



Town of Concord

Finance Committee 22 Monument
Square
P.O. Box 535
Concord, Massachusetts 01742-0535

AGENDA

Concord Finance Committee

March 7, 2019

Select Board Meeting Room
Town House
7:00 PM

1. Review/ approve minutes as available
2. Review FY20 Guideline
3. Review/ approve 5-Year Forecast
4. Review/ vote recommendations on Town Meeting Warrant Articles

Reminders

- **Public Hearings: Monday, March 11, 2019 – Enterprise Budgets at the Town House, Select Board Hearing Room.**
- **Next Regular Meetings: Thursdays, March 14 & 28, 2019 at 7:00 PM, Select Board Room.**
- ***When Finance Committee members anticipate being absent from a meeting, it would be appreciated if they would notify Chair Tom Tarpey by email at: tarpey@massgravity.com***

	Finance Committee Report	due date: March 6, 2019
1	Budget in Brief	Kerry Lafleur
2	To the residents of Concord	Tom Tarpey, Kerry Lafleur
3	Five Year Projection of Real Estate Taxes	
4	Budget Summary: Article 6	_____, Kerry Lafleur
5	Budget Summary: Education- CPS	
6	Budget Summary: Education - CCRSD	
7	Community Preservation Act	
8	Proposition 2 1/2, the levy limit explained	Kerry Lafleur
9	Debt Management	Kerry Lafleur
10	State Aid	Kerry Lafleur
11	Free Cash & Stabilization Funds	Kerry Lafleur
12	Reserve Fund Transfers	Kerry Lafleur
13	Observer Reports- Board of Assessors	
14	Observer Reports- CMLP	
15	Observer Reports- Concord Retirement Board	
16	Observer Reports- Recreation Commission	
17	Observer Reports- Comprehensive Long Range Plan	
18	Observer Reports- Affordable Housing	
19	Observer Reports- Public Works Commission	
20	Minuteman Career and Technical High School	

Finance Committee - 3/7/19

① Review of FY 20 Guideline:

- o looking to establish a policy on what is included in guideline
→ future discussion

motion:

Karle - John - to split the difference for CPS, adding \$71,634 to FY 20 increase by \$1,071,634, to \$39,318,529, an increase of 2.8%. 3-4-01 (Mary)

Tom - Dick to recommend CPS Budget at 2.99%, 6-2

Finance Committee Recommendations/Positions/Comments
Recommendations for inclusion in the FinCom Report

3-7-19

Article #	Article Name	In Favor	Not In Favor	Report at TM	No Action
1	Choose Town Officers				
2	Hear Reports				
3	Meeting Procedure	x			
4	Ratify Personnel Board Classification Actions	x			
5	Classification & Compensation Plan for Regular Status Positions	x			
6	Town Budget	✓	unanimous		
7	Appropriate Funds -- Municipal Capital Projects	x			
8	Authorize Expenditure of Revolving Funds under MGL Chapter 44, Section 53E ½	x			
9	Authorization to Accpet M.G.L. ch.32B, §20 - Other Post-Employment Benefits (OPEB) Liability Trust Fund	x			
10	Minuteman Regional Technical High School District Budget	✓			
11	Concord Public Schools Budget	8-0-1 ✓	(Hickling) at request. 2.9970.		
12	Concord Public Schools Capital Projects	✓	8-0-1 (Hickling)		
13	Authorization to Accept M.G.L. ch.71 §71E -- School Property Fund	✓	6-3 (Hickling, June, Mary)		
14	Concord Middle School Feasibility Study		PS - JH -- HOLD -- 7-2		
15	Concord-Carlisle Regional High School Budget	✓	[to next week.]		

Packard -
Banfield

PRR

JR -
MH
9-0

KP -
CR ~~PRR~~

PS -
KP

PS -
KP

MH -
DB 9-0

Finance Committee Recommendations/Positions/Comments
Recommendations for inclusion in the FinCom Report

16	Concord-Carlisle Regional High School Capital Projects	DB-DJ 4-5 failed	no action PS-JH 7-3	move at \$1M.	PS - CR 2-8-1
17	Use of Free Cash	x			
18	General Bylaw Amendment - Sustainable Growth Rate			to have a standing vote of town meeting rather than Bylaw Amends	PS -
19	General Bylaw Amendment - Town Meeting Notice	n/a			
20	General Bylaw Amendmennt - Records Management	n/a			
21	Acceptance of M.G.L. ch.54, §16A -- Election Vacancy Appointments	n/a			
22	Community Preservation Committee Appropriation Recommendations				Karle recusal
23	Appropriate Funds -- Affordable Housing Development				x 10-1
24	Authorization to Accept M.G.L. ch. 44 § 55C - Municipal Affordable Housing Trust Fund				
25	Authorize Special Legislation -- Real Estate Transfer Tax for Affordable Housing				
26	Authorize Special Legislation - Building Permit Fee Surcharge for Affordable Housing	x			
27	Authorize Transfer of a Portion of the Property at 369 Commonwealth Avenue for Affordable Housing	n/a			
28	PETITION: Adopt a Moratorium of Synthetic Turf on Town Property	n/a			
29	Zoning Article Amendment - Formula Business	n/a			
30	Zoning Article Amendment - Personal Wireless Communications Facility Overlay District Map	n/a			

