

TOWN OF CONCORD
TOWN HOUSE
CONCORD, MA 01974

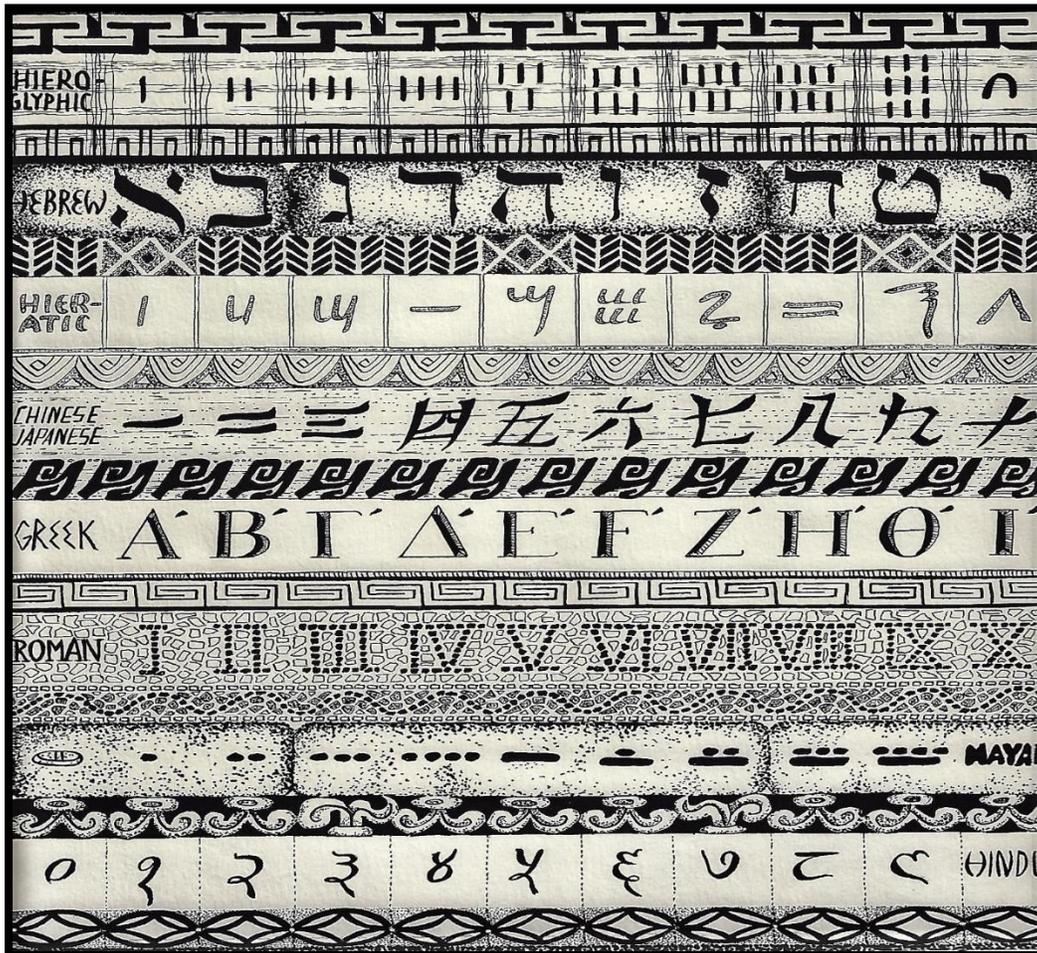
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TOWN OF CONCORD

Finance Committee Report

BY THE NUMBERS
For Fiscal Year 2020



Artwork by Mary Jaquelin Hatch, Finance Committee 1971-1976

CONCORD TOWN MEETING
Monday, April 8, 2019 7:00 PM
CCHS GYMNASIUM

SPECIAL ANNOUNCEMENT

AFFORDABLE HOUSING FUNDING ARTICLES ARE PRE-SCHEDULED

Concord Town Moderator Carmin Reiss has announced that four high interest articles on affordable housing funding will be pre-scheduled to be the first business taken up at Annual Town Meeting on Tuesday, April 9th. Pre-scheduling ensures that the four articles, which are a package of recommendations made to the Select Board by its Affordable Housing Funding Committee, will be considered together in the same Meeting session. The four articles are:

- **ARTICLE 23. APPROPRIATE FUNDS FOR AFFORDABLE HOUSING DEVELOPMENT**
- **ARTICLE 24. AUTHORIZATION TO ACCEPT M.G.L. c.44 §55C — MUNICIPAL AFFORDABLE HOUSING TRUST FUND**
- **ARTICLE 25. AUTHORIZE SPECIAL LEGISLATION — REAL ESTATE TRANSFER TAX FOR AFFORDABLE HOUSING**
- **ARTICLE 26. AUTHORIZE SPECIAL LEGISLATION — BUILDING PERMIT FEE SURCHARGE FOR AFFORDABLE HOUSING**

Voters may learn more about these articles in the Public Hearing materials posted under each article under the Town Meeting tab on the Town's website (www.concordma.gov), and in the Affordable Housing Funding Committee's Preliminary Report of October 29, 2018, which also may be found on the Town's website.

TOWN MEETING NOTES

NEW! Pilot Test of Electronic Voting – Tuesday, April 9

A pilot test of Turning Technologies electronic voting devices will be held on Tuesday, April 9th followed by a survey seeking voter views. Any further consideration of electronic voting at Town Meeting will be based upon voter feedback. The traditional brightly colored paper ballots also will be distributed on the night of the pilot demonstration, and any voter who does not wish to participate in the demonstration may vote by raising their paper ballot.

Overflow seating

The Gymnasium will be the main meeting room and, unless participation necessitates, will be the only location where votes will be counted. If overflow space is determined to be the auditorium will be made available and votes will then be counted in that room.

New! Minuteman Media Network coverage and email participation

Residents can tune into Concord's Government Channel 9 or online at concordma.gov/mmn to watch the Town Meeting sessions live each night. Have questions while you're watching? Email them to publicinfo@concordma.gov for the opportunity to have your question answered on air. Questions will be screened for relativity to the article. Please include your name and address along with questions.

Parking & Senior Transportation

Town Meeting attendees should enter from the Walden Street entrance. The Thoreau Street gate will be for exit only and parking will be allowed on both sides all motor vehicles facing out. Parking will be allowed in all designated spaces as well as the turf field parking lot. Parking will also be allowed in front of the Beede Center if necessary as well as lower end of Beede parking lot.

Handicap parking and "for those needing to be close" will be designated in the front row of the main parking lot on the East end of the lot closest to the East entrance to the cafeteria. This location is the main entrance for the Town Meeting. There are also additional handicap spaces at the front of the school.

Seniors may arrange transportation with the Council on Aging office @ 978 318-3020. Advance reservations are necessary and seats are limited and offered on a first come first serve basis.

Childcare

Childcare will be provided at the high school for children ages 2 1/2 and older. The Concord Recreation Department is offering the service at a cost of \$5 per child per hour. Please reserve a spot by calling the Concord Recreation Department at 978 287-1050.

Assisted Listening Devices & Other Special Needs

Assisted Listening Devices will be available in the lobby and anyone with another disability requiring special arrangements for Town Meeting should contact Kate Hodges, Assistant Town Manager/ADA Coordinator before 4:30 p.m. on Monday, April 5, 2018 at (978) 318-3000. The earlier that special arrangement needs are communicated, the more likely that time will allow for special accommodations, if possible, to be met.

Tellers

Voters willing to be a teller at Town Meeting are asked to call Abe Fisher, head teller at (978) 869-9233 or e-mail at abefisher@misterfisher.com.

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Art. #	Title (Shaded articles are proposed for inclusion on the Consent Calendar	Vote quantum	Finance Committee	Select Board
1	Choose Town Officers	majority		
2	Hear Reports / Consent Calendar	2/3rds		
3	Meeting Procedure	majority	Affirmative Action	Affirmative Action
4	Ratify Personnel Board Classification Actions	majority	Affirmative Action	Affirmative Action
5	Classification&Compensation Plan for Regular-Status Positions	majority	Affirmative Action	Affirmative Action
6	Town Budget	2/3rds	Affirmative Action	Affirmative Action
7	Appropriate Funds for Municipal Capital Projects	2/3rds	Affirmative Action	Affirmative Action
8	Establish Revolving Funds under the Municipal Modernization Act MGL c.44, §53 ½	majority	Affirmative Action	Affirmative Action
9	Authorization to Accept M.G.L. ch.32B, §20 - Other Post Employment Benefits (OPEB)	majority	Affirmative Action	Affirmative Action
10	Minuteman Regional Technical High School District Budget	majority	Affirmative Action	Affirmative Action in the amount of \$1,073,368
11	Concord Public Schools Budget	majority	Affirmative Action	Affirmative Action
12	Concord Public Schools Capital Projects	2/3rds	Affirmative Action	Affirmative Action
13	Authorization to Accept M.G.L. ch.71, §71E - School Property Fund	majority	Affirmative Action	Affirmative Action
14	Concord Middle School Feasibility Study	2/3rds	Affirmative Action, in the amount of \$750,000	Affirmative Action
15	Concord Carlisle Regional High School Budget	majority	Affirmative Action	Affirmative Action
16	Concord Carlisle Regional High School Capital Projects	majority	No Action	Report at Town Meeting
17	Use of Free Cash	majority	Affirmative Action	Affirmative Action
18	General Bylaw Amendment - Sustainable Growth Rate	majority	No Motion Anticipated	No Motion Anticipated
19	General Bylaw Amendment - Town Meeting Notice	majority		Affirmative Action
20	General Bylaw Amendment - Records Management	majority		Affirmative Action
21	Acceptance of M.G.L. ch.54, § 16A - Election Vacancy Appointments	majority		Affirmative Action
22	Community Preservation Committee Appropriation Recommendations	majority	Affirmative Action	Affirmative Action
23	Appropriate Funds - Affordable Housing Development	majority	Report at Town Meeting	Report at Town Meeting
24	Authorizaton to Accept M.G.L. ch. 44 § 55C - Municipal Affordable Housing Trust Fund	majority	Affirmative Action	Affirmative Action
25	Authorize Special Legislation - Real Estate Transfer Tax for Affordable Housing	majority	Affirmative Action for 0.5%	Affirmative Action
26	Authorize Special Legislation - Building Permit Fee Surcharge for Affordable Housing	majority	Affirmative Action	Affirmative Action
27	Authorize Transfer of a Portion of the Property at 369 Commonwealth Avenue for Affordable Housing	2/3rds		Affirmative Action
28	PETITION: Adopt a Moratorium of Synthetic Turf on Town Property	majority		Affirmative Action
29	Zoning Article Amendment - Formula Business	2/3rds		No Action
30	Zoning Article Amendment - Personal Wireless Communications Facility Overlay District Map	2/3rds		Affirmative Action
31	Zoning Article Amendment - Handicapped Parking	2/3rds		Affirmative Action

32	Zoning Bylaw Amendment - Groundwater Conservancy District	2/3rds	Affirmative Action	Affirmative Action
33	Zoning Bylaw Amendment - Marijuana Establishment Temporary Moratorium	2/3rds	Affirmative Action	Affirmative Action
34	Zoning Bylaw Amendment - Nonconforming Single & Two Family Residential Structures	2/3rds	Affirmative Action	Affirmative Action
35	Zoning Bylaw Amendment - Fairs, Bazaars, Antique Shows etc.	2/3rds	Affirmative Action	Affirmative Action
36	Zoning Bylaw Amendment - Flood Plain Conservancy District Map	2/3rds	Affirmative Action	Affirmative Action
37	Zoning Bylaw Amendment - Large Ground-Mounted Solar Table of Uses	2/3rds	Affirmative Action	Affirmative Action
38	Light Plant Expenditures & Payment In Lieu of Taxes	majority	Affirmative Action	Affirmative Action
39	Solid Waste Disposal Fund Expenditures	majority	Affirmative Action	Affirmative Action
40	Sewer System Expenditures	majority	Affirmative Action	Affirmative Action
41	Sewer Improvement Fund Expenditures	majority	Affirmative Action	Affirmative Action
42	Water System Expenditures	majority	Affirmative Action	Affirmative Action
43	Debt Authorization: Water Main Replacement	2/3rds	Affirmative Action	Affirmative Action
44	Authorize Expenditure from PEG Access and Cable-Related Fund	majority	Affirmative Action	Affirmative Action
45	Beede Swim & Fitness Center Enterprise Fund Expenditures	majority	Affirmative Action	Affirmative Action
46	Unpaid Bills	4/5th	No Motion Anticipated	No Motion Anticipated



The Finance Committee thanks the Town and School Administrations, Employees and Committees for their cooperation and assistance during the past year.

Terms to expire 2019

Dean S. Banfield, Vice Chair
 Mary Hartman
 John R. Hickling
 Scott Randall
 June Rzepczynski

Terms to expire in 2020

Peter Fischelis
 Karle S. Packard
 Tom Tarpey, Chair
 Brian J. Taylor
 Andrea Zall

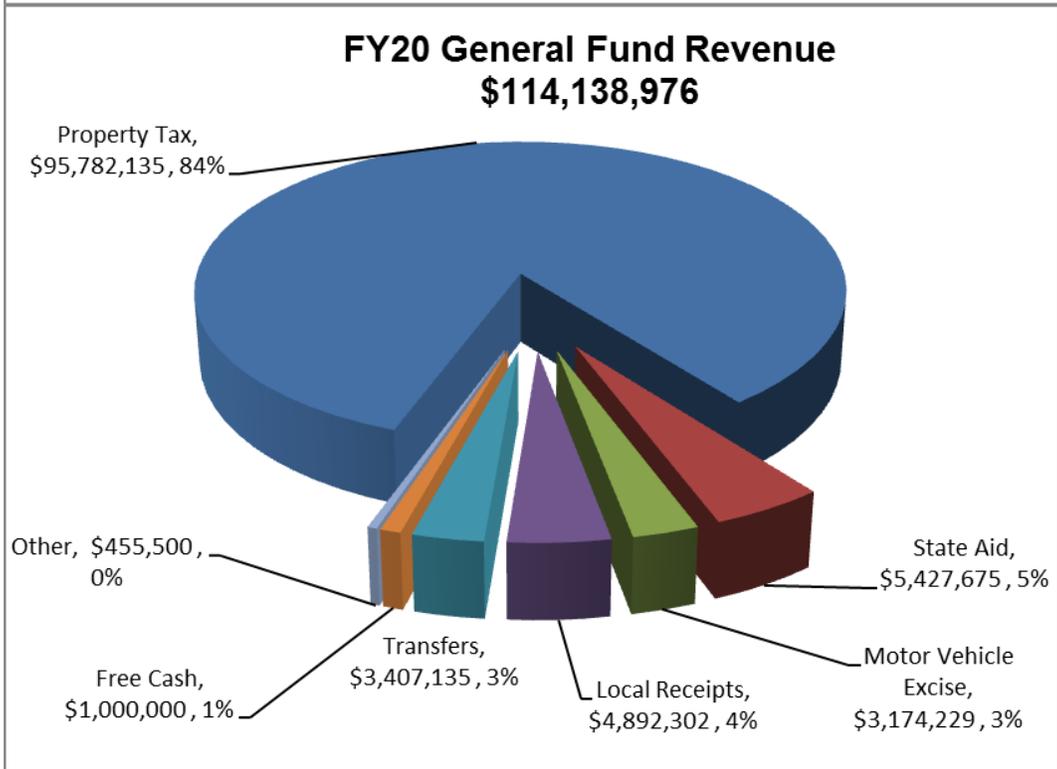
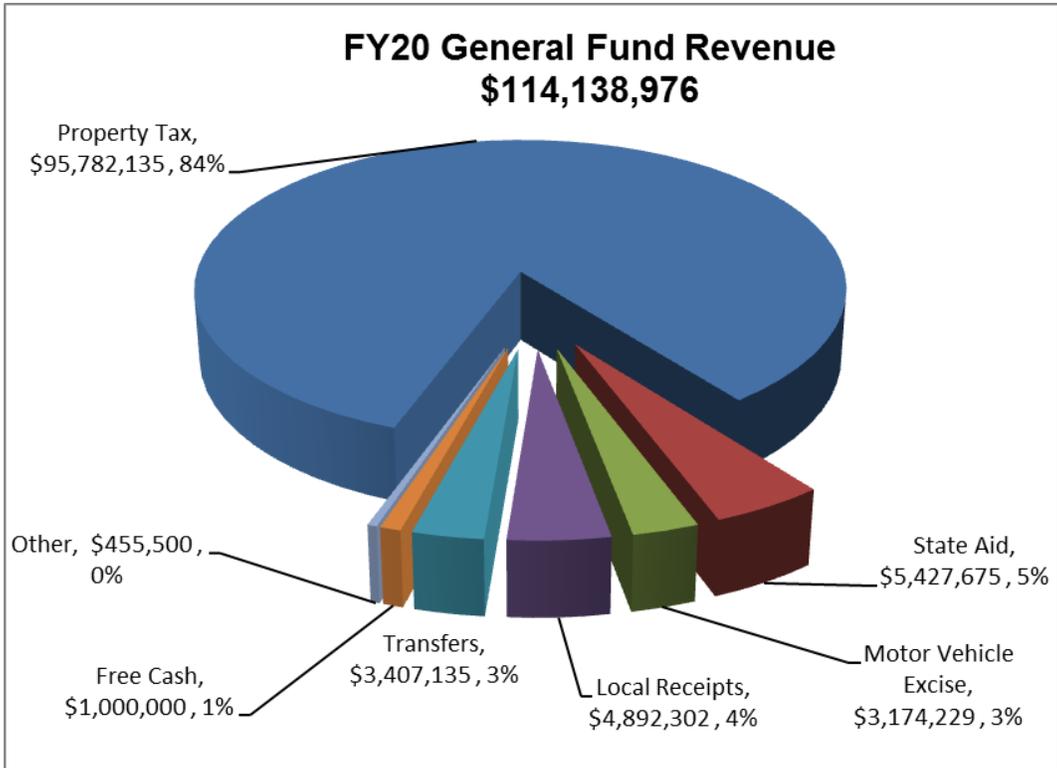
Terms to expire in 2021

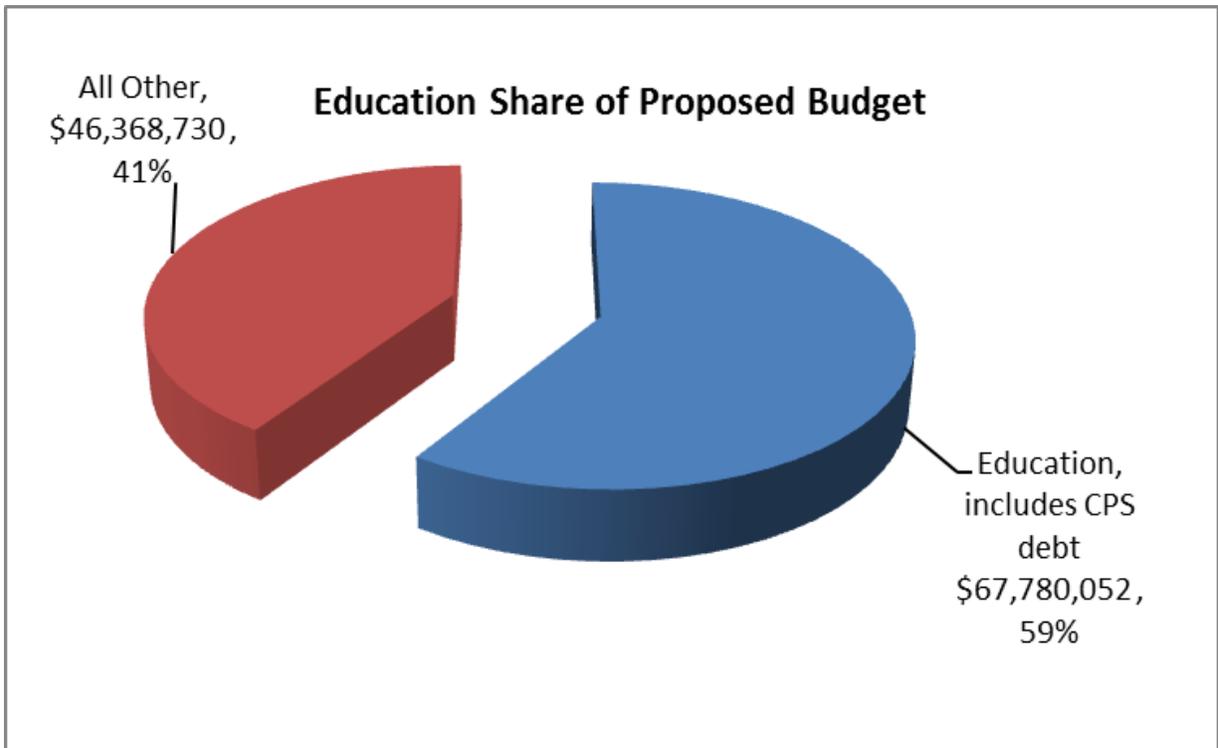
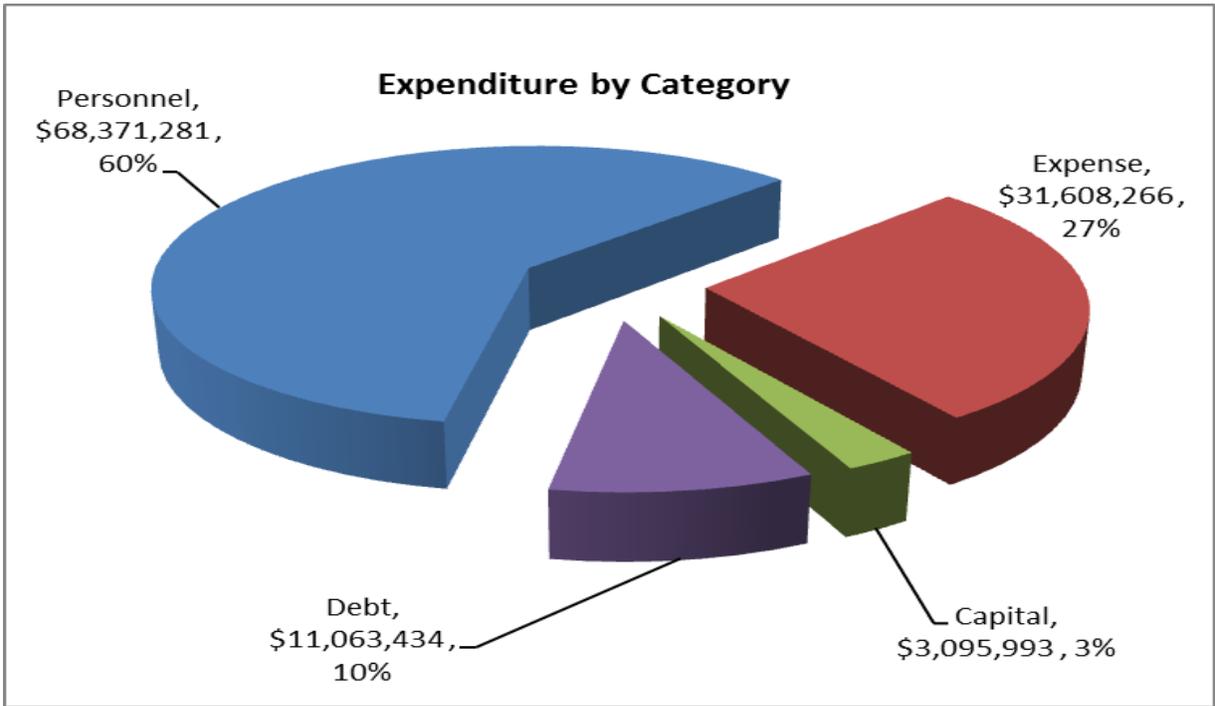
Mishthi Grace Hanson
 Richard Jamison
 Christine Reynolds
 Philip C. Swain
 Vacant

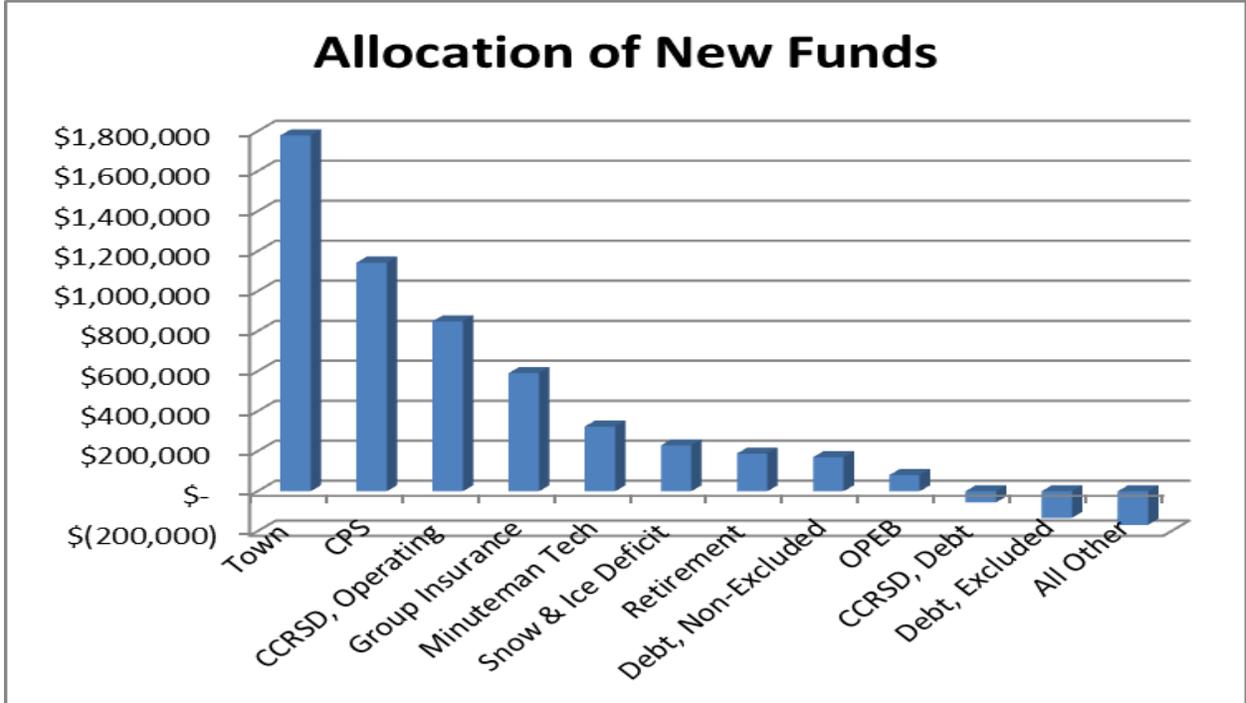
This report of the Concord Finance Committee was prepared with the assistance of the Concord Finance Department.

