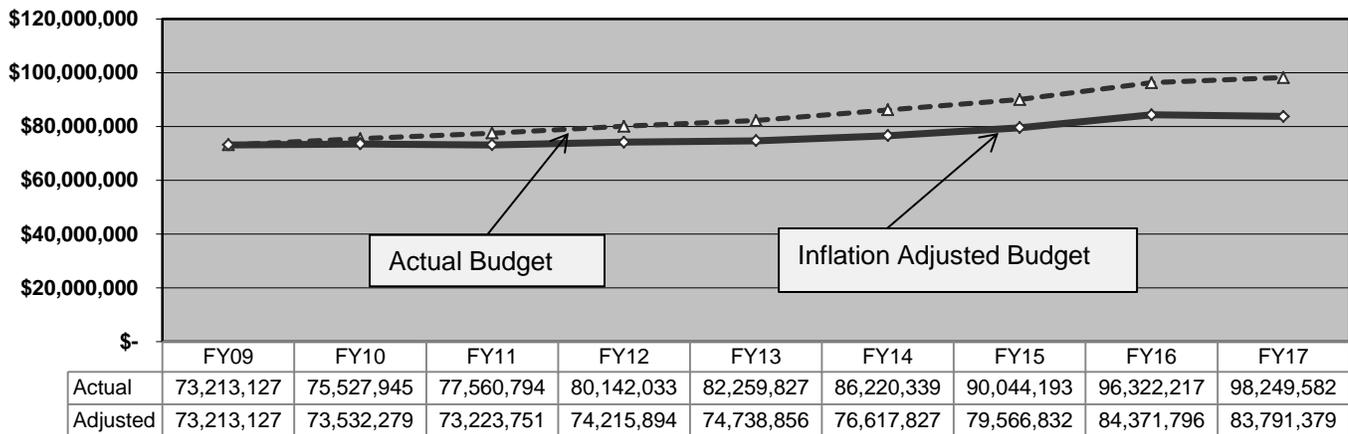
The first graph represents the total Town budget in terms of actual and adjusted dollar amounts. The line on the top is the actual amount budgeted and the line on the bottom is the amount adjusted for inflation.

The chart on the lower half of the page provides information about the credit rating earned by the Town.

Fiscal Stability

In spite of the economic turmoil during the last several years, the Town Government has maintained its fiscal stability. The budget in real terms (adjusted for inflation) is fairly level. In addition, Moody's Investors Service has continued to reaffirm the Town's Aaa credit rating, the highest possible rating category.

Financial History: Actual vs. Adjusted Town Appropriations - FY09 to FY17
(in year 2009 dollars)



Discussion: The graph above shows the actual amount of the Town Budget and that amount adjusted for inflation. From 2009 to 2013, the adjusted Town Budget increased on an annual average of 04%, whereas from 2013 to 2017, that adjusted average annual increase was 2.4%.

*Values (adjusted for inflation) based on the Bureau of Economic Analysis' Table 1.1.9. Implicit Price Deflator for Gross Domestic Product, 2009-2017 (Annual), State and Local governments. <https://alfred.stlouisfed.org/series?seid=A829RD3A086NBEA>

Town Credit Rating History

Concord's credit rating is a measure of the Town's overall fiscal health. Since November 1987, the Town has earned a Aaa credit rating from Moody's Investors Service. This is the highest possible rating category and is a testament to the Town's strong financial management. As a result of the Aaa rating, the Town can borrow funds at more favorable interest rates.

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
The Town's Credit Rating (Moody's)	Aaa							

The opposite page provides information about the General Fund balance. Data for FY16 and FY17 are actual amounts and for FY18 and FY19 are projections. The FY17 and FY18 column is derived from the "Schedule A" report filed with the Massachusetts Department of Revenue.



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Overview

General Fund Balance Analysis	FY16	FY17	FY18	FY19
"Schedule A" basis of reporting	Actual	Actual	Budgeted	Proposed
Revenues				
Taxes	\$85,162,839	\$88,001,006	\$92,700,916	\$97,750,330
Charges for Services	\$1,709,286	\$1,433,137	\$1,190,000	\$1,200,000
Licenses, Permits, and Fees	\$1,573,682	\$1,174,569	\$1,105,000	\$1,215,000
Revenues from Other Governments	\$4,586,038	\$4,881,425	\$5,008,642	\$5,123,363
Miscellaneous Revenues	<u>\$621,395</u>	<u>\$436,096</u>	<u>\$420,000</u>	<u>\$435,250</u>
Current Revenues	\$93,653,240	\$95,926,233	\$100,424,558	\$105,723,943
Expenditures				
Salary and Wages	-\$43,707,527	-\$45,980,712	-\$47,757,970	-\$50,034,923
Expenditures	-\$30,604,693	-\$32,158,184	-\$33,188,079	-\$35,051,760
Capital Outlay	-\$2,081,460	-\$1,945,879	-\$1,870,000	-\$1,945,000
Debt Service	-\$6,196,965	-\$6,632,623	-\$7,467,507	-\$7,379,514
Unclassified	<u>-\$9,023,956</u>	<u>-\$9,365,931</u>	<u>-\$11,726,002</u>	<u>-\$12,774,020</u>
Current Expenses	-\$91,614,601	-\$96,083,329	-\$102,009,558	-\$107,185,217
Net Revenues / Expenditures	\$2,038,639	-\$157,096	-\$1,585,000	-\$1,461,274
Other Financing Sources (Uses)				
Transfer from Other Funds	\$2,139,454	\$2,492,421	\$2,785,000	\$1,461,274
Transfers to Other Funds	-\$1,743,100	-\$1,981,340	-\$1,200,000	\$0
Other Financing Uses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	\$396,354	\$511,081	\$1,585,000	\$1,461,274
Total Excess (Deficiency)	\$2,434,993	\$353,985	\$0	\$0
Fund Balance (Beginning of Year)	\$19,917,735	\$22,352,728	\$22,706,713	\$22,706,713
Fund Balance (End of Year)	\$22,352,728	\$22,706,713	\$22,706,713	\$22,706,713
Fund Balance Analysis				
Designated for Thoreau Debt Service	\$409,878	\$0	N/A	N/A
Reserved for Expenditures	\$1,000,000	\$4,700,000	N/A	N/A
Reserved for Encumbrances	\$5,385,454	\$5,614,823	N/A	N/A
Snow and Ice Deficit	\$0	-\$178,656	N/A	N/A
Unreserved Fund Balance	<u>\$15,557,385</u>	<u>\$12,570,534</u>	<u>N/A</u>	<u>N/A</u>
	\$22,352,717	\$22,706,701	N/A	N/A
Free Cash Analysis				
Unreserved Fund Balance	\$15,557,385	\$12,570,534	N/A	N/A
Minus: Receivables	-\$692,416	-\$668,248	N/A	N/A
Minus: Deferred Revenue	-\$2,113,709	-\$930,172	N/A	N/A
Minus: Miscellaneous	<u>-\$145,306</u>	<u>-\$173,178</u>	<u>N/A</u>	<u>N/A</u>
Certified Free Cash	\$12,605,955	\$10,798,936	N/A	N/A

Fund Balance:

With the implementation of Governmental Accounting Standards Board (GASB) Statement No. 54, the Town's Fund Balance as presented in the audited Financial Statements is separated based on the availability of the funds into the following categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Availability of Fund Balance

Fund Balance is the amount remaining after subtracting all the items that are owed (liabilities) from all the items that are owned (assets). Nevertheless, portions of the Fund Balance have various restrictions on their use. Accordingly, Fund Balance is divided into categories depending the availability of these funds.

Fund Balance

An accounting distinction is made between the portions of fund equity that are spendable and nonspendable. These are broken up into five categories:

1. **Nonspendable fund balance** – includes amounts that are not in a spendable form or are required to be maintained intact. Examples are inventory or permanent funds (e.g., funds in which the corpus cannot be spent).
2. **Restricted fund balance** – includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include funds which have a restriction through debt covenants, grantors, contributors, or laws or regulation from other governments. The grant from the Massachusetts School Building Authority (MSBA) to mitigate the debt service cost of the Thoreau School is placed in this category.
3. **Committed fund balance** – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the Concord Town Meeting. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally. Examples are the School Construction Stabilization Funds and Special Revenue Funds such as the Solid Waste Fund.
4. **Assigned fund balance** – comprises amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the governing body, the Concord Town Meeting, or by an official or body to which the governing body delegates the authority, the Concord Town Manager. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. For the general fund, this amount includes funds encumbered as authorized by the Town Manager or his designee for a specific purpose.
5. **Unassigned fund balance** – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

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Fund Balance by Category (as of June 30, 2017)

	General Fund	Capital Project Major Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable				
Prepaid expenditures	\$ -	-	\$ -	\$ -
Advances to other funds	-	-	-	-
Permanent funds	\$ -	\$ -	\$ 3,361,368	\$ 3,361,368
Total Nonspendable	-	-	3,361,368	3,361,368
Restricted				
Pension fund	10,025,132	-	-	10,025,132
Community preservation	-	-	1,942,080	1,942,080
Parking	-	-	267,506	267,506
Cemetery	-	-	362,780	362,780
PEG Access	-	-	1,000,997	1,000,997
Receipts reserved for appropriation	-	-	750,747	750,747
53G Review	-	-	16,315	16,315
Miscellaneous grants and contributions	-	-	106,604	106,604
School lunch	-	-	179,618	179,618
Gifts	-	-	1,497,441	1,497,441
Recreation	-	-	1,020,452	1,020,452
Other revolving	-	-	522,697	522,697
Federal grants	-	-	18,560	18,560
State grants	-	-	667,732	667,732
Highway Grants	-	-	-	-
Solid waste	-	-	434,422	434,422
Sawyer gift fund	-	-	214,564	214,564
Capital project funds	-	3,474,121	-	3,474,121
Permanent funds	-	-	2,837,136	2,837,136
Other special revenue funds	-	-	113,671	113,671
Total Restricted	10,025,132	3,474,121	15,427,443	25,452,575
Committed				
55 Church St. property acquisition	1,200,000	-	-	1,200,000
Affordable housing units at Junction Village	1,000,000	-	-	1,000,000
Information technology improvements	1,500,000	-	-	1,500,000
High school debt stabilization	1,055,687	-	-	1,055,687
Emergency response stabilization	664,934	-	-	664,934
Insurance reserve fund	1,706,460	-	-	1,706,460
School capital stabilization	42,657	-	-	42,657
School technology stabilization	700	-	-	700
Receipts reserved for appropriation	-	-	7,296	7,296
Total Committed	7,170,438	-	7,296	7,177,734
Assigned				
For encumbrances				
Building and capital improvements	766,432	-	-	766,432
Computer capital improvements	399,447	-	-	399,447
Salary reserve	210,000	-	-	210,000
Professional services	332,120	-	-	332,120
Vehicles	149,698	-	-	149,698
Other general government	171,000	-	-	171,000
Vehicles and equipment	136,939	-	-	136,939
Building and capital improvements	98,565	-	-	98,565
Technical services	21,010	-	-	21,010
Other public safety	77,599	-	-	77,599
Education	820,570	-	-	820,570
Building and capital improvements	1,225,870	-	-	1,225,870
GIS system	147,378	-	-	147,378
Equipment replacement	143,641	-	-	143,641
Public shade trees	45,000	-	-	45,000
Other public works	107,039	-	-	107,039
Building and capital improvements	143,454	-	-	143,454
Vehicles	59,000	-	-	59,000
Other health and human services	34,707	-	-	34,707
Building and capital improvements	131,601	-	-	131,601
Professional services	48,879	-	-	48,879
Library books	20,951	-	-	20,951
Other culture and recreation	36,244	-	-	36,244
Sick-leave buy back	188,539	-	-	188,539
Fringe benefits	55,796	-	-	55,796
Other employee benefits	43,345	-	-	43,345
For next year's expenditures	1,000,000	-	-	1,000,000
Total Assigned	6,614,824	-	-	6,614,824
Unassigned				
General fund	11,631,918	-	-	11,631,918
General stabilization	4,241	-	-	4,241
Deficit balances	-	(1,144,175)	(22,973)	(1,167,148)
Total Unassigned	11,636,159	(1,144,175)	(1,167,148)	10,469,011
Total Fund Balance	\$ 35,446,553	\$ 2,329,946	\$ 17,628,959	\$ 53,075,512

Free Cash:

The narrative and chart below present information about Free Cash, the undesignated Fund Balance available to be appropriated by Town Meeting. The Finance Committee has set a policy to keep the used Free Cash balance at or above 5% of the total ensuing Town budget.

Strong Reserves

The Town's Free Cash exceeds the minimum amount of 5% of the next year's budget. As a result of this policy and other sound management practices, Moody's Investors Service has affirmed Concord's Aaa credit rating on the Town's outstanding debt, as of May 31, 2017.

Free Cash

All municipal governments should maintain reserves which can be used for special purposes or in case of emergencies. Credit rating agencies look at the reserves as a measure to determine whether a city or town is being managed well. As a policy, the Finance Committee has stated that the reserves should be at least 5% of the next year's total Town budget. In recent years, the Finance Committee has sought to maintain a 10% level.

These reserves are officially the Undesignated General Fund Balance, commonly referred to a "Free Cash". They represent the amount of fund balance which the Town has not currently designated for any specific purpose. Each year, the State examines the Town's balance sheet and certifies the amount that the Town has in available reserves or Free Cash. All or part of this amount can be appropriated in the next fiscal year, if the Town Meeting chooses to do so.

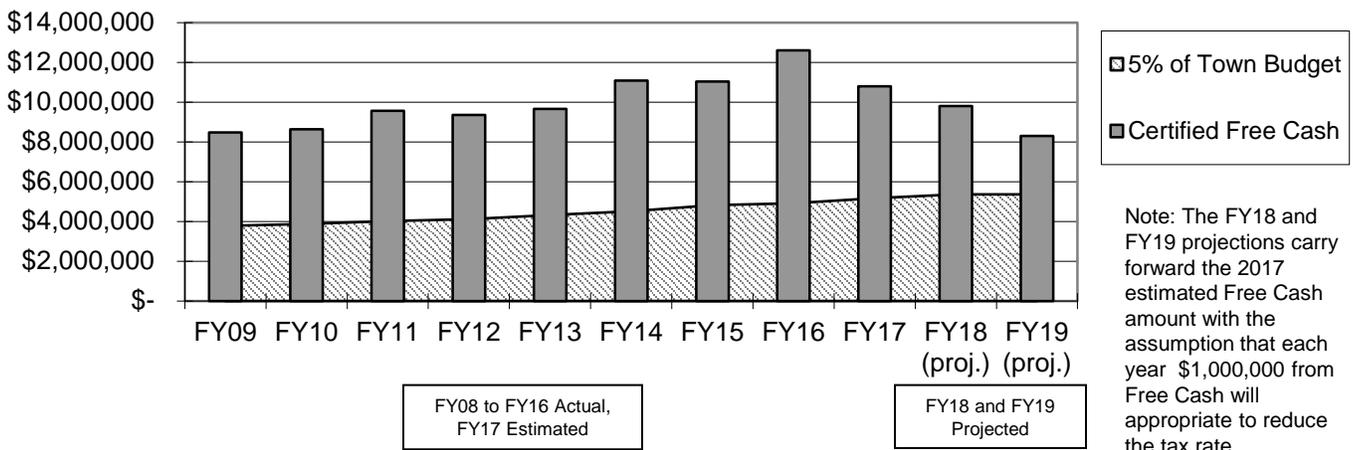
As shown on the previous page, Free Cash is calculated by taking the Town's fund balance at year-end and subtracting those items which are designated for other purposes.

Over the past decade, Free Cash has generally increased from year-to-year as a result of the Town conservatively estimating revenues (i.e., the Town usually collects more revenue than budgeted), and effectively controlling expenses (i.e., the Town spends less money than budgeted).

The chart below shows the annual amount of certified Free Cash identified by the bars and the floor representing 5% of the next year's Town budget identified by the shaded area.

Free Cash at June 30, 2017 is estimated at \$10.79 million, although it has not yet been certified.

Certified Free Cash (Actual for FY08 to FY16, Estimated for FY17, and Projected for FY18 to FY19)



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Uses of Free Cash:

As appropriated by Town Meeting, the Town's available reserves have been used for various purposes which include decreasing the tax levy and establishing stabilization funds.

Prudent Uses

Over the years, the Finance Committee has proposed, and the Town Meeting has adopted, modest allocations of Free Cash in an effort to retain Free Cash at levels which are fiscally prudent.

Town Meeting has appropriated Free Cash for various purposes. An appropriation is routinely approved to reduce the annual property tax levy. For FY19, \$1,000,000 is proposed for this purpose.

In addition, Town Meeting has voted to apply a portion of the Free Cash reserves to create stabilization funds to offset prospective rises in property taxes due to the increased debt service to pay for the construction of public school buildings. At the 2008 Annual Town Meeting, an amount of \$2.5 million was allocated from Free Cash to lower the tax levy impact of debt service payments for the Alcott, Thoreau, and Willard Elementary School Bonds.

At the Special Town Meeting on November 7, 2011, Concord citizens voted to establish a \$2 million stabilization fund from Free Cash to be used to offset future property tax increases resulting from additional debt service associated with the cost for construction of the new Concord-Carlisle High School. Further allocations to this fund were made in the three ensuing years.

It should be noted that the projections for FY18 and FY19 do not take into account likely increases in Free Cash due to the conservative estimation of revenues and expenditures: estimated revenues may be lower than the actual amounts received and budgeted expenditures may not be entirely used. According, the downward trend for projected Free Cash in FY18 and FY19 do not reflect the positive results anticipated from operations for those years.

Availability of Free Cash for Appropriation			Use of Free Cash for Appropriation					
Certification Year (As of June 30th)	Free Cash Available for Appropriation	Percent of Next Year's Budget (from cert. date)	Fiscal Year	Appropriated to Reduce the Tax Levy	Appropriated for Debt Stabilization	Appropriation from Free Cash	Appropriated for Willard School Borrowing	Total Free Cash Use
2006	5,730,609	8.6%	2008	500,000				500,000
2007	8,003,063	11.5%	2009	600,000	2,500,000			3,100,000
2008	7,371,061	10.0%	2010	600,000			440,000	1,040,000
2009	8,471,337	11.2%	2011	600,000		34,430		634,430
2010	8,635,340	11.1%	2012	850,000		24,822		874,822
2011	9,567,656	11.9%	2013	850,000	2,000,000			2,850,000
2012	9,357,662	11.3%	2014	850,000	750,000			1,600,000
2013	9,664,489	11.2%	2015	850,000	750,000			1,600,000
2014	11,084,916	12.3%	2016	950,000	750,000	\$ 625,000 ⁽¹⁾		2,325,000
2015	11,040,933	11.5%	2017	1,000,000				1,000,000
2016	12,605,955	12.8%	2018	1,000,000		1,000,000 ⁽²⁾		2,000,000
				proposed				
2017	10,798,936	10.4%	2019	1,000,000				1,000,000

Note: Free Cash is certified by the State as of each June 30th. Once this is done, certified free cash becomes available for Town Meeting appropriation.

(1) CPS Busses (\$600,000, 2015 ATM 24) and White Pond Management (\$25,000, 2015 ATM 29)

(2) Junction Village (\$1,000,000, 2017 ATM 30)

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Overview

Budget - All Accounts , FY15 - FY18 Budgeted, FY19 Proposed

Line #		FY15 Budget	FY16 Budget	FY17 Budget	FY18 Budget	FY19 Proposed	Dollar Change	Percent Change	Percent of Total
Town Government									
1	personal services	\$ 15,181,707	\$ 15,721,241	16,468,178	17,285,653	17,983,494	697,841	4.04%	16.78%
2	O & M	3,332,306	3,458,772	3,470,835	3,683,360	3,897,019	213,659	5.80%	3.64%
3	capital outlay	1,625,000	1,709,000	1,800,000	1,870,000	1,945,000	75,000	4.01%	1.81%
4	Reserve Fund	225,000	225,000	225,000	225,000	225,000	0	0.00%	0.21%
5	Total General Fund	\$ 20,364,013	\$ 21,114,013	\$ 21,964,013	\$ 23,064,013	\$ 24,050,513	\$ 986,500	4.28%	22.44%
	Emergency Services Stabilization Fund	200,000	100,000	50,000	0	0	0		
	Total Town Government	\$ 20,564,013	\$ 21,214,013	\$ 22,014,013	\$ 23,064,013	\$ 24,050,513	\$ 986,500	4.28%	22.44%
6	Concord Public Schools	\$ 32,440,538	\$ 34,542,735	\$ 35,660,111	\$ 36,810,111	\$ 38,461,880	\$ 1,651,769	4.49%	35.88%
7	Concord-Carlisle RSD	\$ 15,856,221	\$ 16,556,221	\$ 17,035,005	\$ 17,935,005	\$ 19,544,198	\$ 1,609,193	8.97%	18.23%
8	Total Operating Budgets	\$ 68,860,772	\$ 72,312,969	\$ 74,709,129	\$ 77,809,129	\$ 82,056,591	\$ 4,247,462	5.46%	76.56%
JOINT TOWN & CPS ACCOUNTS									
9	Group Insurance	\$ 4,650,000	\$ 4,650,000	4,650,000	4,800,000	5,526,100	\$ 726,100	15.13%	5.16%
10	OPEB Trust	900,000	1,150,000	1,400,000	1,470,000	1,617,000	147,000	10.00%	1.51%
11	Retirement	3,125,000	3,220,000	3,317,000	3,667,000	3,777,010	110,010	3.00%	3.52%
12	Town & CPS Debt Service	3,500,000	3,605,000	3,730,000	3,860,000	3,994,645	134,645	3.49%	3.73%
13	Refunding savings, required levy		114,217						0.00%
14	Social Security/Medicare	685,000	740,000	765,000	810,000	814,713	4,713	0.58%	0.76%
15	Other Fixed & Mandated	425,000	425,000	450,000	450,000	485,000	35,000	7.78%	0.45%
16	subtotal	\$ 13,285,000	\$ 13,904,217	\$ 14,312,000	\$ 15,057,000	\$ 16,214,468	\$ 1,157,468	7.69%	15.13%
17	CCRSD Debt Service			80,753	102,583	102,809	226	0.22%	0.10%
18	Town Excluded Debt Service	4,495,632	4,206,283	4,007,828	3,607,507	3,384,869	(222,638)	-6.17%	3.16%
19	CCRSD Excluded Debt Service	1,858,841	3,514,429	3,668,218	3,561,484	3,404,345	(157,139)	-4.41%	3.18%
20	Minuteman Excluded Debt Service					147,115	147,115		0.00%
21	Minuteman Voc Tech	\$ 191,689	\$ 407,041	423,444	\$ 599,179	\$ 605,823	\$ 6,644	1.11%	0.57%
22	subtotal	\$ 6,546,162	\$ 8,127,753	\$ 8,180,243	\$ 7,870,753	\$ 7,644,961	\$ (225,792)	-2.87%	7.13%
23	Appropriation of Free Cash		625,000		1,000,000	0	(1,000,000)		
24	Appropriation of Available Funds				200,000	0	(200,000)		
25	TOWN MEETING VOTE	\$ 88,691,934	\$ 94,969,939	\$ 97,201,372	\$ 101,936,882	\$ 105,916,020	\$ 3,979,138	3.90%	98.82%
26	State assessments	\$ 511,384	\$ 497,843	495,310	\$ 529,002	\$ 554,197	\$ 25,195	4.76%	0.52%
27	Snow/ice & other deficits	285,362	310,772	0	178,656	175,000	(3,656)	-2.05%	0.16%
28	Overlay	555,513	543,663	552,900	565,018	540,000	(25,018)	-4.43%	0.50%
29	subtotal	\$ 1,352,259	\$ 1,352,278	\$ 1,048,210	\$ 1,272,676	\$ 1,269,197	\$ (3,479)	-0.27%	1.18%
30	TOTAL BUDGET PLAN	\$ 90,044,193	\$ 96,322,217	\$ 98,249,582	\$ 103,209,558	\$ 107,185,217	\$ 3,975,659	3.85%	100.00%

SECTION I: Financial Summary

Overview

		FY19 Proposed						Change from FY18 Budget		
		FY15 Budget	FY16 Budget	FY17 Budget	FY18 Budget	FY19 Proposed	Dollar Change	Percent Change	Percent of Total	
31	state aid	\$ 4,147,519	\$ 4,272,640	4,642,015	\$ 4,923,642	\$ 5,033,363	\$ 109,721	2.23%	4.70%	
32	motor vehicle excise tax	2,600,000	2,850,000	2,875,000	3,033,586	3,095,601	62,015	2.04%	2.89%	
33	investment earnings	100,000	100,000	150,000	361,272	400,000	38,728	10.72%	0.37%	
34	other local revenue	3,436,400	3,723,200	3,607,000	3,825,000	4,105,250	280,250	7.33%	3.83%	
35	Appropriations financed from:									
36	CCHS Debt Stabilization Fund	500,000	1,500,000	1,000,000	785,000	275,000	(510,000)	-64.97%	0.26%	
37	Emergency Services Stab. Fund	200,000	100,000	50,000	0	0	0	0.00%	0.00%	
38	Exempt Debt Service Reserve					186,274	186,274		0.17%	
39	Free Cash		625,000		1,000,000	0	(1,000,000)			
40	Transfers to General Fund:									
41	from CMLP (Light Fund)	\$ 458,650	\$ 472,400	465,500	\$ 474,000	\$ 474,000	\$ 0	0.00%	0.44%	
42	Thoreau School MSBA grant	409,878	409,878	409,878	0	0	0	0.00%	0.00%	
43	"free cash" transfer	850,000	950,000	1,000,000	1,000,000	1,000,000	0	0.00%	0.93%	
44	subtotal	\$ 12,702,447	\$ 15,003,118	14,199,393	\$ 15,402,500	\$ 14,569,488	\$ (833,012)	-5.41%	13.59%	
Property Tax:										
45	property tax base	\$ 71,061,652	\$ 74,224,261	76,371,162	\$ 80,101,736	\$ 85,115,674	\$ 5,013,938	6.26%	79.41%	
46	new growth	835,499	1,284,004	1,412,859	1,321,330	1,025,000	(296,330)	-22.43%	0.96%	
47	total within the Levy Limit	\$ 71,897,151	\$ 75,508,265	77,784,021	\$ 81,423,066	\$ 86,140,674	\$ 4,717,608	5.79%	80.37%	
48	debt service excluded from Levy Limit	5,444,595	5,810,834	6,266,168	6,383,992	6,475,055	91,063	1.43%	6.04%	
49	total property tax	\$ 77,341,746	\$ 81,319,099	84,050,189	\$ 87,807,058	\$ 92,615,729	\$ 4,808,671	5.48%	86.41%	
50	TOTAL RESOURCES	\$ 90,044,193	\$ 96,322,217	98,249,582	\$ 103,209,558	\$ 107,185,217	\$ 3,975,659	3.85%	100.00%	

Property Taxes:

The total projected property tax levy for FY19 is:

\$92,615,729

This represents 86.4% of the total resources supporting the FY19 budget.

It also represents an increase of 5.48% over the FY18 tax levy of \$87,807,058.

This, however, *does not* mean that the property tax rate will increase by 5.48%, as \$1,025,000 of the increase is due to projected New Growth (see chart on page 11 for a further break-out of the components of the total levy).

The resulting impact on the property tax levy on existing taxpayers is projected to be:

+ 4.32%

Property Tax Highlights

The FY19 property tax levy on existing taxpayers is projected to increase by 4.32% over the FY18 levy.