**Finance Committee Recommendations/Positions/Comments
Recommendations for inclusion in the FinCom Report**

31	Zoning Bylaw Amendment - Handicapped Parking	n/a			
32	Zoning Bylaw Amendment - Groundwater Conservancy District	n/a			
33	Zoning Bylaw Amendment - Marijuana Establishment Temporary Moratorium	n/a			
34	Zoning Bylaw Amendment - Nonconforming Single & Two Family Residential Structures	n/a			
35	Zoning Bylaw Amendment - Fairs, Bazaars, Antique Shows etc.	n/a			
36	Zoning Bylaw Amendment - Flood Plain Conservancy District Map	n/a			
37	Zoning Bylaw Amendment - Large Ground-Mounted Solar Table of Uses	n/a			
38	Light Plant Expenditures & Payment In Lieu of Taxes				
39	Solid Waste Disposal Fund Expenditures				
40	Sewer System Expenditures				
41	Sewer Improvement Fund Expenditures				
42	Water System Expenditures				
43	Debt Authorization: Water Main Replacement				
44	Authorize Expenditure from PEG Access and Cable-Related Fund				
45	Beede Swim & Fitness Center Enterprise Fund Expenditures				
46	Unpaid Bills	x			

Kerry Lafleur

From: Chris Whelan
Sent: Thursday, March 07, 2019 5:38 PM
To: Thomas Tarpey
Cc: Kerry Lafleur
Subject: RE: Question for the Town Manager Re Additional Firefighters and the ERSF

Hi Tom,

I received your phone message this afternoon looking for a response to the email I received on Tuesday asking the question: Since the four new proposed positions will soon be funded fully by the GF, why should not their full 400k cost be subject to the Town Budget Spending Guideline?. My response is similar to what you have already heard from Kerry – that the FinCom Town Budget spending guideline has, to the best of my knowledge, always applied to the increase in General Fund expenditures, NOT to expenditures from other sources. I discussed this with Kerry and asked that she explore whether expenditures from stabilization funds in the past, such as School Capital Stabilization Fund expenditures or School Technology Stabilization Fund expenditures were counted against the school budget guidelines for those years. Also, I am interested to know if the use of Mews Stabilization Fund revenue 6 years ago, when the second ambulance was first staffed, was counted against the Town Budget spending guideline. And I wonder about the treatment of State and Federal grant revenues used to incentivize towns to initiate a program using funds that are available for a year or two which then go away. Have those funds been counted against the Guideline in the past? I recall a police officer was hired using the federal grant under the COPS Fast program, with funds diminishing over 3 years in a manner very similar to our proposed use of the Mews Stabilization Fund. I don't recall ANY instance when funds from other sources were counted against the spending guideline, but my memory is not what it used to be. I was hoping to have more than 48 hours to do this research.

I have been transparent about the use of and sources of funding for the new positions I have proposed in the FY2020 budget. The ambulance proposal for this year is consistent with the EMS plan prepared when the first 4 firefighters were hired. So I have no trouble recommending this expenditure to enhance public safety in West Concord and to accurately depict for the voter what it will take financially to hire the 4 firefighters needed to staff the West Concord ambulance 24/7. But I don't recommend that the FinCom adopt a novel approach to calculating the Town Budget Spending Guideline at this late hour, for this service only, with very limited discussion, in a manner that might MISinform the voters. But I defer to the Committee's judgement on that.

I hope this is responsive to your inquiry, Tom.

Chris

From: Kerry Lafleur <klafleur@concordma.gov>
Sent: Tuesday, March 5, 2019 12:50 PM
To: Chris Whelan <cwhelan@concordma.gov>
Cc: Kerry Lafleur <klafleur@concordma.gov>; Anita Tekle <anitatekle@gmail.com>; Andrea Zall (andrea@frame-ables.com) <andrea@frame-ables.com>; Brian Taylor (bjtemail@gmail.com) <bjtemail@gmail.com>; Christine Reynolds (FinComCR@gmail.com) <FinComCR@gmail.com>; Dean Banfield <dbanfield.fincom@gmail.com>; grhanson1962@yahoo.com; John Hickling (jrhickling@yahoo.com) <jrhickling@yahoo.com>; June Rzepczynski <jmgrpzep@msn.com>; Karle Packard <kpackard@redhawkstudio.com>; Mary Hartman (maryhartman7@gmail.com) <maryhartman7@gmail.com>; Peter Fischelis (pfischelis@yahoo.com) <pfischelis@yahoo.com>; Philip Swain <pswain@comcast.net>; Richard Jamison <rjamison@brkl.com>; Scott Randall <scottrandall62@gmail.com>; Thomas Tarpey <tarpey@massgravity.com>
Subject: FW: Question for the Town Manager Re Additional Firefighters and the ERSF

Dear Chris:

The following question arose at the Finance Committee's meeting, on February 25th.

The FY 20 Town budget includes approx 400k to hire four new full-time firefighters to staff the W Concord ambulance (\$335k wages and gear, 65k for insurance, retirement, OPEB, etc). Because the Emergency Response Stabilization Fund (ERSF) will initially provide approx 310k of this, the year-one General Fund (GF) contribution will be 90k. However the GF payment will increase in each of the next three years until the full 400k+ amount comes from the GF in FY 23 — and in perpetuity thereafter. Since the four new proposed positions will soon be funded fully by the GF, why should not their full 400k cost be subject to the Town Budget Spending Guideline?