General Fund

FY20 PROPOSED BUDGET







*** This chart includes \$178,000 appropriated at the October 2018 Special Town Meeting

The Budget in Brief

Total Budget: Town Government and Education at Finance Committee recommendations

- The total proposed FY20 General Fund budget is \$114,138,976. This is a \$4,737,654 or 4.33% over FY19 (inclusive of Annual & Special Town Meeting appropriations).
- Concord’s share of the debt service payable on bonds and notes issued or to be issued by the Concord-Carlisle Regional School District is estimated at \$3,348,113, a decrease of \$56,232. Of this amount, \$3,158,163 is for existing exempt debt for the School Building, and \$189,950 is for projected debt for the landfill project.
- The allocation to the Town’s OPEB Trust Fund is proposed at \$1,697,850, an increase of \$80,850, and the Town’s assessed share of the CCRSD OPEB Trust Fund contribution is \$423,992, while the District’s budgetary contribution to the OPEB Trust Fund is \$563,444.
- The current year (FY19) snow & ice deficit allowance to be raised in the FY20 budget is estimated at \$230,000.
- The Town government and education proposed operating budgets total \$88,083,685, which is \$3,594,725, or 4.25%, over FY19 operating budgets.
- 59% of the proposed FY spending plan is for expenses related to primary and secondary education, including related debt service.
- 41% of the proposed FY spending plan is for Town Government operations, including shared expenses, such as employee benefits costs for all employees (Town + CPS).

- Total debt service (principal and interest payments on long and short-term debt) is budgeted at \$11,063,434. The tax levy for debt service excluded from the Proposition 2 ½ levy limit, in accordance with previous town-wide ballot votes, is \$6,867,289, which represents 6.02% of the total proposed budget.
- Long term bonds have been issued for the financing of the Alcott, Thoreau and Willard schools opened in 2004, 2006 and 2009 respectively. The total debt issued, principal to be repaid through June 30, 2018 and the FY20 debt service amounts are:

Project	Debt Issued	Outstanding Amount as of 06/30/18	FY20 Debt Service Principal	Interest
Alcott	\$ 9,365,000	\$ 3,184,500	\$ 485,000	\$ 68,215
Thoreau	\$ 16,940,000	\$ 3,618,500	\$ 505,000	\$ 100,695
Willard	\$ 27,025,000	\$ 13,149,000	\$ 1,285,000	\$ 427,485
total:	\$ 53,330,000	\$ 19,952,000	\$ 2,275,000	\$ 596,395

Property taxes

- The median single family residential tax bill in FY19 is \$12,509 based on an assessed value of \$881,550 at a tax rate of \$14.19 per thousand
- The tax rate projected increase is 3.71% (an additional \$465 on the median bill, about \$53 per \$100,000 of assessed valuation)
- Each 1% increase in the tax levy equals \$888,643 in revenue for FY20
- 83.9% of the Proposed Budget support is derived from property taxes
- 90.7% of property taxes are paid by single family residential property; 9.3% of property taxes are paid by commercial, industrial or personal property.

Free Cash Use

- The Finance Committee recommends allocating \$1,000,000 from Free Cash to support the FY20 Budget Plan (Article 17). Free Cash is a term denoting the portion of the Undesignated General Fund Balance available for further appropriation.

The Proposed Guideline Budget Appropriation for the year beginning July 1, 2019 (FY20)

Recommendations of the Finance Committee Articles 6, 10, 11, & 15 comprising the Guideline Budget

		FY20: Warrant location reference	Appropriated FY19	Proposed FY20	percent change	percent of total
Town Government						
General Government		Art. 6, items 1-6	\$ 3,987,097	\$ 4,446,474	11.52%	3.90%
Finance & Admin; Inf. Systems		Art. 6, items 7-10	3,538,357	3,577,897	1.12%	3.13%
Public Safety (Police & Fire)		Art. 6, items 11-16	10,131,187	10,157,719	0.26%	8.90%
Public Works		Art. 6, items 17-24	5,215,844	5,284,323	1.31%	4.63%
Library		Art. 6, item 25	2,286,820	2,351,798	2.84%	2.06%
Reserve Fund		Art. 6, item 32	225,000	225,000	0.00%	0.20%
Salary Reserve		Art. 6, item 33	265,908	1,168,988	----	1.02%
Recreation and all other		Art. 6, items 26-31, 34	1,276,978	1,199,209	-6.09%	1.05%
Total Town Gov't operations @	General Fund Guideline		\$ 26,927,191	\$ 28,411,408	5.51%	24.89%
2018 Special Town Meeting Spending			178,000			
Emergency services Stabilization Fund			0	295,240		
	Subtotal, Town Gov't		\$ 27,105,191	\$ 28,706,648	5.91%	25.15%
Concord Public Schools (CPS)						
		Article 11	\$ 38,246,895	\$ 39,390,163	2.99%	34.51%
Concord-Carlisle Regional HS						
		Operations	\$ 19,146,874	\$ 19,996,874	4.44%	17.52%
		Debt Service	3,782,154	3,348,113	-11.48%	2.93%
		Article 15	\$ 22,929,028	23,344,987	1.81%	20.45%
Town and School (CPS) debt service						
			\$ 4,018,382	\$ 4,196,145	4.42%	3.68%
			3,109,869	3,221,181	3.58%	2.82%
		Total tax-supported	\$ 7,128,251	\$ 7,417,326	4.06%	6.50%
		total debt service	\$ 7,128,251	\$ 7,417,326	4.06%	6.50%
Employee Benefits (Town and CPS only):						
		Art. 6, item 35A	\$ 5,526,100	\$ 5,966,069	7.96%	5.23%
		Art. 6, Item 35B	1,617,000	1,697,850	5.00%	1.49%
		Art. 6, item 37	3,777,010	3,965,861	5.00%	3.47%
		Art. 6, item 38	814,713	800,000	-1.81%	0.70%
		Total Employee Benefits	\$ 11,734,823	\$ 12,429,780	5.92%	10.89%
		Art. 10	\$ 595,564	\$ 768,846	29.10%	0.67%
			147,115	297,995		0.26%
		Art. 6, item 35C	275,000	288,750	5.00%	0.25%
						0.00%
			0	0		0.00%
		Art. 6, item 36	210,000	210,000	0.00%	0.18%
		TOTAL Town Meeting appropriations	\$ 108,371,867	112,854,495	4.14%	98.87%
Not Appropriated:						
			\$ 502,439	\$ 554,481	10.36%	0.49%
			0	230,000		0.20%
			527,016	500,000	-5.13%	0.44%
			\$ 1,029,455	\$ 1,284,481	24.77%	1.13%
		TOTAL SPENDING PLAN	\$ 109,401,322	\$ 114,138,976	4.33%	100.00%

To the residents of Concord;

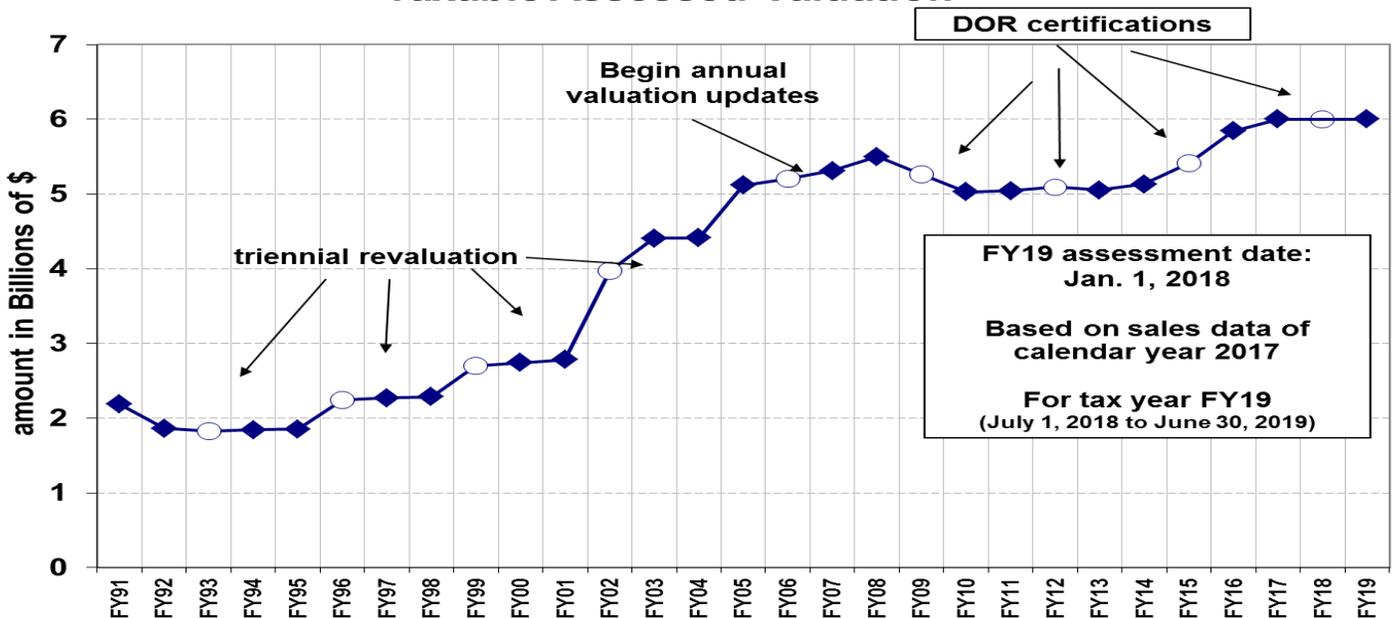
The annual report of the Concord Finance Committee summarizes the financial position of the Town and discusses the articles on the warrant for the 2019 Annual Town Meeting.

Overview

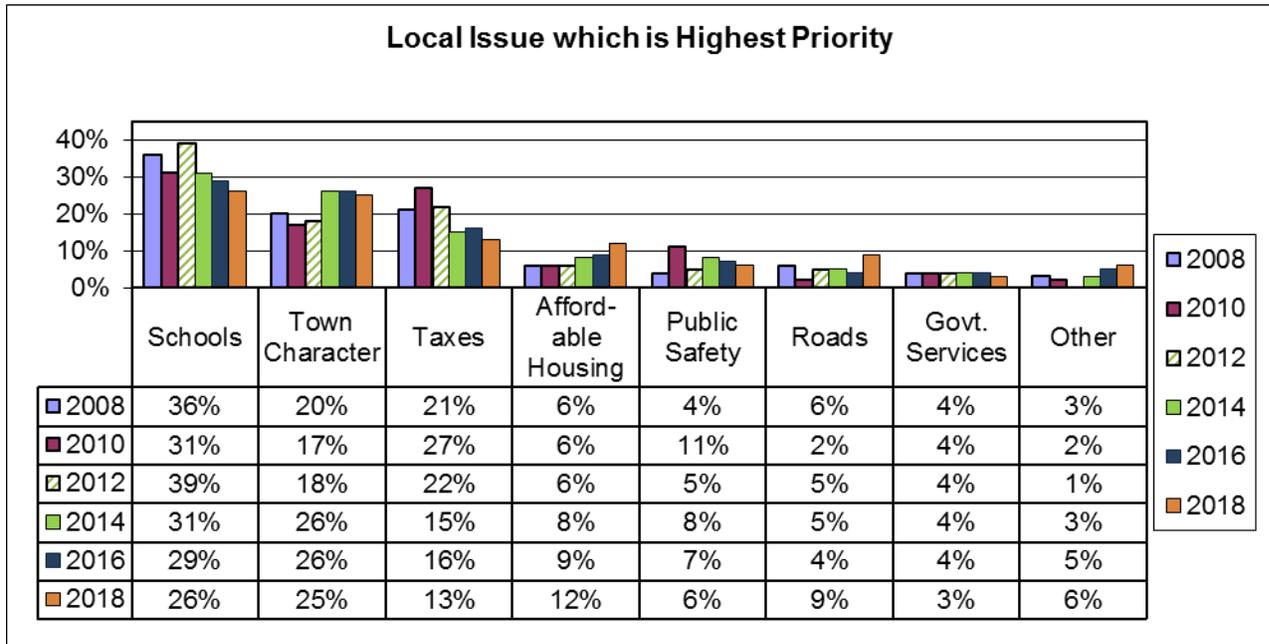
The outlook for both the national and Massachusetts economies remains positive. National unemployment rates have been declining steadily to levels slightly above 4% and remaining there for several months. Growth rates of gross domestic product (GDP) have expanded since 2016, with a rate of 2.6% in the fourth quarter of 2018. This is in the ideal range of between 2% and 3%. The Massachusetts economy, and particularly in the Boston region, has been performing above the national average in both GDP and job growth measures. However, there continues to be a projected gap in the Massachusetts state budget, though not on the order of magnitude of recent years. The outlook for maintaining the level at which local aid to cities and towns is funded by the State is cautiously optimistic. Further, there is much uncertainty on the national level with particular regard to last year's adoption of the Tax Cuts and Jobs Act of 2017, its impact on the economy, and especially, changes to the treatment of state and local taxes.

Locally, Concord has continued to show strong economic activity. This is evidenced by increases in building permits and some local excise taxes, a reinvigorated growth in population, and increases in local residential real estate valuations. Total assessed value has risen 11.18% over the past three years with residential values increasing 10.47%. In FY19, the average single family home had an assessed value of \$1,065,176. The overall level of building activity in 2018, as measured by total permits issued increased 4% (884 permits issued in 2018 versus 850 in 2017). Trends in local motor vehicle excise taxes also continued to rise reflecting strong consumer spending locally.

Taxable Assessed Valuation



Other factors which reflect the well-being of our community come from residents directly. As of December 2018, the Town completed its biennial survey of Concord residents to measure satisfaction with the quality of services from Town government and satisfaction with public services relative to taxes and /or prices paid. Over 90% of respondents thought that Town services were “excellent” or “good”. When asked about which local issue is of highest priority, citizens continue to rank schools as their greatest priority. Concerns regarding taxes appear to have dropped with an increased focus on Town character and affordable housing.



Concord’s Fiscal Position

Concord has traditionally taken a conservative approach to budgeting. The Finance Committee seeks to maintain operating cost increases within certain criteria to meet a goal of financial sustainability over the long term. In addition, the Finance Committee believes that it is important for the Town to maintain flexibility to deal with future infrastructure needs as well as unanticipated expenses, other contingencies and variations in revenue. These criteria include:

- Setting modest expectations for revenue growth, with estimates of property tax growth from new construction and renovations based only on known development activity for which there is high likelihood of completion in the upcoming fiscal year;
- Keeping tax increases from depleting excess levy limit capacity so that general overrides are not required;
- Maintaining the uncommitted General Fund Balance (“Free Cash”) at levels at or above 5% of the subsequent year’s total Town Budget--
 - in practice, the Finance Committee has in recent years supported keeping Free Cash at levels closer to 10%, as a stronger reserve position during periods of uncertain economic conditions;
- Supporting capital needs by routinely dedicating 7-8% of total budget resources for capital improvements--
 - roughly 1/3rd of capital financing is derived from current resources and 2/3rd is derived from debt financing through the issuance of long-term bonds,
 - principal repayment is structured so that most bonded debt (60%) is retired within five years, and 90% is retired within 10 years; and

- Taxpayers are not burdened beyond what typical expectations of income growth can accommodate. The Town’s Free Cash position and debt policies are key factors in maintaining the Town’s credit rating of Aaa, which it has held since 1987.
- Each year as the Finance Committee reviews and evaluates operating budget needs, consideration is given to long-term priorities of the Town, how Concord compares to other peer towns and the general trend in tax increases over time. We are sensitive to the rate at which taxes are increasing compared to local incomes and property values. Increases in our taxes consistently exceed the increase in the national Consumer Price Index and the Social Security Administration’s cost of living allowance, while this is not problematic for the majority of our citizens, lower income residents and those living on fixed incomes find it increasingly burdensome. The Finance Committee seeks to maintain the Town’s economic diversity by limiting the rate at which taxes increase.

FY20 Budget Guideline

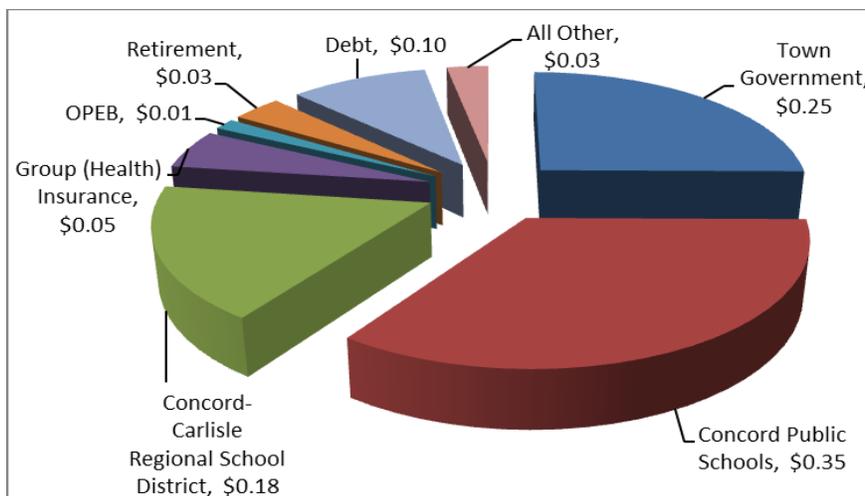
The proposed FY20 Total Budget for Concord is \$114,138,976 based on the Finance Committee’s FY20 Budget Guideline recommendations, issued November 30, 2018 and updated on March 7, 2019, following a review of updated General Fund projections of resources and expenses. This figure does not include operations of the Town that are supported by fee-for-service activities such as those of the Concord Municipal Light Plant.

The FY20 Guideline adopted by the Finance Committee:

- directs \$3,064,268 of incremental funds to the operating budgets, a 3.75% increase over FY19 operating budget levels;
- results in a total FY20 General Fund spending plan of \$114,138,976, which would be an increase of 4.51% over the adopted FY19 budgets;
- assumes an overall increase of 3.71% in the tax bill to existing taxpayers, inclusive of Exempt Debt;
- maintains an unused levy capacity of \$3,271,010 (which is 3.55% under the projected levy limit); and

For each tax dollar raised to fund the Total General Fund Budget, the proposed uses are:

Allocation of Each Tax Dollar Raised



The Town Operating Budget (*25% of tax dollars*) request submitted by the Town Manager in his budget document of February 1, 2019 is at the Finance Committee Guideline of \$25,299,513 and provides \$1,071,000 in incremental funding over FY19, an increase of 4.42%. Please note that in prior years, funds to cover the cost of services provided by the General Fund to individual Enterprise Funds were made through inter-fund transfers, however, best practices are to request specific Town Meeting authorization through appropriation of these funds. As such, adjustments have been made throughout this report and the accompanying warrant to update amounts shown for FY18 and FY19, to include both the Town Meeting authorization, and subsequent inter-fund transfers, so that a true comparison may be made. As such, to the FY20 Guideline, an amount of \$3,407,135 is added, which represents the total transfers made by Enterprise operations plus funding from the Emergency Services Stabilization Fund to soften the impact of the cost of implementing overnight ambulance service out of the West Concord Fire Station, bringing the total FY20 Town Operating Budget to \$28,706,648 (Article 6 of the Annual Town Meeting Warrant).

The Finance Committee has adjusted its original Guideline by \$143,268, to meet the Concord Public School (CPS) Committee's requested budget (*35% of tax dollars*). This guideline provides CPS a budget increase of \$1,143,268 or 2.99%.

The Concord-Carlisle Regional School District (CCRS) Committee's (*18% of tax dollars*) requested budget meets the Finance Committee Guideline of \$19,996,874, which provides \$850,000 in incremental funding over FY19, an increase of 4.44%

The assessment for the Minuteman Regional Vocational Technical School District is \$1,073,368, as voted by the Minuteman School Committee. This includes an Operating Assessment of \$778,353 and a Debt Assessment of \$295,015. These amounts are slightly different than what is included in the Warrant as at the time of printing, the Town was still working with an estimated Assessment number. Concord's enrollment as of Fall 2018 was 17 regular students and 1 post graduate enrollee. The formula for assessments uses a rolling 4-year average. Concord's rolling average increased from 15.75 to 19.00 students.

In addition to the operating budgets, a significant part of the budget is for Debt Service (*10% of tax dollars raised*). The proposed FY20 debt service cost is as follows: \$4,196,145 for routine projects, within the levy limit, for Town and CPS projects such as road repairs and building renovations; \$3,221,181 for Town and CPS excluded debt projects mostly for new elementary schools; and \$3,348,113 for the CCRSD excluded debt assessment for the new CCRSD high school building, which includes an estimate for debt to be issued later this calendar year related to the landfill remediation project, approved under Article 17 of the 2017 Annual Town Meeting.

Other non-operating budget expenses include Other Post-Employment Benefits (OPEB- primarily health insurance for retired personnel) and retirement contributions (*4% of tax dollars*). While headline news reports that some municipal retirement systems across the country seem to be in trouble, in Concord, this isn't the case as we have followed a consistent policy of funding the employer contribution. Totaling \$3,965,861 in FY20, this represents an increase of 5.0% from the previous year. As of January 1, 2018, the Town's net Pension Liability was estimated to be \$24.9 million and its funded ratio is about 87%, a ratio that is ranked among the top 10 public retirement systems in the State.

Group Insurance, or employee health care costs, is anticipated to increase again in FY20, though at a rate which is less than the last two years. (*5% of tax dollars*). Factors that have helped keep increases manageable are the Town's membership in Minuteman Nashoba Health Group, a joint purchasing consortium of 17 area towns that pool risks and self-funds health plans to keep costs down. As compared to other Massachusetts municipalities, the percent of Concord's employer contribution for health care premiums is on the low side: approximately 55% for active employees and 50% for retirees. In addition, a 2011 State health care reform law enabled the Town to negotiate plan design changes with the stipulation that 25% of the first-year savings were placed in a fund to mitigate subscriber out-of-pocket cost. For the first time, in FY19, the Town began offering a High Deductible Health Plans to employees. Enrollment in these plans was much better

than anticipated and it is the Town's hope that, over time, there will be significant migration to these plans, which is expected to have a favorable impact on future premium rates and the Town's OPEB liability.

The Town of Concord will derive the majority (83.92%) of the FY20 General Fund resources from property taxes. State Aid will contribute 4.76%, about the same amount as the last five years. Other sources such as Motor Vehicle Excise Taxes and Fees are closely aligned to citizen purchasing decisions.

With these assumptions, the projected FY20 increase in real estate taxes to existing citizens is estimated at 3.71%, inclusive of exempt debt, over the FY19 levy. Based on the FY19 median single family residential home value of \$881,550 (and tax rate of \$14.19 per thousand) the median tax bill is project to increase by \$465 to \$12,974 from \$12,509 (or \$53 per each \$100,000 of assessed value). This increase is consistent with the Finance Committee's desire to keep tax increases below 4.0% on a town-wide average given today's low rate of inflation.

As of June 30, 2018, Certified Free Cash was a healthy \$11,683,672 or 10.98% of the current year budget. The FY20 budget is expected to maintain this level of Free Cash, while still providing a \$1 million allocation for Town operations to reduce the tax levy. Contributions from Free Cash are made to help support the budget plan each year, in an amount approximately equal to 1% of the total spending plan and that we can reasonably expect will be restored by positive operating results of the budget year. When Free Cash exceeds 10% of the Town's next budget, contributions to stabilization funds or funding of warrant articles are often considered for recommendation to the Town Meeting. In a higher interest rate environment, early repayment of debt also might be considered.

The unused levy capacity- the amount the tax levy is below the allowable Proposition 2 ½ levy limit, is projected to be \$3,414,279 in FY20. This means that the Town has some flexibility in future budgets since we are not at the upper ceiling of the levy limit, and therefore are not necessarily constrained to an annual 2 ½% increase plus New Growth.

Budget Drivers

To understand the drivers affecting the budget each year, the Finance Committee meets throughout the fall with the Town Manager and school administration. We consider trends in salaries, wages and benefits, special education, additional costs for school bus transportation, capital improvements and evolving service demands from citizens. We evaluate planned contributions towards pensions and health insurance commitments for retired public employees (OPEB) and the impact of debt obligations for previously approved as well as anticipated projects. Notable drivers impacting this year's budget include:

- **Salaries and hiring**: The largest component of Town, CPS and CCRSD budgets is the salary of our employees. In the school system, salary expense is driven by collective bargaining agreements which establish salary structures for a three-year period. Increases attributable to the CPS teacher's contract are reflected in this year's budget, with a larger increase in this year's budget due to an additional step increase per contract at the end of FY19. The CCRSD's bargaining unit, the Concord-Carlisle Teachers Association (CCTA), also completed negotiations with the school administration for a new contract this past summer.

The Town is less dependent on labor agreements, but is continually challenged to retain staff at salaries that are competitive in the market place. The Town Operating Budget has assumed \$90,000 of the additional cost of staffing the second ambulance in West Concord for a second shift making it available 24/7. The full cost of this second shift will be \$335,240, with the balance of \$245,240 being transferred from the Emergency Services (Mews) Stabilization Fund. The offset from the Stabilization Fund will decline by 1/3 each year, with the General Fund absorbing the full cost of this service beginning in FY23. The Town Manager has proposed other funding priorities, such as two additional officers in the Police Department, a part-time Local

Transportation Planner, an increase to the Legal Budget, and various other spending in response to service demands, which have not been included due to funding constraints.