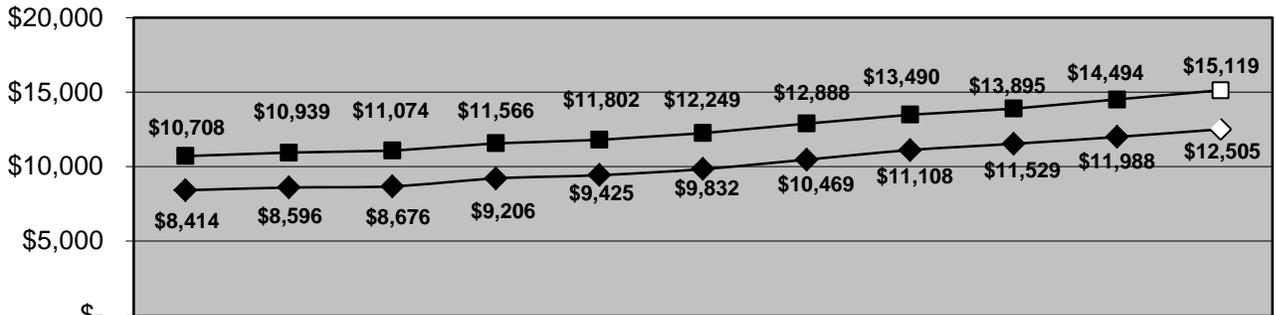
The effects of this increase can be understood in the following ways:

- The median single family residential tax bill for FY19 is projected to increase by \$517 from \$11,988 in FY18 to \$12,505 in FY19 (based on a median assessed value of \$838,900).

Or...

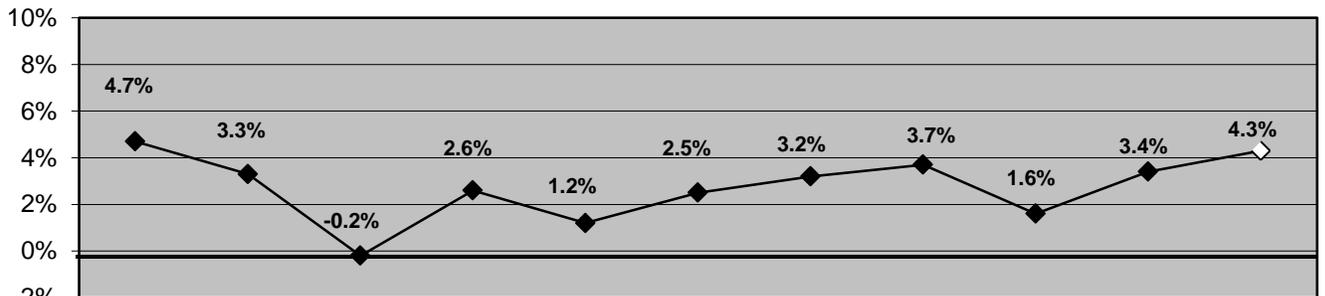
- The tax bill per \$100,000 of assessed value will increase by \$62, from \$1,429 in FY18 to an estimated \$1,491 in FY19.

Average and Median Tax Bills on Single Family Parcels



	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19 Projected
■ Tax on Average	\$10,708	\$10,939	\$11,074	\$11,566	\$11,802	\$12,249	\$12,888	\$13,490	\$13,895	\$14,494	\$15,119
◆ Tax on Median	\$8,414	\$8,596	\$8,676	\$9,206	\$9,425	\$9,832	\$10,469	\$11,108	\$11,529	\$11,988	\$12,505

Average Tax Revenue Increases (Borne by Existing Taxpayers)



	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19 Proj.
◆ Tax Rate Increase	4.7%	3.3%	-0.2%	2.6%	1.2%	2.5%	3.2%	3.7%	1.6%	3.4%	4.3%

Property Tax Details:

In the area below, there is information that details how the Levy Limit has been calculated (for the proposed budget, as well as for the current and previous fiscal year budgets).

For FY19, the first number shown is the FY18 Levy Limit of \$85,491,022. As authorized by Prop 2½, the FY17 Levy Limit is multiplied by 2.5% to get \$2,137,276. The levy projected from new building construction (New Growth) is estimated to be \$1,025,000, the sum of these numbers is the new FY19 Levy Limit of \$87,628,298. After adding the levy for payment due on excluded debt of \$6,475,055, the maximum allowable levy equals \$95,128,353.

With the proposed FY19 level of spending requiring a tax levy of \$92,615,729, the result is a levy under the limit and an unused tax levy capacity projected at \$2,512,624.

Proposition 2½

Since 1982, Massachusetts Law has limited property tax increases by municipalities. The law restricts municipalities from increasing their property tax levy limit by more than 2½% each year, and is thus known as Proposition 2½.

It should be noted that property tax revenues resulting from “new growth” do not count towards the limit. This is because Proposition 2½ is intended to limit tax increases on existing taxpayers, while allowing the municipality to expand its services to meet additional needs posed by new growth.

Property Tax Levy Limit Calculation

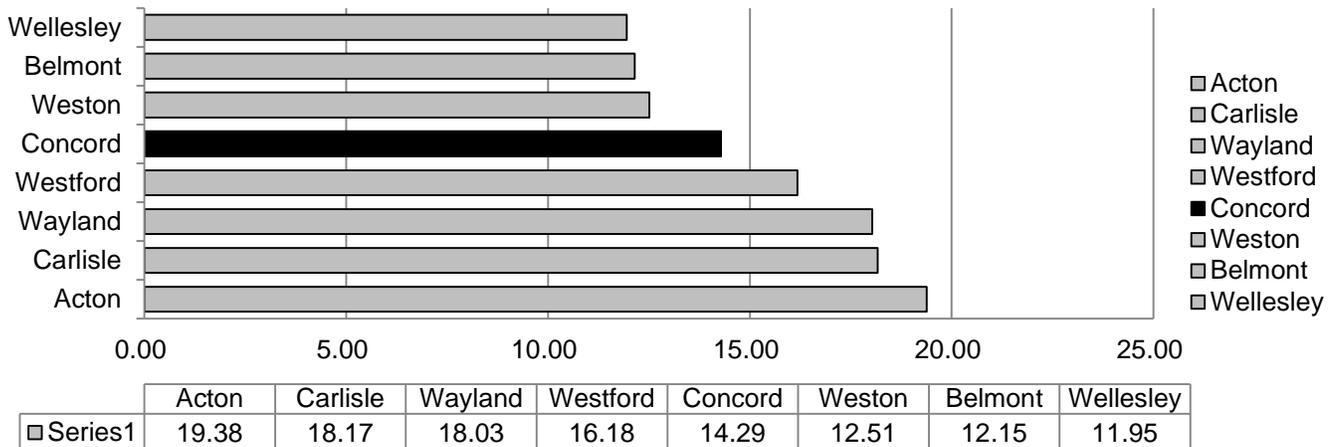
	FY17 Actual	FY18 Actual	FY19 Projected
Previous Levy Limit	\$ 78,712,008	\$ 82,116,773	\$ 85,491,022
New Growth Adjustment	23,518		-
Plus 2.5%	<u>1,968,388</u>	<u>2,052,919</u>	<u>2,137,276</u>
Subtotal	80,703,914	84,169,692	87,628,298
New Growth	1,412,859	1,321,330	1,025,000
Levy Limit	82,116,773	85,491,022	88,653,298
Excluded Debt Levy	<u>6,266,168</u>	<u>6,383,991</u>	<u>6,475,055</u>
Maximum Allowable Levy	\$ 88,382,941	\$ 91,875,013	\$ 95,128,353
Tax Levy	\$ 84,050,189	\$ 87,807,057	\$ 92,615,729
Unused Levy Limit	\$ 4,332,752	\$ 4,067,956	\$ 2,512,624

	FY18 Tax Rates		FY18 Unused Levy Capacity	
	Residential	Commercial	Amount	% of Limit
Burlington	\$10.62	\$27.56	\$10,345,662	8.82%
Newton	10.82	20.62	28,056	0.01%
Needham	11.88	23.46	1,281,513	0.96%
Wellesley	11.95	11.95	28,383	0.02%
Belmont	12.15	12.15	1,125,927	1.26%
Weston	12.51	12.51	7,654,591	9.23%
Lincoln	13.60	17.88	19,828	0.07%
Concord	14.29	14.29	4,067,956	4.43%
Lexington	14.30	27.69	34,354	0.02%
Westford	16.18	16.38	1,085,698	1.43%
Sudbury	17.93	24.30	200,835	0.24%
Wayland	18.03	18.03	7,996,510	10.65%
Carlisle	18.17	18.17	1,743,234	6.08%
Acton	19.38	19.38	911,930	1.08%

The table presented above provides data on the FY18 tax rates and unused levy capacity for neighboring municipalities. A lower tax rate makes the relative property tax burden less and a higher unused levy capacity shows that the municipality is not taxing at the maximum amount as determined by Proposition 2 ½.

Source: Massachusetts Department of Revenue, Division of Local Services, 2/5/2018

Comparable Municipalities with Uniform Tax Rate



The chart presented above shows the FY18 tax rates of neighboring communities that have a uniform tax rate (e.g., a tax rate that is the same for residential, commercial and industrial property).

SECTION I: Financial Summary

Property Taxes

Assessment Date	Fiscal Year	Median single family parcel value	Tax rate	Tax Bill	Property Tax Rate		Total Tax Levy	New Growth Levy	impact on existing taxpayers	
					Average single family value	Tax Bill			Net Levy	% over prior total levy
Jan. 1, 2007	2008	735,650	10.72	7,886	944,487	10,125	58,946,453	1,368,514	57,577,939	2.70%
Jan. 1, 2008	(a) 2009	707,100	11.90	8,414	899,866	10,708	62,648,641	947,751	61,700,890	4.67%
Jan. 1, 2009	2010	656,700	13.09	8,596	835,697	10,939	65,797,569	1,068,881	64,728,688	3.32%
Jan. 1, 2010	2011	657,750	13.19	8,676	839,569	11,074	66,545,397	817,300	65,728,097	-0.11%
Jan. 1, 2011	(a) 2012	677,900	13.58	9,206	851,674	11,566	69,122,997	863,585	68,259,412	2.58%
Jan. 1, 2012	2013	669,850	14.07	9,425	838,804	11,802	71,123,429	1,183,336	69,940,093	1.18%
Jan. 1, 2013	2014	680,400	14.45	9,832	847,681	12,249	74,135,633	1,220,624	72,915,009	2.52%
Jan. 1, 2014	(a) 2015	732,600	14.29	10,469	901,857	12,888	77,341,746	835,499	76,506,247	3.20%
Jan. 1, 2015	2016	\$798,000	\$13.92	\$11,108	\$969,130	\$13,490	\$81,319,099	\$1,284,004	\$80,035,095	3.48%
Jan. 1, 2016	2017	\$819,400	\$14.07	\$11,529	\$987,566	\$13,895	\$84,050,189	\$1,412,859	\$82,637,330	1.62%
Jan. 1, 2017	(a) 2018	\$838,900	\$14.29	\$11,988	\$1,014,301	\$14,494	\$87,807,057	\$1,321,330	\$86,485,727	2.90%
estimate	2019			\$12,505	\$15,119		\$92,615,729	\$1,025,000	\$91,590,729	4.31%

notes: (a) valuation certification year, Mass. Dept. of Revenue on-site review

Fiscal Year	Voted Operating Override levy	% incr. in levy	Debt Exclusion Levy	Change from prior year	Total change in tax levy
2007	\$657,538	1.23%	\$2,702,361	\$215,818	\$2,792,633
2008	none		3,026,989	324,628	2,880,733
2009	none		3,982,522	955,533	3,702,188
2010	none		4,512,636	530,114	3,148,928
2011	none		4,015,430	(497,206) *	747,828
2012	none		4,069,862	54,432 *	2,577,600
2013	none		4,088,721	18,859 *	2,000,432
2014	none		4,801,422	712,701 *	3,012,204
2015	none		5,444,595	643,173 *	3,206,113
2016	none		\$5,810,834	\$366,239 *	\$3,977,353
2017	none		\$6,266,168	\$455,334 *	\$2,731,090
current year estimate	2018	none	\$6,383,991	\$117,823 *	\$3,756,868
estimate	2019	none	\$6,475,055	\$91,064 *	\$4,808,672

* FY11 is net of \$1,000,000 appropriated from the Debt Stabilization Fund and \$431,796 Thoreau MSBA grant allocation.
 FY12 is net of \$700,000 appropriated from the Debt Stabilization Fund and \$427,413 Thoreau MSBA grant allocation.
 FY13 is net of \$475,000 appropriated from the Debt Stabilization Fund and \$409,878 Thoreau MSBA grant allocation.
 FY14 is net of \$965,000 appropriated from Debt Stabilization Funds (Elementary and High School) and \$409,878 Thoreau MSBA grant allocation.
 FY15 Adopted budget is net of \$500,000 appropriated from Debt Stabilization Funds (High School) and \$409,878 Thoreau MSBA grant allocation.
 FY16 Adopted budget is net of \$1,500,000 appropriated from Debt Stabilization Funds (High School) and \$409,878 Thoreau MSBA grant allocation.
 FY17 Adopted is net of \$1,000,000 proposed from Debt Stabilization Funds (High School) and \$409,878 Thoreau MSBA grant allocation.
 FY18 Adopted is net of \$785,000 appropriated from HS Debt Stabilization Fund
 FY19 Projected is net of \$225,000 proposed from HS Debt Stabilization Fund and \$186,272 from Exempt Debt Reserve (created out of necessity from 2017 Bond Refunding Issue)

Proposed FY19 Budgets Property Tax impact

incremental and total tax levy and budget changes

	FY18	Proposed FY19		
		plus	at proposed level	%Δ
Town Government operations	\$23,064,013	+\$ 986,500 =	\$ 24,050,513	4.28%
Concord Public Schools (K-8)	\$36,810,111	+\$ 1,651,769 =	\$ 38,461,880	4.49%
CCHS assessment:				
without debt exclusion	\$ 17,935,005	+\$ 1,609,193 =	\$ 19,544,198	8.97%
debt, non-exempt	102,583		102,208	
debt, exempt	<u>3,561,484</u>		<u>3,404,946</u>	
total assessment	\$ 21,599,072		\$ 23,051,352	
<i>Concord's assessment share:</i>				
FY17: 73.61%				
FY18: 75.46%				
Sum for all operating budgets:			<u>\$ 4,247,462</u>	
<u>Projected Tax rate Impact</u>				4.31%
Tax Bill at median \$838,900 value	\$ 11,988	+ 517 =	\$ 12,505	
Tax Bill per \$100,000 a.v.	\$ 1,429	+ 62 =	\$ 1,491	

SECTION I: Financial Summary

Property Taxes

Assessed Valuation, Levy Limit, Tax Levy and Rates: FY1980-2018

Fiscal Year	Total Assessed Value	Levy Ceiling	Levy Limit	Actual Levy		Uniform Tax Rate	Actual Tax Rates			Unused Levy Limit		
				Within Limit	Debt Exclusion		Residential	Open Space	Commercial	"CIP" ratio	\$	as % of Limit
1980	\$371,034,400			\$13,060,411		\$35.20						
1981	\$383,133,677			\$15,248,720		\$39.80						
1982	\$644,119,237	\$16,102,981	\$15,629,937	\$15,093,532		\$23.43	23.60	20.06	23.43	100.0	\$536,405	3.43%
1983	\$651,122,529	\$16,278,063	\$16,214,000	\$15,342,973		\$23.56	23.66	19.99	23.78	100.9	\$871,027	5.37%
1984	\$784,563,443	\$19,614,086	\$17,006,633	\$15,465,780		\$19.71	19.25	16.36	22.63	114.8	\$1,540,853	9.06%
1985	\$801,293,191	\$20,032,330	\$17,780,870	\$15,648,020		\$19.53	19.13	16.26	22.00	112.6	\$2,132,850	12.00%
1986	\$822,949,238	\$20,573,731	\$18,605,674	\$16,125,650		\$19.59	19.25	16.36	21.71	110.8	\$2,480,024	13.33%
1987	\$1,464,903,743	\$36,622,594	\$19,600,366	\$17,296,129		\$11.81	11.47	9.75	13.95	118.1	\$2,304,237	11.76%
1988	\$1,510,487,280	\$37,762,182	\$20,651,135	\$18,392,726		\$12.18	11.89	10.11	14.04	115.3	\$2,258,409	10.94%
1989	\$1,547,164,362	\$38,679,109	\$21,574,623	\$19,908,672		\$12.87	12.61	10.72	14.60	113.4	\$1,665,951	7.72%
1990	\$2,188,108,438	\$54,702,711	\$22,609,017	\$21,603,000		\$9.87	9.72	8.27	10.82	109.6	\$1,006,017	4.45%
1991	\$2,185,289,176	\$54,632,229	\$23,486,987	\$23,083,329		\$10.56	10.21	8.68	12.87	121.9	\$403,658	1.72%
1992	\$1,863,767,794	\$46,594,195	\$24,325,878	\$24,324,345		\$13.05	12.62	10.73	15.91	121.9	\$1,533	0.01%
1993	\$1,831,121,461	\$45,778,037	\$25,229,582	\$24,770,829		\$13.53	13.27	11.28	15.57	115.1	\$458,753	1.82%
1994	\$1,842,884,146	\$46,072,104	\$26,148,398	\$25,639,506	\$435,498	\$14.15	13.98	11.89	15.57	110.0	\$508,892	1.95%
1995	\$1,853,888,132	\$46,347,203	\$27,110,678	\$26,562,285	\$504,753	\$14.60	14.49	12.32	15.62	107.0	\$548,393	2.02%
1996	\$2,246,615,332	\$56,165,383	\$28,513,798	\$27,531,054	\$279,059	\$12.40	12.42	10.56	12.40	100.0	\$982,744	3.45%
1997	\$2,273,535,628	\$56,838,391	\$29,574,375	\$28,652,539	\$544,685	\$12.84	12.86	10.93	12.84	100.0	\$921,836	3.12%
1998	\$2,288,809,124	\$57,220,228	\$30,582,585	\$29,804,080	\$545,529	\$13.26					\$778,505	2.55%
1999	\$2,704,003,171	\$67,600,079	\$32,061,277	\$31,406,074	\$772,688	\$11.90					\$655,203	2.04%
2000	\$2,742,122,055	\$68,553,051	\$33,421,403	\$32,453,928	\$725,749	\$12.10					\$967,475	2.89%
2001	\$2,783,643,972	\$69,591,099	\$34,827,754	\$34,225,525	\$681,370	\$12.54					\$602,229	1.73%
2002	\$3,974,434,046	\$99,360,851	\$38,958,156	\$38,226,458	\$842,228	\$9.83					\$731,698	1.88%
2003	\$4,408,301,807	\$110,207,545	\$42,171,555	\$41,782,825	\$713,204	\$9.64					\$388,730	0.92%
2004	\$4,411,852,520	\$110,296,313	\$45,336,664	\$45,161,214	\$1,560,304	\$10.59					\$175,450	0.39%
2005	\$5,117,100,515	\$127,927,513	\$48,886,984	\$48,293,261	\$1,854,324	\$9.80					\$593,723	1.21%
2006	\$5,207,535,371	\$130,188,384	\$51,679,906	\$50,786,544	\$2,486,543	\$10.23					\$893,362	1.73%
2007	\$5,309,253,831	\$132,731,346	\$54,523,353	\$53,363,359	\$2,702,361	\$10.56					\$1,159,994	2.13%
2008	\$5,498,736,316	\$137,468,408	\$57,254,951	\$55,919,464	\$3,026,989	\$10.72					\$1,335,487	2.33%
2009	\$5,264,591,702	\$131,614,793	\$59,634,076	\$58,717,305	\$3,931,336	\$11.90					\$916,771	1.54%
2010	\$5,026,552,229	\$125,663,806	\$62,197,127	\$61,284,932	\$4,512,636	\$13.09					\$912,195	1.47%
2011	\$5,045,140,030	\$126,128,501	\$64,569,355	\$62,529,967	\$4,015,430	\$13.19					\$2,039,388	3.16%
2012	\$5,090,058,629	\$127,251,466	\$67,047,174	\$65,053,133	\$4,069,863	\$13.58					\$1,994,041	2.97%
2013	\$5,054,970,094	\$126,374,252	\$69,911,104	\$67,034,708	\$4,088,721	\$14.07					\$2,876,396	4.11%
2014	\$5,130,493,662	\$128,262,342	\$72,879,506	\$69,334,221	\$4,801,422	\$14.45					\$3,545,285	4.86%
2015	\$5,412,298,562	\$135,307,464	\$75,539,516	\$71,897,151	\$5,444,595	\$14.29					\$3,642,365	4.82%
2016	\$5,841,889,295	\$146,047,232	\$78,712,008	\$75,508,265	\$5,810,834	\$13.92					\$3,203,743	4.07%
2017	\$5,973,716,402	\$149,342,910	\$82,116,773	\$77,784,021	\$6,266,168	\$14.07					\$4,332,752	5.28%
2018	\$6,144,650,600	\$153,616,265	\$85,491,022	\$81,567,539	\$6,239,518	\$14.29					\$3,923,783	4.59%

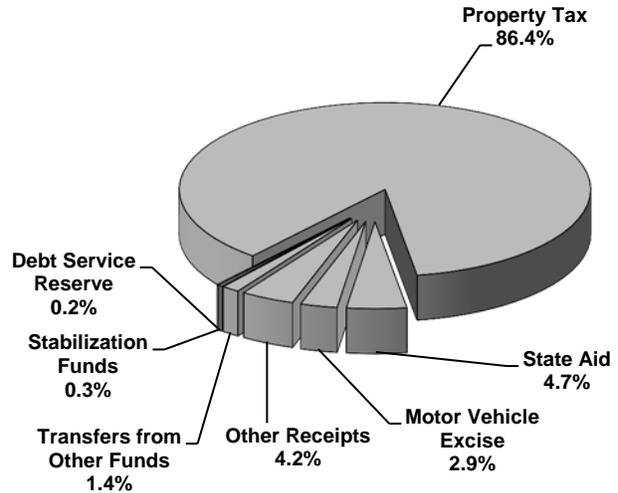
Financial Resources:

The General Fund budget is financed with funds generated from property taxes, local motor vehicle excise taxes, state aid, transfers from other local sources, investment earnings on temporarily available cash balances, and other local fees and charges.

The Resources section contains the following:

•Resource Category Descriptions	16
•Property Tax Detail	17
•State Aid and Local Receipts Detail	18-19

FY19 General Fund Resources
Totaling \$107,185,217



Property Tax – Property taxes constitute about 86% of the total annual resources of the Town budget and may be levied only up to a calculated levy limit (which is certified by the state Department of Revenue). This limit can only increase by 2.5% from the previous year’s levy limit. However, taxes generated from “new growth”, the increased property values resulting from new construction and change of property use, is added to the annual limit. In addition, any override or debt exclusion amount approved by a majority vote of the electorate is added to the annual levy limit (Page 17).

State Aid – The types of funds provided to Concord by the state government are listed in the Resource Detail – General Fund schedule (Page 18 under State Aid).

Motor Vehicle Excise Tax – These resources are raised from a tax on each individual vehicle garaged in the Town, according to a schedule of depreciated value set by statute and administered by the State Registry of Motor Vehicles (Page 18 Under Local Excise Taxes).

Other Receipts– A detail of these resources can be found under State Aid and Local Receipts in the following categories: Local Excise Taxes, Licenses and Permits, Fines and Forfeitures, Rentals, Fees, and Other Revenues. (Pages 18 – 19)

Property Tax

FY13 - FY17, Actuals, FY18 Budgeted, and FY19 Projected

	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Budgeted	FY19 Projected
Property Tax:							
Base	65,862,787	68,113,587	71,061,652	74,224,261	76,347,645	80,101,736	85,115,674
New Growth	1,183,336	1,220,624	835,499	1,284,004	1,436,376	1,321,330	1,025,000
Within levy limit Subtotal	\$67,046,123	\$69,334,211	\$71,897,151	\$75,508,265	\$77,784,021	81,423,066	\$86,140,674
Debt Exclusion							
Concord-Carlisle High School	184,870	(4,213)	(10,456)	196,161	189,624	0	0
New CCHS building	69,258	1,556,056	1,869,297	3,318,268	3,508,314	3,561,484	3,404,345
Harvey Wheeler CC renovations	114,039	110,837	107,389	103,694	0	0	0
CPS Bus Depot						156,672	292,500
Alcott School - Bond, Sept. '04 (\$7m), refunded Ma	522,769	509,863	496,519	439,838	432,645	418,265	405,885
Alcott School - Ph 2 bond, Mar. '07 (\$2.35m)	217,283	211,132	204,980	198,829	191,724	176,240	166,320
Thoreau School - Bond, Sept. '06 (\$10m)	828,392	807,628	786,172	588,300	670,755	387,600	445,440
Thoreau School - Bond, Sept. '07 (\$6.8m)	588,000	573,769	558,589	541,037	525,570	333,330	200,190
Thoreau school - Bond, Mar. '09 (\$140k)	0	0	0	0	0	0	0
Willard School Design - Bond Spr. '08 (\$1.84m)	221,183	215,734	210,285	204,383	198,269	181,563	191,110
Willard School - Bond, Mar. '09 (\$11.9m)	995,601	979,864	955,980	937,245	918,750	898,437	646,875
Willard School - Bond, Jan. '10 (\$12.9m)	1,027,089	1,013,547	1,000,005	986,463	972,475	955,475	936,755
Phase 1, WPAT State Loan	101,565	101,450	101,332	101,212	101,089	99,925	99,794
Willard constr. - Bond, June '11 (\$400k est)	103,550	100,633	74,381	105,282	0	0	0
Thoreau advance refunding, May '15					0	0	0
Minuteman Regional Technical							
Debt Exclusion Subtotal	4,973,599	6,176,300	6,354,473	7,720,712	7,709,215	7,168,991	\$147,115
less:							
<i>Elementary School Debt Stabilization</i>							
<i>Bond Premium</i>							
<i>CCRSD PY Debt Reserve</i>							
<i>Exempt Debt Service Reserve</i>							
<i>Thoreau School MSBA grant</i>							
<i>High School Debt Stabilization</i>							
Net Debt Exclusion Subtotal	\$4,088,721	(\$409,878)	(\$409,878)	(\$409,878)	(\$409,878)	(785,000)	(186,274)
TOTAL PROPERTY TAX	\$71,134,844	\$74,135,633	\$77,341,746	\$81,319,099	\$84,050,189	87,807,057	\$92,615,729

FY2019 PROJECTED TAX LEVY INCREASE

percent	amount
4.21%	\$3,692,608
0.11%	\$91,064
4.32%	\$3,783,672
1.17%	1,025,000
5.48%	\$4,808,672