Regards,
Tom

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Tom Tarpey

M: 617-710-1114

e-mail: tarpey@massgravity.com

Kerry Lafleur

From: Kerry Lafleur
Sent: Saturday, March 02, 2019 12:49 PM
To: 'Dean Banfield'; Thomas Tarpey
Cc: Kerry Lafleur
Subject: Emergency Services Stabilization Fund
Attachments: Article 29 Emergency Response Stabilization Fund.docx; FinComm - Emergency Stabilization Fund History.xlsx

Tom & Dean-

Attached is a copy of the warrant article establishing the Emergency Response Stabilization Fund and a spreadsheet detailing both historical expenditures and proposed expenditures from the fund. I understand your point about whether or not the Guideline is being adhered to recognizing expenditure of these funds. What I can offer, by way of information and not opinion, is that the Guideline has always focused on the overall increase in property tax versus the overall budgetary increase. This fund was created for the purpose of offsetting additional public safety expenses. There's no doubt that the development of the Mews has taxed the overall public safety resources in Town (particularly the ambulance service), and accelerated the need to offer ambulance service out of the West Concord Station 24/7. The phased funding approach being presented in FY20 is similar to the one that was used in FY14 – 16 to offset the establishment of the second ambulance, 12/7.

Going forward, in years 2 and 3 of this new proposed plan, as the General Fund is required to take on more of the financial burden of these additional costs, it will be up to FinCom to determine whether or not an allowance is made to the Guideline to take this into account, as these costs will be directly impacting property taxes. I think it would be premature to decide that either the Town Manager would be looking for an allowance and/or that the FinCom would somehow be "required" to provide one.

Hoping this addresses your questions.

Kerry A. Lafleur

(formerly Kerry A. Speidel)

Finance Director/ Treasurer-Collector

Town of Concord

klafleur@concordma.gov

(978) 318-3090

From: Dean Banfield [<mailto:dean.banfield@gmail.com>]

Sent: Thursday, February 28, 2019 12:17 PM

To: Kerry Lafleur

Cc: Tom Tarpey

Subject: Re: FC in the Concord Administrative Code

Hi Kerry,

At the risk of cross threading two separate topics under a single email subject line, I am interested in following up on the creation of and operational requirements for the Emergency Services Stabilization Fund (or whatever the formal name of it is). I tried to locate the original warrant article establishing it and could not. Any insight you can provide on the operational requirements for withdrawing funds would be useful. There is a valid concern whether the FinCom guideline is actually being adhered to when the Town Manager's budget is



Town of Concord

Office of the Town Clerk
22 Monument Square
P.O. Box 535
Concord, Massachusetts 01742-0535

ANNUAL TOWN MEETING APRIL 23, 24, 25 and 26, 2012

EMERGENCY RESPONSE STABILIZATION FUND CREATION AND FUNDING

ARTICLE 29. Upon a **MOTION** made by Christopher Whelan and duly seconded, the following was **VOTED BY A TWO-THIRDS MAJORITY VOTE**, and so declared by the Moderator:

To establish an Emergency Response Stabilization Fund, pursuant to Chapter 40, §5B of the Massachusetts General Laws, for the purpose of reserving \$1,000,000 to be received in accordance with the Development Agreement entered into on May 6, 2008 by and between West Concord Development LLC and the Town of Concord, and to be used to mitigate the impact of the Longview Meadow development project on the Town's emergency response capacity; said Emergency Response Stabilization Fund to be invested and to retain its own interest earnings as provided by law; and further, that the sum of \$1,000,000 is hereby appropriated from the certified Free Cash balance of June 30, 2011 and transferred into said Emergency Response Stabilization Fund effective on the day after the conclusion of this Annual Town Meeting; and further that the sum of \$50,000 is hereby appropriated from said fund effective on the day following its establishment, to be expended under the direction of the Town Manager for purposes of acquiring and installing a security access system for emergency response public safety vehicles.

Passed by Declared Two-Thirds Majority Vote
Consent Calendar
April 23, 2012

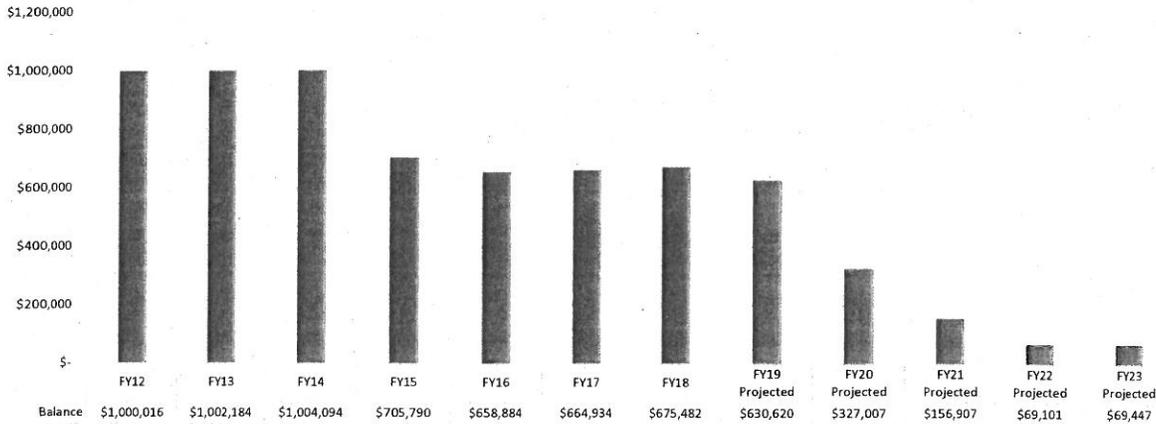
A True Copy Attest:

Anita S. Tekle
Town Clerk

Town of Concord
 Finance Department
 Emergency Response Stabilization Fund History
 February 27, 2019

Emergency Response Stabilization Fund History (FY12 to FY18)