- **Economic Activity and Population Growth**: With the growth in housing construction and the attractiveness of new schools, student enrollment has been increasing steadily in the last few years. Since October 2011, there has been a noticeable increase in students at both the Concord Middle School (CMS) and CCRSD. Rising enrollments put pressure on our school system in terms of staffing for instruction, class size, and space needs.
- **Special Education**: The increasing burden of unpredictable Special Education costs is being felt in municipalities statewide and it is becoming apparent to some that additional financial support from the State is needed for this mandated and much needed service.

Shifts in high school enrollment between Concord and Carlisle: The percentage of Concord student residents is used to determine Concord's allocation of the CCRSD budget, including debt expense associated with the new high school building. This ratio shifted slightly, from 75.46% in FY19 to 75.25% for FY20. This cumulatively affects Concord's share of this year's increase in the budget, on-going baseline costs, and on-going debt service. Concord's share of the enrollment is expected to creep up to 75.80% in FY21, and then climb to just under 77% in FY22, and stay constant for the next several years.

- **OPEB**: Both the Town and CCRSD have established plans for regular increases in funding to meet their Annual Required Contribution (ARC), which is the point at which regular contributions will match future liabilities. Recent actuarial analysis of these liabilities indicates that the Town has been meeting its ARC since FY2017, earlier than expected a few years ago. However, health insurance expenses are expected to increase in future years and therefore these liabilities will continue to fluctuate over time. CCRSD has established an OPEB Trust and has revised its planned contribution schedule to meet its ARC in 2021. The CCRSD proposed FY20 budget includes a contribution to the OPEB Trust of \$563,444. The Finance Committee is supportive of this commitment and took it into account when setting the Guideline this year. The Town proposed FY20 budget includes an increase of \$80,850 for its OPEB Trust funding for a total contribution of \$1,697,850, which meets the required ARC.
- **Shift in demographics and service demands**: With the increase in housing and construction throughout town, along with aging of the population, the Town is experiencing new demands on public services provided by various departments. The Town Manager's budget will accommodate start-up funding for a second ambulance at the West Concord Station 24/7; additional staff for park maintenance and beach operations at White Pond; additional IT support and additional hours at the Council on Aging.

Conclusions

Contained within this report are additional summaries and budget details which citizens will find useful in evaluating Town warrant articles, as well as background on issues and trends that various town committees have been addressing and which have a financial bearing on the Town. In addition, we encourage citizens to also view detailed budget reports that are available online, or at the library, including: The Town Manager's Proposed FY20 Budget; the Town Manager's Proposed FY20 Enterprise Budget; the Superintendent's FY20 Proposed Budget for Concord-Carlisle Regional School District (CCRSD); and the Superintendent's FY20 Proposed Budget for the Concord Public Schools (CPS). These books contain a wealth of additional information and will provide extensive background and details on all budget items.

The Town and School finances are well managed, as evidenced by the long-standing Aaa bond ratings of the Town and the Concord-Carlisle Regional School District, and the ability to meet and exceed the

growing demand from citizens for high quality public services. Meeting these needs is a challenge and we commend the Town Manager, Chris Whalen, and the Superintendent of Schools, Laurie Hunter for their leadership and creativity in balancing resources and priorities to meet these needs. We also express our deepest thanks to the Town Finance Director, Kerry Lafleur, and the School's Director of Finance and Operations, Jared Stanton, and their respective staffs, for their dedicated and careful management of the Town finances and for their patience and expertise on advising the Finance Committee throughout the year.

Notes

The Concord Finance Committee was established by Town bylaw in 1921 and is comprised 15 members appointed by the Moderator for staggered three-year terms. By tradition, members serve no more than two terms. By this arrangement, there is always a mix of new and experienced members and a mix of new points of view and institutional memory. The appointment process is designed so that the Finance Committee remains independent of the Town's administrative structure and elected boards.

The Finance Committee has the following responsibilities:

- Establishing fiscal guidelines for the Town Manager, the Concord Public School Committee, and the Concord-Carlisle Regional School Committee in preparing their budgets. Under Town by-law, these guidelines must be published by the end of November each year.
- Conducting public hearings on the budgets and other financial matters expected to come before annual and special Town Meetings.
- Preparing this report for distribution to all residents, including recommendations on warrant articles before the Annual Town Meeting and a summary of the Town's financial status.
- Managing a Reserve Fund account to meet extraordinary and unforeseen expenditures (proposed at \$225,000 for FY20).

Individual committee members are assigned as observers to attend public meetings of other Town boards and committees. Reports from these observers are included in the Observer Reports section of this document. It is important to emphasize that the role of the Finance Committee is limited to making recommendations. The Finance Committee regularly makes recommendations to Town Meeting, the Town Manager, the Board of Selectmen, the school committees, the Superintendent of Schools, other boards and committees, and the citizens of the Town. Responsibility for making decisions is reserved to the citizens through Town Meeting and Town elections and to staff members, boards, and committees to whom specific responsibilities have been delegated by Town by-law and/or State Law.

That being said, The Finance Committee's recommendation for the allocation of the limited resources within the Levy Limit has the de facto force of a formal decision. This is because the three major budgetary entities—the Town Manager, Concord Public Schools, and the Concord-Carlisle Regional School District—have constituencies of roughly equal weight. As a practical matter, therefore, any one entity is rarely able to increase its share at the expense of the others without the Finance Committee's support.

Finance Committee Policies

For many years, the Finance Committee has had a set of long-range financial policies for prudent financial management of the Town. Starting in FY06, the Town began to document its financial policies in the Town Manager's annual budget in a comprehensive way, following the recommended practices of the Government Finance Officers Association of the United States and Canada (GFOA). The following is a summary of some of these policies, from the perspective of the Finance Committee.

- Maintain a minimum fixed percentage of the annual budget in Free Cash. This forms the core of the Town's reserves and its working capital.
- Spend about 7% to 8% of the annual budget on routine recurring capital maintenance and renewal of the Town's facilities and infrastructure (including schools). Included in this, up to 5% is reserved for debt service for large items and projects funded by borrowing with debt service to be supported within the property tax levy limit and therefore, for this component of the capital program, without resort to debt exclusion ballots.
- Avoid earmarking of revenues, except as established by statute or local bylaw enacted by Town Meeting. All other revenues go into the General Fund, where they form part of the current year resources and/or contribute to Free Cash for future years.
- Maximize the efficiency of capital with an aggressive program of repayment of debt principal, thereby minimizing the proportion of debt service paid in interest and making tax dollars go farther.
- Adjust these policies only gradually and deliberately, not in response to the pressure of the moment.
- In general, the Finance Committee's position is that debt service within the Levy Limit should be focused on routine things over which the Town has little discretion, e.g. roofs, roads, equipment, workspaces for employees. Debt exclusion financing should be reserved for community amenities that are direct additions or improvements in basic services and that would otherwise push essential maintenance out of the capital budget.

Budget Process

The budget process begins each summer when the Finance Committee formulates a series of requests for information from the Town Manager and School Superintendent regarding overall trends and issues. In September, a joint coordination meeting is held, including the Finance Committee, the Board of Selectmen, the School Committees, the Carlisle Board of Selectmen and the Carlisle Finance Committee. During this meeting, the general parameters of revenues, state aid, and fixed costs are laid out, along with matters of coordination between the two towns regarding the Regional School District.

During the fall, the Town Manager and the School Superintendent begin their annual budget process with their own department managers. In October, the Guideline Subcommittee of the Finance Committee meets with each of them to begin to frame the allocation of resources within the Levy Limit and any overrides for the coming fiscal year. This is presented to the full Finance Committee, which publishes its Tentative Guideline by the end of October. During November, the Guideline Subcommittee again meets with the Town Manager and School Superintendent to finalize the recommended Guideline. This Guideline is published by the Finance Committee no later than the end of November.

School budgets are voted by the School Committees in early January, in time for summarizing in the Town Manager's proposed budget. By Town Charter, the Town Manager's budget proposal must be presented to the Board of Selectmen 90 days before the start of Town Meeting. About two months before Town Meeting, the Town and Education budgets are presented for public comment at the Finance Committee's public hearings. The period between these hearings and Town Meeting is for resolving issues, addressing comments and questions, and refining the budgets.

Proposed FY20 General Fund Budgets Property Tax impact

incremental and total tax levy and budget changes

	FY19	Proposed FY20		
		<i>plus</i>	at proposed level	% Δ
Town Government operations	\$24,228,513	\$1,071,000 =	\$25,299,513	4.42%
Concord Public Schools (K-8)	\$38,246,895	\$1,143,268 =	\$39,390,163	2.99%
CCHS assessment:				
without debt exclusion	\$19,146,874	\$850,000 =	\$19,996,874	4.44%
debt, non-exempt	\$102,802	(\$102,802)	\$0	
debt, exempt	<u>\$3,404,345</u>	<u>(\$56,232)</u>	<u>\$3,348,113</u>	
total assessment	\$22,654,021	\$690,966	\$23,344,987	
Sum for General Fund Operating Budgets:		<u>3,064,268</u>		
 <u>Projected Tax rate Impact</u>		3.71%		
Tax Bill at median \$881,550 value	\$ 12,509	+ 465 =	\$ 12,974	
Tax Bill per \$100,000 a.v.	\$ 1,419	+ 53 =	\$ 1,472	

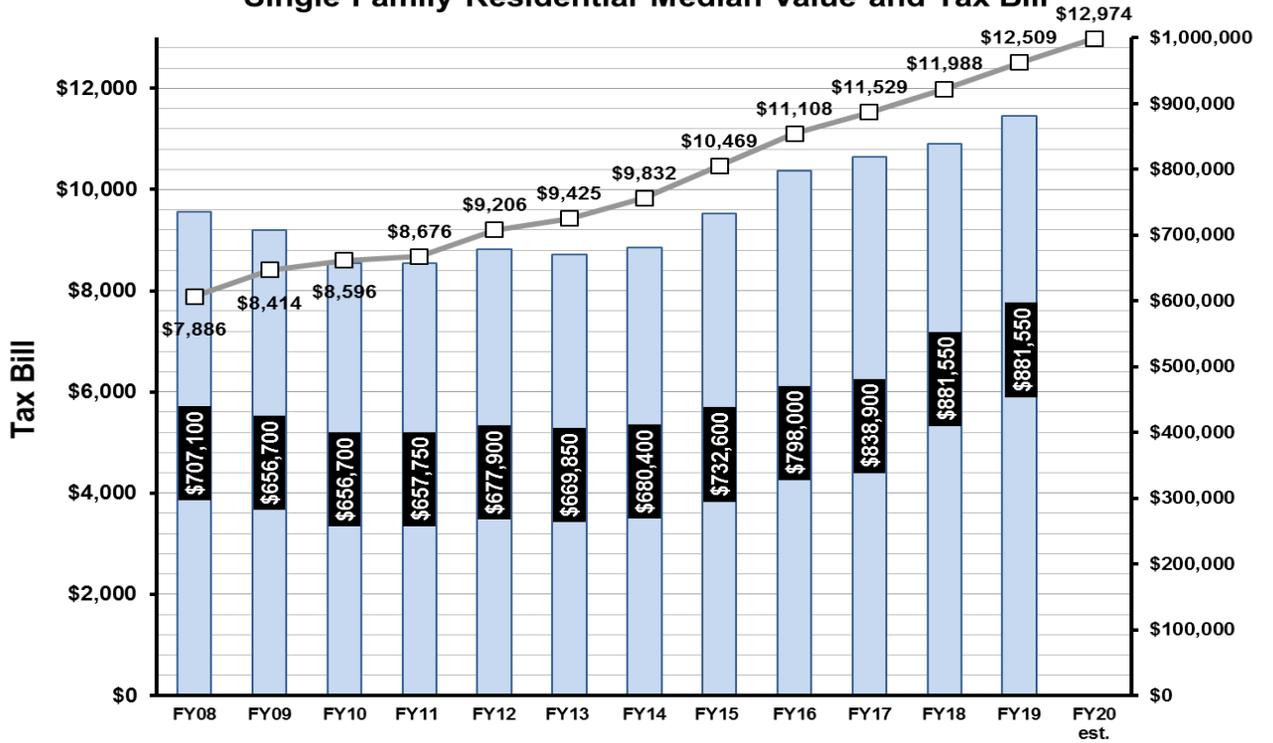
ESTIMATED IMPACT OF TOWN MEETING SPENDING ON YOUR TAX BILL

	Median Average												
	350,000	450,000	500,000	600,000	700,000	881,550	1,065,176	1,050,000	1,200,000	1,350,000	1,500,000	1,600,000	1,750,000
Fiscal Values	350,000	450,000	500,000	600,000	700,000	881,550	1,065,176	1,050,000	1,200,000	1,350,000	1,500,000	1,600,000	1,750,000
Fiscal 2019 Taxes	4,967	6,386	7,095	8,514	9,933	12,509	15,056	14,900	17,028	19,157	21,285	22,704	24,833
Fiscal 2019 Base	4,626	5,948	6,609	7,920	9,253	11,628	13,991	13,879	15,862	17,844	19,827	21,149	23,132
FY2019 Debt Exemption	340	437	486	594	680	881	1,065	1,021	1,166	1,312	1,458	1,555	1,701

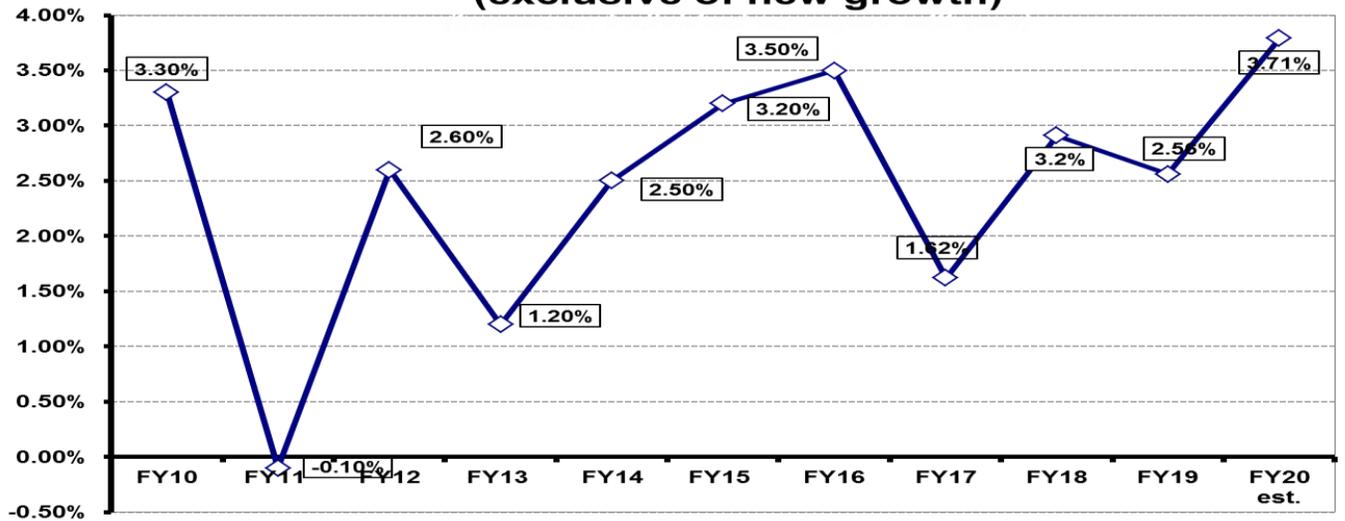
To calculate the dollar impact of any additional expenditures that may be considered by Town Meeting, use this chart below.

Article Amount	350,000	450,000	500,000	600,000	700,000	881,550	1,065,176	1,050,000	1,200,000	1,350,000	1,500,000	1,600,000	1,750,000
10,000	0.54	0.70	0.78	0.93	1.09	1.37	1.65	1.63	1.86	2.09	2.33	2.48	2.71
25,000	1.36	1.74	1.94	2.33	2.71	3.42	4.13	4.07	4.65	5.23	5.82	6.20	6.79
50,000	2.71	3.49	3.88	4.65	5.43	6.84	8.26	8.14	9.31	10.47	11.63	12.41	13.57
75,000	4.07	5.23	5.82	6.98	8.14	10.26	12.39	12.21	13.96	15.70	17.45	18.61	20.36
100,000	5.43	6.98	7.76	9.31	10.86	13.67	16.52	16.29	18.61	20.94	23.27	24.82	27.14
150,000	8.14	10.47	11.63	13.96	16.29	20.51	24.78	24.43	27.92	31.41	34.90	37.23	40.72
200,000	10.86	13.96	15.51	18.61	21.72	27.35	33.04	32.57	37.23	41.88	46.53	49.64	54.29
250,000	13.57	17.45	19.39	23.27	27.14	34.18	41.30	40.72	46.53	52.35	58.17	62.04	67.86
300,000	16.29	20.94	23.27	27.92	32.57	41.02	49.57	48.86	55.84	62.82	69.80	74.45	81.43
350,000	19.00	24.43	27.14	32.57	38.00	47.86	57.83	57.00	65.15	73.29	81.43	86.86	95.00
400,000	21.72	27.92	31.02	37.23	43.43	54.69	66.09	65.15	74.45	83.76	93.07	99.27	108.58
450,000	24.43	31.41	34.90	41.88	48.86	61.53	74.35	73.29	83.76	94.23	104.70	111.68	122.15
500,000	27.14	34.90	38.78	46.53	54.29	68.37	82.61	81.43	93.07	104.70	116.33	124.09	135.72
550,000	29.86	38.39	42.66	51.19	59.72	75.21	90.87	89.58	102.37	115.17	127.97	136.50	149.29
600,000	32.57	41.88	46.53	55.84	65.15	82.04	99.13	97.72	111.68	125.64	139.60	148.91	162.87
700,000	38.00	48.86	54.29	65.15	76.00	95.72	115.65	114.01	130.29	146.58	162.87	173.72	190.01
750,000	40.72	52.35	58.17	69.80	81.43	102.55	123.91	122.15	139.60	157.05	174.50	186.13	203.58
800,000	43.43	55.84	62.04	74.45	86.86	109.39	132.18	130.29	148.91	167.52	186.13	198.54	217.15
900,000	48.86	62.82	69.80	83.76	97.72	123.06	148.70	146.58	167.52	188.46	209.40	223.36	244.30
1,000,000	54.29	69.80	77.56	93.07	108.58	136.74	165.22	162.87	186.13	209.40	232.67	248.18	271.44

Single Family Residential Median Value and Tax Bill



% increase in tax levy to existing taxpayers (exclusive of new growth)



Assessed Valuation, Levy Limit, Tax Levy and Rates: FY1980-2019

Fiscal Year	Total Assessed Value	Levy		Actual Levy		Uniform Tax Rate	Unused Levy Limit	
		Assessed Value	Levy Ceiling	Levy Limit	Within Limit		Debt Exclusion	\$
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	\$81,423,066	\$6,383,992	\$14.29	\$4,067,956	4.76%
2019	\$6,447,033,517	\$161,175,838	\$88,864,251	\$84,848,573	\$6,443,013	\$14.19	\$4,015,678	4.52%

Budget - All Accounts , FY16 - FY19 Budgeted, FY20 Proposed

FY20 Proposed Expenditure Plan

Change from FY19 Budget

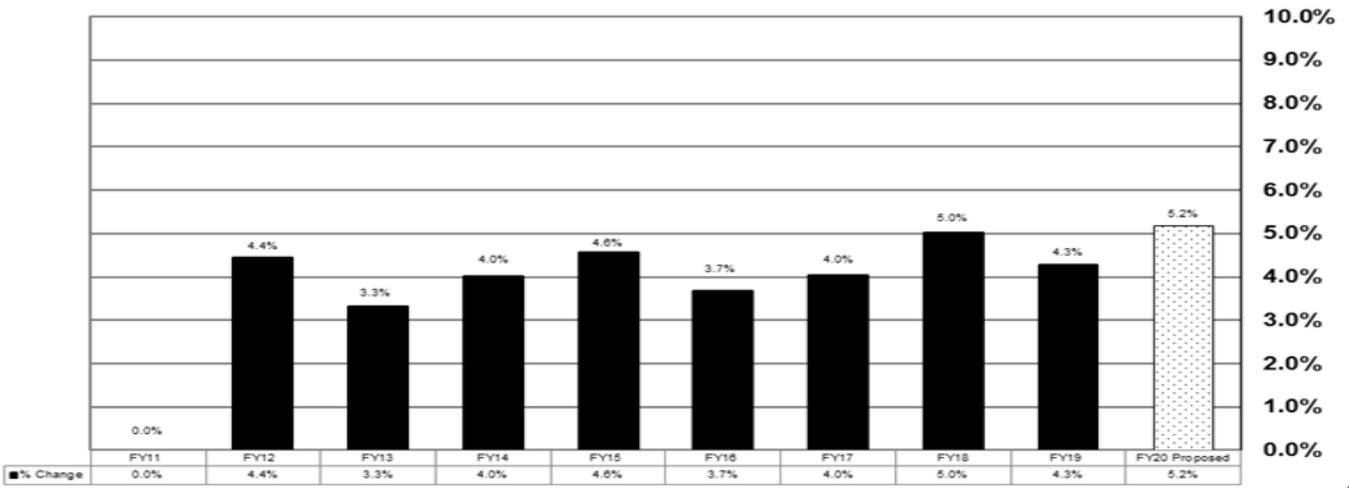
Line #		FY16 Budget	FY17 Budget	FY18 Budget	FY19 Budget	FY20 Proposed	Dollar Change	Percent Change	Percent of Total
Town Government									
1	personal services	\$ 15,721,241	\$ 16,468,178	\$ 17,285,653	\$ 17,983,494	\$ 19,238,126	\$ 1,254,632	6.98%	16.86%
2	O & M	3,458,772	3,470,835	3,683,360	3,897,019	3,891,386	(5,633)	-0.14%	3.41%
3	capital outlay	1,709,000	1,800,000	1,870,000	1,945,000	1,945,000	0	0.00%	1.70%
4	Reserve Fund	225,000	225,000	225,000	225,000	225,000	0	0.00%	0.20%
5	Total General Fund	\$ 21,114,013	\$ 21,964,013	\$ 23,064,013	\$ 24,050,513	\$ 25,299,513	\$ 1,249,000	5.19%	22.17%
6	Transfers Appropriation	2,458,662	2,612,366	2,691,707	2,876,678	3,407,135	530,457	18.44%	2.99%
7	Total Town Government	\$ 23,572,675	\$ 24,576,379	\$ 25,755,720	\$ 26,927,191	\$ 28,706,648	\$ 1,779,457	6.61%	25.15%
8	Concord Public Schools	\$ 34,542,735	\$ 35,660,111	\$ 36,810,111	\$ 38,246,895	\$ 39,390,163	\$ 1,143,268	2.99%	34.51%
9	Concord-Carlisle RSD	\$ 16,556,221	\$ 17,035,005	\$ 17,935,005	\$ 19,146,874	\$ 19,996,874	\$ 850,000	4.44%	17.52%
10	Minuteman Voc Tech RSD	\$ 407,041	\$ 423,444	\$ 599,179	\$ 595,564	\$ 768,846	\$ 173,282	29.10%	0.67%
11	Total Operating Budgets	\$ 75,078,672	\$ 77,694,939	\$ 81,100,015	\$ 84,916,524	\$ 88,862,531	\$ 3,946,007	4.65%	77.85%
JOINT TOWN & CPS ACCOUNTS									
12	Group Insurance	\$ 4,650,000	\$ 4,650,000	\$ 4,800,000	\$ 5,526,100	\$ 5,966,069	\$ 439,969	7.96%	5.23%
13	OPEB Trust	1,150,000	1,400,000	1,470,000	1,617,000	1,697,850	80,850	5.00%	1.49%
14	Retirement	3,220,000	3,317,000	3,667,000	3,777,010	3,965,861	188,851	5.00%	3.47%
15	Social Security/Medicare	740,000	765,000	810,000	814,713	800,000	(14,713)	-1.81%	0.70%
16	Other Fixed & Mandated	425,000	450,000	450,000	485,000	498,750	13,750	2.84%	0.44%
17	Town & CPS Debt Service	3,605,000	3,730,000	3,860,000	4,018,382	4,196,145	177,763	4.42%	3.68%
18	Town & CPS Excluded Debt Service	4,206,283	4,007,828	3,607,507	3,109,869	3,221,181	111,312	3.58%	2.82%
19	Refunding savings, required levy	114,217							
20	subtotal	\$ 18,110,500	\$ 18,319,828	\$ 18,664,507	\$ 19,348,074	\$ 20,345,856	\$ 997,782	5.16%	17.83%
21	CCRS Debt Service		80,753	102,583	102,809	0	(102,809)	-100.00%	0.00%
22	CCRS Excluded Debt Service	3,514,429	3,668,218	3,561,484	3,679,345	3,348,113	(331,232)	-9.00%	2.93%
23	Minuteman Excluded Debt Service				147,115	297,995	150,880		0.26%
24	subtotal	\$ 3,514,429	\$ 3,748,971	\$ 3,664,067	\$ 3,929,269	\$ 3,646,108	\$ (268,161)	-7.21%	3.19%
25	Appropriation of Free Cash	625,000		1,200,000		0	0		
26	TOWN MEETING VOTE	\$ 97,328,601	\$ 99,763,738	\$ 104,628,589	\$ 108,193,867	\$ 112,854,495	\$ 4,660,628	4.31%	98.87%
27	State assessments & offsets	\$ 497,843	\$ 495,310	\$ 529,002	\$ 502,439	\$ 554,481	\$ 52,042	10.36%	0.49%
28	Snow/Ice & other deficits	310,772	0	178,656	0	230,000	230,000		0.20%
29	Overlay	543,663	552,900	565,018	527,016	500,000	(27,016)	-5.13%	0.44%
30	subtotal	\$ 1,352,278	\$ 1,048,210	\$ 1,272,676	\$ 1,029,455	\$ 1,284,481	\$ 255,026	24.77%	1.13%
31	TOTAL BUDGET PLAN	\$ 98,680,879	\$ 100,811,948	\$ 105,901,265	\$ 109,223,322	\$ 114,138,976	\$ 4,915,654	4.50%	100.00%