SECTION I: Financial Summary

Resources

State Aid and Local Receipts

FY15 - FY17 Actuals, FY18 Budgeted, FY19 Proposed

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Budgeted	FY19 Proposed	FY18-FY19 Change	FY18-FY19 %Change	Percent of Total
State Aid								
4611 LOSS OF TAXES STATE LAND	\$424,522	\$424,522	\$419,471	\$415,310	\$415,310	\$0	0.00%	3.29%
4613 ABATEMENTS TO VETERANS	\$11,025	\$9,900	\$0	\$0	\$0	\$0	0.00%	0.00%
4614 ABATEMENTS TO SURVIVING SPOUSE	\$24,038	\$10,591	\$0	\$0	\$0	\$0	0.00%	0.00%
4615 ABATEMENTS TO THE BLIND	\$1,050	\$962	\$0	\$0	\$0	\$0	0.00%	0.00%
4616 ABATEMENTS TO THE ELDERLY	\$4,518	\$4,141	\$3,012	\$29,780	\$29,780	\$0	0.00%	0.24%
4620 SCHOOL AID CH. 70	\$2,573,232	\$2,705,857	\$3,030,314	\$3,229,888	\$3,310,635	\$80,747	2.50%	26.20%
4623 CHARTER SCHL TUITION ASSESSMENT R	\$15,370	\$5,407	\$1,620	\$893	\$893	\$0	0.00%	0.01%
4666 CORRECTIONAL INSTIUTIONAL AID	\$0	\$205,013	\$163,890	\$0	\$0	\$0	0.00%	0.00%
4667 VETERANS BENEFITS	\$28,086	\$32,509	\$60,752	\$63,727	\$63,727	\$0	0.00%	0.50%
4673 UNRESTRICTED GEN GOVT AIDE	\$1,032,288	\$1,069,450	\$1,115,436	\$1,158,938	\$1,187,911	\$28,973	2.50%	9.40%
OFFSET ITEM, LIBRARY AID	\$0	\$0	\$0	\$25,106	\$25,106	\$0	0.00%	0.20%
TOTAL - STATE AID	\$4,114,129	\$4,468,352	\$4,794,495	\$4,923,642	\$5,033,363	\$109,721	2.23%	39.84%
Local Excise Taxes								
4150 MOTOR VEHICLE EXCISE	\$2,866,492	\$2,937,836	\$3,029,693	\$3,033,586	\$3,095,601	\$62,015	2.04%	24.50%
4162 FARM EXCISE	\$0	\$1,489	\$472,779	\$0	\$0	\$0	0.00%	0.00%
4166 ROOM OCCUPANCY	\$297,886	\$334,372	\$115,668	\$450,000	\$550,000	\$100,000	22.22%	4.35%
4167 JET FUEL	\$328,986	\$203,899	\$353,568	\$110,000	\$115,000	\$5,000	4.55%	0.91%
4168 LOCAL MEALS TAX	\$333,073	\$360,185	\$198	\$350,000	\$380,000	\$30,000	8.57%	3.01%
4324 MV LESSOR SURCHARGE	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%
TOTAL - LOCAL EXCISE TAXES	\$3,826,437	\$3,837,781	\$3,971,906	\$3,943,586	\$4,140,601	\$197,015	5.00%	32.77%
Licenses and Permits								
4411 LICENSES PERMITS	\$957,402	\$1,430,945	\$1,042,484	\$1,015,000	\$1,125,000	\$110,000	10.84%	8.90%
4412 ALCOHOLIC BEVERAGES	\$82,600	\$92,225	\$93,750	\$90,000	\$90,000	\$0	0.00%	0.71%
TOTAL - PERMITS	\$1,040,002	\$1,523,170	\$1,136,234	\$1,105,000	\$1,215,000	\$110,000	9.95%	9.62%
Fines and Forfeitures								
4171 PENALTY INTEREST-PROP. TAXES	\$548	\$769	\$343	\$0	\$0	\$0	0.00%	0.00%
4172 REAL ESTATE INTEREST	\$101,018	\$93,325	\$83,613	\$90,000	\$90,000	\$0	0.00%	0.71%
4173 TAX TITLE INTEREST	\$210,912	\$33,817	\$57,110	\$25,000	\$30,000	\$5,000	20.00%	0.24%
4174 MV EXCISE INTEREST	\$5,706	\$10,388	\$7,349	\$0	\$0	\$0	0.00%	0.00%
4175 DEF. REAL ESTATE INTEREST	\$37,930	\$1,566	\$3,972	\$0	\$0	\$0	0.00%	0.00%
4771 TOWN BYLAW FINES	\$1,000	\$425	\$400	\$0	\$0	\$0	0.00%	0.00%
4775 COURT FINES	\$7,217	\$38,967	\$0	\$85,000	\$90,000	\$5,000	5.88%	0.71%
4777 DISTRICT COURT FINES	\$0	\$1,422	\$10,150	\$0	\$0	\$0	0.00%	0.00%
4778 CIVIL FINES RMV	\$77,230	\$77,298	\$76,780	\$0	\$0	\$0	0.00%	0.00%
TOTAL - FINES	\$441,561	\$257,977	\$239,718	\$200,000	\$210,000	\$10,000	5.00%	1.66%
Rentals								
4359 WIRELESS RENTAL FEES	\$198,955	\$220,030	\$220,449	\$221,500	\$222,500	\$1,000	0.45%	1.76%
4360 RENTALS - HWCC	\$30,765	\$33,280	\$32,073	\$30,750	\$30,000	(\$750)	-2.44%	0.24%
4361 MILLBROOK TARRY	\$400	\$400	\$0	\$0	\$0	\$0	0.00%	0.00%
4362 RIPLEY RENTAL	\$19,262	\$21,686	\$24,530	\$22,750	\$22,750	\$0	0.00%	0.18%
4363 MARSHALL FARM RENT	\$12,897	\$13,332	\$13,902	\$0	\$0	\$0	0.00%	0.00%
4364 MCGRATH FARM RENT	\$16,800	\$16,800	\$16,926	\$0	\$0	\$0	0.00%	0.00%
4365 37 KNOX TRAIL RENT	\$7,108	\$440	\$0	\$0	\$0	\$0	0.00%	0.00%
4830 INTEREST ON INVESTMENTS	\$82,546	\$158,041	\$395,884	\$361,272	\$400,000	\$38,728	10.72%	3.17%
TOTAL - RENTALS	\$368,733	\$464,008	\$703,764	\$636,272	\$675,250	\$38,978	6.13%	5.34%

SECTION I: Financial Summary

Resources

State Aid and Local Receipts

FY15 - FY17 Actuals, FY18 Budgeted, FY19 Proposed

<u>Fees</u>	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Budgeted	FY19 Proposed	FY18-FY19 Change	FY18-FY19 % Change	Percent of Total
4271 AMBULANCE FEES COASTAL	\$669,079	\$699,575	\$688,938			\$0	0.00%	0.00%
4320 FEES	\$2,175	\$1,725	\$2,025			\$0	0.00%	0.00%
4321 ADMIN DETAIL FEES	\$32,782	\$31,335	\$32,337			\$0	0.00%	0.00%
4322 FALSE ALARM FEES	\$12,625	\$8,550	\$18,875			\$0	0.00%	0.00%
4323 FIREARM IDENTIFICATION FEE	\$1,775	\$2,250	\$2,838			\$0	0.00%	0.00%
4327 FIRE ALARM MONITOR FEE	\$17,100	\$23,900	\$31,800			\$0	0.00%	0.00%
4328 SUBDIVISION APPLICATION FEES	\$7,700	\$4,400	\$6,669			\$0	0.00%	0.00%
4329 COLLECTORS FEES	\$14,700	\$14,200	\$13,550			\$0	0.00%	0.00%
4330 COLLECTORS COSTS	\$41,360	\$33,347	\$24,785			\$0	0.00%	0.00%
4331 CONSTABLE FEES	\$65	\$70	\$90			\$0	0.00%	0.00%
4333 FEES (TOWN CLERK)	\$109,791	\$107,298	\$109,642			\$0	0.00%	0.00%
4335 CABLE TV FRANCHISE	\$2,979	\$2,965				\$0	0.00%	0.00%
4337 COBRA FEES	\$170	\$171	\$185			\$0	0.00%	0.00%
4338 BAD CHECK FEES	\$3,163	\$2,644	\$2,766			\$0	0.00%	0.00%
4339 FILING FEES	\$12,985	\$8,850	\$12,590			\$0	0.00%	0.00%
4347 BUILDING REVIEW FEE	\$10,090	\$8,240	\$9,240			\$0	0.00%	0.00%
4360 RENTALS	\$13,415	\$15,268	\$8,296			\$0	0.00%	0.00%
4370 MISCELLANEOUS REVENUE	\$109,270	\$42,107	\$27,479			\$0	0.00%	0.00%
4376 HEALTH SERVICES OVERHEAD	\$7,408	\$11,583	\$9,491			\$0	0.00%	0.00%
4414 FIRE ALARM	\$12,800	\$12,350	\$12,835			\$0	0.00%	0.00%
4567 SCHOOL MEDICAID PAYMENTS	\$28,306	\$34,940	\$37,219			\$0	0.00%	0.00%
4772 LIBRARY BOOK FINES	\$43,482	\$120,885	\$144,080			\$0	0.00%	0.00%
4857 TUITION - INTEGRATED PRESCHOOL	\$109,082					\$0	0.00%	0.00%
TOTAL - FEES	\$1,262,302	\$1,186,653	\$1,195,729	\$1,190,000	\$1,200,000	\$10,000	0.84%	9.50%
Other Revenue								
4141 41A REDEMPTION	\$78,285	\$19,336	\$12,146	\$0	\$0	\$0	0.00%	0.00%
4161 61B ROLLBACK	\$0	\$66,113	\$0	\$0	\$0	\$0	0.00%	0.00%
4181 PILOT-HOUSING AUTHORITY	\$19,014	\$20,190	\$19,705	\$20,000	\$20,000	\$0	0.00%	0.16%
4182 PILOT-FISH WILDLIFE	\$6,063	\$3,561	\$907	\$0	\$0	\$0	0.00%	0.00%
4190 SUPPLEMENTAL PROPERTY TAX	\$116,075	\$53,926	\$127,428	\$75,000	\$100,000	\$25,000	33.33%	0.79%
4369 SREC REVENUE	\$15,021	\$20,724	\$17,370	\$0	\$15,000	\$15,000	0.00%	0.12%
4375 MISC REVENUE NON-RECURRING	\$66,357	\$302,119	\$4,883	\$50,000	\$25,000	(\$25,000)	-50.00%	0.20%
4378 REFUND PRIOR YEAR	\$13,017	\$2,258	\$7,257	\$0	\$0	\$0	0.00%	0.00%
4387 E-RATE REVENUE	\$0	\$42,829	\$0	\$0	\$0	\$0	0.00%	0.00%
4940 PREMIUM FROM SALE OF BONDS	\$114,455	\$362,178	\$0	\$0	\$0	\$0	0.00%	0.00%
TOTAL - OTHER	\$428,288	\$893,233	\$189,696	\$145,000	\$160,000	\$15,000	10.34%	1.27%
STATE AID	\$4,114,129	\$4,468,352	\$4,794,495	\$4,923,642	\$5,033,363	\$109,721	2.23%	39.84%
LOCAL RECEIPTS	\$7,367,323	\$8,162,822	\$7,437,047	\$7,219,858	\$7,600,851	\$380,993	5.28%	50.16%
TOTAL STATE AID AND LOCAL RECEIPTS	\$11,481,452	\$12,631,174	\$12,231,542	\$12,143,500	\$12,634,214	\$490,714	4.04%	100.00%

Overview:

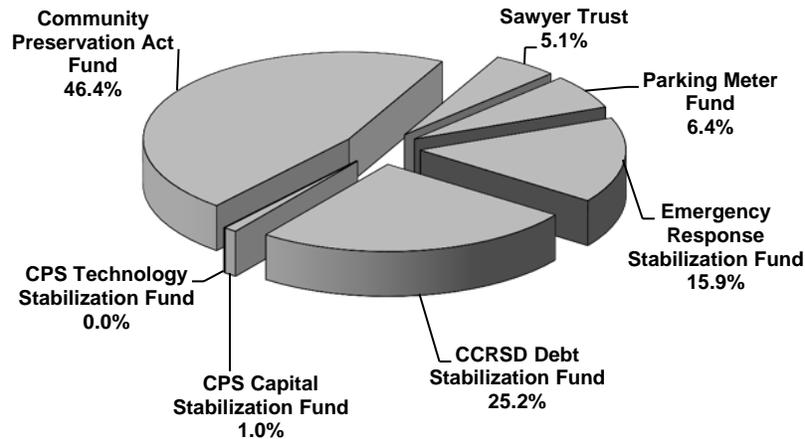
To augment current General Fund revenues and earmark funds for future expenditures, the Town has established several stabilization funds and the Sawyer Trust Fund.

With the adoption of the Community Preservation Act in 2004, the Town places a 1.5% surcharge on all real estate tax bills with an exemption for qualified low and moderate income owner-occupied residents, and an exemption for the first \$100,000 of taxable value of residential real property. When funds are available, the State matches the amount raised by the Town's 1.5% surcharge.

The Parking Meter Fund was established in 1975 to use revenues from parking meters and parking violation fines for the purchase and maintain parking meters and regulate and enforce parking activities.

Available Resources (as of June 30, 2017)

\$1.9 Million for CPA Projects
 \$1.7 million from Stabilization Funds
 \$267,000 for Parking-Related Projects
 \$214,000 for Sawyer Trust Building Projects



Other Resources

Stabilization Funds (which can be used with a two-thirds affirmative vote of Town Meeting)

- Concord Public Schools Capital Needs Stabilization Fund – As of June 30, 2017, the fund has an unencumbered total of \$42,657.
- Concord Public Schools Technology Stabilization Fund – As of June 30, 2017, the fund has a remaining balance of \$700.
- High School Debt Stabilization Fund – As of June 30, 2017, the fund has a total of \$1,055,687, to off-set the debt service cost associated with the construction of the new Concord-Carlisle Regional High School.
- Emergency Response Stabilization Fund – As of June 30, 2017, the fund has \$664,933 to be used to mitigate the impact of the Concord Mews development in West Concord on public safety services.

Sawyer Trust Fund -- For use at the discretion of the Town Manager, the \$1.7 million Sawyer Trust gift has a balance of \$214,563 as of June 30, 2017 for energy conservation initiatives in Town-owned buildings.

Community Preservation Act Funds – As of June 30, 2017, the amount available to fund Community Preservation Act (CPA) is \$1,942,080. These funds can be appropriated by Town Meeting for the purposes of funding community housing, historic preservation, open space, and recreation projects, as well as covering associated administration costs. By statute, the Town must designate at least 10% of annual revenues of the Community Preservation Fund either to be appropriated to or reserved for future spending for each of three categories: community housing, historic preservation, and open space purposes.

Parking Meter Revolving Fund – With revenues derived from the collection of parking meter deposits and the payment of parking violation fines, the Parking Meter Fund has a balance of \$267,506 as of June 30, 2017. This fund is replenished continually with revenue from meter collections and violation payments and in FY17 revenues totaled \$394,287. With the authorization of the Police Chief, FY17 expenditures equaled \$384,846.

Stabilization, Trust, and Escrow Funds as of June 30, 2016**Concord Public Schools Capital Needs Stabilization Fund**

This fund was established at the 2006 Annual Town Meeting with the net proceeds (\$487,956) from the sale of town land at Strawberry Hill Road to fund the Burke land purchase (Old Bedford Road, at Ripley). Subsequent additions totaling \$360,000 were made by the 2010 Town Meeting (\$260,000) and the 2011 Town Meeting (\$100,000) from unexpended CPS appropriations encumbered by the School Committee at June 30, 2009 and June 30, 2010 respectively. An amount of \$925,000 was appropriated from this Fund by Article 24 of the 2015 Annual Town Meeting for the public school bus depot.

Concord Public Schools Technology Stabilization Fund

This fund was established by vote at the 2010 Annual Town Meeting and added to at the 2011 Annual Town Meeting, from unexpended CPS appropriations encumbered by the School Committee at June 30, 2009 (\$25,000) and June 30, 2010 (\$50,000) respectively. An amount of \$75,000 was appropriated from this Fund by vote of Article 11 of the 2014 Annual Town Meeting for public school technology projects.

High School Debt Stabilization Fund

This fund was established by vote at the April 24, 2012 Special Town Meeting, funded by a \$2.0 million appropriation from Free Cash effective immediately upon the vote. Subsequent transfers from Free Cash have been voted at the 2013, 2014 and 2015 annual town meetings (\$750,000 each year). As a result of withdrawals from this stabilization fund, the balance as of June 30, 2017 is \$1,055,687 to be used to mitigate the property tax impact of the construction cost of the new high school.

Emergency Response Stabilization Fund

This fund was established by vote at the 2012 Annual Town Meeting, funded by a \$1.0 million appropriation from Free Cash effective immediately upon the vote. The Free Cash appropriation was offset by the receipt of the same amount from the developer of Concord Mews as a required Mitigation Payment. In accordance with state law, the Mitigation Payment was recorded as General Fund revenue during FY12; the payment was not legally permitted to be applied and expended directly.

An amount of \$350,000 was drawn from the fund in the period from FY15 through FY17 to be applied to Fire Department costs for the initiation of a second ambulance services out of the West Concord Station. Additionally, \$50,00 had been appropriated by Article 29 of the 2012 Town Meeting for application to emergency access to the Concord Mews site. This appropriation has not yet been acted upon or rescinded. The fund balance as of June 30, 2017 is \$664,933.

Sawyer Trust Fund

Special Town Meeting vote of Nov. 5, 2007 accepted this \$1.7 million gift and assigned the custody and investment of the fund to the Trustees of Town Donations. Interest, dividends and gains recorded to date and added to the fund total of \$70,002. To date, the Trustees have transferred \$1,787,815 to the town treasury at the request of the Town Manager. There have been 68 separate projects undertaken for the improvement of energy and resource conservation in town government buildings and facilities. A total of \$214,563 remains in the fund as of June 30, 2017.

SECTION I: Financial Summary

Other Resources

Status of Stabilization and other special funds at June 30, 2017

Fund #	FUND TITLE	Legal Basis	Initial Funding		Balance at June 30, 2016	FY17 transactions & activity (12 months)				Balance at June 30, 2017
			Amount	Date		Additions	Interest and Dividends	realized and unrealized gains	Funds used	
86	Elementary School Debt Stabilization	Article 20 of 2008	\$2,500,000.00	7/1/08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
85	Concord Public Schools Capital Needs	Article 32 of 2006	\$487,955.59	3/31/08	\$42,271.91	\$0.00	\$385.44	\$0.00	\$0.00	\$42,657.35
80	Concord Public Schools Technology	Article 25 of 2010	\$25,000.00	12/7/10	\$694.15	\$0.00	\$6.16	\$0.00	\$0.00	\$700.31
83	General Stabilization Fund				\$4,202.79	\$0.00	\$38.25	\$0.00	\$0.00	\$4,241.04
78	High School Debt	Art. 2, Apr. 24, 2012 Special Town Mtg.	\$2,000,000.00	6/29/12	\$2,045,329.74	\$0.00	\$10,357.27	\$0.00	\$1,000,000.00	\$1,055,687.01
79	Emergency Response	Article 29 of 2012	\$1,000,000.00	6/29/12	\$708,884.43	\$0.00	\$6,049.21	\$0.00	\$50,000.00	\$664,933.64
	SUBTOTAL: STABILIZATION FUNDS		\$6,012,955.59		\$2,801,383.02	\$0.00	\$16,836.33	\$0.00	\$1,050,000.00	\$1,768,219.35
Trustees	Sawyer Trust	Art. 4, Nov. 5, 2007 Special Town Mtg.	\$1,730,437.58	1/3/08	\$212,625.09	\$0.00	\$1,938.80	\$0.00	\$0.00	\$214,563.89
General Fund reserved	Thoreau School MSBA grant escrow (General Fund restricted fund balance)	*	\$6,336,666.00	6/7/10	\$409,877.73	\$0.00	\$0.27	\$0.00	\$409,878.00	\$0.00
						<i>Interest and dividend income of the Thoreau escrow account is recorded as General Fund revenue</i>				
					\$3,423,885.84					\$1,982,783.24

* Grant reserved (initial funding, less funds used)

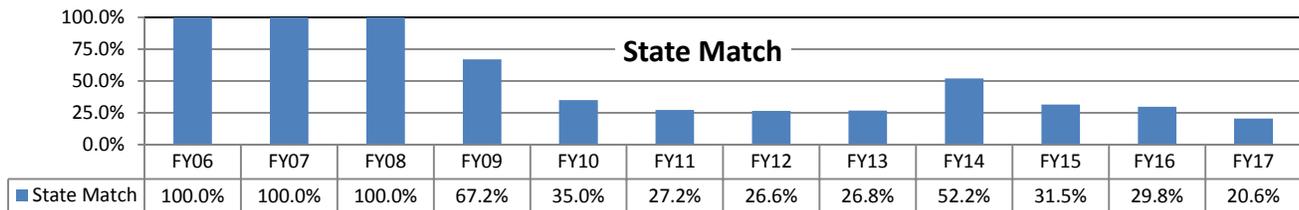
shaded cells: General Fund revenue

Community Preservation Act Fund

The Community Preservation Act, M.G.L. c. 44B, allows Massachusetts cities and towns to raise monies through a surcharge of up to 3% of the real estate tax levy on real property. Concord adopted the Community Preservation Act at the 2004 Annual Town Meeting and ratified it at the polls in November 2004. Concord voters agreed to fund the CPA account through a 1.5% surcharge of all real estate property tax bills with two exemptions:

1. Residential property owned and occupied by any person who qualifies for moderate or low-income housing (earning less than 80% of Area Median Income), or low or moderate-income senior housing (earning less than 100% of the Area Median Income and are 60 years of age or older), and
2. The first \$100,000 of taxable value of residential real property.

Funds from the 1.5% surcharge are “matched” from revenues derived from a surcharge placed on all real estate transactions at the State's Registries of Deeds and placed in the CPA Trust Fund. From FY06 to FY08, there were enough funds in the CPA Trust Fund to provide Concord with a 100% match. However, as the number of participating municipalities increased (82 in FY06 to 157 in FY17), the State match percentage has decreased.



The chart below shows the annual revenues, expenditures, and fund balance for Concord’s CPA account.

	CPA Fund Balance (FY12 to FY17 Actual and FY18 to FY19 Projected)							
	FY12	FY13	FY14	FY15	FY16	FY17	Budgeted FY18	Projected FY19
Beginning Fund Balance (@July 1st)	\$1,863,110	\$1,977,882	\$1,243,941	\$1,236,225	\$1,827,740	\$2,049,110	\$1,942,081	\$1,904,691
Surcharge Collection (Current Year)	\$891,970	\$921,209	\$964,992	\$1,016,159	\$1,078,059	\$1,120,149	\$1,164,955	\$1,199,903
Surcharge Collection (Prior Years)	\$333	\$7,056	\$4,794	\$3,051	\$3,937	\$0	\$0	\$0
State Match (of Prior Year net committed)	\$230,656	\$241,434	\$485,112	\$306,163	\$302,422	\$223,265	\$116,495	\$119,990
Earnings on Investment	\$6,470	\$3,664	\$2,340	\$3,514	\$8,423	\$15,596	\$7,500	\$7,500
Tax and Tax Title Penalty Interest	\$5,050	\$4,927	\$5,834	\$8,810	\$3,230	\$3,376	\$0	\$0
Total Fund Revenues	\$1,134,479	\$1,178,290	\$1,463,072	\$1,337,697	\$1,396,072	\$1,362,386	\$1,288,950	\$1,327,393
Expenditures	\$1,019,707	\$1,912,231	\$1,470,788	\$746,182	\$1,174,702	\$1,469,415	\$1,326,340	
Ending Fund Balance (@ June 30th)	\$1,977,882	\$1,243,941	\$1,236,225	\$1,827,740	\$2,049,110	\$1,942,081	\$1,904,691	

Parking Meter Fund

With the adoption of Article 65 of the 1975 Annual Town Meeting, the Town established in the Town Treasury a Parking Meter Fund to segregate revenues raised from the collection of parking meter deposits and the payment of parking violation fines. With the authorization of the Police Chief, these funds can be used to pay for costs incurred for the acquisition, installation, replacement, maintenance, and repair of parking meters and for the regulations and enforcement of parking and other traffic activities.

On page 25, there is a Statement of Revenues, Expenditures, and Fund Balance for the fiscal years 2010 to 2017. In FY17, total revenues equaled \$394,287 and expenditures \$384,846. As a result, fund balance increased by \$9,441 to \$267,506.

SECTION I: Financial Summary

Other Resources

Proposed FY19 CPA Projects (to be voted on at the 2018 Annual Town Meeting)

Item	Name of Project	Suggested Category	Suggested Amount to Award	Notes
A	Regional Housing Services Program	Community Housing	\$18,000	\$12,000 from Community Housing Reserve Fund Balance
B	Concord Housing Authority - Bedford Court Unit Renovations	Community Housing	\$123,838	
C	Town of Concord - Junction Village Assisted Living	Community Housing	\$350,000	\$235,000 from Community Housing Reserve Fund
D	51 Walden Inc. - Access 51	Historic Preservation	\$100,000	
E	Concord Masonic Corp. - Corinthian Lodge Restoration	Historic Preservation	\$150,000	
F	Concord Museum - Systems Replacement Project	Historic Preservation	\$140,000	\$10,000 from Prior Year Balance
G	Concord Natural Resources - White Pond Slope Restoration	Open Space / Recreation	\$174,200	Split Evenly
H	Town of Concord - Assabet River Pedestrian Bridge Design	Open Space / Recreation	\$35,000	Split Evenly
I	Town of Concord - Acquisition of 369 Commonwealth Ave.	Open Space / Recreation	\$500,000	\$120,000 from Open Space Reserve Fund Balance
J	Town of Concord - BFRT Phase 2C and 2B	Open Space / Recreation	\$40,000	Split Evenly
K	Concord Public Works - Emerson Field Improvements	Recreation	\$200,000	
M	Staff and Technical Support	Administration	\$30,000	
Total Requested:			\$1,861,038	

SECTION I: Financial Summary

Other Resources

CONCORD FINANCE DEPARTMENT
 Parking Fund
 Statement for Revenues, Expenditures and Changes in Fund Balance

Fiscal Years 2011 to 2017

	Code	FY11	FY12	FY13	FY14	FY15	FY16	FY17
REVENUES:								
Meter collections		141,581	144,358	139,460	133,436	128,558	172,442	213,561
Meter violations		133,383	135,705	139,787	119,302	118,454	155,724	107,132
MBTA lot fees		32,293	34,367	35,999	38,483	42,631	50,036	38,422
Parking permits		9,071	9,825	14,639	16,668	22,815	26,002	35,172
Total revenues		<u>316,328</u>	<u>324,255</u>	<u>329,884</u>	<u>307,889</u>	<u>312,459</u>	<u>404,204</u>	<u>394,287</u>
EXPENDITURES:								
Personal services:								
Parking officer	5111	59,890	60,407	60,747	70,523	62,744	63,551	67,055
Hearing officer	5120	1,688	240	240	260	320	493	356
Overtime	5130	55,638	60,131	56,493	67,437	56,330	51,780	43,870
Benefits	various	2,482	2,551	2,551	3,380	2,815	3,649	2,676
Total personal services		<u>119,698</u>	<u>123,329</u>	<u>120,031</u>	<u>141,599</u>	<u>122,209</u>	<u>119,473</u>	<u>113,957</u>
Supplies & services:								
Electricity - traffic lights	5211, 5215	8,543	9,512	7,807	7,115	7,284	7,012	6,727
Equipment maintenance	5243	874	4,105	1,575	629	-	203	53
Computer Equipment	5245	9,781	12,195	11,241	12,039	12,345	12,152	14,093
Traffic signal maintenance	5246	4,142	4,097	6,739	51,617	3,834	1,013	-
Vehicular Maintenance	5251	-	1,672	90	461	205	763	961
Street Painting Marking	5292	32,635	36,517	38,996	22,147	36,724	33,611	61,387
Other Property Related	5299	-	-	-	330	-	-	-
Data processing - tickets	5303	12,349	12,819	10,577	10,359	10,882	13,271	7,691
Eng./Architect. Svs	5304	-	1,355	-	-	-	-	-
Banking Services	5310	-	-	-	-	-	3,069	14,794
Other Prof./Tech. Svs	5319	-	26,669	64,865	-	10,678	22,857	4,948
Telephone	5341	-	-	-	-	-	200	440
Postage	5342	1,200	1,443	2,297	1,015	957	1,269	732
Printing	5381	-	-	2,464	2,400	4,598	4,777	-
Advertising	5383	-	-	-	-	-	587	122
Radar Service	5384	1,831	538	1,632	1,198	723	1,555	1,613
Misc. Purchased Services	5399	-	-	-	-	-	3,961	11,831
Gasoline	5411	2,027	2,542	3,039	2,681	2,226	611	1,011
Printed Forms	5423	4,664	860	1,626	1,490	1,104	1,669	759
Office Supplies	5429	-	-	-	-	30	-	2,064
Painting Supplies	5434	1,550	1,248	797	1,119	1,469	562	-
Other Vehicle Supplies	5483	-	-	-	-	-	-	8
Other equipment supplies	5484	962	1,732	961	2,091	2,053	724	428
Sign materials	5541	262	50	56	141	38	97	101
Traffic safety devices & signs	5551	4,830	2,320	2,147	4,459	3,245	1,425	5,830
Miscellaneous Signs	5553	109	-	-	-	628	290	-
Other Miscellaneous Supplies	5599	125	-	-	-	505	901	100
Intergovernmental assessmnt	5646	9,405	9,734	9,465	8,907	10,776	10,776	7,749
Total supplies & services		<u>95,290</u>	<u>129,409</u>	<u>166,372</u>	<u>130,196</u>	<u>110,301</u>	<u>123,356</u>	<u>143,444</u>
Capital outlay:								
Traffic counters	5709	-	-	-	-	-	-	-
Other Equipment Expense	5709	-	-	-	-	-	1,390	-
Highway Improvements	5841	-	4,269	81,988	-	-	9,277	2,878
Public Safety Equipment	5857	1,850	7,463	1,875	-	-	-	7,500
Meter Replacement	5866	-	-	-	-	3,099	2,588	50,197
Vehicle	5871	-	-	37,725	-	-	-	-
Public Safety Equip Replace	5877	-	-	-	1,495	-	-	-
Computer Equipment Replace	5879	-	-	4,187	-	-	-	-
MBTA Lot Drainage Improve.	-	-	-	-	-	-	-	-
Replace. MBTA Lot Boxes	-	-	-	-	-	-	-	-
Total capital outlay		<u>1,850</u>	<u>11,732</u>	<u>125,775</u>	<u>1,495</u>	<u>3,099</u>	<u>13,255</u>	<u>60,575</u>
Interfund transfers:								
Police - admin. & staffing		15,000	15,000	15,000	15,000	62,943	64,192	66,869
Treasurer - ticket collections		26,162	27,088	28,311	29,126	-	-	-
Finance Administration		15,601	16,659	16,876	17,732	-	-	-
Total interfund transfers		<u>56,763</u>	<u>58,747</u>	<u>60,187</u>	<u>61,858</u>	<u>62,943</u>	<u>64,192</u>	<u>66,869</u>
Total expenditures		<u>273,601</u>	<u>323,216</u>	<u>472,366</u>	<u>335,148</u>	<u>298,552</u>	<u>320,276</u>	<u>384,846</u>
Net of Revenues & Expenditures		42,727	1,038	(142,482)	(27,260)	13,907	83,927	9,441
FUND BALANCE, JULY 1		286,206	328,933	329,971	187,489	160,230	174,137	258,065
FUND BALANCE, JUNE 30		<u>328,933</u>	<u>329,971</u>	<u>187,489</u>	<u>160,230</u>	<u>174,137</u>	<u>258,065</u>	<u>267,506</u>

SECTION I: Financial Summary

Expenses

Expenses – General Fund Budget:

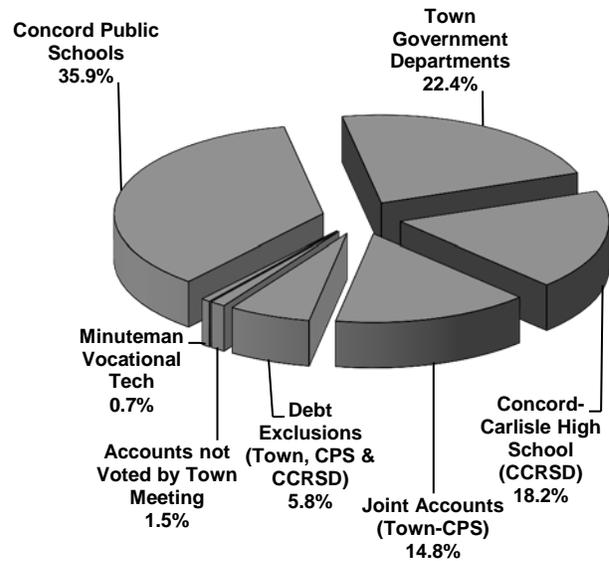
The General Fund budget is organized into 3 major organizational categories:

- Town Government;
- Concord Public Schools; and
- Concord-Carlisle Regional School District.