Source: Admins



Date	Description	Amount	Balance
4/23/2012	Initial establishment of fund	1,000,000.00	\$ 1,000,000.00
6/30/2012	Interest Earned	15.75	\$ 1,000,015.75
6/30/2013	Interest Earned	2,168.22	\$ 1,002,183.97
6/30/2014	Interest Earned	1,910.40	\$ 1,004,094.37
5/5/2014	Portion of W. Concord ambulance costs (1st Year) <i>FY14</i>	(150,000.00)	\$ 854,094.37
5/5/2014	Portion of W. Concord ambulance costs (1st Year)	(50,000.00)	\$ 804,094.37
4/12/2015	Portion of W. Concord ambulance costs (2nd Year) <i>FY15</i>	(100,000.00)	\$ 704,094.37
6/30/2015	Interest Earned	1,695.74	\$ 705,790.11
4/4/2016	Portion of W. Concord ambulance costs (3rd Year) <i>FY16</i>	(50,000.00)	\$ 655,790.11
6/30/2016	Interest Earned	3,094.32	\$ 658,884.43
6/30/2017	Interest Earned	6,049.21	\$ 664,933.64
6/30/2018	Interest Earned	10,548.84	\$ 675,482.48
10/1/2018	School Resource Officer	(48,000.00)	\$ 627,482.48
6/30/2019	Proposed Interest Earned	3,137.41	\$ 630,619.89
6/30/2020	Proposed Portion of W. Concord second ambulance (1st Year)	(245,240.00)	\$ 385,379.89
6/30/2020	Proposed School Resource Officer	(60,000.00)	\$ 325,379.89
6/30/2020	Proposed Interest Earned	1,626.90	\$ 327,006.79
6/30/2021	Proposed Portion of W. Concord second ambulance (2nd Year)	(145,880.00)	\$ 181,126.79
6/30/2021	Proposed School Resource Officer	(25,000.00)	\$ 156,126.79
6/30/2021	Proposed Interest Earned	780.63	\$ 156,907.43
6/30/2022	Proposed Portion of W. Concord second ambulance (3rd Year)	(78,150.00)	\$ 78,757.43
6/30/2022	Proposed School Resource Officer	(10,000.00)	\$ 68,757.43
6/30/2022	Proposed Interest Earned	343.79	\$ 69,101.21
6/30/2023	Proposed Portion of W. Concord second ambulance (4th Year)	-	\$ 69,101.21
6/30/2023	Proposed School Resource Officer	-	\$ 69,101.21
6/30/2023	Proposed Interest Earned	345.51	\$ 69,446.72
Balance:		\$ 69,446.72	

Note: Assumes 0.5% interest on projected balances at end of fiscal year.

Kerry Lafleur

From: Kerry Lafleur
Sent: Thursday, March 07, 2019 11:12 AM
To: Andrea Zall (andrea@frame-ables.com); Brian Taylor (bjtemail@gmail.com); Christine Reynolds (FinComCR@gmail.com); Dean Banfield; grhanson1962@yahoo.com; John Hickling (jrhickling@yahoo.com); June Rzepczynski; Karle Packard; Mary Hartman (maryhartman7@gmail.com); Peter Fischelis (pfischelis@yahoo.com); Philip Swain; Richard Jamison; Scott Randall; Thomas Tarpey
Cc: Anita Tekle; Kerry Lafleur
Subject: FW: Article 14 | \$700K is unrelated to CMS Feasibility Study
Attachments: Designer_OPM_Fees_MS_Current_12_12_18.pdf

Please see the email below which has just been received by my office.

Kerry A. Lafleur

(formerly Kerry A. Speidel)

Finance Director/ Treasurer-Collector

Town of Concord

klafleur@concordma.gov

(978) 318-3090

From: Miguel Echavarrri [<mailto:miguele@intelimapinc.com>]
Sent: Thursday, March 07, 2019 11:08 AM
To: finance mail
Cc: Thomas Tarpey; Thomas McKean; Chris Whelan
Subject: Article 14 | \$700K is unrelated to CMS Feasibility Study

Dear Members of FinCom,

Article 14 seeks \$1.5 million to fund "a feasibility study to consider the construction of a new middle school". However, as shown below, costs associated with Article 14 include \$700,000 for schematic designs and other related items. This goes far beyond the scope of a feasibility study and needs to be discussed by this Committee. Taxpayers have a right to know what they're voting on. Frankly, it should have been revealed and discussed at the FinCom public hearing.

Associated Costs: Article 14

Source: Email from School District dated 03/06/19)

- ** 500k: feasibility study (related to Article 14)
- ** 300k: QPM (related to Article 14)
- ** 400k: schematic design (unrelated to Article 14)
- ** 300k: hazmat and geo-environmental (unrelated to Article 14)

While I support funding a Town-governed feasibility study that will help us decide whether we need a new CMS facility, I **don't support hidden costs to fund architects and schematic designs.**

To that end, I believe that funding for Article 14 should only reflect monies related to the feasibility study itself and that **Article 14 should be reduced from \$1.5 million to \$800k.** No other options should be considered.

As a reminder, not long ago they told us that CMS buildings were structurally sound — then they told us that they're not. Now they're asking \$1.5 million for a feasibility study — but neglected to tell us that \$700K is unrelated to said study. As with other issues, they're not forthcoming with all the facts which makes it difficult for taxpayers to make informed decisions. That should be considered when evaluating any School District Article.

On a similar matter — For your Information — I've attached an MSBA table showing the costs of middle school feasibility studies (along with other datasets). It's very informative.