**FY20 Proposed
Financing Plan**

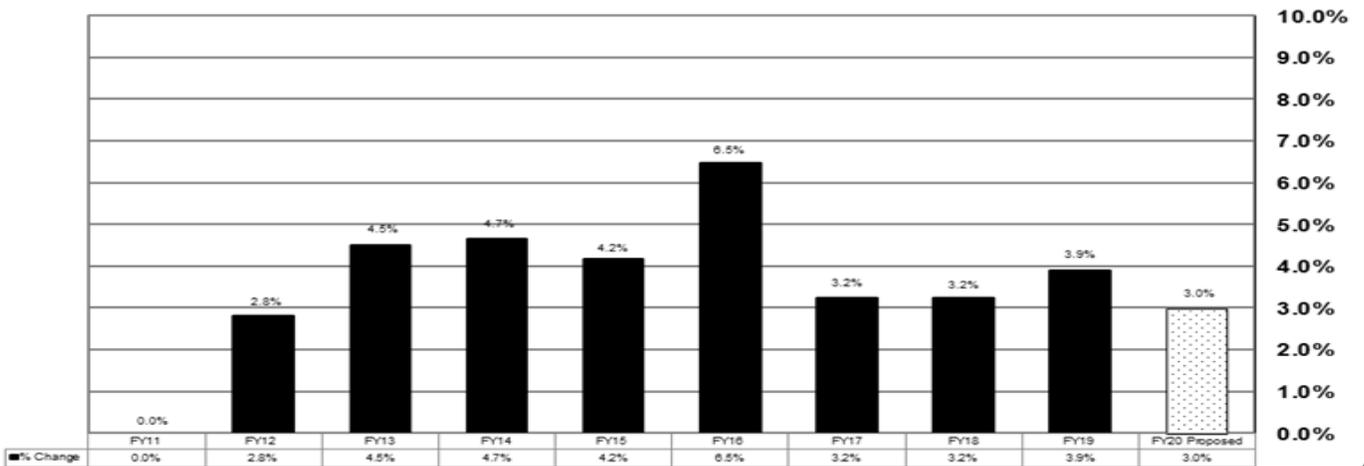
Change from FY19 Budget

	FY16 Budget	FY17 Budget	FY18 Budget	FY19 Budget	FY20 Proposed	Dollar Change	Percent Change	Percent of Total
State Aid and Local Receipts								
32	State Aid	\$ 4,272,640	\$ 4,642,015	\$ 4,923,642	\$ 5,240,838	\$ 186,838	3.57%	4.76%
33	Motor Vehicle Excise Tax	2,850,000	2,875,000	3,033,586	3,174,229	78,628	2.54%	2.78%
34	Investment Earnings	100,000	150,000	361,272	598,000	98,000	19.60%	0.52%
35	Other Local Revenue	3,723,200	3,607,000	3,825,000	4,482,619	(188,319)	-4.20%	3.76%
	Subtotal	\$ 10,945,840	\$ 11,274,015	\$ 12,143,500	\$ 13,319,058	\$ 175,147	1.32%	11.82%
Transfers Appropriation								
36	Interfund Transfers	\$ 1,718,886	\$ 1,838,549	\$ 1,917,077	\$ 2,081,731	\$ 218,398	10.49%	2.02%
37	Other Credits	739,776	773,817	774,630	794,947	312,059	39.26%	0.97%
38	Subtotal	\$ 2,458,662	\$ 2,612,366	\$ 2,691,707	\$ 2,876,678	\$ 530,457	18.44%	2.99%
Other Transfers and Appropriations								
39	Free Cash	\$ 625,000	\$ 1,000,000					
40	GMLP (Light Fund)	472,400	465,500	474,000	461,000	(9,000)	-1.95%	0.40%
41	Debt Stabilization Fund	1,500,000	1,000,000	785,000	275,000	(275,000)	-100.00%	0.00%
42	Thoreau School MSBA grant	409,878	409,878	0	0	0	0.00%	0.00%
43	Free Cash to Reduce Tax Levy	950,000	1,000,000	1,000,000	1,000,000	0	0.00%	0.88%
44	Other				3,500	3,500	100.00%	0.00%
45	subtotal	\$ 3,957,278	\$ 2,875,378	\$ 3,259,000	\$ 1,736,000	\$ (280,500)	-16.16%	1.28%
Property Taxes								
46	property tax base	\$ 74,224,261	\$ 76,371,162	\$ 80,101,736	\$ 83,612,620	\$ 4,202,226	5.03%	76.94%
47	new growth	1,284,004	1,412,859	1,321,330	1,235,953	(135,953)	-11.00%	0.96%
48	total within the Levy Limit	\$ 75,508,265	\$ 77,784,021	\$ 81,423,066	\$ 84,848,573	\$ 4,086,273	4.79%	77.90%
49	debt service excluded from Levy Limit	5,810,834	6,266,168	6,383,992	6,443,013	424,276	6.59%	6.02%
50	total property tax	\$ 81,319,099	\$ 84,050,189	\$ 87,807,058	\$ 91,291,586	\$ 4,490,549	4.92%	83.92%
51	TOTAL RESOURCES	\$ 98,680,879	\$ 100,811,948	\$ 105,901,265	\$ 109,223,322	\$ 4,915,653	4.50%	100.00%

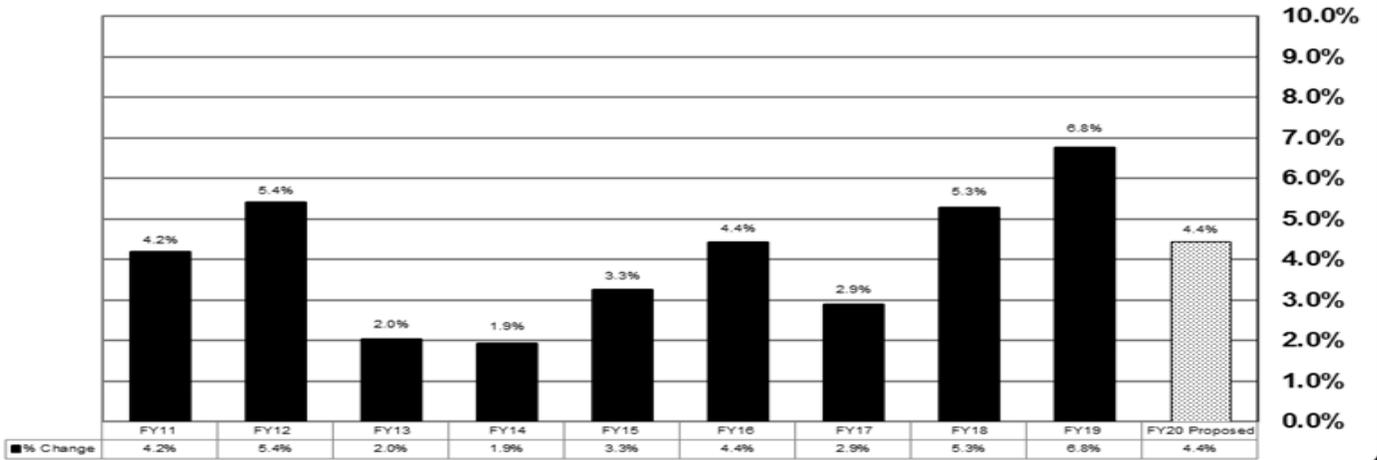
**Town Government General Fund operations
percent change in budget**



**Concord Schools (K-8)
percent change in budget**



**CCHS Operating assessment
percent change**



Five Year Projection of Real Estate Taxes

Article 3, adopted at the Special Town Meeting on November 7, 2011, requested the Finance Committee to develop a five-year projection of the real estate taxes likely to be levied on the citizens of the Town. This report, the eighth year this projection has been developed, covers the period FY21 through FY25. In response to citizen comments and suggestions, the Finance Committee has continued to refine the five-year projection of real estate taxes to present multiple scenarios, the first being based on a “most likely” analysis and then two alternative scenarios.

The level of the operating budgets of the Town government and the schools are the dominant contributors to the amount of taxes that must be levied since they comprise approximately 77% of the total Town Budget. The five-year projection process uses FinCom guidelines for these operating budgets. Should Town Meeting approve higher budgets, it will change the future prospects for taxes and levy limit strain from what is shown here. The Town and School administrations have informed the Committee that annual increases between 3% and 5% are necessary to maintain the current level of services. Keeping budgets below the lower end of this range for an extended period of time is likely to require cuts in services, staff reductions, deferral of maintenance and/or delays in equipment replacement to balance resource availability with expenditures.

The projections by the Finance Committee are based on a number of significant assumptions. With approximately 84% of General Fund revenue derived from property taxes, the Town budget is more sensitive to changes in spending levels than it is to changes in external sources of revenue. All three scenarios are based on a moderate economic environment. State Aid, which represents about 4.75% of General Fund resources, is conservatively estimated to increase 2.5% annually (in the most likely scenario). Moderate revenue increases were included in categories where growth is reasonably expected, including contributions from local excise taxes, licenses and permits. Property taxes from new construction and renovations are reduced in the FY20 budget, and are targeted to slip modestly and then remain level in the 5 year projection. Contributions from Free Cash are estimated at 1% of the Total Projected Budget, consistent with funding policies established since 2012.

The three five-year scenarios reflect varying sets of expenditure assumptions and only minor differences in revenue expectations. Each of the scenarios incorporates projected expenditures for individual town budget line items including Operating budgets for the Town, Concord Public Schools (CPS), Concord-Carlisle Regional School District (CCRSD), and expenses for Group Insurance, Retirement, Other Post-Employment Benefits (OPEB), Minutemen Vocational Technical School and Town debt repayments. The Operating budget for CCRSD incorporates planned OPEB contributions as well as changes in the proportion of Concord’s share of the CCRSD budget and school building excluded debt expense, resulting from anticipated shifts in Concord and Carlisle projected student enrollment.

The Most Likely Scenario represents a period of modest expenditure growth (cost increases generally of about 3-4%). Alternative Scenario 1 represents a period of below average expenditure growth (at or slightly lower than the 10 year average annual increase), and Alternative Scenario 2 represents a period of above average expenditure growth (4-5% or greater). All three scenarios represent reasonable expenditure levels that may be anticipated, ranging from weak economic conditions to a high level of local development activity driving increases in Town services and student populations. Although the three scenarios are designed to represent a realistic range of outcomes, the Town’s actual experience may fall outside the scope of the scenarios.

The Finance Committee believes it is important to incorporate only future expenses which have been formally planned and have defined expense projections. The projections do not include allowances for other potential or unanticipated projects, and therefore this model may underestimate future debt expense. Net debt expense recently peaked in FY17 at 13.7% of Total Budget and is projected to

decline under the most likely scenario, to 8.07% in FY25. The Finance Committee acknowledges the ongoing discussion regarding the future of the two Middle School buildings, as well as other capital needs in Town, such as in the areas of Municipal Offices, Public Safety and Public Works. Proceeding with any one of these projects would introduce additional excluded future debt, not included in the projections provided here.

Across all three scenarios, the largest annual increase in property taxes to existing taxpayers is expected in FY20 (approximately 3.71%), followed by a decline in FY21 (to 3.1). During this time, increases in Operating Budget expenses are somewhat offset by declines in excluded debt service from Town Meeting approved projects. Other factors impacting the FY21 -FY25 projection of tax increases include shifts in Concord's projected share of CCRSD students, which drives the Town's portion of the CCRSD Operating budget and excluded debt. The ratio is expected to increase from 75.25 (FY20) to 76.96% by 2023, and holding close to that level throughout the balance of the forecast. In the Most Likely Scenario, the moderate spending environment, property taxes to existing taxpayers increase between 3.71 (FY20) and 4.3% (FY25) per year. In Alternate Scenario 1, the annual increase ranges from 3.3% to 3.8%, and in Alternate Scenario 2, from 3.7% to 4.8% (See Figure 1).

The future spending trajectories, with the exception of the restrained spending track (Alternative 1) lead to the need for Prop 2 ½ override votes within the 5 year projection timeframe. Figure 2 indicates that under in the higher spending scenario (Alternative 2), the Town of Concord levy limit is exceeded starting in FY23 and in the Most Likely scenario, an override will be required by FY24. If the limit is exceeded, two sets of approvals will be required. It is worth noting that the 5 year projection prepared last year showed the high expenditure scenario requiring an override in FY22 and the Most Likely Scenario requiring an override in FY23. The FinCom is quite concerned with maintaining sustainable budgets going forward. The Town has approved operating budget overrides of levy limits in prior years, most recently in FY07.

A tax bill calculator is included in Table 1 to allow individual taxpayers to calculate the impact of the projected Most Likely Scenario tax increase on their property tax bills, based on present assessed values. Lastly, the Finance Committee reminds citizens that this model represents our best projection of operating needs and resources. Changes in future economic conditions and Town Meeting warrant article approvals, particularly the assumption of new excluded debt issues, will impact future real estate tax increases. The Finance Committee will continue its efforts to improve the usefulness of its five-year projection for taxpayers, town and school administrators, boards, and committees. We intend to incorporate ideas developed by the Fiscal Sustainability subcommittee in future projections. We welcome your comments and suggestions to improve the five-year projection and its presentation to citizens. For further information, please visit the Finance Committee page at www.concordma.gov.

Table 1: Tax Impact Calculator

Scenario	Home Value	(B) 2020	Est 2021	Est 2022	Est 2023	Est 2024	Est 2025
Most Likely	FY19 Median (\$881,550)	12,974	13,499	14,066	14,608	15,217	15,870
	- per 100K	1,469	1,531	1,596	1,657	1,726	1,800
Alternative 1	FY19 Median (\$881,550)		13,445	13,940	14,404	14,927	15,487
	- per 100K		1,525	1,581	1,634	1,693	1,757
Alternative 2	FY19 Median (\$881,500)		13,569	14,195	14,805	15,490	16,228
	- per 100K		1,539	1,610	1,679	1,757	1,841

Note: The median single family residential tax bill in FY19 is \$12,509, based on an assessed value of \$881,550 at a tax rate of \$14.19 per thousand. Estimates assume FY20 budget is adopted as presented, and no change in Median Home Value over current year (FY19).

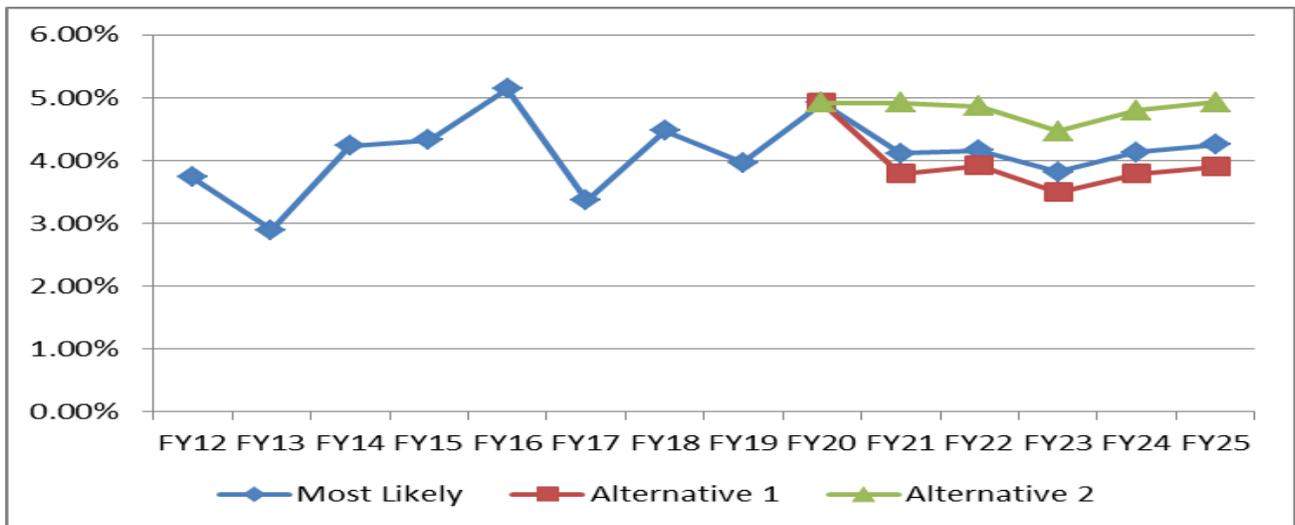
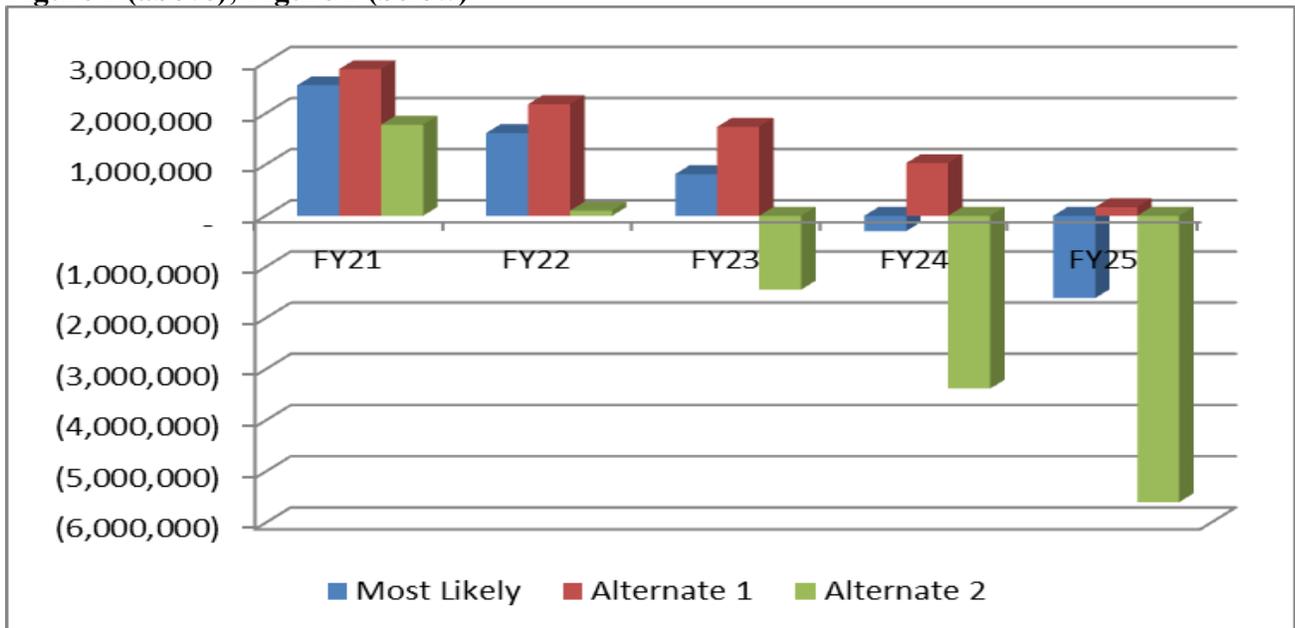


Figure 1 (above); Figure 2 (below)



Budget Summary: Article 6 – General Fund Appropriation

Town Government Departments and Joint Town-Concord Public Schools (CPS) Accounts

Article 6 consists of thirty-nine separate appropriation accounts. Once voted, funds cannot be transferred between these accounts except by Town Meeting action. For Guideline purposes, these accounts are grouped into two categories:

- the Town Operating Budget, Items 1-34 is recommended at \$28,706,648 for FY2020, which is an increase of \$1,779,457 or 6.61% from the current year General Fund budget, inclusive of transfers from Enterprise Funds. Net of transfers, the recommendation is \$25,299,513, which is an increase of \$1,071,000, or 4.42%, and is at the Finance Committee's Guideline;
- the Joint Town-CPS accounts, Items 35-39, are recommended at \$20,345,856. This is 5.29% above the current budget, reflecting an increase in funding for Group Insurance, OPEB, Retirement and Debt Service.

The Joint Town-CPS group of accounts includes Employee Group Insurance, the Other Post-Employment Benefits (OPEB) Trust Fund (which is proposed to be increased \$80,850 in line with the Town's long-term funding plan for retiree health insurance benefits), the Town's annual required payment to the employee (non-teacher) pension fund, property and liability insurance covering the Town and CPS, and the debt service account covering debt issued for both the Town and CPS capital projects, both debt service within the levy limit and debt service on bonds voted by the town electorate to be paid from tax levies above the levy limit. Effective management of these accounts is strengthened by consolidating the Town government and Concord Public Schools components rather than dividing these accounts between Town and School appropriations.

Item 39, Debt Service, includes \$3,221,181 for principal and interest expense excluded from the levy limit by past votes of the electorate (refer to the section in this Report on excluded debt). There is no corresponding offset from the High School Debt Stabilization Fund as we've seen in past years, as all of the funding in that account has been exhausted.

Town Government: Items 1-34

The proposed General Fund operating budget for the departments organized under the Town Manager is \$25,299,513, or 4.42% over the current fiscal year, which is conformance with the Guideline. An additional appropriation of \$3,407,135 is being made from Enterprise Funds to cover the cost of services provided to these operations by General Fund departments. As such, the total operating budget request is \$28,706,648.

Article 6 Overview

In past years, the vote taken under the Town Budget Article has only shown the General Fund portion of each budget account, as this was the portion to be voted by the Town Meeting. Many budget accounts include resources from other funds, typically involving allocations from the Town's enterprise operations (Water, Sewer, Light, Solid Waste, and Swim & Fitness Center) for management services provided. Beginning this year, the appropriation made under the Town's Budget Article will also include the cost of services provided by General Fund departments to support Enterprise operations. For ease of comparison, the table shown above has been restated for FY19, as if these resources had been appropriated.

**Article 6 – The Proposed Town Government General Fund Budget
For the year beginning July 1, 2019
General Fund Appropriations**

	Appropriation FY2019	Proposed FY2020	Percent Change
Operations (Accounts 1 - 34)			
General Government	\$ 3,987,097	\$ 4,446,474	11.52%
Finance & Administration, IT	\$ 3,538,357	\$ 3,577,897	1.12%
Police & Fire	\$ 10,131,187	\$ 10,452,959	3.18%
Public Works	\$ 5,215,844	\$ 5,284,323	1.31%
Library	\$ 2,286,820	\$ 2,351,798	2.84%
Reserve Fund	\$ 225,000	\$ 225,000	0.00%
Salary Reserve	\$ 265,909	\$ 1,168,988	339.62%
Recreation & All Other	\$ 1,276,977	\$ 1,199,209	-6.09%
total: subject to Guideline	\$ 26,927,191	\$ 28,706,648	6.61%
Town and School Debt Service (Account 39)			
Repayment within the Levy Limit	\$ 3,994,645	\$ 4,196,145	5.04%
Repayment excluded from the Levy Limit	\$ 3,109,869	\$ 3,221,181	3.58%
sub-total: Debt Service	\$ 7,104,514	\$ 7,417,326	4.40%
Employee Benefits (Town and CPS)			
Group Insurance (Account 35A)	\$ 5,526,100	\$ 5,966,069	7.96%
Other Post Employment Benefits/ OPEB (Account 35B)	\$ 1,617,000	\$ 1,697,850	5.00%
Retirement (Account 37)	\$ 3,777,010	\$ 3,965,861	5.00%
Medicare/ Social Security (Account 38)	\$ 814,713	\$ 800,000	-1.81%
sub-total: Employee Benefits	\$ 11,734,823	\$ 12,429,780	5.92%
Other Expenses (Joint Accounts)			
Workers Comp, Unemployment Comp (Account 36)	\$ 210,000	\$ 210,000	0.00%
Property & Liability Insurance (Account 35C)	\$ 275,000	\$ 288,750	5.00%
sub-total: Other Expenses	\$ 485,000	\$ 498,750	2.84%
total: Non-Guideline	\$ 19,324,337	\$ 20,345,856	5.29%
Total: Article 6	\$ 46,251,528	\$ 49,052,504	6.06%

The Town Manager's Proposed Budget document, published on February 1, 2019 and available on the Town website at concordma.gov, provides detailed discussion of each account. The Finance Committee has reviewed this document with the Town Manager and has conducted a Public Hearing (February 11, 2019) on the submitted plan. The Finance Committee recommends the adoption of the Town Government budget as proposed by the Town Manager.

Budget Changes

The significant changes and other selected account recommendations contained in the proposed FY20 Budget are as follows:

Staffing changes in the Town Manager's Proposed Budget:

For FY20, the main **tax-supported** proposed staffing changes are as follows. Total FTE is 246.27.