This section contains the following:

•Major Organizational Categories	26 to 27
•Joint Accounts	28
•Other Obligations	29
•Appropriations (Warrant)	30 to 32
•Town Government Budget Summary	33 to 41

FY19 General Fund Expenses **Totaling \$107,185,217**



Town Government (Page 8, line 5 – \$24,050,513 proposed for FY19)

This budget category relates to all sections of Town Government services that are under the direction and control of the Town Manager in accordance with the Town Charter, including general government, finance, public safety, public works, and human services. It should be noted that this number refers only to the amount appropriated by Town Meeting; it does not include resources transferred from other funds. For example, the Concord Municipal Light Plant (CMLP) uses various services of the Finance Department. The cost for these services is charged to the Light (CMLP) Fund. The budget presentation shows these other funding sources but they are not part of the General Fund appropriation.

Concord Public Schools (CPS - Page 8, line 6 - \$38,461,880 Finance Committee Guideline for FY19)

Summary information is found in School Accounts Section. Separate School Department documents provide a more detailed analysis of the CPS budget, which is under the control and direction of the elected School Committee and the administrative direction of the School Superintendent.

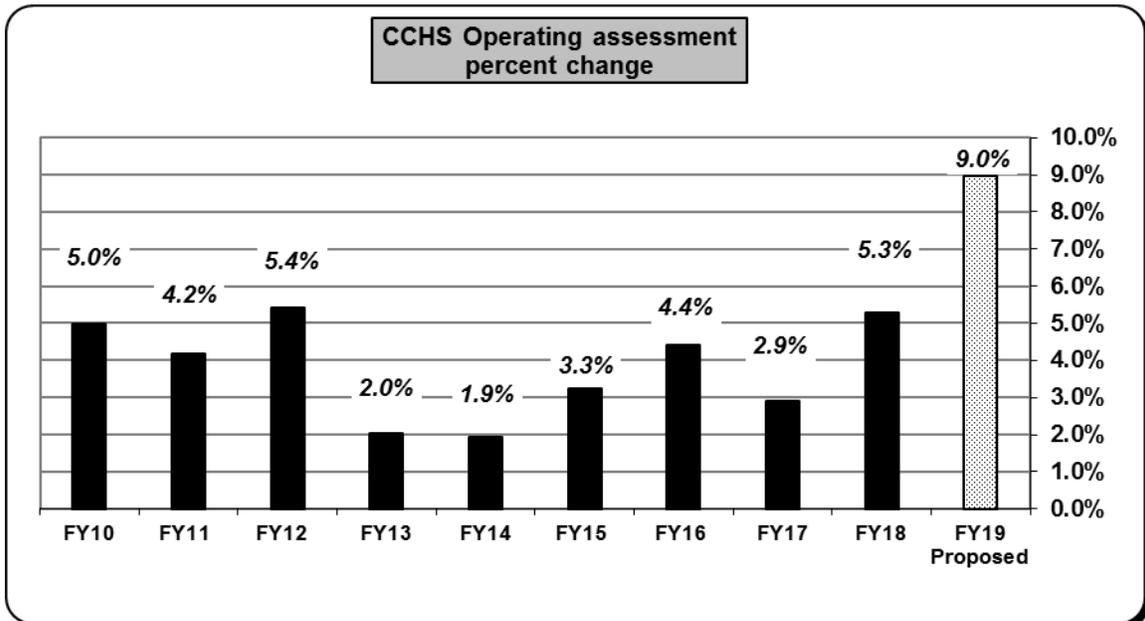
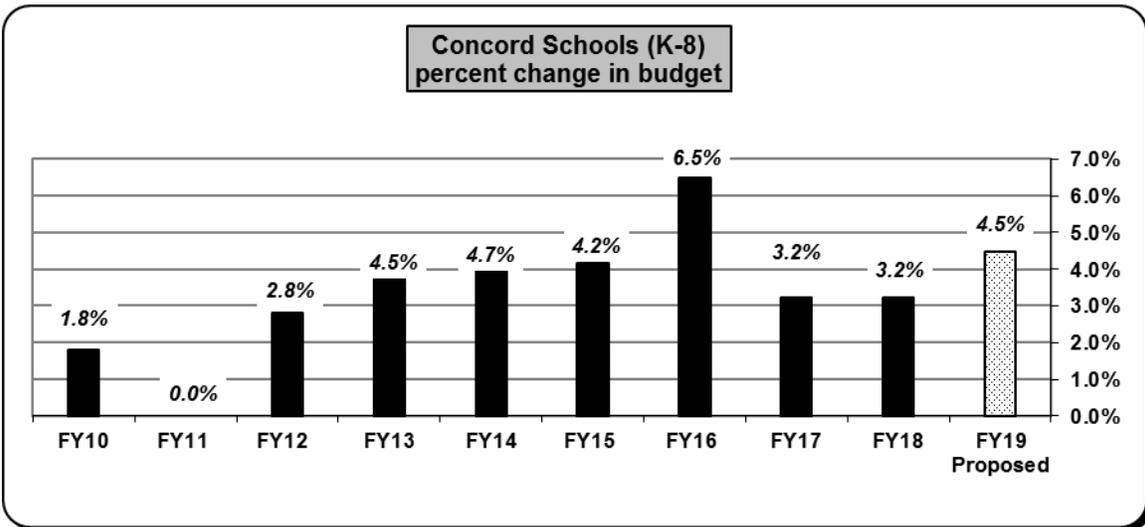
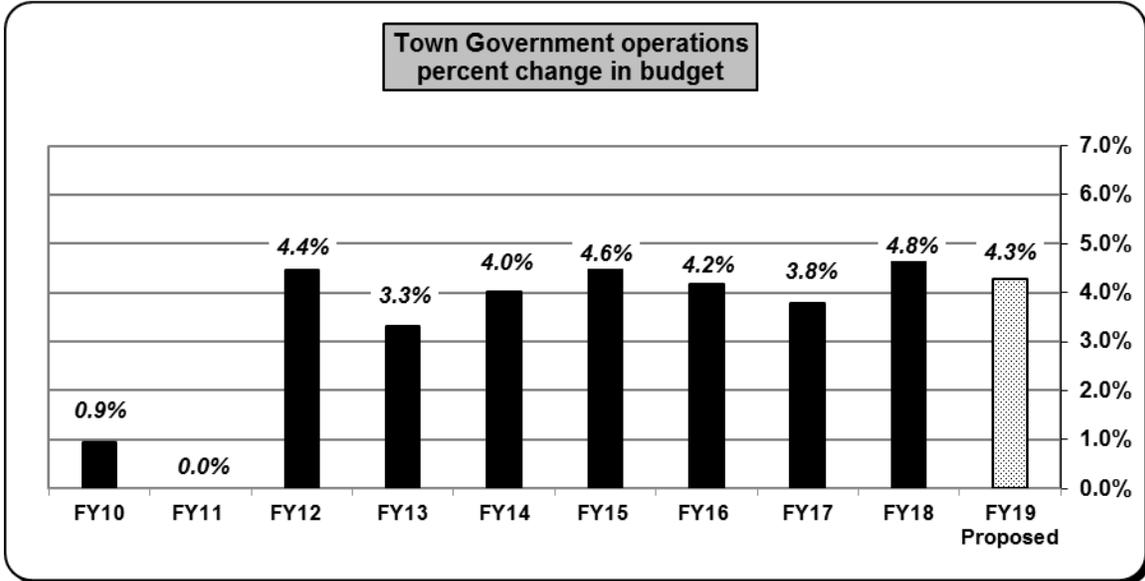
Concord-Carlisle Regional School District (CCRSD - page 8, line 7 - \$19,544,198 Finance Committee Guideline for FY19 as Concord's share of the Districts operating budget)

Since the Concord-Carlisle Regional School District (CCRSD) is a separate political subdivision but not a taxing authority, the Town budget includes an assessment payable to CCRSD based on Concord's share of the previous year's enrollment figures. That assessment amount is shown in this category. Summary information is found in the School Accounts Section. Separate budget documents of the CCRSD provide a more detailed analysis of the Regional School District's budget, which is under the control and direction of the elected School Committee and the administrative direction of the School Superintendent. The Joint Superintendency operates a consolidated administration managing both the CPS (grades K-8) and the CCRSD (grades 9-12).

Total of Above Operating Budgets:

\$82,056,591 (page 8, line 8)

+ 5.46% increase from FY18



Joint Accounts

To take advantage of efficiencies and economies of scale, certain accounts of the Town Government and the Concord Public Schools are combined into joint accounts and administered by the Town Manager. The Concord-Carlisle Regional School District is not part of these joint accounts because it is a separate political subdivision.

The joint accounts are as follows:

Group Insurance (Page 8, line 9 - \$5,526,100, and line 10 - \$1,617,000)

Group Insurance refers to employee health, dental, and basic life insurance. This account covers the Town's contribution for Town Government and Concord Public School employees and retirees who are enrolled in these programs. The proposed budget also includes \$1,617,000 toward the Annual Net Other Post Employment Benefit (OPEB) obligation which is consistent with reducing the Actuarial Accrued Liability to zero in 2038.

Retirement (Page 8, line 11 - \$3,777,010)

This account contains the Town's portion of the annual funds transferred to the control of the contributory retirement system. With the exception of teachers, who are part of the State Teachers Retirement System, substantially all municipal employees who work at least 25 hours per week are covered by the Town's contributory retirement system operated in accordance with Chapter 32 of the Massachusetts General Laws.

Debt Service (Page 8, line 12 - \$3,994,645; financed within the levy limit)

The issuance of debt to finance capital expenditures for both the Town Government and the Concord Public Schools is authorized by the Concord Town Meeting (by two-thirds majority vote) and is issued through the Concord Town Treasurer's office. This account covers the portion of annual principal and interest owed on the borrowing that is financed within the property tax levy limit.

Social Security / Medicare (Page 8, line 14 - \$814,713)

All town and school employees hired after April 1, 1986 are subject to the 1.45% Medicare payroll tax. Employees who are not required to be members of the Town's retirement system (part-time employees working fewer than 25 hours per week and other non-permanent employees) are covered by Social Security and are subject to the 6.2% payroll tax. By federal law, the Town must match all employees' contributions and this account provides the matching funds.

Other Fixed & Mandated Items (Page 8, line 15 - \$485,000)

These items are made up of the following: Property & Liability Insurance for the Town Government (not including the School Department); and Unemployment & Workers Compensation for the Town Government and the Concord Public Schools (grades K-8).

Joint Account Subtotal:**\$16,214,468** (page 8, line 16)

+7.69% increase from FY18

Other Obligations

There are also several accounts which are either assessments to other political jurisdictions or payments of debt service authorized by the electorate to be funded outside the constraints of the levy limit (“excluded debt”).

- Town Debt Exclusion (Page 8, line 18 - \$3,384,869)

This budget covers the debt service on bonds issued by the Town of Concord for major capital investments of the Town Government and the Concord Public Schools that have been voted by the electorate to be exempt from the property tax levy limit. Major components of this cost are principal and interest amounts due on borrowings made to finance the new Alcott (2004 and 2007 bonds), Thoreau (2006 and 2007 bonds), and Willard (2009 and 2010 bonds) elementary school buildings.

- High School Debt (Page 8, line 17 - \$102,809); High School Debt Exclusion (Page 8, line 19 - \$3,404,946)

The Town is assessed for the debt service of Concord-Carlisle Regional School District – both debt within the levy limit and excluded debt.

- Minuteman High School (Page 8, line 21 - \$605,823; Minuteman High School Debt (Page 8, line 20 - \$147,115)

In a similar manner in which funds are transferred to the Concord-Carlisle Regional School District, the Town pays an assessment to the 10-town Minuteman Regional Vocational Technical School District calculated in part based on the number of Concord students enrolled in the prior year.

Other Obligations Subtotal **\$7,644,961**

Budget Subject to Town Meeting Vote: **\$105,916,020**

+3.90% increase from FY18

The total Town budget plan includes some items that are not subject to appropriation by Town Meeting:

- State Assessments (Page 8, line 26 - \$554,197)

By state law, these state charges are not subject to Town Meeting appropriation but must be financed within the property tax levy limit. The largest item is the assessment for the Massachusetts Bay Transit Authority.

- Snow/Ice & Other Deficits (Page 8, line 27 – \$175,000)

Because snow removal expense is unpredictable, state law permits deficit spending for this purpose as long as the current amount appropriated in the CPW Snow & Ice Removal account (account #18) is at least as much as the previous year’s appropriation. This account provides for added room for a current year deficit which would be required to be added to the next year’s tax levy, within the limit. The budget estimate is based upon an average of historical experience. It is subject to wide variation. Only the actual deficit of the current year ending June 30, 2018, if any, will be raised in the FY19 tax levy.

- Overlay (Page 8, line 28 – \$540,000)

The Overlay account is the amount added to the property tax levy in excess of the sum required to meet appropriations, state assessments, and permitted deficits. The Overlay is used to cover property tax abatements and exemptions granted in each tax year by the local Board of Assessors. The proposed amount is based upon historical experience and is added to the tax levy within the levy limit.

Total Budget Plan: **\$107,185,217**

+3.85% increase from FY18

SECTION I: Financial Summary

Expenses

General Fund Operating Budget				
Item No.	Department	Fiscal 2017 Expenses	Fiscal 2018 Appropriation	Fiscal 2019 Proposal
General Government				
\$3,074,735 is 7.1% of Total				
1	Town Manager's Office			
	A. Town Manager	\$ 382,774	\$ 397,167	\$ 398,394
	B. Human Resources	235,583	266,710	281,426
	C. Facilities Management	235,108	290,000	290,000
	D. Resource Sustainability Fund	118,276	126,000	151,000
	E. Visitor's Center and Restroom	32,286	44,028	19,292
	F. 37 Knox Trail	8,187	17,762	13,943
	G. 55 Church Street	-	-	40,796
	Subtotal	1,012,214	1,141,667	1,194,851
2	Legal Services	265,215	225,000	250,000
3	Elections and Registrars			
	A. Elections	45,619	13,627	48,412
	B. Registrars	6,896	8,476	8,666
	Subtotal	52,515	22,103	57,078
4	Town Meeting and Reports	61,156	44,900	100,250
5	Planning			
	A. Planning Administration	476,439	389,012	380,998
	B. Natural Resources	233,392	229,899	219,641
	C. Inspections	467,076	464,669	467,145
	D. Health	323,967	325,905	331,778
	Subtotal	1,500,873	1,409,485	1,399,562
6	141 Keyes Road	50,209	71,027	72,994
	Total General Government	\$ 2,942,182	\$ 2,914,181	\$ 3,074,735
Finance and Administration				
\$2,531,292 is 5.8% of Total				
7	Finance Committee	1,189	3,410	3,410
8	Finance			
	A. Finance Administration	302,629	293,041	337,252
	B. Treasurer-Collector	289,121	297,639	289,615
	C. Town Accountant	162,946	169,270	162,291
	D. Assessors	423,249	439,328	420,468
	E. Town Clerk	243,942	245,912	245,750
	Subtotal	1,421,886	1,445,190	1,455,376
9	Information Systems	898,055	940,718	951,192
10	Town House	108,426	115,150	121,314
	Total Finance and Administration	\$ 2,429,556	\$ 2,504,469	\$ 2,531,292

SECTION I: Financial Summary

Expenses

Item No.	Department	Fiscal 2017 Expenses	Fiscal 2018 Appropriation	Fiscal 2019 Proposal
Public Safety				
\$9,317,901 is 21.5% of Total				
11	Police Department	4,442,491	4,518,636	4,508,392
12	Fire Department	4,311,316	4,462,853	4,445,434
13	West Concord Fire Station	40,040	39,664	36,323
14	Police-Fire Station	274,880	284,816	284,816
15	Emergency Management	13,859	16,937	16,937
16	Animal Control Officer	24,010	26,000	26,000
	Total Public Safety	\$ 9,106,596	\$ 9,348,906	\$ 9,317,901
Public Works and Facilities				
\$4,249,152 is 9.8% of Total				
17	Public Works			
	A. CPW Administration	195,255	200,636	201,321
	B. Engineering	385,308	408,966	399,107
	C. Highway Maintenance	1,423,784	1,412,870	1,380,563
	D. Parks and Trees	677,285	699,254	702,841
	E. Cemetery	66,561	66,689	70,351
	Subtotal	2,748,193	2,788,414	2,754,182
18	Snow and Ice Removal	587,447	610,000	610,001
19	Street Lighting	60,840	73,463	56,863
20	CPW Equipment	300,000	325,000	325,000
21	Drainage Program	205,000	205,000	205,000
22	Sidewalk Management	100,000	110,000	115,000
23	Road Improvements	90,000	100,000	100,000
24	133/135 Keyes Road	102,237	83,875	83,106
	Total Public Works and Facilities	\$ 4,193,717	\$ 4,295,753	\$ 4,249,152
Human Services				
\$3,134,538 is 7.2% of Total				
25	Library	1,951,574	2,153,361	2,141,097
26	A. Human Services	27,149	39,152	53,516
	B. Senior Services	350,759	394,414	483,791
	C. Recreation Services	70,093	76,678	101,761
27	Harvey Wheeler Community Ctr.	120,424	121,905	124,342
28	Hunt Recreation Ctr.	105,574	111,701	99,438
29	Veterans	99,958	125,310	107,970
30	Ceremonies and Celebrations	24,307	19,228	22,624
	Total Human Services	\$ 2,749,838	\$ 3,041,749	\$ 3,134,538

SECTION I: Financial Summary

Expenses

Item No.	Department	Fiscal 2017 Expenses	Fiscal 2018 Appropriation	Fiscal 2019 Proposal
Unclassified \$1,742,895 is 4.0% of Total				
31	Town Employee Benefits			
	A. Unused Sick Leave	90,000	90,000	90,000
	B. Public Safety Disability	157	2,500	2,500
	C. Employee Assistance Program	7,177	7,500	7,500
	Total	97,334	100,000	100,000
32	Reserve Fund*	-	225,000	225,000
*Transfers totaling \$169,117.62 were made to other accounts in Fiscal Year 2017.				
33	Salary Reserve**		618,954	1,407,895
**Transfers totaling \$746,594.00 in Fiscal Year 2017 and \$174,969 (to date) in Fiscal Year 2018 were made to other accounts.				
34	Land Fund	10,000	15,000	10,000
	Total Unclassified	\$ 107,334	\$ 958,954	\$ 1,742,895

TOWN GOVERNMENT SUBTOTAL Account 1-34		\$ 21,529,222	\$ 23,064,013	\$ 24,050,513
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Joint (Town - CPS) \$19,324,337 is 44.6% of Total				
35	Insurance			
	A. Group Insurance	4,650,000	4,800,000	5,526,100
	B. OPEB	1,400,000	1,470,000	1,617,000
	C. Property/Liability	250,000	250,000	275,000
	Subtotal	6,300,000	6,520,000	7,418,100
36	Unemployment/Workers' Comp.			
	A. Unemployment Comp.	104,579	100,000	110,000
	B. Workers' Comp.	95,421	100,000	100,000
	Subtotal	200,000	200,000	210,000
37	Retirement	3,317,000	3,667,000	3,777,010
38	Social Security and Medicare	731,944	810,000	814,713
39	Debt Service			
	A. Long-Term Debt			
	Town Principal and Interest	2,685,973	3,015,800	3,277,862
	CPS Principal and Interest	939,386	700,350	679,283
	Subtotal	3,625,359	3,716,150	3,957,145
	Interest on Notes	-	135,000	30,000
	Other Debt Expense	1,295	8,850	7,500
	Subtotal Within Levy Limit	3,626,654	3,860,000	3,994,645
	B. Excluded Debt			
	Town Principal and Interest	99,794	99,794	392,294
	CPS Principal and Interest	2,907,470	3,507,713	2,992,575
	Less: Use of Stabilization Funds	(1,000,000)	(785,000)	(275,000)
	Subtotal Excluded Debt	2,007,264	2,822,507	3,109,869
	Total Debt Service	5,633,918	6,682,507	7,104,514
	Total Joint (Town - CPS)	\$ 16,182,862	\$ 17,879,507	\$ 19,324,337
	Total Appropriation	\$ 37,712,084	\$ 40,943,520	\$ 43,374,850

SECTION I: Financial Summary

Expenses

Town Government Operations (accounts 1-34)

Proposed Budget Changes

The Town Manager, in accordance with Finance Committee guidelines, is recommending a Town government General Fund appropriation at \$24,050,513 (the budgets of accounts 1-34 are collectively known as “the Town Government Budget”). The budget consists of several basic expense categories: personnel services; operations and maintenance (O&M); capital; and reserve (the reserve fund is overseen by the Finance Committee). The table below provides a summary of the Town government budget by these expense categories. It also presents the budget in further detail by functional area.

Town Government Operations - General Fund Appropriations

Accounts 1 - 34

By Expense Category

	FY18 Adopted	FY19 Proposed	FY18 to FY19	
			\$Δ	%Δ
Personnel Services	\$ 17,285,653	\$ 17,983,494	\$ 697,841	4.0%
O&M	3,683,360	3,897,019	213,659	5.8%
Capital	1,870,000	1,945,000	75,000	4.0%
Reserve	225,000	225,000	-	0.0%
Total (Accts. 1-34)	\$ 23,064,013	\$ 24,050,513	\$ 986,500	4.3%

By Functional Area

	FY18 Adopted	FY19 Proposed	FY18 to FY19	
			\$Δ	%Δ
General Government				
Personnel	\$ 1,910,497	\$ 1,985,831	\$ 75,334	3.9%
O&M	562,022	\$ 646,404	84,382	15.0%
Capital	412,500	\$ 442,500	30,000	7.3%
Subtotal	\$ 2,885,019	\$ 3,074,735	\$ 189,716	6.6%
Finance & Administration				
Personnel	\$ 1,436,946	\$ 1,587,235	\$ 150,289	10.5%
O&M	771,229	\$ 744,057	(27,172)	-3.5%
Capital	245,000	\$ 200,000	(45,000)	-18.4%
Subtotal	\$ 2,453,175	\$ 2,531,292	\$ 78,117	3.2%
Public Safety				
Personnel	\$ 8,363,998	\$ 8,378,263	\$ 14,265	0.2%
O&M	693,695	\$ 679,639	(14,056)	-2.0%
Capital	250,000	\$ 260,000	10,000	4.0%
Subtotal	\$ 9,307,693	\$ 9,317,901	\$ 10,209	0.1%
Public Works				
Personnel	\$ 2,265,546	\$ 2,139,562	\$ (125,985)	-5.6%
O&M	1,062,303	\$ 1,157,090	94,787	8.9%
Capital	937,500	\$ 952,500	15,000	1.6%
Subtotal	\$ 4,265,349	\$ 4,249,152	\$ (16,198)	-0.4%
Human Services				
Personnel	\$ 2,414,743	\$ 2,384,709	\$ (30,034)	-1.2%
O&M	579,112	\$ 659,829	80,718	13.9%
Capital	25,000	\$ 90,000	65,000	260.0%
Subtotal	\$ 3,018,855	\$ 3,134,538	\$ 115,684	3.8%
Unclassified				
Personnel	893,923	1,507,895	\$ 613,972	68.7%
O&M	15,000	10,000	\$ (5,000)	N/A
Reserve	225,000	225,000	-	0.0%
Subtotal	\$ 1,133,923	\$ 1,742,895	\$ 608,972	53.7%
Total	\$ 23,064,013	\$ 24,050,513	\$ 986,500	4.3%

Town Government Operations**Proposed Budget Changes****Staffing changes in the Town Manager's Proposed Budget:**

For FY19, the main **tax-supported** proposed staffing changes are as follows. Total FTE is 236.57

- Facilities Management proposes to add a Maintenance Electrician (1.0 FTE).
- Resource Sustainability proposes to add a Sustainability Director (1.0 FTE).
- For the newly purchased 55 Church Street building, it is proposed to add a receptionist and a custodian (2.0 FTEs) .
- In the Elections account, it is proposed that the FY19 staffing level be increased by 1,566 hours (0.75 FTEs) for Election Officers and Technicians, due to the expectation that there will be two additional elections in FY19.
- Finance Administration proposes to add an Administrative Systems Analyst (1.0 FTE).
- IT proposes to add a Technical Services Manager (1.0 FTE) and increase part-time help (0.2 FTE).
- The Fire Department proposes to reduce the hours of an Office Clerk (-0.2 FTE).
- Highway Maintenance proposes to reassign the work of a Public Works Supervisor (1.0 FTE) to a shared Operations Manager (0.5 FTE) with Parks and Trees.
- Parks and Trees proposes to reassign the work of a Public Works Supervisor (1.0 FTE) to a shared Operations Manager (0.5 FTE) with Highway Maintenance.
- The Library proposes to restructure some staff positions for a savings (-0.3 FTE).
- Senior Services proposes increases in the hours of Van Drivers and Outreach Coordinators (0.55 FTE).