Sincerely,

Miguel Echavarri
InteliMap, Inc.
978-369-5157

Finance Committee Meeting

March 7, 2019

FY20 Guidelines Review

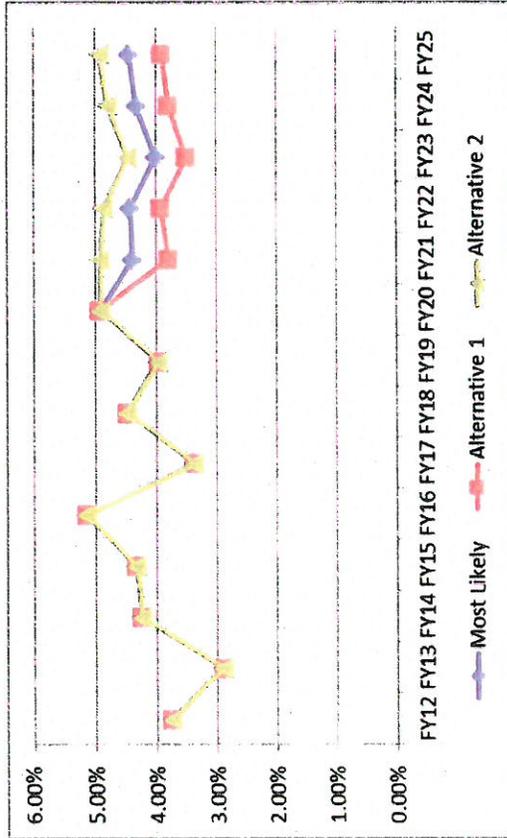
- Revenue
 - State Aid- Governor's Budget, overall \$6k[↑]
 - Local Receipts –running +1.2% over PY; est. +2.2%
- Expenditures
 - Health Insurance- actual renewal was more favorable than estimate, approx. \$130k lower
 - Town- 315 eligible; 205 enrolled (approx. 65%)
 - School- 443 eligible; 244 enrolled (approx. 55%)
 - Approx. \$15k/ family (9); \$7k/ indiv. (18)
 - Leaving estimate alone

FY20 Guidelines Review

- Final Guideline voted 11/30/18 resulted in an estimated impact to Existing Base of: 3.58%, net of excluded debt.
- Minor adjustments have resulted in a reduction to 3.50%
- Town and CCRSD meet Guideline
- CPS gap remains at +\$143,268 (+0.25%)

5-Year Forecast, FY21 – 25

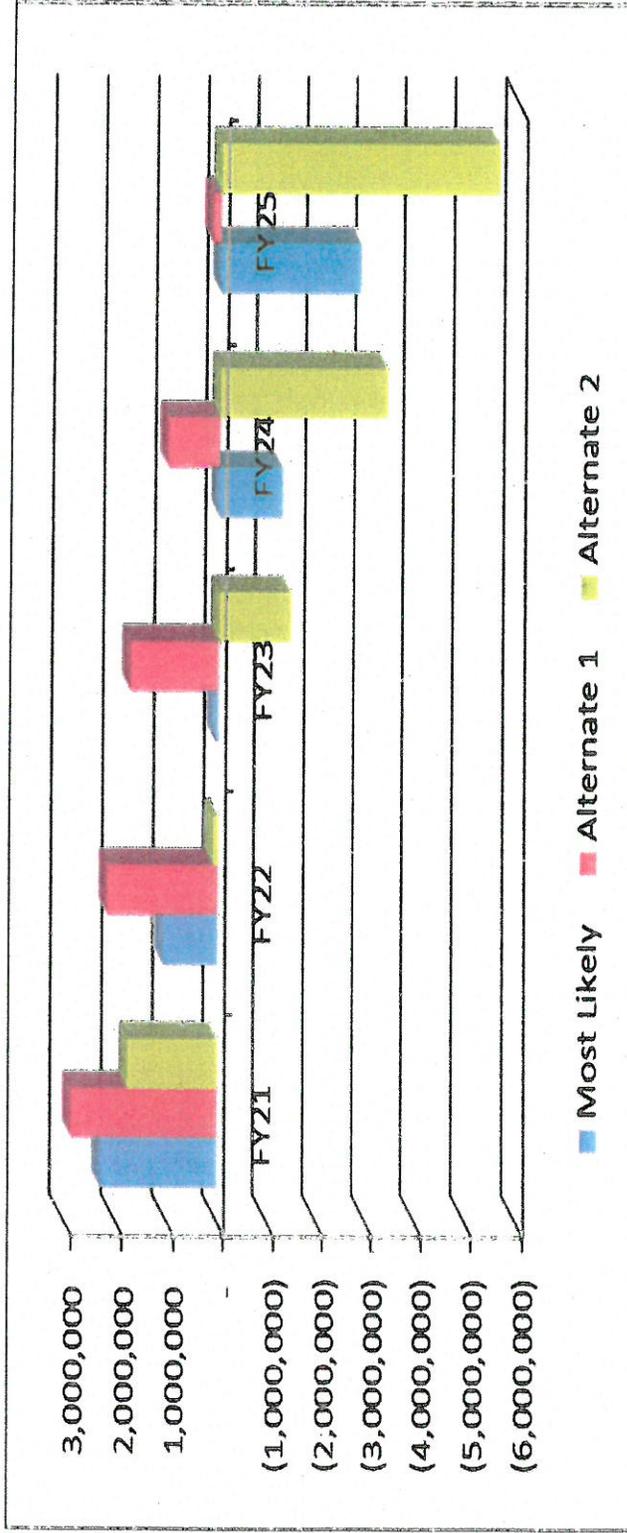
Percent Change in Total Tax Levy



	Most Likely	Alternative 1	Alternative 2
FY12	3.73%	3.73%	3.73%
FY13	2.89%	2.89%	2.89%
FY14	4.24%	4.24%	4.24%
FY15	4.32%	4.32%	4.32%
FY16	5.14%	5.14%	5.14%
FY17	3.36%	3.36%	3.36%
FY18	4.47%	4.47%	4.47%
FY19	3.97%	3.97%	3.97%
FY20	4.92%	4.92%	4.92%
FY21	4.38%	4.38%	4.38%
FY22	4.42%	4.42%	4.42%
FY23	4.00%	4.00%	4.00%
FY24	4.31%	4.31%	4.31%
FY25	4.43%	4.43%	4.43%