- Town Manager's Office proposes a new Department Clerk (0.50 FTE) to assist with reception and administrative tasks.
- Facilities Maintenance Division proposes hiring a HVAC Technician (1 FTE) and a Facilities Operations Coordinator (1 FTE) to reduce HVAC costs and manage projects.
- 55 Church Street is proposing to reduce the Receptionist/Clerk to part-time (-0.50 FTE).
- Parks & Playgrounds Division is proposing to hire one Facilities Maintainer (1 FTEs) assist with park and field maintenance as well as 600 hours of Limited Status work (0.29 FTE).
- Elections Division proposes a reduction in hours for the Election Officer as well as the Election Technician (-0.18 FTE).
- Registrars Division is proposing the removal of hours for an Office Assistant (-0.09 FTE).
- Natural Resources Division is proposing eliminating the 500 hours designated for a Intern (-0.24 FTE).
- 141 Keyes Road proposes to eliminate the part-time Building Maintenance Custodian (-0.50 FTE).
- Finance Administration Division assumes financial responsibility for the Retirement Administrator (1 FTE) and Retirement Assistant (0.50 FTE) from the Accounting Division due to a departmental reorganization.
- Accounting Division has been reorganized by -1.5 FTEs that are to be transferred to Finance Administration, and Accounting is proposing to reduce the Utility Account Clerk to a part-time position (-0.50 FTE).
- Assessing Division is proposing to eliminate the 75 hours of Limited Status work (-0.04 FTE).
- Town Clerk Division is proposing to increase Limited Status work to 1,256 hours (0.15 FTE).
- Information Systems Division proposes to hire a Information Systems Technician (1 FTE) to assist in Town and Library related IT projects as well as eliminate part-time (-0.24 FTE).
- The Police Department is proposing to hire one additional Police Officer (1 FTE).
- The Fire Department proposes to hire four additional Fire Fighters to staff the second ambulance in the West Concord Station and eliminate hours for a part-time Office Clerk (3.84 FTEs).
- The Library is proposing to hire a Social Media & Technology Coordinator to assist and expand its social media and technology capacity as well restructuring other positions (1.86 FTEs).
- Human Services Division is proposing to eliminate hours for the Youth Coordinator (-0.49 FTE).
- Senior Services Division is proposing to promote a part-time Social Services Coordinator to a full-time Social Services Supervisor as well as restructuring and increasing the number of hours for its Van Drivers, Geriatric Nurses, and Coordinators (0.85 FTE).
- Veteran's Services Division proposes a reduction in hours for the Town's Veterans Agent (-0.01 FTE).

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

Acct # - Account Title (Refer to Article 6 on the 2020 Town Meeting Warrant)

1A Town Manager

The Town Manager's operating appropriation for the General Fund represents a proposed 1.07% increase from FY19. The Town Manager's Office is staffed by the Town Manager, Deputy Town Manager, Public Information & Communications Manager, Administrative Manager, and a Senior Administrative Assistant. There is proposed funding for Sister Cities (\$1,500), Concord Cultural Council (\$2,000), the management of White Pond (\$18,000), and a new Receptionist (\$26,000).

1B Human Resources

The Human Resources operating appropriation for the General Fund is proposed to increase by 3.6% in FY20 due to increase in Overtime from \$2,000 to \$14,000 and Town wide Training from \$4,000 to \$10,000.

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 FY20 of \$327,776. The five-year Capital Outlay plan raises this funding target to \$407,776 by FY24. In order to decrease Town wide HVAC Maintenance costs, the division has proposed to hire a HVAC Technician.

1D Resource Sustainability Fund

With this new account initiated in FY13 with funding of \$25,000, an amount of \$145,000 is proposed to be allocated in FY20 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 FY20 operating appropriation for the General Fund for the Visitors Center is proposed to increase by \$6,968. The Recreation Revolving Fund is supporting a Visitor and Tourism Manager and part-time help with a transfer of \$79,500.

1F 37 Knox Trail

The FY20 General Fund appropriation for the 37 Knox Trail office building is \$9,631. This building is currently shared between the Regional Housing Service Office (RHSO) and School Transportation Department.

1G 55 Church Street

The FY20 operating appropriation for the General Fund is proposed to have a 41.4% decrease due an increased contribution from the Recreation Revolving Fund and the Retirement Board, both of which use the space.

1H Parks & Playgrounds

This division is a new account in FY20 with funding proposed for one Facilities Maintainer (\$50,000), White Pond operations (\$20,000), and supplies and services (\$42,000).

2 Legal Services

The Legal Services account is level funded at \$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 FY20, it is expected that there will be two elections, as compared to three proposed election in FY19. The operating appropriation for the General Fund is proposed to decrease from \$48,412 to \$42,653.

3B Registrars

There is 46.7% decrease proposed in this account. 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 2019. 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 FY20 General Fund operating appropriation for the Planning Division is proposed to increase by 5.4%. Funding for Cross-Town Connect and the FLAG grant match (\$26,000) and the RHSO (\$19,000) are included in this budget.

5B Natural Resources Division, DPLM

The proposed Natural Resources budget represents approximately a 2.6% increase in the appropriation for the General Fund from that of the FY19 budget. An amount of \$5,500 is proposed for grounds keeping and lumber supplies and \$5,000 for pond and 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 for the General Fund is proposed to increase 0.75%. Building permit fees generated \$1.3 million in CY18.

5D Health Division, DPLM

This appropriation represents a 1.0% decrease in the operating appropriation for the General Fund from FY19. An amount of \$20,400 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, \$7,500 for implementing Healthy Communities Initiatives and \$7,500 for additional food inspection services.

6 141 Keyes Road, DPLM

The FY20 proposed General Fund operating appropriation represents a 6.55% increase from FY19 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 General Fund operating appropriation is proposed to decrease by 0.81% from FY19. The Department includes the Finance Director, Budget and Purchasing Director, Assistant Treasurer, Budget Analyst, Retirement System Administrator, Administrative Systems Analyst, Finance Assistant, and Retirement Assistant.

8B Treasurer-Collector, Finance Department

The Treasurer-Collector General Fund operating appropriation is proposed to decrease by 1.76% in FY20. This decrease can occur because of expected savings from new employees hired.

8C Town Accountant, Finance Department

The FY20 General Fund operating appropriation is proposed to increase by 0.44% due to the proposed structural reorganization of department. This Department contains the Town Accountant, Assistant Town Account, Treasury Assistant, Collections Assistant, and two Senior Account Clerks.

8D Assessing Division, Finance Department

The Assessing proposed General Fund operating appropriation represents a 1.44% increase from FY19 because of \$7,000 increase in Computer Software Maintenance and other operating expenses.

8E Town Clerk, Finance Department

The Town Clerk General Fund operating appropriation is proposed to increase by 4.2% from FY19. This budget provides funding for the Town Clerk, Assistant Town Clerk, and Senior Department Clerk positions.

9 Information Systems

The Information Systems General Fund operating appropriation is proposed to increase by 5.4% in FY20. This is due in part to the hiring of a new Information Systems Technician (\$72,000) and decrease in overtime and defunding of the part-time position.

10 Town House

The FY20 General Fund proposed appropriation is increased by 7.2% from that of FY19 due to increases in Overtime (\$3,000) and cleaning supplies (\$3,500).

11 Police Department

The FY20 General Fund operating appropriation proposes a 0.41% decrease with capital expenses of \$185,200 due to new officers hired at lower starting salaries.

12 Fire Department

There is a proposed 3.2% increase in the Fire Department's FY20 General Fund operating appropriation with capital expenses of \$40,000. This increase is the result of hiring four additional firefighters to staff the second ambulance headquartered at the West Concord Fire Station around the clock – an expense which is mainly funded during the first year by the Emergency Response Stabilization Fund.

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 1.61% decrease in the FY20 General Fund operating appropriation.

14 Police/Fire Station

This budget funds the operations of the Police and Fire Department headquarters at 209 Walden Street. The FY20 budget proposes a 5.98% decrease in General Fund operating appropriation.

15 Emergency Management

The FY20 General Fund operating appropriation reflects a decrease of 5.18% due to a decrease in Purchased Services.

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 has contracted with a private vendor to provide all animal control services for compliance with the regulations. The FY20 budget is proposed to have a 4.75% increase to \$27,236.

17A Public Works Administration, CPW

The FY20 General Fund operating appropriation reflects a 0.12% increase from that of FY19. 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 General Fund operating appropriation is proposed to have a 4.16% decrease from FY19 to FY20 due to a staffing structure reorganization. The Engineering Division has a Town Engineer, two Public Works Engineers, Assistant Public Works Engineer, Associate Engineer, GIS / IT Program Analyst, and Administrative Assistant.

17C Highway Maintenance, CPW

The FY20 operating appropriation is proposed to increase by 2.94% from FY19 due to increased expenses from Workers Compensation (\$23,000), Purchased Services (\$10,000), and Supplies (\$3,000).

17D Parks & Trees, CPW

The FY20 Parks & Trees General Fund operating appropriation is proposed to have a 3.6% increase from FY19 due to an increase in expenses related to Purchase Services and Supplies (\$18,000).

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 FY20 General Fund operating appropriation is proposed to increase by 0.61%.

18 Snow Removal, CPW

The snow removal budget is proposed to be funded at \$625,000, an increase of \$14,999 from that of FY19. If the actual FY20 expenditures exceed the budgeted amount, the Town is allowed by State statute to add the difference to the following year's tax levy. The FY20 budget plan provides room for a \$230,000 overrun of the \$610,001 FY19 appropriation.

19 Street Lights, CPW

The FY20 Street Light appropriation is level funded 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 FY19.

21 Drainage, CPW

The FY20 funding plan includes \$105,000 for drainage improvements and \$100,000 for culvert improvements.

22 Sidewalk Management, CPW

The proposed FY20 budget calls for an increase of \$10,000 for maintenance of the Town's existing sidewalks program to \$125,000.

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 FY20 amount for road improvements is recommended to be \$2,668,900.

24 133 and 135 Keyes Road, CPW

For FY20, there is a proposed decrease of 3.53% in the General Fund operating appropriation because the HVAC Maintenance has been removed due to the hiring of a Town HVAC Technician.

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 FY20, the Library General Fund operating appropriation is proposed to increase by 2.89% from FY19 to FY20 due to the hiring of a Media Coordinator (\$57,000), increase in custodial services (\$12,000), and other operating costs.

26A Human Services

The FY20 operating appropriation supports the staffing costs for the Community Services Coordinator. This budget is proposed to decrease by 16.59% as the Youth Coordinator position is not funded in this account.

26B Senior Services

The FY20 General Fund operating appropriation for Senior Services is proposed to increase by 11.09%. The increase is due to the transition of a part-time Social Services Coordinator (\$30,000) to full-time as well as increased hours for the Public Health Nurse and Outreach Coordinators.

26C Recreation Services

The FY20 General Fund operating appropriation for Recreation Services is level funded as the General Fund has assumed 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. In FY20, there is a proposed 8.10% decrease in the operating appropriation for the General Fund.

28 Hunt Recreation Center

It is proposed that the FY20 General Fund operating appropriation for the Hunt Recreation Center decrease by 4.68% from the FY19 budgeted level since this budget no longer needs funding for HVAC Maintenance due to the hiring of a Town HVAC Technician.

29 Veterans Services

The FY20 proposed General Fund operating appropriation represents a 19.70% decrease from that of FY19. This is a result of the predicted decrease in veterans' benefits costs by \$21,276 to \$53,724 needed to serve fewer eligible beneficiaries.

30 Ceremonies and Celebrations

The FY20 proposed General Fund operating appropriation represents a 15.89% decrease from FY19 to \$19,030.

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 FY19.

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, 2019. 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 \$1,168,988 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 level funded at \$10,000 for FY20 and is used to facilitate the acquisition of land.

35A Group Insurance

The budget anticipates a \$439,969 increase in the General Fund appropriation required for FY20 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 Liability (NOL). As of June 30, 2018, the General Fund share of the NOL was \$31,384,020. To adequately fully fund this liability by 2039, it is proposed that the FY20 Town budget allocates \$1,697,850, an increase of \$80,850.

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 FY20, General Fund support is increased by \$13,750 to \$288,750.

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

Since 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, 2018, Concord has a funded ratio of 90.6% and expects to reach full funding status by the year 2030.

In FY20, the General Fund appropriation is projected at \$3,965,861, an increase of 5.0% from FY19 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 Social Security and Medicare cost is projected to decrease by 1.8%, to \$800,000. The Town pays 6.2% of the lower of an employee's total wages or \$127,200 toward Social Security for those employees not covered by the Concord Retirement Board and 1.45% of the regular earnings of covered employees for Medicare.

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 FY20 budget proposes allocating \$7,417,326, which includes \$4,196,145 for debt service within the levy limit and \$3,221,181 for excluded debt. 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.

Budget Summary: Education

Budgets proposed for the Concord Public Schools (CPS, grades K-8) and the Concord-Carlisle Regional School District (CCRSD) for FY20 are presented on page 36. At this time, the CCRSD budget is in conformance with the Operating Budget Guidelines agreed on and recommended by the Finance Committee on November 30, 2018; however, a delta of \$143,268 remained between the CPS budget recommendation and the Guideline. After further consideration, on March 7, 2019, the FinCom voted to raise its original Guideline by the delta to be in agreement with the CPS budget.

Concord Public Schools (CPS) and Concord-Carlisle High School (CCRSD): During the year since Town Meeting 2018, the school administration has undertaken a full top-to-bottom review and reconstruction of all budgets, using a zero-based budgeting (ZBB) approach. This has resulted in accounting consolidation of numerous accounts, and the re-characterization of various expenses to align more accurately with state mandated reporting. The result has been a clearer picture of the school budgets and a refreshing change to regular detailed reporting of ongoing budget performance. This exhaustive process was to be supported by a budget subcommittee, established in the prior year, but that committee spent most of its time attempting to benchmark Concord and CCRSD budgets against peer communities with the objective of identifying best practices in various budget sub-areas. The report of that benchmarking effort was not available at press time for this Finance Committee report. The budget subcommittee of the School Committees continues its work, but is now focused on annual budget performance and oversight.

The extensive administrative work done with the zero-based budgeting approach has resulted in numerous areas of savings. A second and final year of early retirement incentives met the savings objectives that were set, and those savings will continue to be realized in coming years. The School Committees also took action to evaluate and change its legal firm, which should result in savings long sought by many voices at Town Meeting. The FinCom views the results as mixed, because the savings identified through the process were overwhelmed by needed increases, and resulted in budgets with a much smaller increase for CPS, but continued struggles at CCRSD

Concord Public Schools (CPS)

The FY20 CPS total budget (Article 11) adopted by the School Committee in December 2018 requests \$39,390,163 for net operating expenses representing an increase of 2.99% or \$1,143,268 above the current FY19 budget. This is a big improvement over both the 4.49% increase of last fiscal year, as well as besting the previous five-year average increase of 4.35%. The majority (80%) of expenses in the CPS budget are allocated to staff salary expense of which a significant portion is driven by collective bargaining agreements. Contractual salary obligations to teachers require funding this year equal to \$1,101,036 or a 5.14% increase in this salary category. This large jump is due to the final year of a salary step adjustment to bring the CTA agreement into

alignment with the salary scale of the CCTA. Given the fact that this amount is only \$42,232 less than the overall increase attests to the savings identified via ZBB. The next largest budget increase area was a 51% increase in supplies and materials, adding \$420,085 back to that area which had been slashed last year in an effort to control the budget increase. Additional increases in expenses derive from several sources. The Integrated Pre-school growth continues to outpace general CPS operating cost growth, advancing over FY19 budget by 20.34% (\$252,829) after a 19.11% jump in FY19. Budgeted at \$672,835 three years ago in FY17, this year's budget anticipates costs of \$1,466,119. The Finance Committee sets its Guidelines with attention to the cumulative impact of operating budget increases in setting subsequent years' baselines and the related rise in property tax assessments on Concord taxpayers.

Student enrollment is projected to be relatively stable through FY2024. This year the K-8 population dropped slightly to 2,071 (-11 students), with minor shifts among the schools in the system.

Under the new accounting approach, special education (SPED) costs are no longer aggregated and reported in contrast to regular education expenses. The administration did include a statistic in its 'budget drivers' narrative showing that out of district placements were budgeted at a savings of \$716,515, a 43% decrease in out of district tuition expense from the prior year. Provision of Special Education services for students attending Concord schools and Concord students with out-of-district placements are statutorily mandated when an appropriate education cannot be provided within the system. The savings in out of district placements are due to ongoing efforts to build the ability to offer appropriate services within the schools. Offsetting increased costs associated with specialized in-house programs were not provided, so a net savings on SPED programs is difficult to assess. In general, Special Education costs that exceed certain thresholds for a particular fiscal year receive some reimbursement on a rolling basis in the following fiscal year from State Circuit Breaker aid. The cost of special education is difficult to predict and can vary widely depending upon the needs of students, especially those who are medically fragile. Costs for special education remain volatile, particularly when new previously unidentified cases move into the community. In addition, costs can migrate from the CPS budget to the CCRSD budget as students progress through their school careers.

In the case of the CPS budget, costs for debt service, OPEB (Other Post-Employment Benefits), pensions, group insurance, and Medicare premiums are part of the Town budget and are outside of operating budget considered by the Guideline process.

The capital budget for Concord Public School Renovations (Article 12) requests \$900,000 funded by debt within the levy limit as part of the Town Manager's Five Year Capital Plan. This year costs break out as follows: \$200,000 to replace and upgrade the phone system throughout the K-8 system, \$217,000 to make building modifications to Sanborn necessary to accommodate the reconfiguration of that building to house only 7th and 8th grades, \$353,000 to refresh the interiors of both Peabody and Sanborn with fresh paint and carpet replacements, \$100,000 for CMS contingency reserve due to the aging nature of the buildings and the remainder for additional exterior perimeter security cameras at Thoreau and Willard.

Proposed FY20 Education Budgets					
					<i>FY19 to FY20 at School Committee proposed</i>
		Adopted	Proposed FY20 Budget		
Concord Public Schools	FY19 Budget	School Committee	Finance Committee	\$ Change	% Change
Program Area					
Regular Education	\$ 23,128,609	\$ 23,590,272		\$ 461,663	2.00%
Special Education	8,140,095	8,495,519	Difference: \$0	355,424	4.37%
Administrative Support	1,978,750	1,960,747		(18,003)	-0.91%
Operations	4,940,941	5,282,228		341,287	6.91%
Fixed Costs	58,500	61,397		2,897	4.95%
Total	\$ 38,246,895	\$ 39,390,163	\$ 39,390,163	\$ 1,143,268	2.99%
Concord-Carlisle High School					
		Adopted	Proposed FY19 Budget		
Concord-Carlisle High School	FY18 Budget	School Committee	Finance Committee	\$ Change	% Change
Program Area					
Regular Education	\$ 15,201,776	\$ 15,995,039		\$ 793,263	5.22%
Special Education	5,828,681	5,892,036	Difference: \$0	63,355	1.09%
Administrative Support	1,615,325	1,606,776		(8,549)	-0.53%
Operations	3,017,440	3,036,535		19,095	0.63%
Fixed Costs	2,838,499	3,144,583		306,084	10.78%
OPEB ARC	600,000	563,444		(36,556)	-6.09%
Operations	\$ 29,101,721	\$ 30,238,413		\$ 1,136,692	3.91%
Debt Service:					
debt reimbursed by state aid	\$ -				
debt paid from prior reserves	\$ -				
debt exclusion assessed	4,647,700	4,449,320			
	\$ 4,647,700	\$ 4,449,320	\$ -	\$ (198,380)	-4.3%
Total	\$ 33,749,421	\$ 34,687,733		\$ 938,312	2.78%
Financing Sources					
State aid	\$ 3,003,719	\$ 3,104,494		\$ 100,775	3.36%
District funds	724,460	560,000		(164,460)	
Debt Service Reserve	-	-			
Assessments	30,021,241	31,023,239		1,001,998	3.34%
Concord assessment ratio	75.46%	75.25%			
Operating Assessment	\$ 19,146,874	\$ 19,996,873	\$ 19,996,873	\$ 850,000	4.44%
Debt Service, Non-Exempt	\$ 102,809	\$ -	\$ -		
Debt Service, Exempt	3,404,345	3,348,113	3,348,113	(56,233)	
TOTAL	\$ 22,654,028	\$ 23,344,986	\$ 23,344,986	\$ 793,767	3.50%
Carlisle assessment ratio	24.54%	24.75%			
Operating Assessment	\$ 6,226,667	\$ 6,355,879		\$ 129,212	2.08%
Debt Service, Exempt	1,140,546	1,140,546		0	
TOTAL	\$ 7,367,213	\$ 7,678,253		\$ 129,212	1.75%

Concord Carlisle Regional School District (CCRSD)

The Concord assessment for the FY20 CCRSD total budget request (Article 15), as published in the Town Meeting Warrant is \$23,344,987, including \$19,996,874 for the operating budget, and \$3,348,113 for debt, primarily related to the high school building. The net operating budget assessment of \$19,996,874 represents an increase of (4.44%) from FY19, which is in conformance with the Guideline as voted on November 30, 2018. The total assessment to Concord of \$23,344,987 represents an overall increase for Concord of 3.50%.

For both towns combined, the total budget request in the Warrant is \$31,023,239 including a fixed amount of \$4,449,320 in debt service (almost all of the debt is excluded from the Proposition 2 ½ limits on the property tax levy as a result of prior ballot votes in both Concord and Carlisle), representing a total budget increase of \$1,001,998 from FY19 (4.73%.) with a net operating budget of \$31,023,239, representing an increase of \$1,200,378 (3.34%). Concord will be assessed at the rate of 75.25% of the total approved at Town Meeting. In FY19, Concord's assessment was slightly higher at 75.46%.

As was done with the Concord Public School budget, the budget was prepared using a zero based budgeting process. This resulted in a cost savings of \$320,405.

There were several cost drivers that resulted in an overall increase to the budget. The primary budget driver was for increased salary for teachers and support staff. Another key budget driver is an increase in the cost of hardware and software was \$118,201, primarily for purchasing laptops. This increase is part of an effort to stabilize the laptop purchase program for the high school; the laptop purchase program for the Concord Middle School has been established and stable for several years. The school district decided to buy laptops rather than leasing them because the overall cost for purchasing is less.

The other significant change in the budget that resulted from the zero-based budgeting process was a shift in emphasis from funding Other Post-Employment Benefits ("OPEB," generally health benefits for retirees) to reducing the reliance on Excess and Deficiency ("E & D"), or stabilization funds, for the operating budget. Unlike the town, OPEB, pension, and medical insurance costs for CCRSD are included in the net operating budget as they are assessed to the towns as part of the budget appropriation. For the last several years, the CCRSD has been increasing its contributions to funding OPEB in an effort to reach the Annual Required Contribution ("ARC") recommended to be on schedule to fund the outstanding liability on a 30-year timeline. The OPEB fund balance was \$3.73 million as of June 30, 2018. This year's budget reduces the OPEB contribution from \$600,000 in FY19 (which was below the 30 year scheduled ARC of \$814,600) to \$563,444 for FY20 (v. an ARC of \$785,368). However, the proposed FY20 budget reduces its reliance on E & D to fund operations, from \$689,000 to \$350,000. This was necessary because the bond rating agency, Moody's, considers the use of E & D to be a more important factor in its rating than meeting OPEB funding obligations. Thus, in November, 2018, Moody's placed CCRSD on a watch list and downgraded the rating for the district to "negative outlook," primarily because of the district's use of E & D as a revenue source the last several years. The district plans to continue to reduce its use of E & D in the future. The Finance Committee supports the district's reduced reliance on E & D. The Finance Committee will also continue to encourage the district to budget for OPEB contributions that will enable the district to meet the Annual Required Contributions. If the district is not able to make actuarially responsible efforts to reduce this outstanding liability, it may impact both the district and town bond ratings due to the perception on the part of rating agencies such as Moody's that the district lacks the commitment to meet its outstanding obligations.

Minuteman Career and Technical High School

Concord's current yearly assessment for the regional Minuteman Career and Technical High School budget (**Article 10**) is \$1,073,368, including \$778,353 for Operations and \$295,015 for Debt Service. These amounts vary slightly from what was printed in the Warrant, as the final assessment amount was not available at the time of printing

Since its formation in 1970, Concord has been a member of the Minuteman Career and Technical High School District. As a member, the Town has benefitted by being able to offer Concord students an alternative to the Concord-Carlisle Regional High School that broadens the students' educational experience to include the development of vocational and technical skills along with academics. State law requires that vocational-technical education be made available to all students, either directly through the municipality's high school or through a regional district such as Minuteman. Vocational-technical education is defined in the law (MGL Chapter 74, §1) as an education program offering courses "designed to educate and prepare students for both employment and continuing academic and occupational preparation."

In the fall of 2018, Minuteman was named a National Blue Ribbon School by the U. S. Department of Education, recognizing the school's improvement in closing achievement gaps among its students. Minuteman is one of two Massachusetts vocational schools to ever receive this award.

Concord's share of the project cost, bonded over 25 to 30 years will vary each year based on enrollment. It is estimated that the annual debt service cost to Concord will be in the range of \$300,000. This represents an impact of about \$40 per year on the current median single family residential property valued at \$881,550.

Concord's Minuteman assessment, based primarily on student enrollment, has grown significantly over the past several years due to a number of factors. Concord's enrollment increased while overall Minuteman enrollment declined; six member towns withdrew from the Minuteman Regional School District effective July 1, 2018 and in 2017, the district began construction of a new \$145 million school building.

It is expected that the Fall 2019 opening of the new facility will increase overall enrollment and revenue. In addition, in Fiscal Year 2021, non-member towns' capital fees will be applied to offset member towns' debt service assessments.

Concord's Operating Assessment share will increase by \$182,561 to \$778,353 (Article 10). Additionally, the Town will also be assessed an amount of \$295,015 for debt service. Concord's Assessment is based upon a formula which uses a rolling 4-year average. For the upcoming school year, the assessment is based upon 19.00 students.

The Fiscal Year 2020 (FY20) assessment represents an increase of \$330,689 over Concord's Fiscal Year 2019 (FY19) assessment, of \$742,679. The increase reflects growth in Concord's average Minuteman enrollment, as well as Concord's share of: a \$1.0 million increase in debt service costs; a 3.4% increase in Minuteman operating costs; and a 5.5% reduction in non-member town student tuition.

Community Preservation Act

The Community Preservation Act (CPA) was adopted by the Commonwealth in 2000 to assist Massachusetts communities in the preservation of open space and historic sites and to create affordable housing and recreational facilities. It allows a local surcharge on property tax bills of up to 3%. Local funds are supplemented by a state match received once annually. Initially and through October 2007, the state match was 100% of the prior year's local surcharge but since that time, the match has averaged about 30%, and more recently, closer to 20%. The CPA Fund may be used in four categories of expenditure:

1. to acquire, create and preserve open space;
2. to acquire and preserve historic resources;
3. to create, preserve and support community housing;
4. to acquire, create, preserve, rehabilitate, and restore land for recreational use.