Budget Changes

The principal actions recommended in this budget for each appropriation account are as follows:

Acct # - Account Title (Refer to Article 7 on the 2018 Town Meeting Warrant)**1A Town Manager**

The Town Manager's operating appropriation represents a proposed 0.3% increase from FY18. The Town Manager's Office is staffed by the Town Manager, Assistant Town Manager, Public Information Officer, Executive Assistant to the Town Manager and an Administrative Assistant. There is a proposed funding for Sister Cities (\$1,500), Concord Cultural Council (\$2,000) and the management of White Pond (\$18,000).

1B Human Resources

The Human Resources operating appropriation is proposed to increase by 5.5% in FY19 due to the need to pay the license agreement for new Human Resources Information Systems (HRIS) software.

1C Facilities Management

This account was established with the FY05 budget in an effort to set up a central pool of funds from which to monitor building conditions, establish renovation priorities, and fund repairs and improvements. Since FY05 when the account was first budgeted at \$40,000, the funding level has gradually been increased to the recommended level in FY18 of \$290,000. The five-year Capital Outlay plan raises this funding target to \$365,000 by FY23. The account funds the salary and wages of a Facilities Manager, Sr. Maintenance Craftsman, Facilities Maintainer, and half the wages of a Maintenance Electrician to maintain the buildings.

1D Resource Sustainability Fund

With this new account initiated in FY13 with funding of \$25,000, an amount of \$120,000 is proposed to be allocated in FY19 for resource sustainability and energy conservation projects. The additional funds will cover part of the salary for the Director of Sustainability and Energy Specialist.

1E Visitors Center

The FY19 operating appropriation for the Visitors Center is proposed to decrease by 59.6% primarily because, with taking responsibilities for operating the center, the Town eliminated the payment of \$16,000 to the Chamber of Commerce.

1F 37 Knox Trail

The FY19 appropriation for the 37 Knox Trail office building of \$13,943 and is proposed to cover the utility and capital costs associated with the building. This building is currently shared between the Regional Housing Service Office (RHSO) and School Transportation Department.

1G 55 Church Street

FY19 will be the first year of the newly purchased Town building. A total budget of \$104,281 with the Town's portion of \$40,796 is proposed to fund a receptionist, building custodian, and the utilities and maintenance of the building. The building is used by the staff of Human Services, Retirement, and Recreation.

2 Legal Services

The Legal Services account is proposed to increase by \$25,000 to \$250,000.

3A Elections

The amount required to fund the Elections account is dependent on the number of federal, state, and local elections that are held in a given year. In FY19, it is expected that there will be three election, as compared to one proposed election in FY18. Since each election costs the Town approximately \$17,500, the operating appropriation is proposed to increase from \$13,627 to \$48,412.

3B Registrars

There is a slight increase proposed in this account for additional staff hours. This account provides resources to register voters, conduct the Annual Town Census, and certify nomination papers and petitions.

4 Town Meeting and Reports

The current budget allows for a four-session Annual Town Meeting in April 2018. It has been common in the past several years for a Special Town Meeting to take place, but funds are not budgeted for this purpose.

5A Planning Division, DPLM

Since the FY14 budget presentation, the Zoning Board of Appeals budget has been incorporated into the Planning Division budget. In addition, the Planning budget contains funding for the Historic Districts Commission and the Historical Commission. The FY19 operating appropriation for the Planning Division is proposed to decrease by 2.1%. Funding for Cross-Town Connect (\$6,500) and the RHSO (\$18,000) are included in this budget.

5B Natural Resources Division, DPLM

The proposed Natural Resources budget represents approximately a 4.6% decrease in the appropriation from that of the FY18 budget. An amount of \$5,000 is proposed for pond & stream management.

5C Building Inspections Division, DPLM

Most of the allocation in this account goes toward funding the Building Inspections staff, which includes the full-time positions of Building Commissioner, Local Inspectors (2.60 FTEs), and Administrative Assistant. The operating appropriation is proposed to increase 0.5%. Building permit fees generated \$1.2 million in CY17.

5D Health Division, DPLM

This appropriation represents a 1.7% increase in the operating appropriation from that of FY18. As was the case last year, an amount of \$20,000 is recommended to fund the East Middlesex Mosquito Control Project for efforts to protect Concord residents and visitors from Eastern Equine Encephalitis and West Nile Virus. Included in the budget is \$16,225 proposed for the funding of the Public Health Nurse, which is a shared position with the senior, and \$7,500 for additional food inspection services.

6 141 Keyes Road, DPLM

The FY18 proposed operating appropriation represents a 3.2% increase from FY18 to provide funding for utility, maintenance, and custodial costs for the Victorian-era brick building at 141 Keyes Road.

7 Finance Committee

Level funding for support of the Finance Committee is included in this budget.

8A Finance Administration Division, Finance Department

The Finance Administration Division operating appropriation is proposed to increase by 15.1% from that of FY18, due to the addition of the Administrative Systems Analyst position, which assists with software conversion. The budget also will provide funding for the Finance Director, Budget and Purchasing Director, Assistant Treasurer, Budget Analyst, and Finance Assistant.

8B Treasurer-Collector, Finance Department

The Treasurer-Collector operating appropriation is proposed to decrease by 2.7% in FY19. This decrease can occur because of expected savings from renegotiated banking service charges.

8C Town Accountant, Finance Department

The FY19 operating appropriation is proposed to decrease by 4.1%. The proposed budget includes \$69,000 to cover the cost of the Town's annual external audit.

8D Assessing Division, Finance Department

The Assessing proposed operating appropriation represents a 4.3% decrease from FY18 because of a savings of \$20,000 that results for modifying the re-valuation schedule from three to five years as set by State law. The Assessing Division is located at the Town-owned 24 Court Lane building.

8E Town Clerk, Finance Department

The Town Clerk operating appropriation is proposed to decrease by 0.1% from FY18. This budget provides funding for the Town Clerk, Assistant Town Clerk and Senior Department Clerk positions.

9 Information Systems

The Information Systems operating appropriation is proposed to increase by 7.8% in FY19. This increase is mainly due to additional system maintenance and upgrade costs.

10 Town House

The FY19 proposed appropriation is increased by 6.5% from that of FY18 from absorbing the funds that the Retirement Board no longer pays since its move to 55 Church Street. This budget include costs for maintaining and cleaning the Town House and the Assessing Division office space at 24 Court Lane.

11 Police Department

The FY19 operating appropriation proposes a 0.5% decrease with capital expenses of \$165,000.

12 Fire Department

There is a proposed 0.4% decrease in the Fire Department's FY19 operating appropriation with capital expenses of \$65,000.

13 West Concord Fire Station

This budget funds the operations of the West Concord Fire Station located at 1201 Main Street. This account has a proposed 11.3% decrease in the FY19 operating appropriation.

14 Police/Fire Station

This budget funds the operations of the Police and Fire Department headquarters at 209 Walden Street. The FY19 budget proposes a no change in the operating appropriation.

15 Emergency Management

There is no proposed change in fund of the operating appropriation for FY19 .

16 Animal Control Officer

With the enactment of State legislation in 2012, each municipality was required as of October 31, 2012 to appoint an animal control officer. Concord contracted with a private vendor to provide all animal control services in compliance with the new requirements. The proposed FY19 budget is level funded at \$26,000.

17A Public Works Administration, CPW

The FY19 operating appropriation reflects a 0.3% increase from that of FY18. Public Works Administration includes the CPW Director, Management Analyst, Administrative and Special Projects Coordinator, and an Administrative Assistant.

17B Engineering, CPW

The Engineering Division's operating appropriation is proposed to have a 3.0% decrease from FY18 to FY19 due to a staffing structure reorganization. The Engineering Division has a Town Engineer, Assistant Town Engineer, 2 Assistant Public Works Engineers, GIS/IT Program Analyst, Associate Engineer, and an Administrative Assistant.

17C Highway Maintenance, CPW

The operating appropriation is proposed to decrease by 2.3% from FY18 through a reorganization that replaces a 1.0 FTE Public Works Supervisor with a 0.5 FTE Operations Manager, who is shared by Park & Trees.

17D Parks & Trees, CPW

The FY19 Parks & Trees operating appropriation is proposed to have a 1.0% decrease from FY18 through a reorganization that replaces a 1.0 FTE Public Works Supervisor with a 0.5 FTE Operations Manager, who is shared by Highway Maintenance.

17E Cemetery, CPW

The Cemetery Fund supports the Cemetery Division by providing resources for 65% of all operating expenditures and 100% of all capital improvements. The FY19 operating appropriation is proposed to increase by 3.7%.

18 Snow Removal, CPW

The snow removal budget is proposed to be funded at \$610,001, an increase of \$1 from that of FY18. If the actual FY19 expenditures exceeds the budgeted amount, the Town is allowed by State statute to add the difference to the following year's tax levy. The FY19 budget plan provides room for a \$175,000 overrun of the \$610,000 FY18 appropriation.

19 Street Lights, CPW

The FY19 Street Light appropriation is proposed to decrease by \$16,600 to \$54,400 due to the use of more energy efficient street lights.

20 Public Works Equipment, CPW

The Public Works Equipment budget of \$325,000 funds the Town's well-planned schedule of equipment replacement. This represents no change from FY18.

21 Drainage, CPW

The FY19 funding plan includes \$105,000 for drainage improvements, \$100,000 for culvert improvements.

22 Sidewalk Management, CPW

The proposed FY19 budget calls for an increase of \$5,000 for maintenance of the Town's existing sidewalks program to \$115,000.

23 Road Improvements, CPW

The General Fund proposed funding for road improvements is \$100,000. With additional amounts of \$668,900 expected from the State (Chapter 90 Funds) and \$1,400,000 in borrowing, the total FY19 amount for road improvements is recommended to be \$2,168,900.

24 133 and 135 Keyes Road, CPW

For FY19, there is a proposed increase of 0.5% in the operating appropriation.

25 Library

As set forth in a long-standing agreement, the Trustees of the Concord Free Public Library Corporation, which owns the Main library and the Fowler Branch, are responsible for maintenance and capital improvements of the buildings and grounds; the Town covers the operating costs. For FY19, the Library operating appropriation is proposed to have a decrease of 0.3% from FY18 to FY19 due in part to saving from more efficient lighting fixtures.

26A Human Services

Human Services covers the staffing costs for the Community Services Coordinator, and the Youth Services Coordinator and its operating appropriation is proposed to increase by 36.7% as the Town assumes more of the cost of paying the salaries of these coordinators, who are partially paid from a grant by the Community Chest.

26B Senior Services

The FY19 operating appropriation for Senior Services is proposed to increase by 6.2%. The increase is due to increases in hours and wages of the Van Drivers and in wages for the Public Health Nurse and Outreach Coordinators.

26C Recreation Services

The FY19 operating appropriation for Recreation Services is proposed to increase by 32.7% as the General Fund assumes the cost of paying all of the salary of the Recreation Director, who had been partially supported by the Beede Center and Recreation Fund.

27 Harvey Wheeler Community Center

The Harvey Wheeler Community Center continues to be a great resource for the Town in providing space for the Senior Services office, as well as a meeting area for Town departments, not-for-profit groups, and private individuals. For FY19 there is a proposed 2.3% decrease in the operating appropriation.

28 Hunt Recreation Center

It is proposed that the FY19 operating appropriation for the Hunt Recreation Center decrease by 11.0% from the FY18 budgeted level since this budget no longer needs to support 105 Everett, which is no longer in use.

29 Veterans Services

The FY19 proposed operating appropriation represents a 13.8% decrease from that of FY18. This is a result of the predicted decrease in veterans' benefits costs by \$20,000 to \$75,000 needed to serve fewer eligible beneficiaries.

30 Ceremonies and Celebrations

The FY19 proposed operating appropriation represents a 17.7% increase from FY18 to \$24,124.

31 Town Employee Benefits

The proposed budget provides a total of \$100,000, with \$90,000 to cover unused sick leave buyback for some employees at retirement. This payment is restricted to non-union employees hired prior to July 1, 1992 and to uniformed Police and Fire personnel subject to the collective bargaining agreements. In all eligible cases, the benefit is capped at 62 days (65 for firefighters). This account also funds the Employee Assistance Program and certain medical costs for police and fire retirees for accidental disability expenses.

32 Reserve Fund

As budgets remain tight due to the economic situation and there are fewer resources available to cover unexpected events, the Reserve Fund appropriation becomes a crucial part of the budgeting process. By statute, this fund is to be used to meet "extraordinary or unforeseen expenditures" as approved by the Finance Committee. A funding level of \$225,000 is proposed for this purpose, unchanged from FY18.

33 Salary Reserve

The allocation in this account makes resources available for the funding of collective bargaining agreements. In addition, the account provides for a market adjustment to the pay scales and a step and merit adjustment to the salary schedules applicable to non-union employees effective July 1, 2018. Transfers from this account to the individual departmental operating accounts are reported to the Finance Committee and Select Board in accordance with the vote of Town Meeting adopting the budget article. This account is proposed to be funded at \$1,407,895 in order also to provide resources for such compensation adjustments for union and non-union staff and to provide funds for collective bargaining agreements that are not settled.

34 Land Fund

The budget is a decrease of \$5,000 at \$10,000 for FY19 and is used to facilitate the acquisition of land.

35A Group Insurance

The budget anticipates a \$726,100 increase in the appropriation required for FY19 group insurance costs supported by the General Fund. As part of the 17-member Minuteman Nashoba Health Group, the Town is self-insured for employee health coverage and the cost directly reflects actual claims experience.

35B Other Post-Employment Benefits (OPEB)

With the FY13 budget, Other Post-Employment Benefits (OPEB) has been separated into its own line item due to the increasing importance of recognizing and funding this liability. The OPEB liability primarily consists of the present value of the Town's portion of future retiree health care cost. That is, in addition to the amount allocated to pay for the current health care cost of retirees, there is also a liability for the future health care cost for Town Government and Concord Public School retirees. This liability is referred to as the Town Government's Annual Net OPEB Obligation (NOO).

In FY19, the General Fund share of the NOO is projected to be about \$2.14 million. In an effort to fund this liability and continue the effort to catch up on past unfunded liability, it is proposed that the Town budget \$1,617,000 for this purpose, an increase of \$147,000.

35C Property & Liability Insurance

This account funds property insurance coverage for all Town-owned buildings and contents, vehicles, boilers and machinery; liability coverage for Town officials; and special risk coverage for police and fire personnel. Insurance policies cover the Concord Public Schools, the Concord-Carlisle Regional High School, 51 Walden Street (Friends of the Performing Arts in Concord - "FOPAC"), the Emerson Building ("Emerson Umbrella"), and all properties of Town departments including assets of the Town enterprises (Light, Water, Sewer, Beede Pool). For FY19, General Fund support is increased by \$25,000 to \$275,000.

36 Unemployment & Workers Compensation

An amount of \$110,000 is proposed for the Unemployment Compensation account. The Town pays only for actual claimants, not as a percent of payroll (since the minimum available "experience rating" percentage would be in excess of our actual historical costs). In addition, an amount of \$100,000 is proposed for Worker's Compensation costs; this amount funds a stop-loss reinsurance policy covering wage and other claims and the payment of miscellaneous medical expenses resulting from employee injury on the job. Coverage of unemployment and workers compensation applies to both Town and Concord Public School employees.

37 Retirement

Following the sharp economic downturn in the financial markets during the fall of 2008, assets of the Concord Retirement System have recovered from their previous peak reached in October 2007. At the most recent biennial actuarial valuation as of January 1, 2017, the revised Funding Schedule had been maintained to reach full funding status by the year 2030.

In FY19, the General Fund appropriation is projected at \$3,777,010, an increase of 3.0% from FY18 and consistent with the funding schedule. The retirement system is a "Defined Benefit" plan that provides a pension benefit based upon the highest three-year average annual covered pay and years of service (highest five years for members on and after April 2, 2012).

38 Social Security & Medicare

The General Fund cost for the Town's share of Medicare coverage is increased 1.4%, to \$787,112, reflecting both a higher payroll tax base and a higher proportion of covered payroll as employees of the Town and CPS hired prior to April 1986 retire or leave Town service. Social Security coverage applies to those Town and School employees not members of the Town's retirement system. The projected cost is \$182,503.

39 Debt Service

This item includes the appropriation for Town and CPS debt service within the levy limit and outside the levy limit (excluded debt). Most of the excluded debt is to cover the cost of construction of the three new elementary schools. For debt service, the FY19 budget proposes allocating \$7,379,514, which includes \$3,994,645 for debt service within the levy limit and \$3,384,869 for excluded debt. The excluded debt is net of the amount proposed to be contributed by the Stabilization Funds. The excluded debt to pay for the construction of the new high school is budgeted as part of the assessment from the Concord-Carlisle Regional School District.

SECTION I: Financial Summary

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Definition

Capital Expenditure: The use of funds to acquire or enhance productive assets, such as structures, land, and equipment (including related plans, designs, and studies), which have a life expectancy of at least 2 years and a cost of at least \$5,000, and procured with the intention of increasing service capacity or efficiency.

The Capital Section includes the following:

- Capital Overview 42
- FY19 Capital Plan 43
- FY19–23 Capital Outlay Plan 44 to 46
- FY19 Capital by Account 47 to 49
- FY19 Capital Summary 50 to 53

Capital Improvement Plan

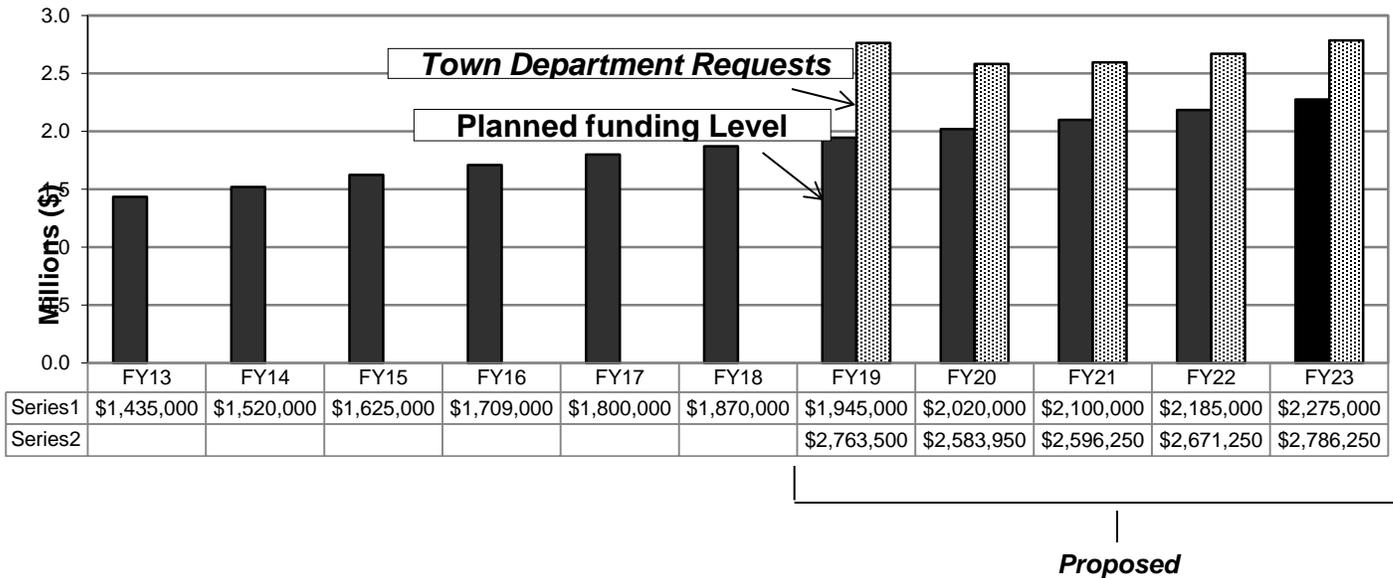
Capital Outlay Expenditures Supported Within the Levy Limit (Town Government accounts):

\$1,945,000

Capital Expenditures Within the Levy Limit Supported via FY19 Debt Authorizations:

\$6,000,000

**Town Government Departments
Capital Outlay Expenditures within the Levy Limit**



Capital Improvement Program FY19 – FY23

FY19 General Fund Budget Component

1. Borrowing authorizations submitted to the 2018 Annual Town Meeting

- *General Fund only*
- *Future tax-supported debt service to be funded within the Levy Limit*

Warrant Article	Description	Recommended New Borrowing Authorization
ART 11	CPS Capital Projects	\$900,000
ART 21	Municipal Buildings Renovations	\$510,000
ART 21	Trail Improvements	\$75,000
ART 21	Fire Engine Replacement (Engines 3 & Engine 5)	\$365,000
ART 21	Road and Parking Lot Reconstruction	\$1,400,000
ART 21	Library Efficiency Systems	\$150,000
ART 21	Harvey Wheeler Parking Lot	\$100,000
ART 25	Acquisition of 369 Commonwealth Avenue	<u>\$2,500,000</u>
Total		\$6,000,000

The debt service for these borrowings will be supported by the allocation of funds in future years to the Debt Service account. These authorizations are not proposed to be subject to a Proposition 2½ Debt Exclusion vote.

2. Capital Outlay - expenditures for capital purposes funded from current resources

Town Government Departments (accounts #1-34):	\$ 1,945,000
Concord Public Schools:	\$ 1,000,000

Capital Financing Policy

General Fund – within the Levy Limit

Target: 7% to 8% of the total budget net of excluded debt levy

- Total FY19 Guideline Budget is proposed to be **\$107,185,217**
less \$6,789,214 excluded debt = \$100,396,003 net

- 7% to 8% target range equals **\$7,027,720 to \$8,031,680**

•FY19 Proposed Budget for capital expenditure financing:

Debt service budget (“within levy limit” portion)	\$4,097,454
Capital outlay, Town Departments	1,945,000
Capital outlay, Concord Public Schools	1,000,000
Total	\$7,042,454

Capital financing as percent of Proposed Total Budget, net of excluded debt levy: **7.0%**

FY2018-2023 Capital Outlay Plan (General Fund)

Acct #	Item	ANNUAL PLANS												SUMMARY			
		REFERENCE ONLY		FY2018		FY2019		FY2020		FY2021		FY2022		FY2023		Total Recommended	Total Deferred
		Requested	Recommended	Requested	Recommended	Requested	Recommended	Requested	Recommended	Requested	Recommended	Requested	Recommended				
	Town Manager																
1C	Building Improv - Townwide	400,000	290,000	400,000	290,000	400,000	315,000	400,000	335,000	400,000	365,000	400,000	365,000	1,660,000	340,000		
1C	DSX System in Town Buildings	10,000	50,000	10,000	50,000	10,000	50,000	10,000	50,000	10,000	50,000	10,000	50,000	25,000	50,000		
1A	ADA Compliance	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	25,000	25,000		
10	Building Improv - Town House	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	75,000	0		
10	Competition - Town House					32,500								0	32,500		
1E	Building Improv - Info Center	5,000	2,500	5,000	2,500	5,000	2,500	5,000	2,500	5,000	2,500	5,000	2,500	12,500	12,500		
1F	Building Improv - 37 Knox Trail	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	25,000	25,000		
1G	Building Improv - 55 Church St.	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	25,000	25,000		
1D	Resource Sustainability Fund	250,000	95,000	275,000	120,000	275,000	145,000	275,000	150,000	300,000	170,000	300,000	170,000	745,000	680,000		
1B	HRIS software	50,000															
	Planning																
6	Building Improv - 141 Beves Rd	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	50,000	5,000		
5A	Vehicle replacement for DPAM			25,000	25,000	25,000	20,000	25,000	0	25,000	15,000	25,000	15,000	35,000	65,000		
5B	Pond & stream management	15,000	5,000	15,000	5,000	15,000	5,000	15,000	5,000	15,000	5,000	15,000	5,000	20,000	55,000		
5B	Agricultural fields improvements	10,000	0	10,000	0	10,000	0	10,000	0	10,000	5,000	10,000	5,000	10,000	40,000		
	Finance & Admin																
9	Town-wide Technology Fund	350,000	230,000	375,000	485,000	375,000	299,800	375,000	285,000	375,000	300,000	400,000	410,000	1,339,800	595,200		

SECTION I: Financial Summary

Capital

FY2018-2023 Capital Outlay Plan (General Fund)

Acct #	Ref #	CODE	Item	REFERENCE ONLY		ANNUAL PLANS										SUMMARY	
				FY2018		FY2019		FY2020		FY2021		FY2022		FY2023		Total	Deferred
				Requested	Recommended	Requested	Recommended	Requested	Recommended	Requested	Recommended	Requested	Recommended	Requested	Recommended		
			<i>Police</i>														
			<i>Police Dept. operations acct</i>														
11	D-1		Police Vehicles	105,000	140,000	105,000	140,000	105,000	140,000	105,000	140,000	105,000	140,000	140,000	140,000	630,000	0
11	D-2		Public Safety Equipment	25,000	25,000	25,000	25,000	25,000	25,000	30,000	30,000	30,000	30,000	30,000	30,000	135,000	0
11	D-3		Bulletproof Vest Replacement	25,000	25,000									25,000	25,000	25,000	0
11	D-4		Night Vision Devices	13,200												0	0
11	D-5		Computer Upgrades/mobile laptops	5,000												0	0
11	D-6		Office Copier		10,000											0	10,000
11	D-7		Cruiser Laptop Replacement			40,000	0									0	40,000
11	D-8		Avon Body Cameras	35,000												0	0
11	D-9		Avon Vehicle Cameras	13,000												0	0
11	D-10		AD Defibrillator Replacement			10,200	10,200									10,200	0
			<i>Police/Fire Station 1</i>														
14	E-1		Building Improv. Warden St	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	100,000	0
			<i>Fire</i>														
12	F-1		Miscellaneous Equipment	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	125,000	0
12	F-2		Car 2 (2008) - Assistant Chief													25,000	25,000
12	F-3		Car 3 (2007) - Shift Cmd						50,000	0						0	50,000
12	F-4		Utility Pickup (2006)	45,000	25,000											0	0
12	F-5		Turnout gear replacement	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	75,000	0
12	F-6		SCBA	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	35,000	0	
12	F-7		SCBA Cylinder Replacement		0		0									5,000	0
12	F-8		Supply hose replacement			10,000	10,000									10,000	0
12	F-9		Medical equipment upgrade		25,000											25,000	0
12	F-10		Fire Alarm Equipment			60,000	30,000									90,000	30,000
12	F-11		Upgrade Community AED's			15,000	15,000									30,000	0
12	F-12		Breathing Air Compressor													35,000	0
12	F-13		Shift Commander Car													60,000	0
			<i>Fire Station (Station 2)</i>														
13	H-1		Building Improv. W. Concord	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	50,000	0

SECTION I: Financial Summary

Capital

FY2018-2023 Capital Outlay Plan (General Fund)