5-Year Forecast, FY21 - 25

Proposition 2 1/2 Levy Projection by Scenario



Remaining Levy Capacity					
	FY21	FY22	FY23	FY24	FY25
Most Likely	2,292,381	1,082,764	65,683	(1,276,397)	(2,829,047)
Alternate 1	2,866,254	2,180,542	1,739,451	1,029,509	169,513
Alternate 2	1,779,754	101,927	(1,442,744)	(3,377,837)	(5,595,564)

- Based upon historical trends, but does not necessarily reflect current thinking of *Concord* regarding a sustainable growth rate.

Concord Finance Committee

FY 20 Five Year Projection of Real Estate Taxes with FY18 and FY19 Updates

March 2019

** need to add the tax impact chart*

The Five Year Projection of Real Estate Taxes is a financial model which forecasts costs and revenues using the FY20 budget guideline as a base. Each category of expense or revenue is estimated individually. The method uses existing funding policies/projections for expected increases where available, otherwise prior year trends were evaluated as a base for a projected annual changes. **The model does not include any projection of cost for future town or school projects which requires Town Meeting approval and/or voter approval at the ballot.**

Three scenarios are included in the projection. The first is a "most likely" scenario based on current economic conditions. Two alternate scenarios are developed to project what might be expected under "low growth" (Alt 1) vs. "high growth" (Alt 2) economic conditions. The following tables provide background and detailed assumptions behind the forecast

Operating Budgets entities:

Entity	Explanation of Most Likely	Alt 1	Alt 2
Town	Historically salary expense is the main driver of operating expenses, but economic activity and population growth influence demand for service. The current model projects annual cost increases based on the actual trend in operating increases over the last 10 years (3.69%); however the 5 year trend is 3.99%, so the Most Likely Scenario has been adjusted to 4.00% <i>3.75%</i>	3.50%	4.50%
CPS	Student growth and contractual salary obligations are typically the largest drivers of cost. Student growth is expected to remain minimal. Contractual step increases negatively impacted budgets for the last two years. Contract negotiations for FY20 – 22 are scheduled to being shortly. CPS undertook a Zero-Based Budgeting process for FY20 which produced positive results, but savings were generally offset by the double salary step. The 10-year trend is 3.65% and the 5-year trend is 4.20%. The projected most likely FY21-FY25 increases are: 4.0%, 4.0%, 3.8%, 3.8%, 3.8% <i>3.5 all 5</i>	FY21-FY25 3.5% 3.5% 3.3% 3.3% 3.3% <i>3</i>	FY21-FY25 4.5% 4.5% 4.3% 4.3% 4.3% <i>4.2</i>
CCRS	CCRS Teachers contract runs through FY20. Contract negotiations will begin in FY20 for the following year, so some uncertainty is included in the projections here. A recent favorable OPEB report has reduced some exposure to benefit costs, and the District was able to fund at its Actuarial Required Contribution (ARC) in FY19; however, funding for FY20 is below the ARC due to pressure to rebuild the Excess & Deficiency Fund, which the bond rating agency has flagged as a higher priority issue relative to maintaining the current Aaa rating. The largest driver in year over year changes is the Concord % of high school students. A single percentage point increase in the Concord% share represents approximately \$250K increase in the Town's funding obligation. Following a big shift in FY19, Concord's share of the assessment dips slightly from 75.46% to 75.25%. NESDEC projections for the Concord share of students are available and based upon these projections, we expect to see another significant bump in FY21 to just under 77%, holding fairly constant through FY25. The actual 10-year trend in the total CCRSD Operating budget without OPEB is 4.01% with significant volatility. Given the anticipated shift in FY21, and the estimated consistency in assessment ration during the projection period, we have used a	FY21-FY25: 5.00% <i>4.5</i>	FY21-FY25: 6.00%

Most Likely value of 5.50%. 6.05%		
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Non-Operating Budget categories:

Category	Explanation of Most likely	Alt 1	Alt 2
Group Insurance	The Town purchases health insurance from the Minuteman Nashoba Health Group (MNHG), a joint purchasing collaborative, representing approximately 20 municipal employers. MNHG is self-funded and governed by a Board of Director, a member of which is the Concord Treasurer. The 10-year trend of 3.23% is artificially low due to some use of Fund Balance to mitigate rate increases. The 1-year trend of just under 8% is more likely to continue, though the introduction of a high deductible plan option at a 20% reduced cost for employees and the Town may help to bring that trend down. The Town is investigating ways to incent employees to opt for more cost-effective plans. For now, 8% is projected as annual increase thereafter.	6%	10%
OPEB	Annual Required Contribution has been met. Future cost will be influenced by health care cost trend, enrollments and the Trust Fund's investment performance. The projection assumes a 3.5% annual increase.	3.50%	7.50%
Retirement	Follow current funding plan at 5% annual increase. Funding schedule assumes 100% funding as of FY29. Assumed investment rate of 7% to remain throughout the life of the projection period.	same	same
Debt Service (Non-Exempt)	Follow current policy, roughly 3.5% annual increase. Schedule provided by Finance Director	3.5%	3.5%
Minuteman	Difficult to project as the assessment is based on a 4-year rolling average of student enrollment. FY20 to \$768,846 and increase annual budget \$25K annually. Alt 1 and 2 follow similar annual trend, but funding starts at different level. New Regional Agreement may increase capital assessments.	\$600K	\$900K
Debt, Excluded	Use existing debt schedules.	same	same
All Other Expense	Grow at 2% annually (consistent with avg budget growth over last 10 years).	1%	3%

Projections of Revenue are generally conservative, with a basic assumption of a 2% growth rate, with the following exceptions.