Under the law, a minimum of 10% of revenues must be appropriated or reserved each year for each of three primary purposes: open space, community housing and historic preservation.

Concord's 2004 Annual Town Meeting enacted a 1.5% surcharge on property tax bills (Article 34), approved by 59% of more than 9,000 voters who cast ballots on the question at the polls in November 2004. The surcharge allows an exemption to residential property owned and occupied by any person who qualifies for (1) moderate or low-income housing (earning less than 80% of area median income) or (2) moderate or low-income senior housing (earning less than 100% of area median income and 60 years of age or older). For FY18, 36 exemption applications were granted by the Board of Assessors. The Concord vote also provides for exemption of the first \$100,000 of taxable assessed value before calculation of the surcharge.

The State matching funds are derived from a surcharge on Registry of Deed fees on property transactions and mortgage refinancing activity. Declines in fees collected during the economic downturn and a coincident increase in the number of cities and towns that have adopted the CPA surcharge (now at 175) has resulted in a reduction in the State match of the local surcharge. Through December 31, 2018, \$5.328 million has been received into the fund from State distributions. The percentage match from the State this year is 19%. Since its inception, the CPC has appropriated and spent over \$20 Million dollars on projects which benefit the community as a whole.

The Community Preservation Committee (CPC) is charged with the task of "studying the needs, possibilities and resources of the Town regarding community preservation." The Committee prepares an annual Community Preservation Plan. The Committee receives information from the Town's boards, commissions and officials, as well as information from other Town Planning documents, including the Comprehensive Long Range Plan. The Plan is available on the Town of Concord website, www.concordma.gov, at the Town libraries, and at the Planning Department, 141 Keyes Road.

Through the 2018 Town Meeting, \$17.919 million has been appropriated for CPA projects in the following categories:

- Historic Preservation 35%
- Open Space 17%
- Recreation 23%
- Community Housing 23%
- Administration 2%

Recommendations for 2019 Town Meeting, Article 22

The CPC is proposing \$1,811,419 of project appropriations for 11 specific projects and \$30,000 to cover direct administrative costs. Of this amount, \$1,411,419 will be appropriated from projected FY20 fund revenues; \$194,503 will be appropriated from the prior year available fund balance; \$80,000 will be appropriated from the Land Acquisition Reserve Fund; and \$125,497 from the Housing Reserve Fund. The single largest proposed allocation is \$500,000 which will go to support the expansion and renovation of the Main Library and the adjacent Heywood-Benjamin House. The proposed allocation of FY20 projected fund revenues meets the minimum requirements:

Recreation	33.12%
Open Space	18.86%
Historic Preservation	28.75%
Community Housing	17.61%
Administration	1.66%

In accordance with state law, Town Meeting may affirm, reject or reduce the allocation for any project recommended by the CPC, but may not increase an allocation and may not add a project not already put forward by the CPC.

The Finance Committee recommends Affirmative Action on Article 22 as proposed by the Community Preservation Committee.

Appropriations (by Fund Year):	FY16	FY17	FY18	FY19	Proposed FY20
Housing	\$ 341,061	\$ 220,000	\$ 134,000	\$ 491,838	\$ 319,000
Historic Preservation	\$ 220,180	\$ 320,823	\$ 686,000	\$ 390,000	\$ 520,800
Open Space	\$ 130,000	\$ 160,683	\$ 135,670	\$ 374,600	\$ 341,619
Recreation	\$ 531,759	\$ 328,494	\$ 160,670	\$ 574,600	\$ 600,000
Undesignated Land Acquisition	\$ -	\$ 250,000	\$ 180,000	\$ -	\$ -
Administration	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
total:	\$ 1,253,000	\$ 1,310,000	\$ 1,326,340	\$ 1,861,038	\$ 1,811,419
10% of surcharge and state match:	\$ 125,300	\$ 131,000	\$ 132,634	\$ 186,104	\$ 181,142
(minimum amount that must be allocated to Housing, Historic Preservation, Open Space)					

PROPOSITION "2 & 1/2"- The "levy limit" explained

Proposition 2 1/2 refers to an initiative statute adopted by the voters of the Commonwealth in November 1980. Its purpose was to restrict the increase of the property tax levy. It limits the amount by which the taxing capacity of the Town is allowed to increase each year. The allowed growth is 2.5 percent of the prior year's levy limit. For FY20, this allowed increase in the limit will be \$2,221,606 (which is 2.5% of the FY19 levy limit, \$88,864,251).

Added to the levy limit computation is the levy increase attributable to New Growth. This represents additions to the base of taxable property, typically as a result of new construction, renovation and minor alterations, or change of use. Permitting the levy limit to be adjusted by new growth recognizes the fact that development creates pressures on Town services over the long term.

The assessment date for each tax year is January 1. The 2001 Annual Town Meeting adopted a state law allowing the physical improvements existing on property through each June 30 to be assessed with the taxable roll of the preceding January 1. Thus, new growth forecasted for FY20 is based on the activity of the current 12-month fiscal year ending June 30, 2019. The budget estimate is \$1,100,000, equivalent to about 1.30% of the FY20 total estimated property tax levy.

Total growth of the levy limit is therefore attributable to two factors, one which is fixed (+2.5% per year) and one which is variable and subject to economic conditions. The total projected increase in the FY20 levy limit is \$4,490,549.

Additionally, the FY20 permitted tax levy will increase due to the added cost of debt service already approved by voters at the ballot box in prior years. The FY90 tax levy increase for excluded debt service, excluded from the levy limit is \$424,275, due in large part to the increase in the debt assessment from Minuteman Regional and the anticipated permanent financing of the landfill remediation project at CCHS.

The property tax levy required to fund the Budget at the FinCom Guideline level is projected to be under the FY20 levy limit by \$3,414,279, a 3.70% margin, based upon current projections of other revenues and available resources.

Levy Limit History											
	Adjustments, prior years new growth	Allowed 2.5% increase in LL	New growth	Operating Override voted	Total allowed change in LL	NEW GROWTH measures		Levy Limit	actual or projected levy	Unused Levy Limit	Unused as % of LL
						as % of total LL change	as % of prior limit				
FY15	\$2,462	\$1,822,049	\$835,499		\$2,660,010	31.41%	1.15%	\$75,539,516	\$71,897,151	\$3,642,365	4.82%
FY16		\$1,888,488	\$1,284,004		\$3,172,492	40.47%	1.70%	\$78,712,008	\$75,508,265	\$3,203,743	4.07%
FY17	\$23,518	\$1,968,388	\$1,412,859		\$3,381,247	41.79%	1.79%	\$82,116,773	\$77,784,021	\$4,332,752	5.28%
FY18	\$0	\$2,052,919	\$1,321,330		\$3,374,249	39.16%	1.61%	\$85,491,022	\$81,423,066	\$4,067,956	4.76%
FY19	\$0	\$2,137,276	\$1,235,953		\$3,373,229	36.64%	1.51%	\$88,864,251	\$84,848,573	\$4,015,678	4.52%
FY20 Request	\$0	\$2,221,606	\$1,100,000		\$3,321,606	33.12%	1.19%	\$92,185,858	\$88,914,847	\$3,271,011	3.55%

Overriding the Levy Limit

Once at the annual levy limit, the Town may exceed this limit **only** with a majority vote at town-wide special or regularly scheduled election, though Town Meeting must still appropriate the associated expenditures. Voters approved operating overrides for the Town government accounts and the schools for six consecutive years concluding with FY07 (ballot vote of June 6, 2006):

FY02 budget: \$2,249,022

FY04 budget: \$1,532,364

FY06 budget: \$752,480

FY03 budget: \$1,478,773

FY05 budget: \$1,858,160

FY07 budget: \$657,538

Sixteen- (16) debt exclusion questions have also been approved by the voters since 1980 (see the section EXCLUDED DEBT). The most recent approval was a ballot in 2016 for the construction of a new \$2 million School Bus Depot. The total debt exclusion tax levy for FY20, inclusive of both the CCRSD & Minuteman debt assessments, is budgeted at \$6,867,289 (about 7.17% of the total projected tax levy). Of this amount, \$3,348,113, about 3.50% of the projected tax bill, is for the Concord-Carlisle High School; \$3,121,387, about 3.26% of the projected tax bill, services the debt associated with the Alcott, Thoreau and Willard elementary school projects; and \$297,995, about 0.31% is for the Minuteman Regional High School project. The balance, \$99,794, about 0.1%, is for water and sewer improvement projects. Between September 2004 and May 2011, a total of \$53,330,000 was issued as long-term debt to finance the construction of the three elementary school buildings. As of June 30, 201, \$33,378,000 of this debt has been repaid, 62.59% of the total.

FORMS OF OVERRIDES

The Town Meeting does not vote on overrides, or specify the ballot questions. By state law, overrides, capital outlay and debt exclusions are voted upon only at a town-wide election and require a simple majority vote for approval. State law gives the Select Board the sole authority to determine and specify the ballot questions. The Town Meeting's responsibility is to adopt budgets, and, when necessary, to specify whether and how much of an appropriation is to be contingent upon override or exclusion approval by the town-wide electorate.

Override votes may precede or follow Town Meeting action. A General Override or Capital Exclusion vote will show the amount of the override in the wording of the ballot question. A Debt Exclusion cannot, by state law, show the amount of the debt, but rather can only refer to the debt authorized or to be authorized by a vote of Town Meeting. Authorization of Town debt by the issuance of bonds requires a two-thirds vote in a specified amount at Town Meeting. There are several permitted forms of a vote to exceed the annual levy limit:

GENERAL OVERRIDE

A majority vote of the Select Board (3 of 5) is required to place this question on a ballot. The dollar amount of the levy limit increase must be specified and, if approved, the vote permanently increases the limit. The question can be posed with respect to the total budget or by identifying allocations to specific departments.

CAPITAL OUTLAY EXCLUSION

A two-thirds vote of the Select Board (4 of 5) is required to place this question on a ballot. If approved, the dollar amount of the override is effective for one year only. This form of vote can be used to authorize a capital purchase in lieu of a borrowing authorization. It can only be used for an expense that qualifies, under state law, for debt issuance authorization by the Town Meeting.

DEBT EXCLUSION

A two-thirds vote of the Select Board (4 of 5) is required to place this question on a ballot. If approved, the override is effective only for the duration of the specified loan. The annual debt service amount (principal and interest payment) is added to the otherwise permitted annual levy limit.

Debt Management

Prudent use of debt financing is an important part of the Town's overall fiscal planning. The central objective of any debt management approach is to borrow at the least cost over the term of repayment of the debt. Pursuit of this objective requires clear strategies regarding the purposes of the borrowing, when to schedule debt-financed projects, and how long to stretch out the repayment. Borrowing is a means of distributing part of a current capital cost to future taxpayers, and therefore should be utilized only when such cost allocation is deemed equitable and the long-term interest costs do not outweigh other benefits.

All debt of the Town is issued as general obligation debt. This means that the full faith and credit of the Town - its promise to repay from any source - is pledged to the bondholder. Debt issued on behalf of the Town's enterprise operations (water, sewer, light) is, however, fully supported by the revenues of the respective enterprise when this is stipulated by the authorizing vote of Town Meeting. The basic rules of debt issuance are set forth in the General Laws of the Commonwealth. Municipalities have no independent authority to develop their own rules or innovations.

Capital financing and debt management policy for Town debt supported by taxation within the levy limit is subject to the following guidelines:

- the total budget allocation for capital needs should be in the range of 7% to 8% of the total budget (town and K-8 schools);
- approximately one-third of capital needs should be met from current resources; the repayment of principal and interest, together with related issuance costs and short-term financing costs (i.e. debt service) should be capped at approximately 5% of the total budget;
- a rapid debt repayment schedule should be maintained, with a goal of 60% principal repayment within five years and 90% repayment within ten years.

These guidelines are modified for major projects supported by debt exclusion votes. The guidelines for debt to be financed within the levy limit serve several important purposes:

- capital needs are not displaced by the fiscal demands of current operations;
- the Town's approach to borrowing decisions is disciplined;
- the amount of debt service dollars expended for interest cost is minimized; about 16.6% of total FY19 debt service for long-term debt repayment will be expended for interest;
- the capacity to address ongoing capital needs is quickly and continuously restored.

Revenue-supported debt (water, sewer, light) is subject to different guidelines that consider the useful life of the project and the current interest rates in the marketplace (generally, debt issued for longer periods bears a higher interest rate).

On June 7, 2018, in connection with the Town's most recent long-term bond issue, Moody's Investors Service reaffirmed the Town's credit rating of Aaa, its highest rating category. The rating report may be viewed on the Town's website at concordma.gov. The Aaa rating had first been obtained in November 1987. The Town's credit rating is a measure of its overall fiscal health.

The benefit of a strong credit rating is realized in lower interest costs on the Town's long-term debt issues. Thus, to the extent that the Town plans to borrow in support of its future capital needs, a strong credit rating is a benefit to the taxpayers.

Excluded Debt

FY20 gross debt service on all excluded debt authorized is projected to be **\$6,867,289**, as follows:

\$3,221,181	Town Departments, including Concord Public Schools
\$3,348,113	Concord-Carlisle Regional Schools District, Concord's Share
\$ 297,995	Minuteman Career and Technical High School, Concord's Share

This amount represents 7.17% of the total tax levy.

The major portion of the Town debt is for the three elementary school projects. The FY20 tax levy will include \$2,871,395 for Alcott, Thoreau and Willard School projects.

The following is a summary of the debt exclusion authorizations for which debt service is included in the FY20 budget.

Alcott School (2002) – \$9,365,000 issued, final payment in FY25

On June 19, 2002, voters approved excluding the debt for construction of the new Alcott School, a \$16.7 million authorization approved at the 2002 Annual Town Meeting. The ballot vote was 2,208 to 1,477. The design and construction portion of this authorization, about \$14.2 million, was audited by the state in the summer of 2006 and received a lump-sum state grant of \$7.2 million in September 2006. A 20-year bond for \$7 million, representing the major portion of our anticipated local share for the construction phase, was issued in September 2004 at a favorable 3.7% interest rate. The second phase of work, demolition of the original building and site work, commenced in the summer of 2006 following the relocation of Thoreau students to their new school building after two years in temporary residence at the old Alcott School. No further state grant was earned for Phase 2 of the Alcott project. A 15-year bond for \$2.35 million was issued in February 2007 at a rate of 3.87%. A one-year bond for \$15,000 was issued in March 2009 at a rate of 1.17%. In May 2016, the Town called the remainder of the 2007 bonds (\$737,400) and reissued new debt at a rate of 0.8915%.

Tax Levy for Excluded Debt									
	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Final
<i>Debt Issued:</i>	BUDGET	BUDGET	BUDGET	PROJECTED					Fiscal Yr
Concord-Carlisle H.S.	3,666,016	3,701,479	\$3,404,345	\$3,348,113	\$3,256,302	\$3,189,451	\$3,136,730	\$3,032,216	2038
Alcott School	624,369	603,253	573,280	553,215	530,320	512,068	347,850	334,840	2025
Thoreau School	1,196,325	729,439	645,630	605,695	569,365	534,068	498,310	461,630	2026
Willard School	2,088,247	2,033,958	1,774,760	1,712,485	1,667,885	1,622,285	1,577,025	1,525,725	2029
Minuteman Regional			146,887	297,995	300,000	300,000	300,000	300,000	
Wastewater Plan, Phase 1	101,089	100,863	99,794	99,794	99,794	99,794	99,794	99,794	2026
subtotal	\$7,676,046	\$7,168,992	\$6,644,696	\$6,617,297	\$6,423,666	\$6,257,665	\$5,959,709	\$5,754,205	
Bus Depot			260,687	251,000	251,000	235,250	226,500		2028
CCHS not yet issued:									
New CCHS		0	0						
Landfill remediation		0	0	0	115,001	112,284	109,568	105,000	
		\$7,168,992	\$6,905,383	\$6,868,297	\$6,789,667	\$6,605,199	\$6,295,777	\$5,859,205	
<i>Less: Bond Premium</i>			(1,095)	(1,008)					
<i>Less: Exempt Debt Reserve</i>			(186,274)	0	0	0	0	0	
<i>Less: HS Stabilization Fund</i>	(1,000,000)	(785,000)	(275,000)	0	0	0	0	0	
<i>Less: MSBA Thoreau grant</i>	(409,878)	0	0	0	0	0	0	0	
NET from property tax levy	\$6,266,168	\$6,383,992	\$6,443,014	\$6,867,289	\$6,789,667	\$6,605,199	\$6,295,777	\$5,859,205	

Thoreau School (2004) – \$16,940,000 issued, final payment in FY25

On June 8, 2004, voters approved excluding the debt for new construction and reconstruction (1994 wing) of the Thoreau School, a \$16.8 million authorization approved at the 2004 Annual Town Meeting. The ballot vote was 3,421 to 1,899. A further \$350,000 was authorized by Town Meeting vote in April 2006. An 18-year bond for \$10 million was issued in September 2006 at a favorable 3.85% interest rate. An 18-year bond for \$6.8 million was issued in September 2007 at a 3.99% rate. A 3-year bond for \$140,000 was issued in March 2009 at a 1.49% rate, completing the Thoreau School permanent financing. In May 2015, the Town called the remaining portion of the 2006 bonds (\$1,201,500) and reissued new debt at a rate of 1.449%. In May 2016, the Town called the remaining portion of the 2007 bonds (\$2,804,400) and reissued new debt at a rate of 1.177%.

Wastewater Management Plan, Phase 1 (2004) – final payment in FY26

On June 8, 2004, voters approved excluding the debt for construction of sewer system extensions in the West Concord and Elm Brook neighborhoods. The ballot vote was 3,392 to 1,851. A debt authorization of \$4,190,000 was approved by the 2004 Annual Town Meeting, the debt to be issued through the state Water Pollution Abatement Trust at a subsidized interest rate of 2%. The Town meeting voted to allocate this debt among the General Fund, the Sewer Fund and betterments. The property tax share of the debt is approximately \$1,640,000. The debt was executed with the State in November 2005 and principal repayment commenced on a 20-year schedule beginning July 2006.

Willard School construction (2007) – \$25,175,000 issued, final payment in FY28

On November 14, 2007, voters approved \$29.4 million for construction of a new Willard Elementary School, by a vote of 2,160 to 1,200. The project is scheduled for fall 2009 completion. A 19-year bond was issued for \$11.9 million in March 2009 at a 3.72% interest rate. A second 19-year bond was issued for \$12.9 million in January 2010 at a 3.18% interest rate. A 4-year bond was issued for \$375,000 in May 2011 at a 1.06% rate, completing the Willard permanent financing. In June 2017, the Town called the remaining portion of the 2007 bonds (\$5,389,000) and reissued the new debt at a rate of 1.635%.

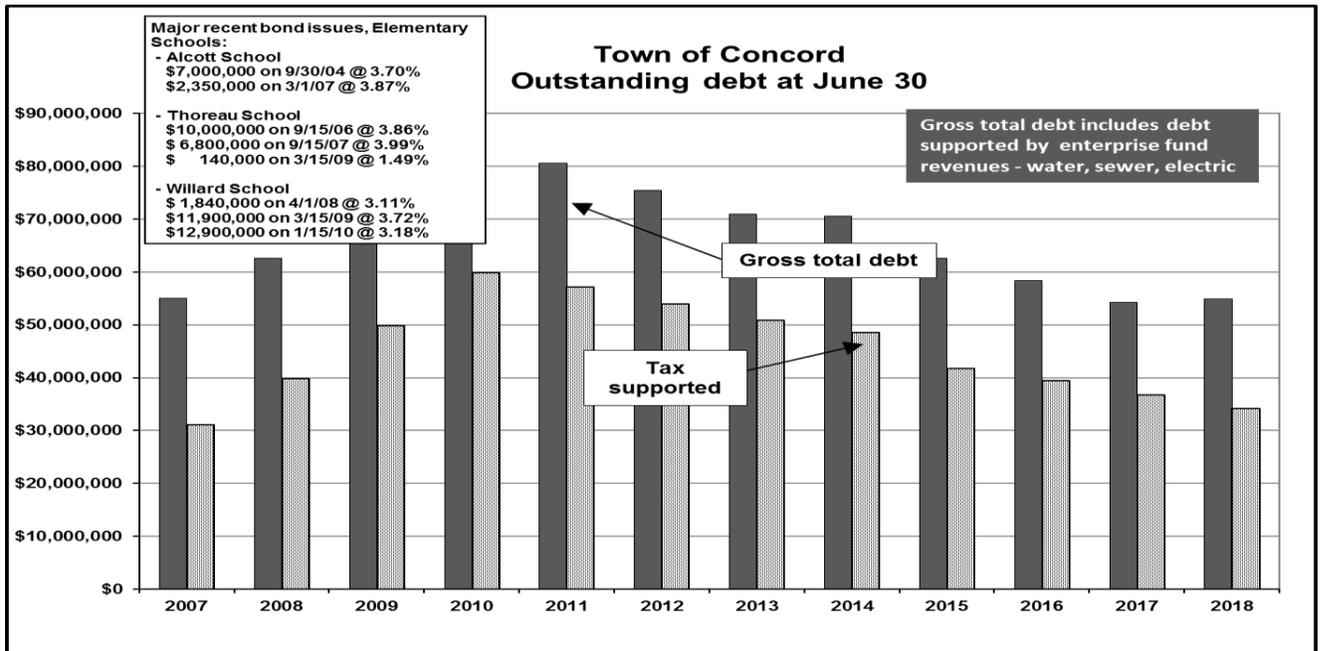
Concord-Carlisle High School (2010 and 2011)

On June 8, 2010, voters approved a debt exclusion for Concord's share of \$1,300,000 for a feasibility study and schematic design of a renovated or new CCHS building. The ballot vote was 1,809 to 450.

On November 15, 2011, voters approved a debt exclusion for Concord's share of a \$92,578,000 new High School, following the MSBA approval of a maximum facilities grant on September 28, 2011, at 35.58% of eligible costs. The ballot vote was 3,571 to 659. This vote incorporated the earlier \$1.3 million debt authorization. The projected net local cost of the project is approximately \$64.5 million. A \$32.5 million serial maturity bond was issued by the Regional School District on June 4, 2013 at a 3.00% interest rate, with final maturity in FY38. Principal repayment commences in the FY14 budget period. A \$30 million serial maturity bond issue was issued on March 15, 2015 at a 2.87% interest rate, with final maturity in FY38. Permanent financing will be completed in 2016 after all site work and the MSBA audit is completed.

School Bus Depot (2018)

On April 4, 2014, voters approved a debt exclusion for a supplemental appropriation for the purpose of designing, constructing and originally equipping a transportation facility located at 214Y Main Street, including facilities for vehicle repair, fueling, storage and parking, and related activities, and including design, engineering, testing and other related work. On June 21, 2018, a total of \$1,735,625 was permanently financed (\$1,945,000 less premium) for 10 years with a net interest cost of 2.404%, with final maturity in FY28.



Town of CONCORD, LONG-TERM DEBT STATISTICS

Direct Debt - FY07 to FY18

@ June 30	Assessed Value	Outstanding Long-term Debt		Population decennial census	per capita income decennial census	% of Assessed value		Debt per capita		Debt per capita as % of per capita income	
		Gross	Net			gross debt	net debt	gross debt	net debt	gross debt	net debt
2007	\$5,309,253,833	\$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	\$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	\$71,479,238	\$49,853,220	16,993	\$51,477	1.36%	0.95%	\$4,206	\$2,934	8.17%	5.70%
2010	\$5,026,552,229	\$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	\$80,557,680	\$57,138,277	17,668	\$67,374	1.60%	1.13%	\$4,560	\$3,234	6.77%	4.80%
2012	\$5,090,058,629	\$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	\$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	\$70,598,766	\$48,544,694	17,668	\$67,374	1.38%	0.95%	\$3,996	\$2,748	5.93%	4.08%
2015	\$5,412,298,562	\$62,596,727	\$41,730,402	17,668	\$67,374	1.16%	0.77%	\$3,543	\$2,362	5.26%	3.51%
2016	\$5,841,889,295	\$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	\$54,309,398	\$36,661,977	17,668	\$67,374	0.91%	0.61%	\$3,074	\$2,075	4.56%	3.08%
2018	\$6,144,650,300	\$54,911,022	\$34,086,831	17,668	\$67,374	0.89%	0.55%	\$3,108	\$1,929	4.61%	2.86%

"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 the full and fair value of property in Concord and is set by the state biennially. This EQV is used in various state formulas for some state grant allocations. The value set at Jan. 1, 2018 is \$6,572,447,900. 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 of \$54,911,022 as of June 30, 2018 is 0.83% of EQV.