Acct #	Ref #	CODE	Item	ANNUAL PLANS												SUMMARY			
				FY2018		FY2019		FY2020		FY2021		FY2022		FY2023		Total Recommended	Total Deferred		
				Requested	Recommended	Requested	Recommended	Requested	Recommended	Requested	Recommended	Requested	Recommended	Requested	Recommended				
			PUBLIC WORKS																
			Facilities & Systems																
24	L1		Building Improv - 133/135 Keys	16,250	10,000	16,250	10,000	16,250	10,000	16,250	10,000	16,250	10,000	16,250	10,000	50,000	31,250		
17B	L2		GIS System	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	100,000	0		
			Public Ways																
23	J-1		Road Reconstruction	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	500,000	20,000		
17B	J-2		Traffic Control Devices	20,000	10,000	20,000	10,000	20,000	10,000	20,000	10,000	20,000	10,000	20,000	10,000	50,000	50,000	0	
17C	J-3		Guardrail Replacement	20,000	15,000	20,000	15,000	20,000	15,000	20,000	15,000	20,000	15,000	20,000	15,000	75,000	25,000		
17C	J-4		Small Equipment	7,500	5,000	7,500	5,000	7,500	5,000	7,500	5,000	7,500	5,000	7,500	5,000	25,000	12,500		
21	J-5		Drainage Improvements	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	535,000	10,000		
21	J-6		Culvert Improvement	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	505,000	15,000		
17B	L7		Sustainable Drainage Impmt	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	125,000	0			
17B	L8		NPDES Permit Compliance	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	50,000	0			
22	L-9		Sidewalks - Maintenance	125,000	110,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	615,000	10,000			
17B	L-10		Street Sign Replacement	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	100,000	0			
			Park & Tree																
17D	K-1		Public Shade Trees	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	125,000	0			
17D	K-2		Turf Improv / Park Rehab	100,000	52,500	100,000	62,500	100,000	62,500	100,000	62,500	100,000	62,500	100,000	287,500	212,500			
17D	K-3		Small Equipment	7,500	5,000	7,500	5,000	7,500	5,000	7,500	5,000	7,500	5,000	7,500	25,000	12,500			
			Equipment																
20	L-1		Vehicles and Heavy Equipment	350,000	325,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	1,775,000	90,000			
			Library																
25	M-1		Computer Equipment	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	45,000	5,000			
			Human Services																
26A	N-1		Vehicle			25,000									0	25,000			
			Senior Services																
27	O-1		Building Improv - Harvey Wheeler	15,000	10,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	75,000	0			
27	O-2		BWCC - Exterior Steps	80,000											0	80,000			
26B	O-2		COA Van	65,000	65,000										65,000	0			
			Recreation Services																
28	P-1		Hunt Gym - Carpet Replacement			57,250	0								0	35,000			
28	P-2		Emerson Pool Bathing Facility												0	57,250			
			GENERAL FUND TOTAL	2,542,450	1,870,000	2,763,500	1,945,000	2,583,950	2,020,000	2,596,250	2,100,000	2,671,250	2,185,000	2,786,250	10,525,000	2,876,200			
			Target	1,870,000				2,020,000		2,185,000		2,185,000		2,275,000	10,525,000				
			Not funded	672,450	818,500		818,500	563,950		496,250		496,250		511,250	2,876,200				

**Capital Outlay and Special Project Accounts
(General Fund only)**

Acct #	Category	Budget FY18	Dept. Request FY19	Town Mgr Proposed FY19	\$ Change FY18 Budget to FY19 Proposed
1A	Town Manager				
	ADA Compliance	5,000	10,000	5,000	-
	Total - account #1A	5,000	10,000	5,000	-
1C	Facilities Management				
	DSX System in Town Buildings		50,000	-	-
	Building Improv - Townwide Fund	290,000	400,000	290,000	-
	Total - account #1C	290,000	450,000	290,000	-
1D	Resource Sustainability Fund				
	Resource Efficiency	95,000	275,000	120,000	25,000
	Total - account #1D	95,000	275,000	120,000	25,000
1E	Information/Visitors Center:				
	Building Improv - Info Center	2,500	5,000	2,500	-
	Total - account #1E	2,500	5,000	2,500	-
1F	37 Knox Trail				
	Building Improv - 37 Knox Trail	5,000	10,000	5,000	-
	Total - account #1F	5,000	10,000	5,000	-
1G	55 Church Street				
	Building Improv - 55 Church Street	-	10,000	5,000	5,000
	Total - account #16	-	10,000	5,000	5,000
5A	Planning Department				
	Vehicle Replacement	-	25,000	-	-
	Total - account #5A	-	25,000	-	-
5B	Natural Resources				
	Pond & stream management	5,000	15,000	5,000	-
	Agricultural fields improvements	-	10,000	-	-
	Total - account #5B	5,000	25,000	5,000	-
6	141 Keyes Road Building				
	Building Improv - 141 Keyes Road	10,000	10,000	10,000	-
	Total - account #6	10,000	10,000	10,000	-
9	Information Systems				
	Town-wide Technology Fund	230,000	375,000	185,000	(45,000)
	Total - account #9	230,000	375,000	185,000	(45,000)
10	Town House				
	Building Improv - Town House	15,000	15,000	15,000	-
	Total - account #10	15,000	15,000	15,000	-
11	Police Department				
	Police Vehicles	105,000	140,000	140,000	35,000
	Public Safety Equipment	25,000	25,000	25,000	-
	Bullet Proof Vest	25,000			(25,000)
	Office Copiers	-	10,000	-	-
	Total - account #11	155,000	175,000	165,000	10,000

SECTION I: Financial Summary

Capital

**Capital Outlay and Special Project Accounts
(General Fund only)**

Acct #	Category	Budget FY18	Dept. Request FY19	Town Mgr Proposed FY19	\$ Change FY18 Budget to FY19 Proposed
12	Fire Department				
	Miscellaneous Equipment	25,000	25,000	25,000	-
	Vehicle Replacement (Shift Cmd)	25,000	-	-	(25,000)
	Turnout Gear Replacement	15,000	15,000	15,000	-
	SCBA	-	5,000	-	-
	EMS Equipment	-	25,000	25,000	25,000
	Total - account #12	65,000	70,000	65,000	-
13	West Concord Fire Station				
	Building Improv - W. Concord	10,000	10,000	10,000	-
	Total - account #13	10,000	10,000	10,000	-
14	Police/Fire Station (Walden Street)				
	Building Improv - Walden St	20,000	20,000	20,000	-
	Total - account #14	20,000	20,000	20,000	-
17B	Engineering				
	GIS System	20,000	20,000	20,000	-
	Traffic Control Devices	10,000	20,000	10,000	-
	Drainage Improvements	25,000	25,000	25,000	-
	NPDES Permit Compliance	10,000	10,000	10,000	-
	Street Sign Replacement	20,000	20,000	20,000	-
	Total - account #17B	85,000	95,000	85,000	-
17C	Highway Maintenance				
	Guardrail Replacement	15,000	20,000	15,000	-
	Small Equipment	5,000	7,500	5,000	-
	Total - account #17C	20,000	27,500	20,000	-
17D	Parks & Trees				
	Public Shade Trees	25,000	25,000	25,000	-
	Turf Improv./Park Rehab.	52,500	100,000	62,500	10,000
	Small Equipment	5,000	7,500	5,000	-
	Total - account #17D	82,500	132,500	92,500	10,000
20	Public Works Equipment				
	Vehicles and Heavy Equipment	325,000	350,000	325,000	-
	Total - account #20	325,000	350,000	325,000	-
21	Drainage				
	Drainage Improvements	105,000	105,000	105,000	-
	Culvert Improvement	100,000	100,000	100,000	-
	Total - account #21	205,000	205,000	205,000	-
22	Sidewalks				
	Sidewalks - Maintenance	110,000	125,000	115,000	5,000
	Total - account #22	110,000	125,000	115,000	5,000
23	Road Improvments				
	Road Reconstruction	100,000	100,000	100,000	-
	Total - account #23	100,000	100,000	100,000	-
24	133/135 Keyes Road building:				
	Building Improv - 133/135 Keyes	10,000	16,250	10,000	-
	Rolling Storage Shelves	-	-	-	-
	Total - account #24	10,000	16,250	10,000	-

**Capital Outlay and Special Project Accounts
(General Fund only)**

Acct #	Category	Budget FY18	Dept. Request FY19	Town Mgr Proposed FY19	\$ Change FY18 Budget to FY19 Proposed
25	Library				
	Computer Equipment	15,000	10,000	10,000	(5,000)
	Total - account #25	15,000	10,000	10,000	(5,000)
26B	Senior Services				
	COA Van	-	65,000	65,000	65,000
	Total - account #26B	-	65,000	65,000	65,000
27	Harvey Wheeler Building:				
	HWCC - Exterior Steps	-	80,000	-	-
	Building Improv - Harvey Wheeler	10,000	15,000	15,000	5,000
	Total - account #27	10,000	95,000	15,000	5,000
28	Hunt Recreation Center				
	Emerson Pool Bathing Facility	-	57,250	-	-
	Total - account #28	-	57,250	-	-
	TOTAL	\$ 1,870,000	\$ 2,763,500	\$ 1,945,000	\$ 75,000

Capital Outlay and Special Projects Accounts General Fund Recommended Items

Highlights

The following are recommendations for the capital outlay and special projects items:

Acct # - Account Title

1A Town Manager

To be able to comply with the Americans with Disabilities Act, the Town provides money in this account for improvements to Town-owned buildings. In FY19, it is proposed that the funding level is \$5,000, the same as in FY18.

1C Facilities Management

This account was established with the FY05 budget in an effort to set up a central pool of funds from which to monitor building conditions, establish renovation priorities, and fund repairs and improvements. Since FY05 when the account was first budgeted at \$40,000, the funding level has gradually been increased to the recommended level in FY19 of \$290,000. The five-year Capital Outlay plan raises this funding target to \$365,000 by FY23. For FY19, this account will fund the Facilities Manager, Senior Maintenance Craftsman, Facilities Maintainer, and partially fund the Maintenance Electrician.

1D Resource Sustainability

Being established in FY13, the purpose of this new account is to provide supplemental funding for town-wide energy efficiency projects and improvements. In FY19, it is proposed that this account be funded at \$120,000.

1E Visitors Center

For routine building repairs, a budget of \$2,500 is being proposed.

1F 37 Knox Trail

Acquired by the Town in FY15, \$5,000 is proposed for routine building improvements in FY19.

1G 55 Church Street

Acquired by the Town in FY18, \$5,000 is proposed for routine building improvements in FY19.

5B Natural Resources Division, DPLM

Funding of \$5,000 is being proposed for pond and stream management.

6 141 Keyes Road, DPLM

For routine building repairs, a budget of \$10,000 is being proposed.

9 Information Systems

The proposed funding level for the Town-wide Technology Fund is \$185,000. This fund is crucial in maintaining current technology throughout the Town departments. In addition, funds go toward supporting the basic network infrastructure linking all town buildings and connecting more than 250 desktop computers to the network with a secure and reliable system.

10 Town House

For routine building repairs, a budget of \$15,000 is being proposed.

Capital Outlay and Special Projects Accounts General Fund Recommended Items

11 Police Department

Funding is being proposed for the replacement of four police cruisers (\$140,000) and the upgrade and maintenance of public safety equipment (\$25,000).

12 Fire Department

For the Fire Department, \$25,000 in funding is being proposed for miscellaneous equipment, \$15,000 for turnout gear, and \$25,000 for Emergency Medical Equipment.

13 West Concord Fire Station

For routine building repairs, a budget of \$10,000 is proposed.

14 Police/Fire Station

For routine building repairs, a budget of \$20,000 is being proposed. This amount is split equally between the Police Department and the Fire Department.

17B Engineering, CPW

The following items are being proposed for the Engineering Division: \$20,000 for continued enhancements of the Town's Geographic Information System (GIS), \$10,000 for the upgrade of traffic control devices for the Town's street intersections, \$25,000 for sustainable drainage improvements, \$10,000 for NPDES permit compliance, and \$20,000 for the federal/state mandated street sign replacement.

17C Highway Maintenance, CPW

For the Highway Maintenance account, it is proposed that \$15,000 be allocated for guardrail replacement, and \$5,000 for small equipment.

17D Parks & Trees, CPW

The following items are being proposed for the Parks & Trees Division: \$25,000 for public shade trees, \$62,500 for turf improvements, and \$5,000 for small equipment.

20 Public Works Equipment, CPW

The proposed Public Works Equipment budget of \$325,000 funds the Town's well-planned schedule of equipment replacement.

21 Drainage, CPW

The FY19 level funding of \$205,000 is proposed to be used for drainage and culvert improvements.

22 Sidewalk Management, CPW

The proposed FY19 budget calls for an increase of \$5,000 for the maintenance of the Town's existing sidewalks program at \$115,000.

23 Road Improvements, CPW

The General Fund proposed funding for road improvements is \$100,000. With additional amounts of \$668,900 expected from the State (Chapter 90 Funds) and \$1,400,000 in borrowing, the total FY19 recommended amount for road improvements is \$2,168,900.

**Capital Outlay and Special Projects Accounts
General Fund Recommended Items****24 133 and 135 Keyes Road, CPW**

For routine building repairs, a budget of \$10,000 is being proposed.

25 Library

The FY19 the CIP proposes to provide the Library with \$10,000 for public-access computer equipment replacement.

26B Senior Services

An amount of \$65,000 is being proposed to purchase a new COA van.

27 Harvey Wheeler Community Center

For routine building repairs, a budget of \$10,000 is being proposed.

SECTION I: Financial Summary

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Debt:

At the end of FY17 (June 30, 2017), the Town of Concord's outstanding tax-supported long-term debt is **\$35,840,000**.

This total represents 0.60% of assessed value, or \$2,029 of debt per capita.

The Debt Section includes the following:

- Debt Overview 54
- Historical Debt & Charts 55 to 57
- FY19-FY23 Debt Authorization 58 to 59
- Debt Service Projection 60 to 61
- Potential Future Debt Projects 62
- Debt Service Projection Chart 63
- Excluded Debt Detail 64 to 67
- Excluded Debt Service 68 to 70
- Authorized and Unissued Debt 71

Rapid Debt Repayment

The Town aims for a rapid debt repayment schedule for tax-supported debt, with a goal (for "within the levy limit" debt) of 60% repayment within 5 years and 90% repayment within 10 years.

This policy serves the following purposes:

- To hold down the amount expended in the form of interest costs;
- To provide new capacity for debt issuance on a regular basis and thereby enable newly recognized capital needs to be addressed annually;
- To maintain the Town's credit rating of Aaa, which reduces the cost of borrowing.
- See Account 39 – Debt Service for information about the FY19 debt service appropriation.**

Outstanding Principal and Percent of Debt to be retired for debt issued as of June 30, 2017

Paid Down Percentage Starting on June 30, 2017	Tax-Supported Debt				Enterprise and Other Debt		Total Debt	
	Within Limit		Excluded		Outstanding Principal	%	Outstanding Principal	%
	Outstanding Principal	%	Outstanding Principal	%				
On 6/30/17	\$9,876,300		\$26,785,677		\$17,647,421		\$54,309,398	
In 5 years	\$1,495,000	85%	\$12,026,639	55%	\$7,188,702	53%	\$20,710,341	62%
In 10 Years	\$70,000	99%	\$1,990,000	93%	\$0	100%	\$2,060,000	96%
In 15 Years	\$0	100%	\$0	100%	\$0	100%	\$0	100%

Note: The Town's excluded tax-supported debt is primarily associated with the construction of the three Elementary Schools. Excluded debt associated with the construction of the new High School is assessed to the Town separately by the Concord-Carlisle Regional School District and is budgeted separately .

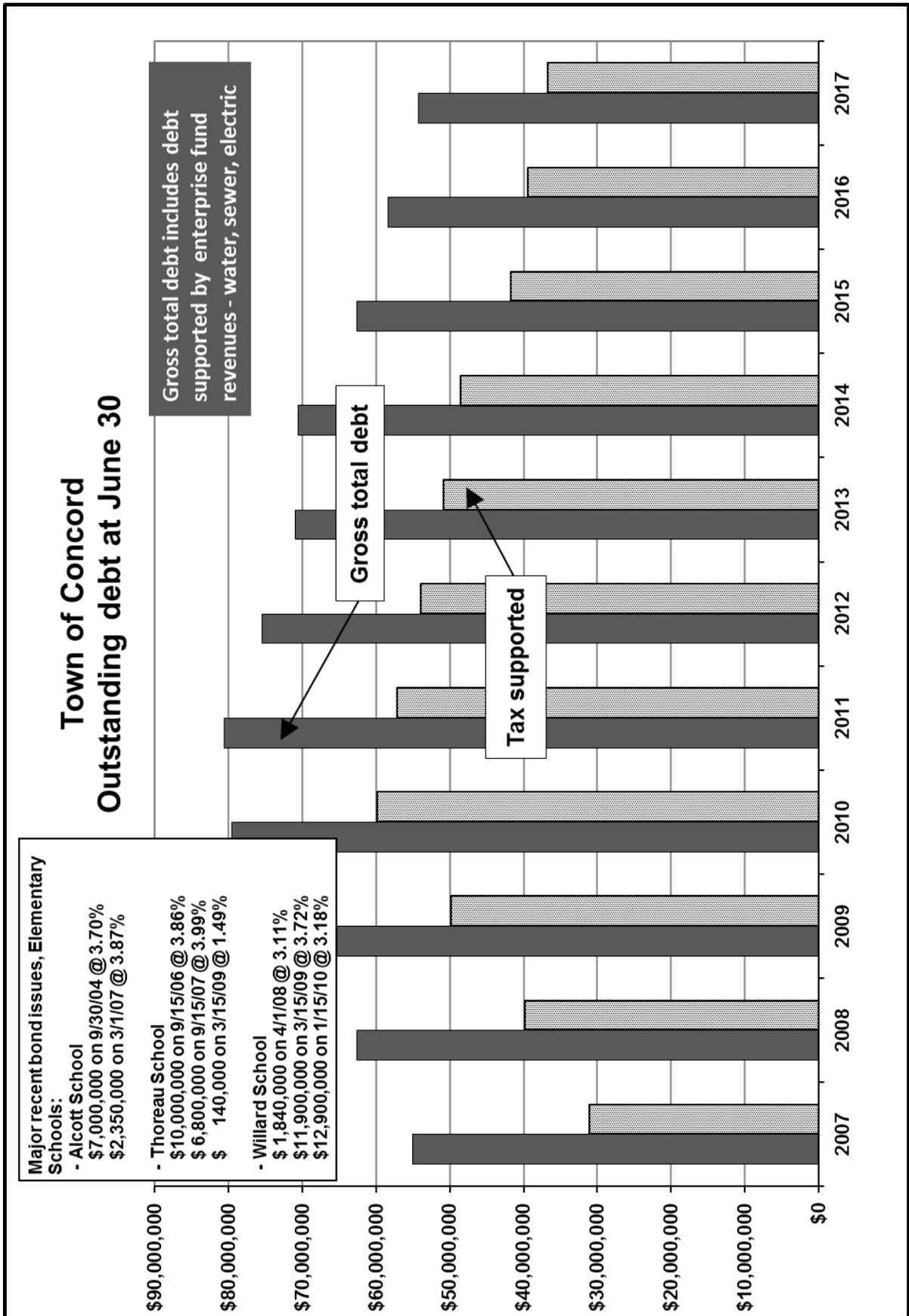
GENERAL OBLIGATION DEBT POLICIES

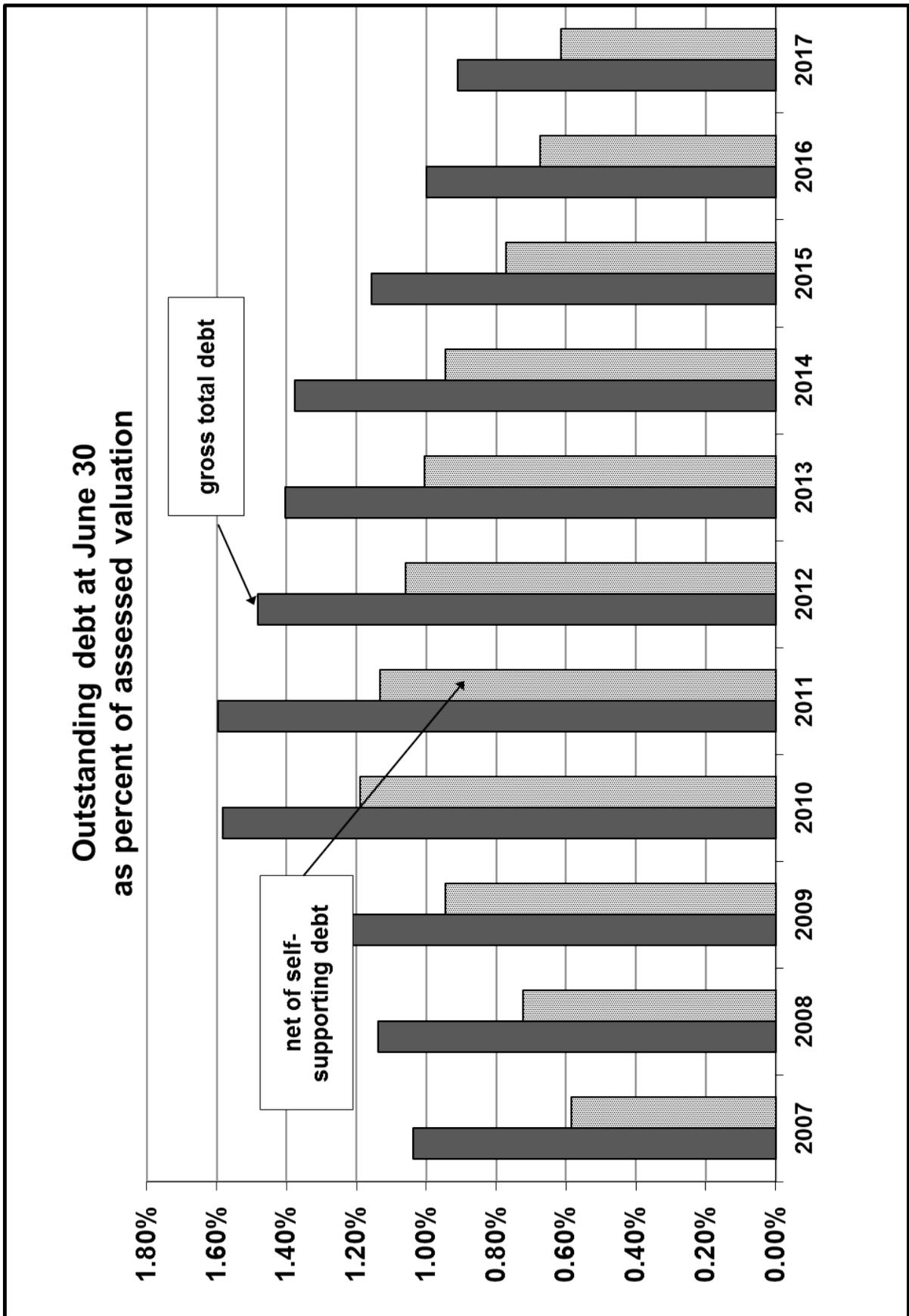
1. As a general policy, the threshold for an item for debt financing shall be an expenditure of at least \$100,000 and a useful life in excess of 5 years.
2. The term of long-term debt shall not exceed the expected useful life of the capital asset being financed, and in general it shall not exceed 20 years.
3. A rapid debt repayment schedule shall be maintained, with a goal of 60% principal repayment within 5 years and 90% repayment within 10 years, for tax-supported non-excluded debt.
4. Debt supported outside the levy limit—that is, through a debt exclusion—may be above the 7-8% allocation limit, and may be structured for a longer repayment schedule; such debt shall be reserved for large capital improvements, generally those costing over \$1 million and bonded for 10 years or more.
5. For all debt exclusion proposals, the impact on property tax rates shall be calculated prior to the vote.
6. All debt of the Town shall be issued as general obligation debt. As a policy, debt for enterprises may be paid for from fee revenue rather than through taxes.

Town of Concord, Long-Term Debt Statistics												
Direct Debt - June 30, 2007 to June 30, 2017												
@ June 30	Assessed Value		Outstanding Long-term Debt		Population decennial census	per capita income decennial census	% of		Debt per capita		Debt per capita as % of per capita income	
	Gross	Net	Gross	Net			gross debt	net debt	gross debt	net debt	gross debt	net debt
2007	\$5,309,253,833	\$31,052,480	\$55,091,156	\$31,052,480	16,993	\$51,477	1.04%	0.58%	\$3,242	\$1,827	6.30%	3.55%
2008	\$5,498,736,316	\$39,739,546	\$62,606,176	\$39,739,546	16,993	\$51,477	1.14%	0.72%	\$3,684	\$2,339	7.16%	4.54%
2009	\$5,264,591,702	\$49,885,220	\$71,479,238	\$49,885,220	16,993	\$51,477	1.36%	0.95%	\$4,206	\$2,934	8.17%	5.70%
2010	\$5,026,552,229	\$59,831,473	\$79,599,890	\$59,831,473	16,993	\$51,477	1.58%	1.19%	\$4,684	\$3,521	9.10%	6.84%
2011	\$5,045,140,030	\$57,138,277	\$80,557,689	\$57,138,277	17,668	\$67,374	1.60%	1.13%	\$4,560	\$3,234	6.77%	4.80%
2012	\$5,090,058,629	\$53,893,601	\$75,393,732	\$53,893,601	17,668	\$67,374	1.48%	1.06%	\$4,267	\$3,050	6.33%	4.53%
2013	\$5,054,970,094	\$50,782,417	\$70,984,036	\$50,782,417	17,668	\$67,374	1.40%	1.00%	\$4,018	\$2,874	5.96%	4.27%
2014	\$5,130,493,662	\$48,544,694	\$70,598,766	\$48,544,694	17,668	\$67,374	1.38%	0.95%	\$3,996	\$2,748	5.93%	4.08%
2015	\$5,442,298,562	\$41,730,402	\$62,596,727	\$41,730,402	17,668	\$67,374	1.46%	0.77%	\$3,543	\$2,362	5.26%	3.51%
2016	\$5,841,889,295	\$39,391,306	\$58,382,966	\$39,391,306	17,668	\$67,374	1.00%	0.67%	\$3,304	\$2,230	4.90%	3.31%
2017	\$5,973,716,402	\$36,661,977	\$54,309,398	\$36,661,977	17,668	\$67,374	0.91%	0.61%	\$3,074	\$2,075	4.56%	3.08%

"Net debt" is tax-supported, net of self-supporting debt issued for the water, sewer and electric funds.

EQV and Debt: The Town's Equalized Valuation (EQV) is set by the state biennially. The value set at Jan. 1, 2014 is \$5,540,602,300. This EQV is used in various state formulas for FY15 and FY16. By state law (MGL c. 44, § 10), the Town's debt limit is capped at 5% of its EQV. The Town's gross outstanding debt as of June 30, 2016 is 1.05% of EQV.