Revenue categories with variation from 2% general assumption:

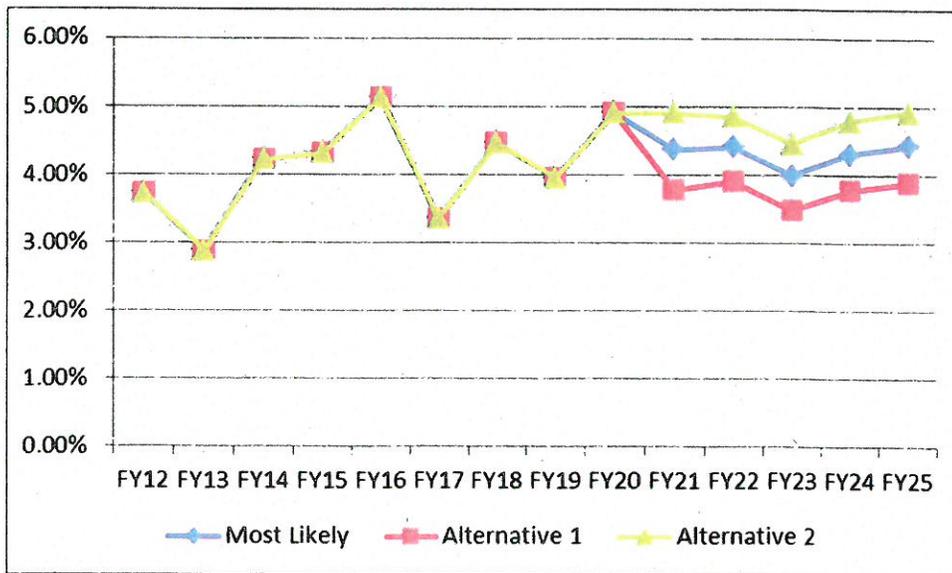
Category	Explanation of Most likely	Alt 1	Alt 2
Excise Tax	This is the 2 nd largest category of non-tax revenues and is most sensitive to economic conditions. Actual revenues for FY 10-19 have grown annually at 5.66%, but the latest 5 yr average is only 1.99%. The current model conservatively projects an annual	2%	4%

	increase of 2.0%.		
Licenses, Permits & Fees	These revenues are highly variable over time and sensitive to large development projects. Estimated to increase 1% annually, even though the 5-year average is 3.94% and the 10-year average is 6.69%. First signs of a softening of the market.	0%	5%
Free Cash	Assume Free cash contribution will increase in proportion to the annual budget. Set fixed value at 1% of Total Operating budget	1% of Total budget	1% of Total budget
CMLP Pilot	The current Pilot contribution is structured to vary based on actual sales of electricity. Energy efficiency and conservation are expected to reduce sales. Payments are anticipated to remain flat.	0%	0%
New Growth	Revenues are sensitive to economic conditions and are difficult to predict. Set FY21 level at \$1M, with no projected increase.	\$825K 0%	\$1M 3%
State Aid	Project a 2.5% increase annually with a 1.5% band between Alt1 and Alt2. Increases have been 6.24% over the past 5 yrs, and 3.66% over the past 10 years, which include years immediately following the recession (governments are slower to recover).	1.0%	4.0%
All Other	A small category of revenues which is highly variable. Fixed at \$125K for FY21-FY25.	same	same

~~0.5% to 1.0%~~

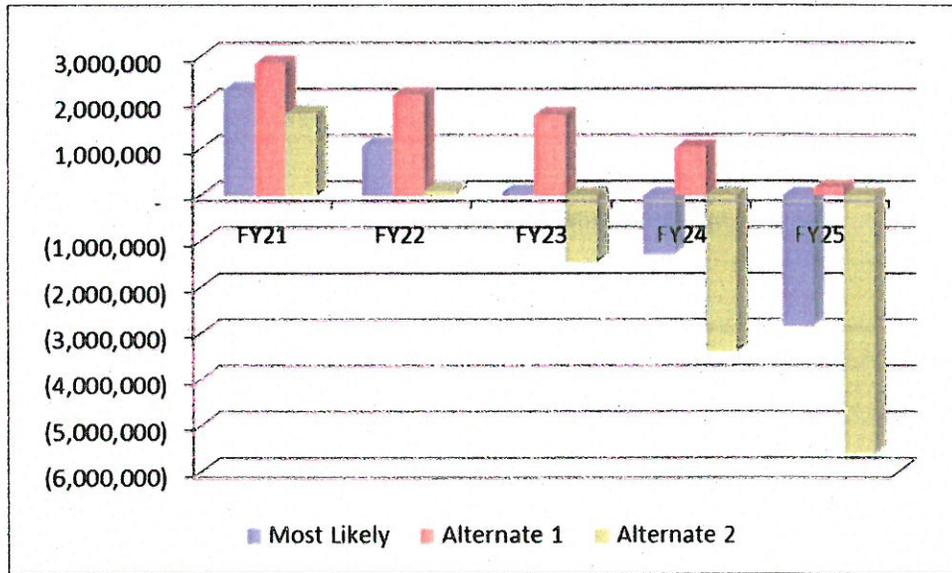
Based on the assumptions above (and the planned allocation of existing stabilization funds), the projection of property taxes is derived. The resulting Projected Annual Tax Increases are represented graphically below.