Debt Service Schedule, July 1, 2018 to final maturity for debt issued through June 30, 2018

Fiscal Year	Total Annual Debt Service		Revenue-Supported Annual Debt Service												subtotals							
	Principal Matured	Interest Payment	Tax-Supported Annual Debt Service				Water				Sewer				Beverment (MFA Loans)				Light (Including Telecom)		Tax-supported	
			Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	Within Limit	Excluded	Revenue-Supported	
2019	8,005,416	1,790,583	2,549,375	402,523	268,522	93,958	650,000	127,729	2,320,000	67,367	485,000	94,435	618,831	108,459	683,187	12,4706	762,500	165,063	3,354,151	3,212,222		
2020	7,952,060	1,545,148	2,130,000	330,826	262,632	88,161	645,000	106,320	2,275,000	59,636	485,000	78,735	617,570	95,573	796,887	110,764	750,000	138,375	3,222,189	3,072,874		
2021	7,389,784	1,283,039	1,885,000	249,901	264,403	79,291	495,000	83,620	2,250,000	51,750	485,000	61,535	629,036	82,607	811,345	96,541	750,000	111,875	3,111,264	3,027,939		
2022	6,816,794	1,037,524	1,386,300	184,151	266,209	68,835	471,700	63,470	2,225,000	43,942	373,000	44,335	640,734	69,409	814,851	82,030	625,000	86,875	2,115,620	2,735,234		
2023	5,650,421	819,868	810,000	128,989	268,062	68,242	355,000	43,882	2,060,000	38,185	225,000	30,015	602,688	56,725	829,701	67,226	500,000	65,625	1,337,850	2,749,479		
2024	5,192,224	633,020	500,000	93,599	269,932	47,612	195,000	30,802	2,030,000	29,196	220,000	21,715	614,843	44,550	782,449	63,123	500,000	50,625	899,200	2,639,739		
2025	5,121,972	464,913	515,000	70,249	266,850	36,945	195,000	23,262	2,005,000	21,505	217,000	14,956	627,265	32,129	797,868	36,715	500,000	35,125	803,500	2,522,296		
2026	4,687,572	336,940	475,000	50,299	268,806	26,488	190,000	16,002	1,895,000	16,375	215,000	8,300	639,936	19,457	793,820	20,956	500,000	21,625	731,300	2,064,069		
2027	3,750,219	195,207	470,000	31,149	170,000	17,000	140,000	9,302	1,265,000	11,650	165,000	1,550	602,865	6,529	602,865	6,529	300,000	7,500	650,450	1,567,650		
2028	1,870,000	96,850	312,970	12,849	170,000	8,500	137,000	4,262	1,250,000	7,125	0	0	0	0	0	0	0	0	467,100	1,469,750		
2029	675,000	27,000	0	0	0	0	0	0	675,000	27,000	0	0	0	0	0	0	0	0	0	702,000	0	
total	57,646,572	8,214,093	10,932,645	1,564,510	2,640,131	657,996	5,018,730	726,405	31,200,000	5,045,646	3,866,200	556,216	6,861,078	771,091	8,263,944	76,4911	6,730,000	1,087,993	18,223,320	39,446,872	28,901,433	

Interest expense as % of total debt service, FY20: 16.3 %

Interest expense as % of total debt service to final maturity: 12.5 % as of July 1, 2018

Projected as of June 30, 2018: 5 yrs: 10 yrs

Debt Retirement - all: 63.0%: 98.8%

Debt Retirement - tax supported only: 64.2%: 98.2%

State Aid

State Aid is received for general Town purposes and is not restricted in use, although it is often discussed as if earmarked for “school aid” and “general or non-school aid”. Chapter 70 school aid and the distribution of the net Lottery proceeds (Unrestricted General Government Aid) are the major components of Concord’s aid. Concord receives a minimum statutory Chapter 70 allocation, due to its income and property wealth measures.

State Aid and the State’s fiscal position

State Aid is a significant component of the State Budget, equivalent to about 22% of own-source state revenues. Aid is distributed to the cities and towns through a variety of formulas, most of which provide aid to communities based upon relative need as measured by property and income characteristics. Anticipated funding to be received by Concord in FY20 represents about 4.76% of the Town’s total \$114.14 million General Fund budget (town departments and education combined) while property taxes supported 83.92% of the budget.

After peaking in fiscal year 2009, State Aid to municipalities and regional school districts weathered a cut of about 12% statewide over the next two years. Five years later, after gradual increases, Governor Baker’s FY16 proposal to increase state aid by 2.1% would finally regain the dollar level last seen in FY09. Concord’s recent State Aid history reflects a steeper drop, from \$4.5 million as the initial FY09 allocation (before a mid-year cutback) to \$3.64 million received in FY12 year, a drop of almost 20%.

The Governor’s January proposal for the FY20 state budget proposed a modest increase in State Aid for most communities for the coming year. While action by the legislature will not be completed until June, early indications of the intent of Beacon Hill are favorable.

The financial plan being presented for Concord’s Town Meeting therefore incorporates a FY20 State Aid estimate of \$5,427,676, an increase over the current fiscal year of \$161,200 based upon the Governor’s proposal.

Free Cash Article 17– Free Cash Use to reduce Tax Levy

Free Cash

The accumulation and use of “Free Cash”, which is available undesignated fund balance of the General Fund, is an important component of the Town’s overall financial management policies. These policies maintain the Town’s ability to respond to emergencies, promote the stability of service levels and control the rate of tax levy change.

The undesignated fund balance may be appropriated in either of two forms: (1) for specific expenditures or (2) to reduce the tax levy that otherwise would be required. The available amount is calculated and certified each year by the Commonwealth’s Department of Revenue based upon the balance sheet submitted by the Town.

The General Fund Balance, sometimes referred to as “surplus” or “surplus revenue,” is the amount by which cash and receivables exceed current liabilities and commitments. In a business sense, this might be thought of as “liquidity.” In a personal sense, it can be thought of as “available savings” - at least the portion of savings that cannot be claimed by any other creditor and that is available without requiring the sale of property or other fixed assets.

It is customary for the Annual Town Meeting to allocate some portion of the General Fund Balance to the support of the ensuing year’s expenditure plan. In some years, these savings used are more than replenished from operations, while in other years the year-end return from unexpended appropriations and from revenues overestimates (if any) is insufficient to fully restore the Town’s accumulated reserves. The sums voted by each annual Town Meeting for use in the ensuing fiscal period are deducted and reserved prior to each June 30 certification.

Free Cash allocated to FY20 Budget support

The Finance Committee's Budget Guideline plan recommends an allocation of \$1,000,000 to support the FY20 operating budgets. The Committee annually reviews the Free Cash policy and has reaffirmed the commitment to keep the unused Free Cash Balance in a range of 5% to 10% of the total ensuing budget, a level deemed essential to enable the Town to cope with unexpected circumstances. The Town's actual Free Cash level has been above this range in recent years due to positive operating results and has been an important factor in the maintenance of the Town's Aaa credit rating through the recession and slow recovery period.

Any favorable budget variances from current year operations (actual revenues in excess of the FY19 budget estimate, and/or any FY19 appropriations that remain unspent at year end) will become part of the June 30, 2019 Free Cash balance. This balance will be available to the next Annual Town Meeting in 2020 for allocation in support of future budgets. The results of FY19 operations are presently expected to restore all or most of the Free Cash balance proposed for allocation to FY20 budget support at the 2019 Town Meeting. The Committee is recommending allocation of \$1,000,000 (Article 17).

Free Cash Appropriations

At June 30, 2018, the Town's certified Free Cash of \$11,683,672 is equal to 10.98% of the FY19 budget total. This is an increase of \$884,736 million from the prior year and was the result of Free Cash Appropriations made at the 2018 Annual Town Meeting, in the amount of \$1,000,000 and a number of favorable financial developments in FY18. The Free Cash position gives us greater flexibility to address spending requirements on the Town Meeting warrant. Specifically, the Finance Committee recommends that the following items be funded from the Free Cash balance:

- \$1,000,000 be appropriated to reduce the Tax Levy under Article 17; and

The proposed Free Cash uses recommended above will bring the balance to about 10.00% of the FY19 budget level before consideration of any positive results from current year operations.

Below is a chart showing historical activity relative to Free Cash Appropriations and the requested appropriations for the 2018 Annual Town Meeting.

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
2017	10,798,936	10.4%	2019	1,000,000				1,000,000
				<i>proposed</i>				
2018	11,683,672	10.7%	2020	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)

Reserve Fund Transfers

The Reserve Fund is an appropriated contingency account. It is part of the Town Government budget (item 32 of Article 7, proposed at \$225,000) and is counted within the Finance Committee's budget guideline for Town Government operations (Article 6, items 1-34). It is allocated during the budget year by vote of the Finance Committee pursuant to the request of the Town Manager. By state law, its use is restricted to "extraordinary or unforeseen expenditures." In FY18, \$225,000 was allocated to cover the cost of legal services in excess of the original appropriation.

The Town budget is adopted as a series of separate appropriations (Article 6, items 1-39). Funds are not transferred from one appropriation account to another except by Town Meeting action. Only the Reserve Fund appropriation may be used during the fiscal year to supplement other appropriation accounts, except that in the final three months of the budget year any appropriation balance may be transferred by joint approval of the Finance Committee and the Select Board. This latter provision was added by state law in 2003 as a safety valve for communities that exhaust their Reserve Fund account. Concord has never used this provision of state law.

The budget contingency process works differently for the Concord Public Schools budget (Article 11). State law gives the School Committee the "bottom line" power to authorize transfers within its appropriation total voted by Town Meeting. At the end of each fiscal year, funds in appropriation accounts that are not spent are returned to the General Fund balance.

The FY20 Reserve Fund appropriation recommendation of \$225,000 is about one-half of one percent (0.5%) of the total Article 6 recommendation. State law allows the Reserve Fund appropriation to be as much as 5% of the previous tax levy; this would permit a Reserve Fund appropriation of \$4.44 million. The Concord Finance Committee has not felt that such a large contingency account would be consistent with the objective of fostering tight expenditure control by Town and School administrations.

Reserve Fund Uses, FY2018

Town Account	Amount	Purpose
Legal Services	\$225,000	Extraordinary Legal Services
total:	\$225,000	

Observer Reports

Board of Assessors

The Assessing Division of the Finance Department is responsible for the fair and accurate listing and assessment of all real estate and personal property for taxation purposes, in accordance with State statutes and regulations. The five-member Board of Assessors, appointed by the Town Manager, is the decision-making body with respect to all property valuation determinations. Assessments for the purposes of taxation are required to be at market value each year. All local boards of assessors in Massachusetts are overseen and subject to the rules and regulations set forth by the State's Bureau of Local Assessment. The valuation process and statistical validation must be certified by that agency each year, with on-site review every five years. An on-site state review was conducted in FY18. The next state review will be in FY23.

Each year's valuation is based upon market sales in the calendar year preceding the valuation date. Thus, the valuations used for the current year (FY19) tax billing, the year July 1, 2018 through June 30, 2019, is based upon a valuation date of Jan. 1, 2018 and the actual sales occurring in calendar year 2017. The FY19 assessment included shifts in market area factors, building style base rates and increases in out-building values.

Based on the most recent biennial survey of Concord residents conducted in the fall of 2018, 66% (up from 62% last survey) of Town residents felt that their properties were "fairly assessed" or "under assessed", while 27% (down from 29%) felt their properties were "over assessed" and 8% expressed no opinion.

Following the Tax Classification Public Hearing November 18, 2018, the Select Board voted to support the Board of Assessor's FY19 recommendations that all classes of property (residential, commercial, industrial, personal) be taxed at a uniform tax rate, and that no discounts for open-space, small commercial, or residential exemptions be adopted. This recommendation has been applied consistently since FY98.

For FY19 (valuation date January 1, 2018), the total assessed value of real estate in Concord is \$6.447 billion. This represents an increase of 4.92% over FY18; new growth—the taxable value attributable to new construction—accounted for approximately 25% of the increase, and existing properties accounted for the remaining increase in value.

The Board of Assessors calculates the uniform tax rate, which is the overall tax levy required to balance the Town budget divided by the total Town's assessed value. For FY1, the tax rate decreased to \$14.19 per \$1,000 of assessed value (from \$14.29 in FY18). The property tax levy is subject to an annual levy limit. Exceeding the levy limit requires majority approval of the voters at a Town-wide election (not at Town Meeting). Concord's FY19 tax levy is below its current levy limit by \$4,015,678, or 4.52%.

Class	FY2018 Valuation	FY2019 Valuation	Change	Percent Change
Residential	\$ 5,623,508,756	\$ 5,923,488,031	\$ 299,979,275	5.33%
Commercial/ Industrial/ Personal Property	\$ 521,141,844	\$ 523,545,486	\$ 2,403,642	0.46%
Total:	\$ 6,144,650,600	\$ 6,447,033,517	\$ 302,382,917	4.92%

Concord Municipal Light Board

The Concord Municipal Light Plant (CMLP) is one of 41 municipal electric utilities in the Commonwealth. Since its inception in 1898, the goal of CMLP, as a community owned and operated utility, has been reliable and reasonably priced service, provided in a responsive and thoughtful manner, which meets the current and future needs of its customers.

With approximately 110 miles of streets in the service territory, CMLP serves approximately 8,200 meters providing 176,445 Megawatt Hours (MWh) to 7561 residential, 1205 commercial, and 76 municipal customers. CMLP maintains a grid that consists of a Town-owned distribution system with substations, power lines, light poles, and transformers. CMLP operates three electric distribution substations.

Financially, the CMLP operates as a self-sustaining, non-profit Enterprise Fund within town government. All of CMLP's operating, capital, and debt service expenses are paid solely from revenues paid by customers. An additional marker of its ability to be self-sustaining is the fact that the Light Plant pays for its share of the use of Concord's services through a Payment in Lieu of Taxes (PILOT) to the Town. The budgeted PILOT payment for FY2020 is \$452,000. In addition, as with other enterprise funds in the town, the Light Plant makes payments to the town General Fund for its use of Financial and Administrative Services, Natural Resources Protection, and Landscaping. The budgeted payment by the Light Plant to the General Fund for FY2020 is \$430,500.

Concord's Town Manager appoints a five-member citizen board that serves in an advisory capacity. The Light Board meets monthly to discuss rates, power supply and renewable energy options, and the Board welcomes citizen attendance and comments. The Board is mindful of the Town Select Board's Values and Guiding Principles, including sustainable management of energy and resources, and the Light Board has published both a Renewable Energy Strategy and a Large-Scale Solar Strategy.

Electricity from renewable energy sources equals approximately 25% of the kilowatt-hours of all purchased power. The Light Plant Board's goal is to increase the percentage of renewable energy to 30% by 2020. The Light Plant has also initiated programs and policies to encourage energy conservation. A three-tier residential rate structure was adopted in May 2015 to provide an economic incentive as one such measure. A variety of rebate programs are also available to residential and commercial customers.

CMLP utilizes a portfolio approach to its power procurement, balancing a mix of short and long term contracts, fixed and spot market pricing, and continues to seek reasonably priced renewable energy sources.

Additionally, CMLP received approval two years ago to borrow \$3 million in order to upgrade the Light Plant's Smart Grid Infrastructure. CMLP has had a limited Smart Grid in place for six years, and this borrowing would allow for accelerated deployment of smart meters throughout town. Planned enhancements also include improved response to customer electricity demands, additional live meter data analysis, outage notifications, and street light control upgrades to include dimming capability and fixture health monitoring.

Concord's Energy Goals were stated in the form of Article 51, which was adopted by Town Meeting on April 25, 2017. Among other provisions, Article 51 stated that it was a goal to reduce town-wide greenhouse gas emissions to align with the Massachusetts 2008 Global Warming Solutions Act, to achieve a 25% town-wide reduction in greenhouse gas emissions by 2020 and an 80% reduction by 2050 from the baseline developed in 2008, and by 2030, as an intermediate goal, direct CMLP to reduce and offset any greenhouse gas emissions of CMLP's electricity supply through the purchase of renewable energy and the purchase and retirement of renewable credits (RECs) or other offsets.

In 2017 the Light Plant adopted a Strategic Plan that addressed, among other things, the town's goals for reducing greenhouse gas emissions. Among other things, the Light Plant's strategic plan includes a plan for the purchase of RECs that will allow CMLP to reach a 100% emissions-free supply by 2020. That strategy

included a new emission reduction surcharge, which was forecasted to add about \$1.66 million in revenue in 2018. The Light Plant Board has also been discussing other rate plans to address the need to reduce greenhouse gas emissions as part of its long term strategy for implementing the goal set forth in Article 51. No specific rate plans have been adopted, but the Concord Energy Futures Task Force final report that led to the adoption of Article 51 did note that The Task Force realizing the 2030 interim target of reducing greenhouse gas emissions of CMLP's electricity supply through the purchases of RECs may require electricity rate increases of approximately 20 to 30%.

Besides providing electric service, over four years ago, in March 2014, CMLP began offering high-speed Internet service over its 100% fiber optic system to the community. Internet service is delivered through a dedicated fiber line directly to homes or businesses. CMLP's broadband service is currently available to 95% of Concord residents and many businesses.

Today, there are approximately 1,215 subscribers, which represent an increase of 26% in 2018. In 2017, the Telecommunications Division completed major upgrades, included increasing router capacity and capacity for ISP connections, which will enable support for up to 3000 customers. Demand remains strong, and the Telecommunications Department's plan calls for the number of subscribers to increase to 1,500 by the end of calendar year 2019. Since the end of 2016, Concord Light Broadband has been generating sufficient operating income to cover the operating expenses. Within the next year or so, we expect to be able to fund growth out of current revenue as well.

CMLP and the Light Board maintain robust information pages at the Town website: www.concordma.gov, where copies of their published strategies, CMLP product offerings, customer incentives and assistance, industry information, purchased power portfolio chart, and information on CMLP's telecommunications service may be found.

Concord Retirement Board

The Retirement Board administers the town's Contributory Retirement System for public employees in accordance with State law MGL Chapter 32. State law establishes all procedural rules and benefit formulas. The retirement system covers the majority of municipal employees working at least 25 hours per week, with the exception of Concord Public School and Concord-Carlisle Regional School District (CCRS) teachers (who participate in a separate retirement system administered by the State Teachers' Board). The employer groups covered by the system include the Town of Concord, the Concord-Carlisle Regional School District and the Concord Housing Authority. The Town's retirement system is overseen by the Massachusetts Public Employee Retirement Commission (PERAC), which has oversight of all public retirement plans in the Commonwealth.

The most recent actuarial valuation report for the Concord Retirement System was published in September 2018. As of January 1, 2018, the actuarial value of plan assets grew 7.65% or \$11.35 million to \$159.9 million and the liability for future benefits increased 5.93% or \$10.33 million to \$184.7 million. The unfunded pension liability as of January 1, 2018, which is the difference between plan assets and plan liabilities, totaled \$24.87 million, a \$1.2 million or 3.93.2% decrease from the previous year. The Retirement Board assumes an expected rate of return on plan assets 7.00%. According to PERAC information (www.mass.gov/perac), only 2 of the 105 town retirement systems have adopted a lower rate than Concord. In addition, Concord's plan uses an updated mortality table which also contributes to a more conservative estimate of the liability (newer tables use longer life spans). Despite the conservative methodology, Concord's funding ratio (assets divided by liabilities) held steady at 87% ranking it ninth highest in the state. For FY20, the expected annual appropriation from the General Fund for the Town's share of pension costs is \$3.97 million, or approximately 3.47% of the FY20 budget. The Finance Director projects this amount to increase at an annual rate of 3 - 5%. Under these assumptions, the plan remains on track to eliminate the unfunded pension liability by 2029.

Actual investment returns for 2018 were down 4.49% over the prior year, however, the 3-year return was +6.04% and the 5-year return was +5.85%. Actual performance over the last 10 years has varied in part

driven by economic conditions. Concord Retirement System Assets are split between a Pension Reserve Fund (5.6% of assets) and the Concord Retirement Fund. Periodically funds are reallocated within the Retirement Fund to achieve a target blend of investments in Fixed Income, Real Estate and Equity of 35%, 5%, and 60% respectively. This type of reallocation was made in September 2016 where 2% of funds (approximately \$3 million) were moved from Equity to Fixed Income. This reallocation actually helped improve total asset returns which as of January 31, 2018 were up 16.06% over one year earlier. However, the market was turbulent throughout calendar 2018, and as of December 31, 2018, the total portfolio was down 4.49% over the prior year. Over the last 3 years, the market value has increased on average 6.04% compared to the state's Pension Reserve Investment Trust (PRIT) three-year yield of 7.00%.

Fiduciary Investment Advisors, headquartered in Windsor, CT, serves as Investment Advisor to the Concord Retirement Board. The firm provides investment consultant services to about 40 municipal pension clients in New England and has approximately \$62B in assets under advisement.

Recreation Commission

The Recreation Commission is a five-member citizen group appointed by the Town Manager and is responsible for setting policy directions for the Concord Recreation Department. In addition, the Commission has members that actively represent the Recreation needs to CPC Commission and the Long Range Plan.

The Recreation Department operates a number of programs to provide year-round recreational opportunities for members of the community, and last year provided services to over 8,000 children and adults. Major services include swim and fitness programs at the Beede Swim and Fitness Center, preschool and after-school childcare serving children between the ages of 3 and 11, summer day camp, a musical theater program, and a wide variety of sports programs and activities for children and adults. The Department has an annual operating budget of approximately \$4.70 million and approximately 42.06 full-time-equivalent employees. The Recreation department is broken down into two divisions, each with its own budget; Beede Swim & Fitness and Recreation Services.

The Beede Center is operated as the Swim and Fitness Enterprise Fund, established by a Town Meeting vote in 2005. As an enterprise operation, the facility is expected to be self-supporting, not only with respect to operating cost but also with respect to capital costs, including the maintenance of the building.

Located on the campus of the Concord-Carlisle Regional High School, the facility opened in April 2006. The facility was constructed without public funds, entirely from gifts through a fund-raising effort launched on the base of a bequest from the Alfred Sawyer Trust. Now in its 13th year, the Center continues to be a vital and popular community resource, serving over 3,600 community members. It has operated without taxpayer support or subsidy.

The Center, which has approximately 19.88 full-time-equivalent employees, offers a number of popular swim and fitness programs, personal training, and a Concord Otters youth swim team program. Membership renewals have been high, suggesting positive member experiences. In recent years however, an increasing number of members have been concerned with the price of membership, as revealed by the biennial Town Government Survey. In the latest survey, conducted in the fall of 2018, 67% of respondents under 45, 55% of respondents between 45 – 55, 55% of respondents between 55 – 64, and 30% of respondents 65 and Over considered the Beede Center “excessively priced.”

The fiscal year that ended June 30, 2018 had total operating revenues of \$2.288 million and a net operating gain of approximately \$69,989. As of June 30, 2018, the Beede Center had an Operating Fund balance of \$2.503 million. This amount is added to in years with positive net income, and is drawn down in years with negative net income. For FY20, operating revenues are expected to increase approximately 10.34%, with a projected operating gain of approximately \$398, due primarily to increased facilities and maintenance expenses as well as increases in program revenues.

As of June 30, 2018, the Center had a Depreciation Fund Balance of approximately \$1.430 million. Maintaining a sufficient depreciation reserve ensures that the Center will be able to finance needed capital equipment replacements and maintain the condition of the facility with its own resources, as has been accomplished to date.

The Enterprise Fund budget for the Beede Center is Article 45 on the Warrant for Town Meeting. The proposed budget for FY20 is \$2,471,594 for operating expenses (funded \$2,132,500 from estimated revenues and \$118,992 from Non-Operating Revenue) and \$100,000 for capital expenses (funded from undesignated Depreciation Fund Balance).

The Recreation Department offers a wide variety of popular child and adult recreation programs. These programs are funded primarily through user fees and are intended to be self-supporting for all direct program expenses. The General Fund covers capital and operating expenses related to buildings and facilities. The Town Manager's FY20 proposed budget also includes approximately \$108,376 in General Fund support for the recreation director's salary and approximately \$95,930 in General Fund support for the Hunt Recreation Center (includes Rideout & 105 Everett Street).

For the fiscal year that ended June 30, 2018, program revenues were approximately \$1.954 million, and net income recorded in the Recreation Fund was approximately \$96,707. The Recreation Fund retains its own resources for use in future years. As of the end of FY18, the Recreation Revolving Fund balance, which is the sum total of prior years' successful operations, had a balance of \$1,117,159.

Concord citizens are generally satisfied with the services the Department provides. In the recent Town Government Survey completed in the fall of 2018, 85% of respondents felt that the price of Recreation Programs was either a "good bargain" or "reasonably priced".

The Department provides child care services for children between the ages of three and 11, accounting for \$1,000,000 in program fees. These services include the Carousel Preschool program at the Harvey Wheeler Center, the Before School program at each elementary school, and the After-School and school-vacation programs at Harvey Wheeler and the Hunt Gym.

Throughout the year, over 6,000 children and adults participate in recreation programs that the Department runs, including youth musical theater, basketball, tennis and skiing programs. The Department also organizes and supports several popular community-wide events, including the Winter Wonderland, Stow Street Block Party and the Minuteman Classic Road Race. In addition to its own programming, the Recreation Department works with other sports organizations in Concord to provide and coordinate the use of time and space on the town's recreational facilities.

Affordable Housing

Housing, particularly Affordable Housing, continues to be an important issue for the citizens of Concord. As of April 2018, the Town has 721 units (10.52% of total housing stock) listed in the MA Subsidized Housing Inventory (SHI). The most recent project for affordable housing in Concord is Junction Village. This project will add 83 affordable, newly constructed, assisted living units to the SHI. Town funds have been committed to the project, including:

- \$125,000 in Community Preservation Committee (CPC) funds at Town Meeting in 2015,
- \$1,000,000 from free cash at the Town Meeting in 2017
- \$350,000 in CPC funds at Town Meeting in 2017,
- \$350,000 in CPC funds at the Town Meeting in 2018,
- \$300,000 in CPC funds to be voted on at Town Meeting in 2019 (Warrant Article 22)

If Article 22 passes, the total amount of Town funds allocated toward Junction Village will equal \$2,125,000. The developer of Junction Village (Grantham) requires Massachusetts Low Income Housing Tax Credits in order to move forward with the project. They have applied to the State for these credits for the second time this past February and will receive a decision in the summer of 2019. The project received its Comprehensive Permit in 2017 that is a good indicator of local support. This, together with the fact that Grantham is an experienced developer, bodes well for the receipt of these MA tax credits and breaking ground for this project.

In addition, a Citizen's Petition (Article 49) was introduced at the 2017 Town Meeting that would have authorized the use of building permit fees as a source of sustainable funding for further affordable housing. The Town voted to amend Article 49 to direct the Select Board to appoint the Affordable Housing Funding Committee (AHFC) charged with "...studying and determining cost-effective means by which the town may fund the continuing expansion of its inventory of affordable housing".

This committee began its work on September 26, 2017 and delivered a written report and presentation to the Select Board on October 29, 2018.