SECTION I: Financial Summary

Debt

**FY19-23 Capital Program
DEBT AUTHORIZATION PLAN**

Fiscal Year of Issuance Annual Town Meeting Year	adopted					plan					FY19-23 Total
	FY2018 2017	FY2019 2018	FY2020 2019	FY2021 2020	FY2022 2021	FY2023 2022					
CMS Middle School feasibility assessment study	150,000										\$0
Peabody	0	39,500	2,975,000	205,000	0	0					\$3,219,500
Sanborn	400,000	39,000	3,305,000	400,000	1,400,000						\$5,144,000
Alcott	0	155,000	150,000	0	195,000						\$500,000
Thoreau	0	285,000	140,000	95,000	0	0					\$520,000
Willard	0	94,000	350,000	0	0	0					\$444,000
School Transportation facility	300,000										\$0
Ripley Administration Building	0	690,000	1,290,000	250,000	0	0					\$2,230,000
Unassigned	0	0	0	0	0	1,000,000					\$1,000,000
Gross subtotal, CPS buildings	850,000	1,302,500	8,210,000	950,000	1,595,000	1,000,000					\$13,057,500
less: Unfunded	0	(402,500)	(7,310,000)	0	(595,000)						(\$8,307,500)
Subtotal - School Projects allocation	\$850,000	\$900,000	\$900,000	\$950,000	\$1,000,000	\$1,000,000					\$4,750,000
General Fund Total	\$5,275,000	\$6,000,000	\$6,650,000	\$3,550,000	\$3,700,000	\$4,100,000					\$24,000,000
debt supported within levy limit											

General Fund - Financing subject to Debt Exclusion Ballot

School Transportation Facility											\$0
Keyes Road Campus - Site Reconstruction			20,000,000								\$20,000,000
Concord Public School - Middle School renovations		6,280,000									\$6,280,000
Debt Exclusion Total	\$0	\$6,280,000	\$20,000,000	\$0	\$0	\$0					\$26,280,000

Water Enterprise Fund

Reservoir Improvements											0
Nagog Pond - Intake pipeline											0
Keyes Road site & covered storage			500,000								500,000
Nagog filtration plant											0
Land acquisition - Balls Hill											0

Sewer Enterprise Fund

Keyes Road site & covered storage			100,000								100,000
Enterprise Funds Total	\$0	\$0	\$600,000	\$0	\$0	\$0					\$600,000
GRAND TOTAL	\$5,275,000	\$6,000,000	\$7,250,000	\$3,550,000	\$3,700,000	\$4,100,000					\$50,880,000

Debt Service Schedule, July 1, 2017 to final maturity for debt issued through June 30, 2017

Fiscal Year	Total Annual Debt Service		Total Principal Outstanding at June 30th	Tax Supported Annual Debt Service									
	Principal Matured	Interest Payment		Town (within levy limit)		Town (outside levy limit)		School (within levy limit)		School (outside levy limit)			
				Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment		
			58,382,967										
2017	4,073,568	1,718,477	54,309,399	2,430,000	255,973	82,529	17,265	830,000	109,386	8,668,800	866,389		
2018	8,128,674	1,572,522	46,180,725	2,495,000	287,869	84,196	16,767	715,000	108,623	2,580,000	704,642		
2019	7,124,085	1,424,648	39,056,640	1,985,000	244,177	85,897	14,939	570,000	92,868	2,320,000	673,670		
2020	6,659,490	1,203,395	32,397,151	1,650,000	180,727	87,632	13,073	565,000	73,268	2,275,000	596,395		
2021	6,115,748	986,952	26,281,403	1,260,000	125,002	89,403	11,170	420,000	53,768	2,250,000	517,570		
2022	5,571,060	785,661	20,710,343	991,300	80,502	91,209	9,229	396,700	37,368	2,229,000	439,420		
2023	4,397,753	605,441	16,312,590	410,000	45,600	93,052	7,248	280,000	21,500	2,060,000	363,185		
2024	4,062,381	467,995	12,250,209	315,000	30,200	94,932	5,227	120,000	12,000	2,030,000	292,195		
2025	3,989,707	336,759	8,260,502	255,000	20,100	96,850	3,165	120,000	8,400	2,003,000	215,505		
2026	3,552,636	235,382	4,707,866	225,000	13,150	98,806	1,062	115,000	4,900	1,605,000	163,775		
2027	2,647,866	140,168	2,060,000	220,000	6,500	0	0	65,000	1,950	1,255,000	115,650		
2028	1,385,000	72,600	675,000	70,000	700	0	0	65,000	650	1,250,000	71,250		
2029	675,000	27,000	0	0	0	0	0	0	0	675,000	27,000		
total	58,382,967	9,577,000		12,306,300	1,290,500	904,506	99,145	4,261,700	524,681	31,200,800	5,046,646		

Interest expense as % of total debt service, FY19:

16.7%

Interest expense as % of total debt service to final maturity:

14.1% as of July 1, 2018

Projected as of June 30, 2017:

Debt Retirement - all

5 yrs | 10 yrs

69.7% | 97.0%

Debt Retirement - tax supported only

72.2% | 95.8%

SECTION I: Financial Summary

Debt

Revenue Supported Annual Debt Service								subtotals		
Water		Sewer		Betterment (WPAT loans)		Light (including Telecom)		Tax-supported		Revenue-supported
Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	within Limit	Excluded	
								0	0	0
441,200	94,730	609,516	134,225	291,523	28,908	755,000	213,618	3,625,359	9,634,983	2,568,720
565,000	105,871	607,814	129,946	294,164	26,116	787,500	192,688	3,606,492	3,385,605	2,709,099
485,000	94,435	618,831	116,229	296,857	23,268	762,500	165,063	2,892,045	3,094,506	2,562,183
485,000	78,735	617,570	102,459	229,288	20,362	750,000	138,375	2,468,995	2,972,100	2,421,789
485,000	61,535	629,036	88,633	232,310	17,398	750,000	111,875	1,858,770	2,868,143	2,375,787
373,000	44,335	640,734	74,558	224,118	14,374	625,000	85,875	1,505,870	2,768,858	2,081,994
225,000	30,015	602,668	60,979	227,033	11,289	500,000	65,625	757,100	2,523,485	1,722,609
220,000	21,715	614,843	47,891	167,606	8,141	500,000	50,625	477,200	2,422,354	1,630,821
217,000	14,995	627,265	34,538	170,589	4,930	500,000	35,125	403,500	2,318,520	1,604,442
215,000	8,300	639,936	20,916	153,895	1,654	500,000	21,625	358,050	1,868,643	1,561,326
155,000	1,550	652,865	7,018	0	0	300,000	7,500	293,450	1,370,650	1,123,933
0	0	0	0	0	0	0	0	136,350	1,321,250	0
0	0	0	0	0	0	0	0	0	702,000	0
3,866,200	556,216	6,861,078	817,392	2,287,383	156,440	6,730,000	1,087,994	18,383,181	37,251,097	22,362,703

Potential Debt Exclusion projects

In addition to the General Fund portion of the Five-Year Debt Plan shown on the preceding pages, to be financed within the Property Tax Levy Limit, there are projects under active consideration or emerging in long-range planning which would need to be considered for funding subject to debt exclusion ballot approval – where the property tax levy to cover debt service would be apart from and in addition to the Levy Limit.

Tax-supported Debt Principal forecast without new debt exclusions

Outstanding as of June 30, 2017	New Issues Planned through FY23	Projected Maturing through 6/30/23	Projected Outstanding as of June 30, 2023
\$54,309,398	FY18: \$7,860,000 FY19-23: \$19,300,000	\$25,983,390	\$24,258,587

***Note:**
Date for Town of Concord only. Not inclusive of assessed share of CCRSD debt.

I. Near-Term Projects: 1 to 5-year period. FY19-23

1. Concord Middle School

Investment will be needed to extend the useful life of the Peabody and Sanborn buildings. A \$6 million Peabody/Sanborn renovation project could be presented to Town Meeting in the very near term, to fund the most urgent needs of the Concord Middle School buildings, extending the useful life of the existing buildings for an additional 15-20 year period. The specific purposes might include the items listed below. Also, please note, at the same time, the School Committee has submitted a Statement of Interest to the MSBA, seeking to partner on funding for a new middle school building.

	Peabody	Sanborn	Total
HVAC systems	\$650,000	\$1,025,000	\$1,675,000
Domestic Water Piping replacement	\$350,000	\$550,000	\$900,000
Sanborn Boiler replacement		\$575,000	\$575,000
Classroom partitions, Peabody	\$450,000	\$1,500,000	\$450,000
	\$2,350,000	\$3,650,000	\$6,000,000

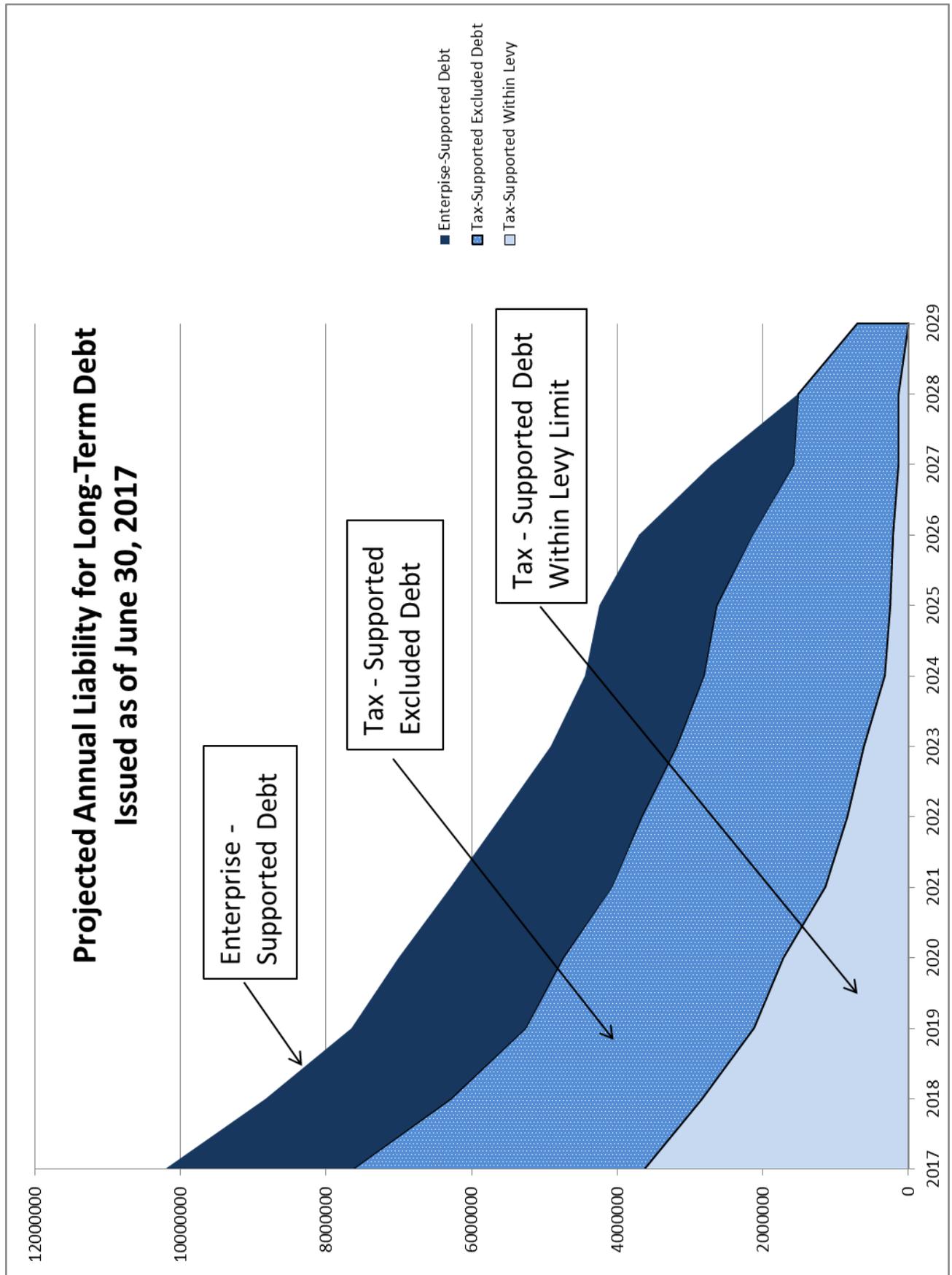
2. Keyes Road Municipal Complex, Public Works and Planning Departments

Article 30 of the 2014 Town Meeting Warrant voted \$150,000 for a feasibility study regarding the future use of the Keyes Road site, one of the few possible locations for additional town office space and an intensely utilized site for public works equipment maintenance and storage. A complete reconstruction of town facilities could involve an investment of \$15-20 million, based on the cost of facilities recently constructed in neighboring communities.

II. Intermediate Term Projects: 6 to 10-year period, FY24-28

1. West Concord Fire Station

This project would involve expansion of the building's capacity for staff and equipment, possibly involving some acquisition of surrounding land. A \$5 million price-tag is the present rough estimate of what this project might cost.



Excluded Debt

Projected to June 30, 2018	Principal			FY19 Debt Service			
	Initial Issuance	Remaining Balance	Remaining Percent	Principal	Interest	Debt Service (Net of Premium)	Amortized Premium
<u>Outstanding Town-Issued Excluded Debt</u>							
Wastewater Management (Phase 1) <i>Nov. 2005 (2.00% - WPAT Loan)</i>	\$1,638,290	\$737,780	45.03%	\$85,897	\$13,897	\$99,794	
Alcott School <i>May 2015 (1.40%; refund), May 2016 (1.16%; refund)</i>	\$9,365,000	\$2,884,500	30.70%	\$489,000	\$84,280	\$573,280	
Thoreau School <i>Sept 2007 (3.99%), May 2015 (1.40%; refund) May 2016 (1.16%; refund)</i>	\$16,940,000	\$3,681,500	21.73%	\$526,000	\$119,630	\$645,630	
Willard School <i>Apr. 2008 (3.11%), Mar. 2009 (3.72%), Jan. 2010 (3.09%)</i>	\$27,025,000	\$12,824,000	47.35%	\$1,305,000	\$469,760	\$1,774,760	(\$1,095)
CPS Bus Depot (estimate)						\$292,500	
Minuteman Regional High School						\$147,115	
Exempt Debt Service Reserve						(\$186,274)	
Town Excluded Debt - Total	\$54,968,290	\$20,127,780	36.62%	\$2,405,897	\$687,567	\$3,346,805	(\$1,095)
<u>Outstanding CCRSD-Issued Exempt Debt</u>							
Existing High School				\$0	\$0	\$0	
New High School (\$32.5 million issued June 2013, 3.00%)						\$2,123,049	
New High School Bond (\$30 million issued in March 2015, 2.87%)						\$2,195,157	
New High School Bond (\$2.5 million issued in March 2016, 2.40%)						\$174,250	
BAN Issued 06/30/17 for \$110,207						\$1,000	
Landfill Remediation (\$1.5 million to be issued, 4%)						\$18,000	
Less: Reserves from FY17 assessment not expended						\$0	
Total Assessable						\$4,511,456	
Concord Share @ 75.46%						\$3,404,345	
Less: Stabilization fund appropriation						(\$275,000)	
Net CCRSD Excluded Debt						\$3,129,345	
Net Levy for the Total Town and CCRSD Exempt Debt						\$6,475,055	

Details of Town-Issued Excluded Debt Cost

Alcott School Construction

The Massachusetts School Building Authority paid a lump-sum grant to the Town on September 25, 2006, in the amount of \$7,175,997 (about 43% of total project expenses). The grant was used to redeem short-term project notes that came due September 30, 2006. The Town received the maximum grant for which it was eligible, based upon a per square foot maximum allowable cost of \$173, a building constructed area of 78,011 square feet, and a nominal 50% state grant (the percentage applies to allowable costs, not gross actual costs).

As approved by the 2002 Annual Town Meeting (Article 60) and at subsequent town-wide vote in June 2002, a \$2.35 million bond was issued on March 1, 2007 at an interest cost of 3.91%. A similarly approved bond in September 2004 at 3.70% was refunded at 1.4% in May 2015.

The total Alcott debt expense in the FY19 budget is \$573,280 (0.64% of the projected tax levy).

\$2.35 million Bond issued March 2007:

Principal	\$ 146,000
Interest	<u>20,320</u>
	\$ 166,320

\$3.3 million Bond issued May 2015 (refunding of Bond issued September 2004):

Principal	\$ 343,000
Interest	<u>63,960</u>
	\$ 406,960

The total Alcott project cost was about \$16.8 million. The new school opened in September 2004.

Thoreau School Construction

Authorization to issue bonds to fund the construction of the Thoreau School was approved by the 2004 Town Meeting (Article 27) and town-wide ballot vote in June of 2004. A \$10 million bond issued in 2006 at an interest cost of 3.86% was advance refunded at 1.4% in May 2015. An additional \$6.8 million bond was issued September 2007 at 3.99% with a final maturity on September 2025.

\$6.8 million Bond issued September 2007:

Principal	\$ 349,000
Interest	<u>96,440</u>
	\$ 445,440

\$1.2 million Bond issued May 2015 (refunding of Bond issued September 2006):

Principal	\$ 177,000
Interest	<u>23,190</u>
	\$ 200,190

For FY19, the total tax-supported Thoreau debt expense is \$645,630, or 0.70% of the projected tax levy.

The total Thoreau project cost was \$16.8 million. The new school opened in September 2006.

Willard School Design and Construction

An amount of \$1,840,000 was authorized by the 2006 Annual Town Meeting and by a subsequent debt exclusion ballot vote in June 2006 for the design of a new Willard Elementary School. Additionally, at the Special Town Meeting of November 5, 2007 and the ballot vote of November 14, 2007, \$30.025 million was authorized for construction of the new Willard School.

A 10-year bond in the principal sum of \$1,840,000 was issued April 1, 2008 at an interest cost of 3.11%, with a final maturity on April 1, 2018. A 19-year bond in the principal sum of \$11,900,000 was issued March 15, 2009 at an interest cost of 3.72%. A 19-year bond in the principal sum of \$12,900,000 was issued January 15, 2010 at an interest cost of 3.18%. A 4-year bond in the principal sum of \$375,000 was issued May 17, 2011 at an interest cost of 1.06% and fully paid off in FY15. On June 22, 2017, the Town Advance Refunded the 2009 Issue resulting in an overall budgetary savings of \$667,621.

The total Willard debt expense provided in the FY19 budget is \$1,774,760, or 1.92% of the projected tax levy.

\$11.9 million Bond issued March 2009, including refunding:

Principal	\$ 625,000
Interest	<u>212,985</u>
	\$ 837,985

\$12.9 million Bond issued January 2010:

Principal	\$ 680,000
Interest	<u>256,775</u>
	\$ 936,775 (net of \$1,095 amortized premium)

The new school opened September 2009. The final construction cost was about \$27.2 million, significantly under the authorized allocation of \$30,025,000. Article 58 of the 2011 Town Meeting Warrant rescinded the unused borrowing authorization.

The Willard School project has not yet been selected by the MSBA for a possible state grant. The Town is permitted to renew its application annually.

Wastewater Management, Phase 1

A \$4,190,000 debt authorization was voted at the 2004 Town Meeting and the debt for this sewer extension project was approved by ballot on June 8, 2004. This debt is secured through the Water Pollution Abatement Trust (WPAT), Commonwealth of Massachusetts, at a subsidized interest rate of 2%. The long-term loan was executed in November 2005. The budgeted cost for FY16 is the tenth year of a twenty-year payment schedule, with the final maturity on July 15, 2025. The General Fund and Betterment funded shares for FY19 are:

General Fund (39.1%)	\$ 99,794
Betterment funded (60.9%)	\$ 155,433

Details of CCRSD-Issued Excluded Debt Cost

New High School

The following is a categorization of the cost for the construction of the new Concord-Carlisle High School. Concord's actual assessment of the cost each year is determined by the annual enrollment proportion of Concord students.

	Project Funding Agreement <u>2nd Amendment (July 24, 2014)</u>
CCRSD	\$ 65,782,775
MSBA Grant	<u>26,795,749</u>
Total Project Cost	\$ 92,578,524

To date, permanent financing of \$62.5 million has been issued by the Regional School District. Concord's FY19 assessed share of the debt service for long-term bonds issued to date is as follows:

Date of Bond Issue	<u>June 4, 2013</u>	<u>March 15, 2015</u>	<u>March 1, 2016</u>
Amount Issued	\$32,500,000	\$30,000,000	\$2,500,000
Interest Rate (TIC)	3.00%	2.87%	2.40%
Final Maturity	2038	2038	2038
FY19 debt service:			
Principal & Interest	\$2,123,049	\$2,195,157	\$174,250

Total:

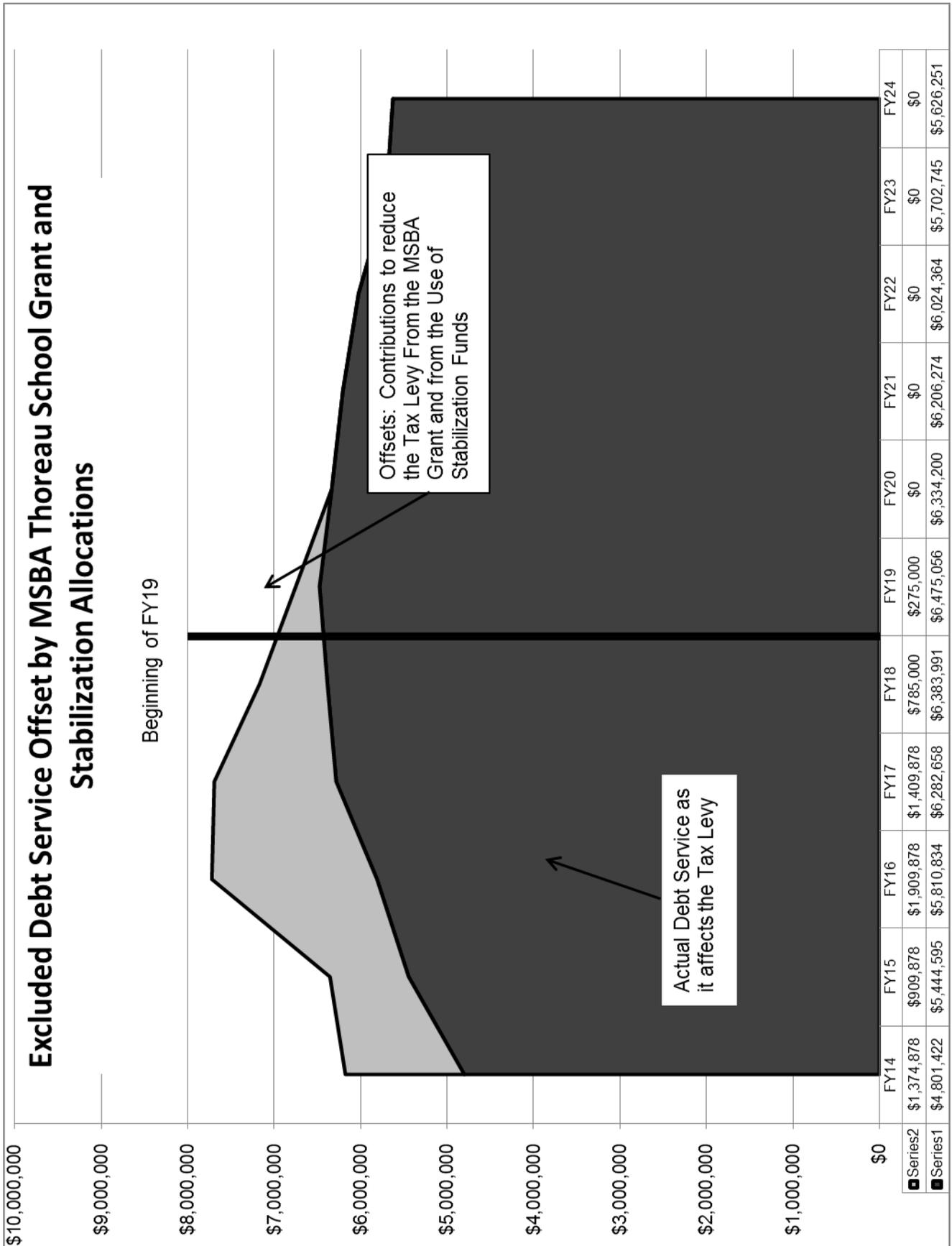
Issued, Exempt, Bond	\$4,492,456
Issued, Exempt, BAN	\$ 1,000
Issued, Exempt, BAN	\$ 18,000
Issued, Non-Exempt, BAN	<u>\$ 136,243</u>
Net assessable, FY19	\$4,647,537
Concord share @ 75.46%	\$3,507,154

This debt will be offset by \$275,000 from the Town's High School Debt Stabilization Fund, reducing the FY19 impact to 3.78% of the projected levy. FY19 marks the final year of availability of funds from this Stabilization Fund to offset the associated debt service.

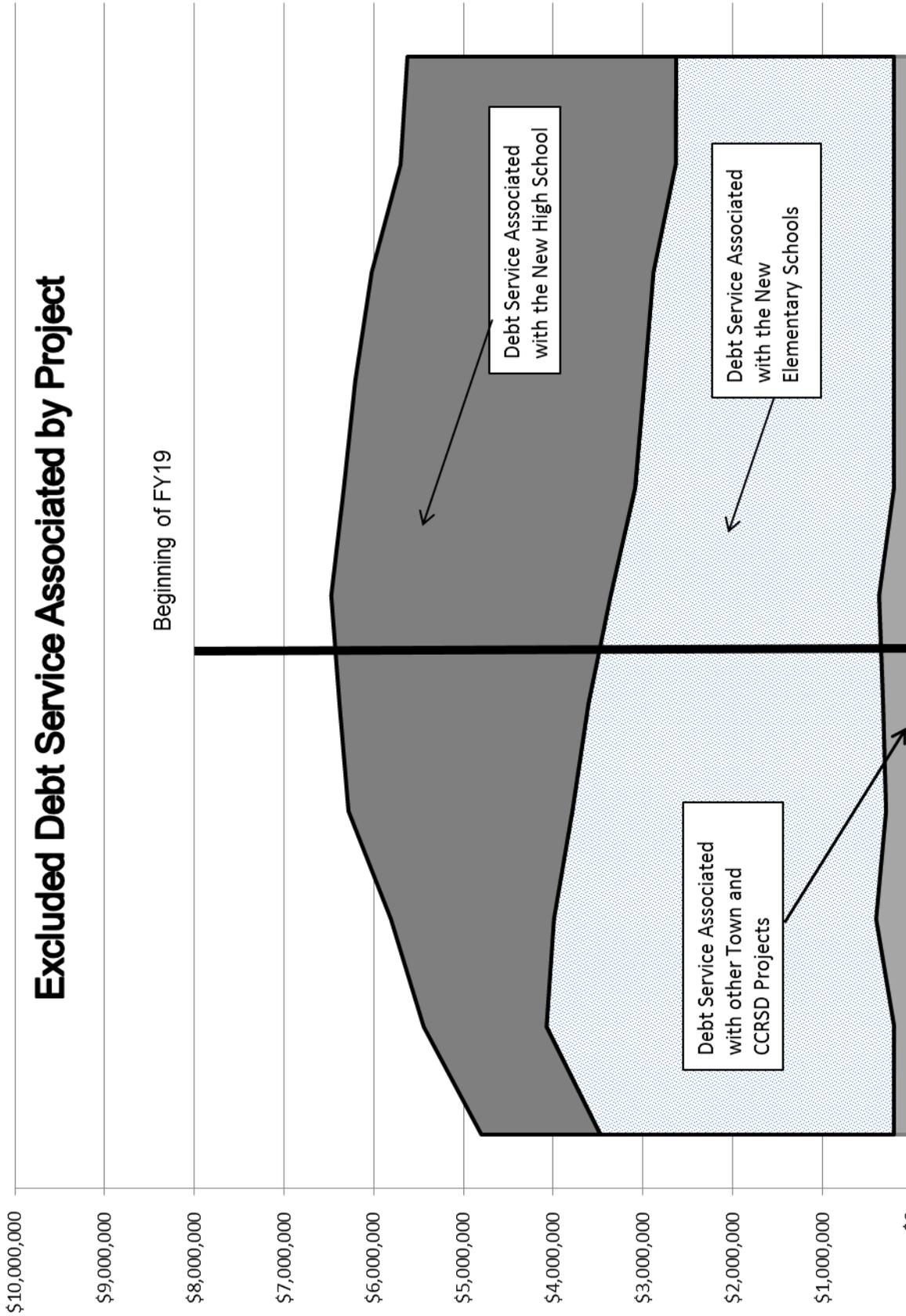
Excluded debt tax levy
(FY09 to FY17 Actual, FY18 Budgeted, and FY19 to FY30 Projected)