Figure 1. Percent Change in Total Tax Levy



	Most Likely	Alternative 1	Alternative 2
FY12	3.73%	3.73%	3.73%
FY13	2.89%	2.89%	2.89%
FY14	4.24%	4.24%	4.24%
FY15	4.32%	4.32%	4.32%
FY16	5.14%	5.14%	5.14%
FY17	3.36%	3.36%	3.36%
FY18	4.47%	4.47%	4.47%
FY19	3.97%	3.97%	3.97%
FY20	4.92%	4.92%	4.92%
FY21	4.38%	3.78%	4.92%
FY22	4.42%	3.92%	4.86%
FY23	4.00%	3.49%	4.47%
FY24	4.31%	3.79%	4.79%
FY25	4.43%	3.90%	4.93%

Figure 2. Proposition 2 ½ Levy Projection by Scenario



Updated FY20 Five Year Forecast Model

Most Likely	Budget FY2019	Proposed FY2020	Forecast FY2021	Forecast FY2022	Forecast FY2023	Forecast FY2024	Forecast FY2025
General Fund Budgets							
Town	24,050,513	25,299,513	26,311,494	27,363,953	28,458,511	29,596,852	30,780,726
CPS	38,246,895	39,390,163	40,965,770	42,604,400	44,223,368	45,903,855	47,648,202
CCRS (Concord Share)	19,146,874	19,996,874	21,096,702	22,257,021	23,481,157	24,772,620	26,135,115
Total, Operating Budgets	81,444,282	84,686,550	88,373,965	92,225,374	96,163,036	100,273,328	104,564,042
Group Insurance	5,526,100	5,966,069	6,443,355	6,958,823	7,515,529	8,116,771	8,766,113
OPEB Trust	1,617,000	1,697,850	1,757,275	1,818,779	1,882,437	1,948,322	2,016,513
Retirement	3,777,010	3,965,861	4,164,154	4,372,362	4,590,980	4,820,529	5,061,555
Minuteman Tech	595,564	768,846	793,846	818,846	843,846	868,846	893,846
Debt Service							
Town - within levy limit	4,018,382	4,196,145	4,363,780	4,568,396	4,527,623	4,678,450	4,895,102
CCRS (share) within levy	102,809	-	-	-	-	-	-
Minuteman - excluded	147,115	297,995	300,000	300,000	300,000	300,000	300,000
CCRS (share) - excluded	3,679,345	3,348,113	3,371,103	3,301,735	3,246,298	3,137,216	3,074,862
Town - excluded	3,109,869	3,221,181	3,111,364	3,003,464	2,749,479	2,639,739	2,522,299
Total, Debt Service	11,057,520	11,063,434	11,146,247	11,173,595	10,823,400	10,755,405	10,792,263
Other	2,329,168	2,583,231	2,634,896	2,687,594	2,741,345	2,796,172	2,852,096
Total, Budget Plan	106,346,644	110,731,841	115,313,737	120,055,373	124,560,572	129,579,373	134,946,428
General Fund Resources							
State Aid							
School Aid (Chap. 70)	3,310,635	3,553,702					
Other	1,930,203	1,873,974					
Total State Aid	5,240,838	5,427,676	5,563,368	5,702,452	5,845,013	5,991,139	6,140,917
Local Excise Taxes	4,140,000	4,531,479	4,622,109	4,714,551	4,808,842	4,905,019	5,003,119
Fines & Forfeitures	210,000	211,800	213,918	216,057	218,218	220,400	222,604
Rental Income & Investment Earnings	675,250	873,250	890,715	908,529	926,700	945,234	964,139
Licenses & Permits	1,215,000	1,215,000	1,227,150	1,239,422	1,251,816	1,264,334	1,276,977
Fees	1,200,000	1,075,000	1,085,750	1,096,608	1,107,574	1,118,649	1,129,836
All other	637,970	160,000	125,000	125,000	125,000	125,000	125,000
Free Cash	1,000,000	1,000,000	1,153,137	1,200,554	1,245,606	1,295,794	1,349,464
CMLP PILOT	461,000	452,000	452,000	452,000	452,000	452,000	452,000
Emergency Services Stabilization							
Available Funds (incl FC+CMLP)	1,736,000	1,452,000	1,605,137	1,652,554	1,697,606	1,747,794	1,801,464
Subtotal	15,055,058	14,949,705	15,333,147	15,655,172	15,980,768	16,317,568	16,664,056
Property Taxes							
Base	83,612,620	87,814,846	92,198,123	96,795,002	101,284,028	106,184,850	111,385,211
New Growth	1,235,953	1,100,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Subtotal: Within levy limit	84,848,573	88,914,846	93,198,123	97,795,002	102,284,028	107,184,850	112,385,211
Debt Exclusion	6,936,329	6,867,289	6,782,467	6,605,199	6,295,777	6,076,955	5,897,161
less debt stabilization (elementary)							
less debt stabilization (CCHS)	(275,000)	-	-	-	-	-	-
less Thoreau School MSBA Grant							
Net Debt Exclusion	6,443,013	6,867,289	6,782,467	6,605,199	6,295,777	6,076,955	5,897,161
Total Property Tax Levy	91,291,586	95,782,135	99,980,590	104,400,201	108,579,805	113,261,805	118,282,372
- Tax Levy Prior to New Growth	90,055,633	94,682,135	98,980,590	103,400,201	107,579,805	112,261,805	117,282,372
Grand Total, General Fund Resources	106,346,644	110,731,840	115,313,737	120,055,373	124,560,572	129,579,373	134,946,428