Fiscal year	Elementary Schools Construction					High School Construction			Other Debt			Summation of Excluded Debt					
	Alcott	Thoreau	Willard	Stabilization Fund	MSBA Thoreau grant	Total CPS Excluded Debt	CCHS New building (1)	NESDEC (2) Enrollment (Nov. 2015)	Concord's Share of CCHS Debt	Stabilization Fund	Total CCHS Excluded Debt	Town	MinuteMan Regional	CCHS	Gross Excluded Debt	Offsets (Grants & Stab. Funds) Adjustments	Net Excluded Debt
FY09 Actual	\$812,599	\$1,570,663	\$583,403			\$2,966,665						\$330,714	\$884,143	\$984,143	\$3,981,522		\$3,981,522
FY10	\$811,335	\$1,578,640	\$1,359,333			\$3,749,308						\$224,089	\$539,239	\$539,239	\$4,512,636	\$100,000 (3)	\$4,612,636
FY11	\$779,408	\$1,540,065	\$2,323,693	(\$1,000,000)	(\$431,796)	\$3,211,370						\$221,616	\$582,444	\$804,060	\$5,447,226	(\$1,431,796)	\$4,015,430
FY12	\$762,558	\$1,492,661	\$2,400,443	(\$700,000)	(\$427,412)	\$3,528,250						\$218,672	\$322,941	\$541,613	\$5,197,275	(\$1,127,412)	\$4,069,863
FY13	\$740,052	\$1,416,392	\$2,347,423	(\$475,000)	(\$409,878)	\$3,618,989	\$96,500	71.77%	\$69,258		\$69,258	\$215,603	\$184,870	\$399,473	\$4,973,598	(\$884,878)	\$4,088,720
FY14	\$720,995	\$1,381,397	\$2,309,778	(\$735,000)	(\$409,878)	\$3,267,292	\$2,135,973	72.85%	\$1,556,056	(\$230,000)	\$1,326,056	\$212,287	(\$4,213)	(\$4,213)	\$6,176,300	(\$1,374,878)	\$4,801,422
FY15	\$701,469	\$1,344,761	\$2,240,652		(\$409,878)	\$3,877,034	\$2,557,178	73.10%	\$1,869,297	(\$500,000)	\$1,369,297	\$208,720	(\$10,456)	(\$10,456)	\$6,354,473	(\$909,878)	\$5,444,595
FY16	\$638,067	\$1,234,619	\$2,128,091		(\$409,878)	\$3,591,489	\$4,470,743	73.71%	\$3,318,267	(\$1,500,000)	\$1,818,267	\$204,906	\$196,161	\$384,427	\$7,720,711	(\$1,909,878)	\$5,810,833
FY17	\$623,765	\$1,195,190	\$2,087,764		(\$409,878)	\$3,496,861	\$4,748,110	73.61%	\$3,495,084	(\$1,000,000)	\$2,495,084	\$101,089	\$188,624	\$289,713	\$7,692,536	(\$1,409,878)	\$6,282,658
FY18 Budgeted	\$594,505	\$720,930	\$1,969,207			\$3,284,642	\$4,881,864	73.51%	\$3,561,484	(\$785,000)	\$2,776,484	\$220,282	\$102,583	\$322,865	\$7,168,991	(\$785,000)	\$6,383,991
FY19 Projected	\$573,280	\$645,630	\$1,774,760			\$2,993,670	\$4,492,456	75.46%	\$3,390,007	(\$275,000)	\$3,115,007	\$352,041	\$146,942	\$498,983	\$6,750,056	(\$275,000)	\$6,475,056
FY20	\$553,215	\$605,695	\$1,712,485			\$2,871,395	\$4,372,080	74.25%	\$3,246,269		\$3,246,269	\$100,706	\$146,942	\$247,648	\$6,334,200		\$6,334,200
FY21	\$530,320	\$569,365	\$1,667,705			\$2,767,390	\$4,251,704	75.80%	\$3,222,792		\$3,222,792	\$100,573	\$146,942	\$247,515	\$6,206,274		\$6,206,274
FY22	\$512,068	\$534,068	\$1,622,285			\$2,668,421	\$4,081,328	76.96%	\$3,140,989		\$3,140,989	\$100,438	\$146,942	\$247,380	\$6,024,364		\$6,024,364
FY23	\$347,660	\$498,310	\$1,577,025			\$2,423,185	\$3,986,392	76.95%	\$3,067,529		\$3,067,529	\$100,300	\$146,942	\$247,242	\$5,702,745		\$5,702,745
FY24	\$434,840	\$461,630	\$1,525,725			\$2,422,195	\$3,892,036	76.95%	\$2,994,922		\$2,994,922	\$100,159	\$146,942	\$247,101	\$5,626,251		\$5,626,251
FY25	\$318,710	\$427,020	\$1,472,775			\$2,218,505	\$3,803,206	76.94%	\$2,926,187		\$2,926,187	\$100,015	\$146,942	\$246,957	\$5,350,884		\$5,350,884
FY26		\$346,800	\$1,421,975			\$1,768,775	\$3,703,790	76.92%	\$2,863,570		\$2,863,570	\$99,869	\$146,942	\$246,811	\$4,825,594		\$4,825,594
FY27		\$1,370,650				\$1,370,650	\$3,638,622	76.96%	\$2,800,283		\$2,800,283		\$146,942	\$146,942	\$4,271,597		\$4,271,597
FY28		\$1,321,250				\$1,321,250	\$3,567,455	76.96%	\$2,745,513		\$2,745,513		\$146,942	\$146,942	\$4,164,656		\$4,164,656
FY29		\$702,000				\$702,000	\$3,496,287	76.96%	\$2,690,742		\$2,690,742		\$146,942	\$146,942	\$3,467,865		\$3,467,865
FY30							\$3,422,274	76.96%	\$2,633,782		\$2,633,782		\$146,942	\$146,942	\$2,633,782		\$2,633,782

- NOTES:
1. The Excluded Debt Service for the new High School extends to FY38.
 2. CCRSD Assessment is based on the November 2015 NESDEC projection of the student enrollment ratio between Concord and Carlisle. The enrollment projection applies to years FY17 to FY26.
 3. An amount of \$100,000 was allocated to paydown a Willard Note.
 4. An amount of \$8,639 was provided from Willard BAN interest.
 5. An amount of \$12,167 was provided from the Willard Bond Issuance (June 2011).



Excluded Debt Service Associated by Project



	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
New High Sch. Debt	\$1,326,056	\$1,369,297	\$1,818,267	\$2,495,084	\$2,776,484	\$3,115,007	\$3,246,269	\$3,222,792	\$3,140,989	\$3,067,529	\$2,994,922
New Elem. Sch. Debt	\$3,267,292	\$3,877,034	\$3,591,499	\$3,496,861	\$3,284,642	\$2,993,670	\$2,871,395	\$2,767,390	\$2,668,421	\$2,423,185	\$2,422,195
Misc Debt	\$208,074	\$198,264	\$401,067	\$290,713	\$322,865	\$366,378	\$216,536	\$216,092	\$214,954	\$212,031	\$209,134

SECTION I: Financial Summary

Debt

		Future bond issue and rescission							
category	Note	Purpose	Unissued as of 06/30/17	Code	Bond or Note Issuance and other comment	Expected future issue	Expected to rescind	TOTAL	Projected May 2018 Bond Plan
debt									
enterprise	Art. 36, 2012	Land Acquisition (WR Grace)	\$ 187,500	62-460-460-345	\$400K bond issued 5/21/15 \$12.5k bond issued 5/19/16 \$400K bond issued 5/21/15 \$12.5k bond issued 5/19/16	375,000	0	375,000	
enterprise	Art. 48, 2013	Telecommunications	\$ 400,000	73-0-0-350	\$100K bond issued 6/12/14 \$500K bond issued 5/19/16	400,000	0	400,000	400,000
enterprise	Art. 24, 2017	Telecommunications	\$ 1,000,000	73-460-470-388		1,000,000	0	1,000,000	
enterprise	Art. 26, 2017	Smart Grid Improvements	\$ 3,000,000	62-460-460-389		3,000,000	0	3,000,000	
within limit	Art. 30, 2014	Keyes Road public works facilities design	\$ 150,000	30-425-426-357		150,000	0	150,000	
within limit	Art. 31, 2014	141 Keyes Road renovations (Planning dept)	\$ 400,000	30-197-197-358	\$200K bond issued 5/19/16	400,000	0	400,000	
within limit	Art. 33, 2014	West Concord Infrastructure Improvements	\$ 5,500	30-410-410-360	Issued 06/22/17 resized, rescind \$5,500	0	5,500	5,500	
within limit	Art. 34, 2014	Public Safety Bldg. security improvements	\$ 85,000	30-215-215-361		85,000	0	85,000	85,000
within limit	Art. 52, 2015	Rideout & Emerson Playground Improvements	\$ 35,000	30-122-123-368	Issued 06/22/17, resized, Rescind \$35,000	0	35,000	35,000	
within limit	Art. 53, 2015	Parking Management Plan Implementation	\$ 5,500	30-380-175-369	\$150K bond issued 5/19/16 \$100K issued 06/22/17, resized, rescind	0	5,500	5,500	
within limit	Art. 54, 2015	Town House Interior Improvements	\$ 20,500	30-122-123-370	\$350K bond issued 5/19/16 \$329.5k issued 06/22/17, resized, rescind	0	20,500	20,500	
within limit	Art. 27, 2017	Municipal Facility Needs Study	\$ 250,000	30-122-123-390		250,000	0	250,000	250,000
within limit	Art. 8, 2017	Municipal Building Renovations	\$ 350,000	30-122-123-316		350,000	0	350,000	350,000
within limit	Art. 10, 2017	Fire Engine #8 Replacement	\$ 575,000	30-220-220-385		575,000	0	575,000	575,000
within limit	Art. 11, 2017	Ambulance Replacement	\$ 260,000	30-220-220-386		260,000	0	260,000	260,000
within limit	Art. 9, 2017	Public Safety Communications	\$ 225,000	30-215-215-384		225,000	0	225,000	225,000
within limit	Art. 12, 2016	Concord Public Schools renovations	\$ 33,300	30-300-300-373	Issued 06/22/17, resized, Rescind \$33,300	0	33,300	33,300	
within limit	Art. 15, 2017	Concord Public Schools renovations	\$ 850,000	30-300-300-387		850,000	0	850,000	850,000
excluded	Art. 15, 2016	Concord Public Schools - Bus Depot (excluded debt)	\$ 1,950,000	30-122-123-374		1,950,000	0	1,950,000	1,950,000
within limit	Art. 12, 2016	Concord Public Schools - Bus Depot	\$ 300,000	30-300-300-366		300,000	0	300,000	300,000
within limit	Art. 22, 2016	Municipal Building Renovations	\$ 150,000	30-520-546-375		150,000	0	150,000	150,000
within limit	Art. 23, 2016	Land Acquisition - Ball's Hill Road	\$ 47,000	30-122-123-376	Issued 06/22/17, resized, rescind \$47,000	0	47,000	47,000	
within limit	Art. 24, 2016	Public Safety Equipment - Fire Engine refurbish	\$ 150,000	30-220-220-377	Issued 06/22/17, resized, rescind \$47,000	0	47,000	47,000	
within limit	Art. 25, 2016	Cemetery Improvements	\$ 2,500	30-410-491-378	Issued 06/22/17, resized, rescind \$2,500	0	2,500	2,500	
within limit	Art. 46, 2017	Cemetery Improvements	\$ 150,000	30-410-491-391		150,000	0	150,000	150,000
within limit	Art. 47, 2017	Road Improvement Program 2017	\$ 1,415,000	30-429-429-392		1,415,000	0	1,415,000	1,415,000
within limit	Art. 26, 2016	Road Improvement Program 2016	\$ 113,700	30-429-429-379	Issued 06/22/17, resized, rescind \$113,700	0	113,700	113,700	
enterprise	Art. 28, 2016	Water System Improvements	\$ 13,665,000	61-450-450-380	Water Treatment Plant	13,665,000	0	13,665,000	
			\$ 965,000	61-450-450-381	Reservoir Improvements	965,000	0	965,000	
			\$ 1,870,000	61-450-450-382	Nagjog Water Intake pipeline	1,870,000	0	1,870,000	
within limit	Art. 57, 2016	Rail Trail design/Engr. - Phase 2B	\$ 14,000	30-180-175-383	Issued 06/22/17, resized, rescind \$14,000	0	14,000	14,000	
totals:			\$ 28,909,000			\$ 28,585,000	\$ 324,000	\$ 28,909,000	6,510,000
Detail: Authorized & Unissued by Funding Source. Tax Supported - within limit \$ 5,637,000 Tax Supported - debt exclusion \$ 1,950,000 Betterments \$ 2 Light Fund (#62) \$ 3,187,500 Telecom Fund (#73) \$ 1,400,000 Sewer Fund (#60) \$ 187,500 Water Fund (#61) \$ 16,547,000 \$ 28,909,002									
tax, within levy \$ 4,160,000 debt exclusion \$ 1,950,000 Water \$ 13,665,000 Sewer \$ 965,000 CMIP \$ 1,870,000 Telecom \$ 400,000 total: \$ 6,510,000									

Major Liabilities

The Major Liabilities are a result of the following:

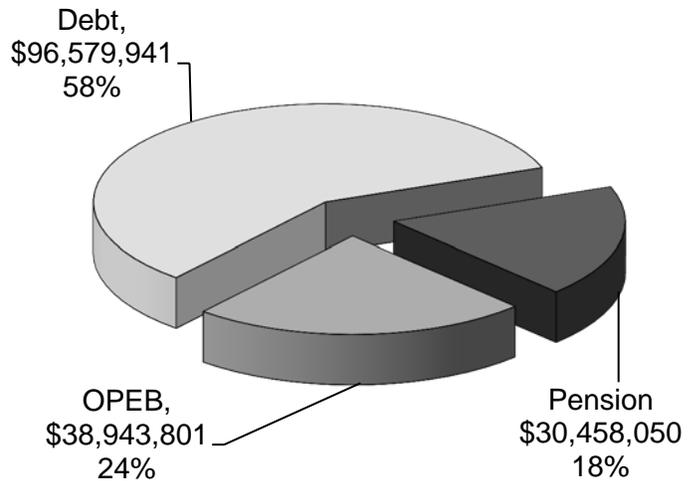
- Debt from the issuance of bonds;
- Pensions; and
- Other Post Employment Benefits (OPEB).

This section contains the following:

- Major Liabilities 72
- Reason for Presenting Major Liabilities 73
- Debt 74
- Pensions 75
- OPEB 76

Major Liabilities at June 30, 2017

(with CCRSD Overlapping Debt)
Totaling \$165,981,792



Major Liabilities (with CCRSD overlapping liability) as of June 30, 2017

<u>FY16 Liabilities</u>	<u>Debt</u>	<u>Pension</u>	<u>OPEB*</u>	<u>Total</u>
General Fund	\$36,661,977	\$22,709,149	\$28,150,245	\$87,521,371
Enterprise and Other	\$17,647,421	\$3,581,938	\$2,016,836	\$23,246,195
Total Direct Town Liabilities	\$54,309,398	\$26,291,087	\$30,167,081	\$110,767,566
CCRSD Assessment @73.51%	\$42,270,543	\$4,166,963	\$8,776,720	\$55,214,226
Total	\$96,579,941	\$30,458,050	\$38,943,801	\$165,981,792

* CCRSD OPEB is as of June 30, 2016

Major Liabilities

Major outstanding liabilities are commitments that the Town has made and is required to pay in future periods. There are three categories of major outstanding liabilities: Debt, Pension, and OPEB. Each liability is to be paid from one of three sources: (1) General Fund resources; (2) Enterprise or Other Fund resources which are primarily generated from customer rates and fees; or (3) the assessment to the Town of the separate political entity, the Concord-Carlisle Regional School District (CCRSD); at June 30, 2017, the Town is responsible for 73.51% of all CCRSD expenses and liabilities, the assessment ratio as determined by Concord and Carlisle student enrollment in grades 9-12. This ratio changes each year.

Debt: Debt-funded projects have a useful life of many years and costs are appropriately distributed over these years. General Fund and Enterprise & Other Fund debt is guaranteed by the full faith and credit of the Town.

Pension: The Concord Retirement Board administers a defined benefit contributory retirement plan for substantially all municipal employees of the Town, Concord Public Schools, Concord-Carlisle Regional School District, and Concord Housing Authority, who work at least 25 hours per week and who are not covered by the State Teachers Retirement System. All aspects of the system are defined by state law.

OPEB: Other Post-Employment Benefits (OPEB) is the amount that the Town has committed to fund the employer-portion of health care and other benefits for retirees, spouses, or eligible survivors. To comply with new accounting standards, the Town began reporting this liability on the Financial Statements in FY09 and started transferring funds into the OPEB Trust Fund in FY10.

Liabilities and Credit Rating:

Liabilities, the future obligations that a municipality owes to an outside entity, need to be managed carefully. It often easier for a city or town to push off costs into the future or to not fully fund the obligations that have been made. If these liabilities become too large, they can crowd out other expenditures. Accordingly, credit rating agencies are placing greater emphasis on how municipalities manage their liabilities in determining their credit worthiness.

Benefits of a Good Credit Rating

The Town has made a concerted effort to earn and maintain a “Aaa” credit rating from Moody’s Investors Service. This is the highest possible rating and allows the Town to issue long-term bonds to fund its capital expenditures at the lowest possible interest rate, which decreases the cost of borrowing and benefits the taxpayer.

Moody’s Investors Service Methodology

In January 2014, Moody’s Investors Service restated the methodology of how it quantitatively sets the credit rating on bonds issued by cities and towns. To determine the credit worthiness of a municipality, Moody’s has identified the following four broad rating factors (and has assigned weights to each factor):

1. Economy / Tax Base (30%) – The ability of the underlying economy and the tax base to generate financial resources,
2. Finances (30%) – The local government’s fiscal position and available reserves to meet existing and future obligations,
3. Management (20%) – The legal (structural) and practical (political) framework to meet the financial responsibilities, and
4. Debt / Pensions (20%) – The municipality’s liability level as it affects the ability of the city or town to meet future obligations.

Town Credit Rating History

Moody’s Investors Service has examined the Town’s fiscal health using the four factors specified above. Since November 1987, Moody’s has assigned the Town an “Aaa” bond rating, the highest possible municipal rating category.

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
The Town’s Credit Rating (Moody’s)	Aaa							

Importance of Managing Liabilities

Various recent news reports have highlighted the difficulty that some municipalities have had in managing these major liabilities, especially those associated with pensions and OPEB. In fact, a few municipalities around the nation have had to declare bankruptcy, partly due to large unfunded pension obligations.

Due to the increasing importance of managing debt and pension obligations, Moody’s Investor Service uses a 20% weight for Debt / Pension in establishing the credit rating. Currently, Other Post-Employment Benefits (OPEB) obligations are not part of the rating methodology. Nevertheless, for transparency purpose, this section of the budget book provides information about the Town’s OPEB liability.

SECTION I: Financial Summary

Liabilities

Debt Liability:

Since 2002, the Town has undertaken to replace three elementary schools and its regional high school with new buildings, an investment of more than \$125 million. Tax-supported outstanding debt, including \$42,270,543 million as the Town's share of CCRSD debt, is \$78,932,520 at June 30, 2017. With the inclusion of enterprise debt which is paid from user fees, the total is \$96,579,941.

Rapid Debt Repayment Policy

The Town aims for a rapid debt repayment schedule for tax-supported debt, with a goal (for "within the levy limit" debt) of 60% repayment within 5 years and 90% repayment within 10 years. This policy allows the Town to properly manage this liability and maintain available debt capacity. Excluded debt and borrowing for enterprise projects generally have a longer payback period.

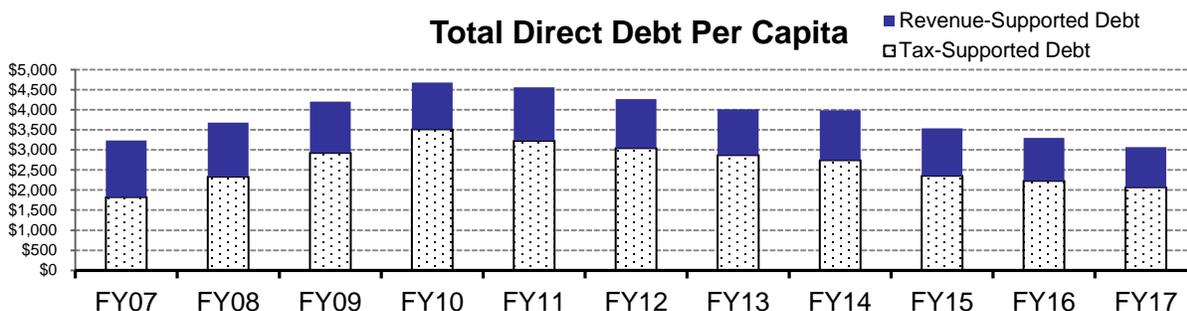
Direct Debt

The Town of Concord borrows money to pay for various capital projects, including the construction of new schools, the purchase of fire apparatus, and the renovation of public buildings and facilities. All borrowed funds are guaranteed by the full faith and credit of the Town, borrowing for enterprise-related projects is expected to be repaid from enterprise user fees rather than from tax-supported resources. Furthermore, some tax-supported debt-funded projects are voted by the electorate as being outside the Proposition 2 ½ tax levy limit constraints referred to as "debt exclusions").

The chart below shows the amount of outstanding principal by category. For tax-supported debt repaid within the levy limit, the Town follows a rapid principal repayment policy; as of June 30, 2017, 85% of the borrowed principal will be repaid within 5 years and 99% will be repaid within 10 years. Tax-supported excluded debt has a longer repayment schedule, since almost all of this debt is for the construction of new school buildings which have a long useful life and the cost should be amortized over a longer time. A similar generational matching policy is applied to enterprise debt, employed for relatively long-lasting capital projects. This chart does not show the overlapping debt that the Town is responsible for as a result of the CCRSD assessment.

Outstanding Principal and Percent of Debt to be retired for debt issued as of June 30, 2017								
Paid Down Percentage Starting on June 30, 2017	Tax-Supported Debt				Enterprise and Other Debt		Total Debt	
	Within Limit		Excluded		Outstanding Principal	%	Outstanding Principal	%
	Outstanding Principal	%	Outstanding Principal	%				
On 6/30/17	\$9,876,300		\$26,785,677		\$17,647,421		\$54,309,398	
In 5 years	\$1,495,000	85%	\$12,026,639	55%	\$7,188,702	53%	\$20,710,341	62%
In 10 Years	\$70,000	99%	\$1,990,000	93%	\$0	100%	\$2,060,000	96%
In 15 Years	\$0	100%	\$0	100%	\$0	100%	\$0	100%

The graph below shows Direct Debt per capita. With the construction of the new elementary schools, the tax-supported debt began to increase starting in FY07. Debt associated with the Town's assessment from CCRSD for the new high school is not included.



Pension Liability:

As of the January 1, 2017 actuarial valuation, the Concord Contributory Retirement System's has a estimated Unfunded Liability was \$25,889,394. In FY19, the Town's annual funding to meet current obligations and to pay down this liability is \$4.5 million, of which \$3.7 million is the General Fund share.

Pension Funding Policy

The Town's Funding Schedule for the Concord Contributory Retirement System projects full funding status by fiscal year 2030. To achieve this goal, the General Fund appropriation is projected to increase by 3% annually. A discount rate of 7.25% is assumed in the actuarial analysis for the January 1, 2017 valuation.

Pension

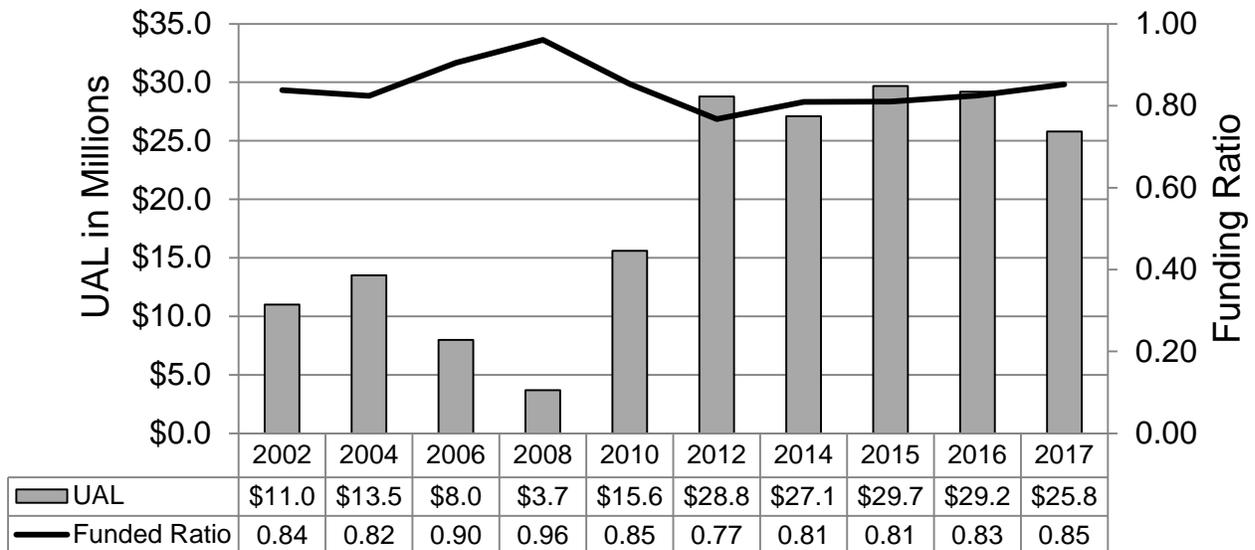
The Concord Contributory Retirement System operates under M.G.L. Chapter 32 to provide retirement benefits to substantially all municipal employees (with the exception of teachers who are covered by the State Teachers Retirement System) who work at least 25 hours per week.

The amount of the Pension Liability, or Unfunded Accrued Liability (UAL) is the difference between the amount that owed to current and future retirees, or Actuarial Accrued Liability (AAL), and the amount that has been set aside to cover this liability, or Actuarial Value of Assets (AVA). The AAL generally increases over time as salaries increase, while the AVA can fluctuate depending on market conditions. The Town's policy is to completely fund this liability by fiscal year 2030.

As of January 1, 2017, the Town's Actuarial Accrued Liability is estimated at \$174,389,000 and the Actuarial Value of Assets \$148,500,000, which results in an Unfunded Accrued Liability of \$25,899,000. The funding status (AVA / AAL) is 85%.

Pension Funding Progress

(as of January 1st)



OPEB Liability:

As of the most recent actuarial study for a valuation date of June 30, 2017, the Unfunded Actuarial Accrued Liability (UAAL) was \$30.7 million. The OPEB funded ratio was 25.4%. The funding schedule is a closed 30-year period beginning with FY09.

OPEB Funding Policy

The Town's policy to fund the OPEB obligation is two-fold. First, the OPEB liability as it is associated with covered enterprise employees is fully funded (8.6% of the total liability). Second, the amount appropriated for the costs associated with other covered Town Government employees is to be maintained at a level of \$1.6 million plus inflation to cover the annual required contribution level in FY19.

Other Post-Employment Benefits (OPEB)

Other Post-Employment Benefits (OPEB) consists of health care and other benefits for retirees, spouses, and survivors.

As determine by an actuarial study, the OPEB liability, known as the Unfunded Actuarial Accrued Liability (UAAL) is the difference between the amount needed to fund present and future benefits, or the Actuarial Accrued Liability (AAL) and the amount set aside to fund this obligation, or the Actuarial Value of Assets (AVA). Consistent with the applicable accounting standards, the OPEB Trust AVA is always measured at market value.

Many Massachusetts cities and towns are beginning to fund the OPEB liability. The metric useful in determining how municipalities are progressing is the Funded Ratio. The Funded Ratio (or AVA divided by the AAL) measures the percentage of the AAL that is funded. As of June 30, 2016, Concord's Funded Ratio is 25.4%.

The table below provides the most recent available audited information from Concord and neighboring communities about the OPEB liability. As shown, Concord's Funded Ratio ranks well (i.e., a higher funding ratio is better) in comparison with the other municipalities.

OPEB Funded Ratios

(based on PERAC & town websites as of 12-28-16)