Recommendations made by the committee include:

- Annual Budget Line Item
- Building Permit Fee Surcharge
- Local Real Estate Transfer Fee Surcharge
- Payments in Lieu of Taxes (PILOT)

After discussion and deliberation, the Select Board introduced four articles for consideration at the 2019 Annual Town Meeting. These are:

Article #	Description	Estimate of Annual Dollar Raised
23	Appropriate Free Cash	\$500,000
24	Create Municipal Affordable Housing Trust Fund	N/A
25	Real Estate Transfer Tax	\$3,300,000
26	Building Permit Fee Surcharge	\$1,000,000

The AHFC Report also recommended that:

- At least 75% of any funds raised support affordable homes. "Affordable" in this context is reserved for people earning 80% of Area Median Income (AMI), or less. For Concord, this equals \$86,240 for a family of 4. These units will be listed on the Massachusetts Subsidized Housing Inventory (SHI), contributing to the state goal of 10% of housing stock deemed affordable and protect the Town from a hostile 40(B) development.
- No more than 25% of funds would support affordable homes for those earning 80% to 110% of AMI. While still affordable, these units will not be on the SHI.

**ARTICLE 2
2019 CONSENT CALENDAR**

Mr. Tarpey moves: that the 2019 Annual Town Meeting advance for consideration the Articles listed in the table below and take action on such Articles without debate on any of such Articles, provided, that upon the request of five voters at this Meeting, made before the vote is taken on this motion, an Article requested to be omitted shall be removed from the Consent Calendar and shall be acted upon in the ordinary course of business at this Town Meeting.

Note to Moderator: 2/3 Vote Required

Article 3	<p>MEETING PROCEDURE Affirmative Action Recommended by: Select Board, Finance Committee Motion: That the Town take affirmative action on Article 3 as printed in the handout applicable to the Article. Reason: Routine and noncontroversial at hearing; the motion will be identical to a motion passed annually and unanimously for more than fifteen years.</p>
Article 4	<p>RATIFY PERSONNEL BOARD CLASSIFICATION ACTIONS Affirmative Action Recommended by: Select Board, Finance Committee Motion: That the Town take affirmative action on Article 4 as printed in the Warrant including, under clause 14, changes to the Classification and Compensation Plan voted by the Personnel Board and effective on March 13, 2019 to add a Media Specialist grade and range, and to add the titles "Telecommunications Director," "Education Coordinator," "Lead Producer," and "Media Technician" to the Plan. Reason: Routine and noncontroversial at hearing.</p>
Article 5	<p>CLASSIFICATION & COMPENSATION PLAN FOR REGULAR-STATUS POSITIONS Affirmative Action Recommended by: Select Board, Finance Committee Motion: That the Town take affirmative action on Article 5 as printed in the Warrant. Reason: Routine and noncontroversial at hearing</p>
Article 17	<p>USE OF FREE CASH Affirmative Action Recommended by: Select Board, Finance Committee Motion: That the Town take affirmative action on Article 17 to authorize and direct the Assessors to transfer \$1,000,000 from free cash to reduce the tax levy for the fiscal year ending June 30, 2020. Reason: Routine transfer of surplus funds to reduce the tax levy; noncontroversial at hearing. Surplus results from revenue collection exceeding estimates or actual expenditures being less than appropriations, as explained in FinCom Report page 50.</p>
Article 21	<p>ACCEPTANCE OF M.G.L. ch.54, §16A – ELECTION VACANCY APPOINTMENTS Affirmative Action Recommended by: Select Board Motion: That the Town take affirmative action on Article 21 as printed in the Warrant. Reason: Administrative action to authorize Town Clerk to fill positions of unexpectedly absent election officials through adoption of state statute; noncontroversial at hearing</p>
Article 31	<p>ZONING BYLAW AMENDMENT – HANDICAPPED PARKING Affirmative Action Recommended by: Select Board, Planning Board Motion: That the Town take affirmative action on Article 31 as printed in the Warrant. Reason: Housekeeping amendment to bring language of zoning bylaw into consistency with changes in language and terminology of state law; noncontroversial at hearing.</p>
Article 32	<p>ZONING BYLAW AMENDMENT – GROUNDWATER CONSERVANCY DISTRICT Affirmative Action Recommended by: Select Board, Planning Board Motion: That the Town take affirmative action on Article 32 as printed in the Warrant. Reason: Housekeeping amendment to make language used in zoning bylaw consistent with language in state law; noncontroversial at hearing.</p>
Article 33	<p>ZONING BYLAW AMENDMENT – MARIJUANA ESTABLISHMENT TEMPORARY MORATORIUM Affirmative Action Recommended by: Select Board, Planning Board Motion: That the Town take affirmative action on Article 33 as printed in the Warrant. Reason: Housekeeping amendment to bring zoning bylaw into conformance with 2018 General Bylaw adopted by the Town prohibiting all non-medical marijuana establishments; noncontroversial at hearing.</p>
Article 34	<p>ZONING BYLAW AMENDMENT – NONCONFORMING SINGLE AND TWO FAMILY RESIDENTIAL STRUCTURES Affirmative Action Recommended by: Select Board, Planning Board Motion: That the Town take affirmative action on Article 34 as printed in the Warrant. Reason: Housekeeping amendment to correct formatting error in zoning bylaw; noncontroversial at hearing.</p>

Article 36	<p>ZONING BYLAW AMENDMENT – FLOOD PLAIN CONSERVANCY DISTRICT MAP Affirmative Action Recommended by: Select Board, Planning Board Motion: That the Town take affirmative action on Article 36 as printed in the Warrant. Reason: Routine acceptance of revisions by the Federal Emergency Management Agency to Flood Insurance Rate Map to keep the Town’s zoning bylaw in compliance with the National Flood Insurance Program; noncontroversial at hearing.</p>
Article 37	<p>ZONING BYLAW AMENDMENT – LARGE GROUND-MOUNTED SOLAR TABLE OF USES Affirmative Action Recommended by: Select Board, Planning Board Motion: That the Town take affirmative action on Article 37 as printed in the Warrant. Reason: Housekeeping amendment to make definitions and table consistent with bylaw adopted by the Town in 2012, making no substantive change in the Zoning Bylaw; noncontroversial at hearing.</p>
Article 38	<p>LIGHT PLANT EXPENDITURES & PAYMENT IN LIEU OF TAXES Affirmative Action Recommended by: Select Board, Finance Committee Motion: That the Town take affirmative action on Article 38 as printed in the Warrant, including authorization of the transfer of \$452,000 from the Operating Fund of the Light Plant to be used by the Assessors to reduce the tax levy for the fiscal year ending June 30, 2020. Reason: Routine enterprise fund authorization and PILOT payment regularly included on consent calendar; noncontroversial at hearing.</p>
Article 39	<p>SOLID WASTE DISPOSAL FUND EXPENDITURES Affirmative Action Recommended by: Motion: That the Town take affirmative action on Article 39 as printed in the Warrant. Reason: Routine enterprise fund authorization regularly included on consent calendar; noncontroversial at hearing.</p>
Article 40	<p>SEWER SYSTEM EXPENDITURES Affirmative Action Recommended by: Motion: That the Town take affirmative action on Article 40 as printed in the Warrant. Reason: Routine annual enterprise fund authorization regularly included on consent calendar; noncontroversial at hearing.</p>
Article 41	<p>SEWER IMPROVEMENT FUND EXPENDITURES Affirmative Action Recommended by: Motion: That the Town take affirmative action on Article 41 as printed in the Warrant. Reason: Routine annual action regularly included on consent calendar; noncontroversial at hearing. The Sewer Improvement Fund is a sub-fund of the Sewer Fund consisting of fees paid by certain properties connecting to the sewer system. The Article authorizes expenditure from the Fund for construction and expansion of sewer lines and treatment facility capacity.</p>
Article 42	<p>WATER SYSTEM EXPENDITURES Affirmative Action Recommended by: Motion: That the Town take affirmative action on Article 42 as printed in the Warrant. Reason: Routine annual enterprise fund authorization regularly included on consent calendar; noncontroversial at hearing. The Water Fund consists of fees paid by water user fees. The Article authorizes expenditure from the Fund for operation, maintenance, capital replacement and renewal of the Town’s water system.</p>
Article 44	<p>AUTHORIZE EXPENDITURE FROM PEG ACCESS AND CABLE-RELATED FUND Affirmative Action Recommended by: Motion: That the Town take affirmative action on Article 44 to transfer from the PEG Access and Cable-Related Fund the amount of \$600,000 to be expended under the direction of the Town Manager for necessary and expedient cable-related purposes consistent with the Comcast licensing agreement. Reason: Routine fund transfer; noncontroversial at hearing.</p>
Article 45	<p>BEEDE SWIM & FITNESS CENTER ENTERPRISE FUND EXPENDITURES Affirmative Action Recommended by: Motion: That the Town appropriate from the Community Pool Enterprise Revenues the sum of \$2,353,000 and appropriate from interest income the sum of \$118,594, for a total appropriation of \$2,471,594, the amount required for the total operating and capital expenses of the Community Pool Enterprise Fund for the fiscal year ending June 30, 2020, in accordance with Chapter 44, section 53F1/2 of the Massachusetts General Laws, said funds to be expended under the direction of the Town Manager. Reason: Routine annual enterprise fund authorization often included on consent calendar; noncontroversial at hearing.</p>

**THE COMMONWEALTH OF MASSACHUSETTS
WARRANT FOR THE ANNUAL TOWN MEETING 2019**

Middlesex, ss.

To any of the Constables of the Town of Concord, in said County, Greetings:

In the name of the Commonwealth of Massachusetts, you are hereby required to notify the legal voters of said Town of Concord, qualified to vote at Town Meeting for the transaction of Town affairs, to meet at the Concord-Carlisle Regional High School at 500 Walden Street, in said town, on Monday, the eighth day of April, 2019, at 7:00 o'clock in the evening, by posting a printed copy of this Warrant by you attested, at the Town House and in at least one public location in each precinct in Concord. Further a copy thereof shall be mailed to every household at least fourteen days before the Town Meeting, then and there to act upon the following Articles:

CHOOSE TOWN OFFICERS

ARTICLE 1. To choose all necessary Town Officers and Committees.

HEAR REPORTS

ARTICLE 2. To hear and act upon the reports of Town Officers and Committees.

MEETING PROCEDURE – CONSENT CALENDAR

ARTICLE 3. To determine whether the Town will adopt a rule of the meeting governing requirements on Motions and amendments to Motions made at this meeting under Articles concerned with expenditures, in order to assure compliance with the requirements of Massachusetts General Laws c. 59, § 21C (generally referred to as "Proposition 2½"), or take any other action relative thereto.

<p><i>The motion to be made by the Finance Committee will specify that every motion to appropriate funds will be required to identify the source of funding. Town Meeting has adopted this meeting procedure for a number of years.</i></p>
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RATIFY PERSONNEL BOARD CLASSIFICATION ACTIONS
- CONSENT CALENDAR

ARTICLE 4. To determine whether the Town will vote to ratify the Personnel Board's actions to amend the Classification and Compensation Plan as follows, or take any other action relative thereto:

1. Add the title "Public Works & Engineering Director" to Grade MP-9 effective July 1, 2018
2. Remove the title "Civil Engineer" from Grade MP-3 effective December 19, 2018
3. Add the title "Associate Financial Manager" to Grade MP-3 effective December 19, 2018
4. Remove the title "Utility Software Coordinator" from Grade MP-2 and replace it by adding the title "Customer Service Supervisor" to Grade MP-3 effective December 19, 2018
5. Add the title "Municipal Archivist/Records Manager" to Grade MP-3 effective December 19, 2018
6. Remove the title "Facilities Manager" from Grade MP-5 and replace it by adding the title "Facilities Director" to Grade MP-6 effective December 19, 2018
7. Add the title "HVAC Technician" to Grade TCL-7 effective December 19, 2018
8. Move the title "Senior Services Director" from Grade MP-4 to Grade MP-5 effective December 19, 2018
9. Remove the title "Senior Services Programs Supervisor" from Grade MP-2 and replace it by adding the title "Assistant Senior Services Director" to Grade MP-3 effective December 19, 2018
10. Add the title "Tourism & Visitor Services Manager" to Grade MP-1 effective December 19, 2018
11. Add the title "Station Manager" to Grade MP-1 effective December 19, 2018
12. Remove the title "Public Information Officer" from Grade MP-1 and replace it by adding the title "Public Information & Communications Manager" to MP-2 effective December 19, 2018
13. Add the title "Deputy Town Manager" to Grade MP-9 effective December 19, 2018
14. Make all other changes to the Classification and Compensation Plan voted by the Personnel Board between January 3, 2019, and April 8, 2019

The Town Manager has authority to create and modify positions throughout the fiscal year. Titles and salary ranges are determined using the Town's established classification system. Under the Personnel Bylaw, the Personnel Board is authorized to approve temporary changes in the Classification and Compensation Plans, pending ratification of such actions at the next Town Meeting. Actions already taken appear in the Warrant; if additional actions are taken by the Personnel Board after the close of the Warrant, notice will be filed with the Town Clerk and details will be presented at Town Meeting.

CLASSIFICATION & COMPENSATION PLAN FOR REGULAR-STATUS POSITIONS
- CONSENT CALENDAR

ARTICLE 5. To determine whether the Town will vote to amend the Classification and Compensation Plan for regular-status Town positions by adopting the following schedules to become effective July 1, 2019, or take any other action relative thereto:

CLASSIFICATION AND COMPENSATION PLAN
 Effective July 1, 2019

ADMINISTRATIVE-CLERICAL

<u>Grade Number & Class Title</u>		Minimum	Mid-Point	Maximum
AC-1 Receptionist/Clerk Recreation Clerk	Hourly	17.38	20.91	24.43
AC-2 Account Clerk Department Clerk Senior Recreation Clerk Utility Account Clerk	Hourly	19.41	23.35	27.28
AC-3 Customer Services Representative Senior Account Clerk Senior Department Clerk	Hourly	22.02	26.48	30.93
AC-4 Administrative Assistant Collections Assistant Retirement Assistant Treasury Assistant	Hourly	23.79	28.61	33.42
AC-5 Human Resources Assistant Project & Procurement Coordinator Senior Administrative Assistant	Hourly	25.43	30.57	35.70
AC-6 Finance Assistant Senior Human Resources Assistant	Hourly	26.30	31.63	36.95

TRADES-CRAFTS-LABOR

<u>Grade Number & Class Title</u>		Minimum	Mid-Point	Maximum
TCL-1 Building Custodian	Hourly	17.16	20.74	24.32

TCL-2	Hourly	19.38	23.43	27.47
Building Maintenance Custodian				
TCL-3	Hourly	21.33	25.79	30.24
Facilities Maintainer				
Maintenance & Inventory Coordinator				
Water/Sewer System Maintainer				
TCL-4	Hourly	23.86	28.87	33.88
Custodial Maintenance Supervisor				
Equipment/Line Operator				
Master Craftsperson				
TCL-5	Hourly	26.42	31.95	37.47
Assistant Public Works Supervisor				
Crew Leader				
Licensed Electrician/Skilled Carpenter				
Senior Master Mechanic				
Treatment Systems Operator				
TCL-6	Hourly	29.68	35.90	42.11
Senior Treatment Systems Operator				
TCL-7	Hourly	32.92	39.82	46.72
HVAC Technician				
Public Works Supervisor				

MANAGERIAL-PROFESSIONAL

*Annual rates are controlling and are based on 52.2 weeks at 40 base hours per week;
compensation will be prorated for part-time schedules.*

Grade Number & Class Title	Minimum	Mid-Point	Maximum	
MP-1	Annual	47,238	59,248	71,257
Associate Engineer				
Engineering Technician				
Media Technician				
Recreation Supervisor				
Station Manager				
Tourism & Visitor Services Manager				
MP-2	Annual	53,309	66,860	80,410
Administrative & Special Projects Coordinator				
Administrative Manager				
Administrative Systems Analyst				
Assistant Local Inspector				
Assistant Natural Resources Director				
Budget Analyst				
Energy Specialist				
Environmental Health Inspector				
Environmental & Regulatory Coordinator				
Facilities Operations Coordinator				
Field Lister				
GIS Technician/Analyst				
Information Systems Technician				

Office Accountant
 Public Health Inspector
 Public Information & Communications Manager
 Water Conservation Coordinator

MP-3	Annual	62,901	78,893	94,885
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Assistant Assessor
 Assistant Human Resources Director
 Assistant Public Health Director
 Assistant Public Works Engineer
 Assistant Senior Services Director
 Assistant Town Accountant
 Assistant Town Clerk
 Assistant Treasurer
 Associate Financial Manager
 Childcare Services Manager
 Customer Service Supervisor
 Energy Conservation Coordinator
 Local Inspector
 Management Analyst
 Municipal Archivist/Records Manager
 Operations Manager
 Recreation Programs & Events Manager
 Retirement System Administrator
 Senior Budget & Operations Analyst
 Senior Environmental & Regulatory Coordinator
 Senior Information Systems Technician
 Senior Planner

MP-4	Annual	67,247	84,344	101,440
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Assistant Highway & Ground Superintendent
 Assistant Recreation Director
 Customer Service Administrator
 Environmental Services Program Administrator
 GIS & Application Integration Program Manager
 Operations Engineer
 Public Works Engineer

MP-5	Annual	72,334	90,722	109,110
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Assistant Library Director
 Assistant Town Engineer
 Budget & Purchasing Director
 Deputy Treasurer/Collector
 Director of Sustainability
 IT Services Manager
 Financial Manager/Accountant
 Natural Resources Director
 Police Lieutenant
 Public Health Director
 Senior Services Director
 Town Clerk
 Town Planner

MP-6	Annual	83,992	105,343	126,694
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Assistant Fire Chief
 Building Commissioner
 Facilities Director
 Highway & Grounds Superintendent
 Police Captain
 Recreation Director
 Town Accountant
 Town Assessor
 Town Engineer
 Water/Sewer Superintendent

MP-7	Annual	91,277	114,481	137,685
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Director of Planning & Land Management
 Human Resources Director
 Library Director

MP-8	Annual	101,692	127,544	153,396
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Assistant Town Manager
 Chief Information Officer
 Fire Chief
 Police Chief
 Public Works Director

MP-9	Annual	111,449	139,784	168,118
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Deputy Town Manager
 Finance Director
 Public Works & Engineering Director

ELECTRICAL LABOR

Grade Number & Class Title		Minimum	Mid-Point	Maximum
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EL-1	Hourly	18.91	22.87	26.83
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(Reserved for future use)

EL-2	Hourly	24.59	29.74	34.88
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Lineworker, Grade 3
 Meter Technician

EL-3	Hourly	31.20	35.27	39.33
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Lineworker, Grade 2
 Utility Electrician

EL-4	Hourly	38.73	43.80	48.87
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Lineworker, Grade 1

EL-5	Hourly	40.56	45.86	51.16
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Lead Lineworker

EL-6	Hourly	43.68	49.39	55.09
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Line Supervisor

ELECTRICAL MANAGEMENT

*Annual rates are controlling and are based on 52.2 weeks at 40 base hours per week;
compensation will be prorated for part-time schedules.*

<u>Grade Number & Class Title</u>		Minimum	Mid-Point	Maximum
EM-1	Annual	64,575	77,504	90,432
Meter Supervisor Senior Engineering Technician				
EM-2	Annual	82,530	99,015	115,500
Electrical Engineer				
EM-3	Annual	88,668	106,434	124,200
Lead Electrical Engineer				
EM-4	Annual	103,600	124,300	145,000
Power Supply & Rates Administrator				
EM-5	Annual	108,780	130,515	152,250
Assistant CMLP Director				
EM-6	Annual	125,457	150,591	175,725
CMLP Director				

MEDIA SPECIALISTS

<u>Grade Number & Class Title</u>		Minimum	Mid-Point	Maximum
MS-1	Hourly	18.00	24.00	30.00
Education Coordinator Lead Producer				

SWIM & FITNESS

<u>Grade Number & Class Title</u>		Minimum	Mid-Point	Maximum
SF-1	Hourly	12.00	36.00	60.00
Swim/Fitness Specialist				

HUMAN SERVICES

<u>Grade Number & Class Title</u>		Minimum	Mid-Point	Maximum
HS-A	Hourly	12.00	21.00	30.00
Human Services Assistant				
HS-1	Hourly	15.25	30.13	45.00
Human Services Specialist				
HS-2	Hourly	15.25	28.63	42.00
Child Care/Education Specialist				

TELECOMMUNICATIONS TECHNICIANS

Grade Number & Class Title		Minimum	Mid-Point	Maximum
TT-1 Telecommunications Technician	Hourly	29.37	34.50	39.63
TT-2 Senior Telecommunications Technician	Hourly	33.56	39.45	45.34
TT-3 Lead Telecommunications Technician	Hourly	35.24	41.43	47.61

TELECOMMUNICATIONS MANAGEMENT

*Annual rates are controlling and are based on 52.2 weeks at 40 base hours per week;
compensation will be prorated for part-time schedules.*

Grade Number & Class Title		Minimum	Mid-Point	Maximum
TM-1 Network Administrator	Annual	73,698	86,562	99,425
TM-2 Network Engineer Telecommunications Coordinator	Annual	83,948	98,657	113,365
TM-3 Telecommunications Director	Annual	97,014	114,000	130,986
TM-4 Chief Information & Technology Officer	Annual	148,113	174,046	199,978

With annual adjustments and periodic comprehensive reviews, the Classification & Compensation Plan keeps Town salaries competitive in the employment market, maintains internal equity of salary ranges, maintains comparability with salaries of unionized employees, and keeps pace with changes in the cost of living. This article does not control the amount of the actual salary increases to be received by employees in FY20. The Town Manager and Personnel Board set actual salary increase amounts after Town Meeting, based upon the approved budget.

TOWN BUDGET

ARTICLE 6. To determine whether the Town will vote to raise and appropriate or transfer from available funds, the sum of \$49,052,504, or any other sum, for the following necessary and expedient purposes of the Town for the fiscal year ending June 30, 2020, or take any other action relative thereto:

<u>General Fund Operating Budget</u>				
Item No.	Department	Fiscal 2018 Expenses	Fiscal 2019 Appropriation	Fiscal 2020 Proposal
General Government \$4,446,474 is 9.1% of Total				
1	Town Manager's Office A. Town Manager B. Human Resources C. Facilities Management D. Resource Sustainability Fund E. Visitor's Center and Restroom F. 37 Knox Trail G. 55 Church Street H. Parks & Playgrounds Subtotal	\$ 644,865 407,929 287,227 152,467 43,881 43,168 - - 1,579,538	\$ 680,357 449,579 320,205 198,025 19,292 29,430 106,031 - 1,802,918	\$ 702,371 473,700 434,773 229,388 105,760 29,192 116,714 124,334 2,216,233
2	Legal Services	458,002	250,000	250,000
3	Elections and Registrars A. Elections B. Registrars Subtotal	24,809 8,677 33,486	52,997 11,421 64,418	42,653 7,374 50,027
4	Town Meeting and Reports	44,787	100,250	100,250
5	Planning A. Planning Administration B. Natural Resources C. Inspections D. Health Subtotal	458,426 284,744 484,642 406,111 1,633,923	492,601 288,657 483,683 431,577 1,696,517	518,336 296,000 487,309 453,886 1,755,531
6	141 Keyes Road	70,373	72,994	74,433
	Total General Government	\$ 3,820,109	\$ 3,987,097	\$ 4,446,474
Finance and Administration \$3,577,897 is 7.3% of Total				
7	Finance Committee	3,306	3,410	3,410
8	Finance A. Finance Administration B. Treasurer-Collector C. Town Accountant D. Assessors E. Town Clerk Subtotal	\$ 547,770 518,976 333,805 434,827 242,881 2,081,566	\$ 580,307 519,609 469,009 431,786 256,004 2,256,716	\$ 696,555 510,733 321,271 438,001 266,738 2,233,298
9	Information Systems	936,762	1,133,259	1,189,082
10	Town House	139,927	144,973	152,107
	Total Finance and Administration	\$ 3,161,562	\$ 3,538,357	\$ 3,577,897

Item No.	Department	Fiscal 2018 Expenses	Fiscal 2019 Appropriation	Fiscal 2020 Proposal
Public Safety				
\$10,452,959 is 21.3% of Total				
11	Police Department	4,500,980	4,887,870	4,906,210
12	Fire Department	4,653,745	4,879,241	5,206,056
13	West Concord Fire Station	39,268	36,323	35,769
14	Police-Fire Station	284,656	284,816	261,627
15	Emergency Management	16,637	16,937	16,060
16	Animal Control Officer	24,730	26,000	27,236
	Total Public Safety	\$ 9,520,017	\$ 10,131,187	\$10,452,959
Public Works and Facilities				
\$5,284,323 is 10.8% of Total				
17	Public Works			
	A. CPW Administration	410,943	423,957	424,718
	B. Engineering	697,924	739,561	726,156
	C. Highway Maintenance	1,437,428	1,438,381	1,479,266
	D. Parks and Trees	731,588	806,781	826,590
	E. Cemetery	187,959	241,010	241,533
	Subtotal	3,465,842	3,649,690	3,698,264
18	Snow and Ice Removal	918,375	610,001	625,000
19	Street Lighting	54,569	57,400	57,400
20	CPW Equipment	325,000	325,000	325,000
21	Drainage Program	205,000	205,000	205,000
22	Sidewalk Management	110,000	115,000	125,000
23	Road Improvements	100,000	100,000	100,000
24	133/135 Keyes Road	152,806	153,753	148,660
	Total Public Works and Facilities	\$ 5,331,592	\$ 5,215,844	\$ 5,284,323
Human Services				
\$3,441,007 is 7.0% of Total				
25	Library	2,021,801	2,286,820	2,351,798
26	A. Human Services	38,191	96,045	68,335
	B. Senior Services	394,226	583,425	577,880
	C. Recreation Services	101,761	108,376	108,376
27	Harvey Wheeler Community Ctr.	126,491	125,905	115,133
28	Hunt Recreation Ctr.	132,901	122,633	113,759
29	Veterans	97,629	107,970	86,696
30	Ceremonies and Celebrations	19,012	22,624	19,030
	Total Human Services	\$ 2,932,011	\$ 3,453,798	\$ 3,441,007

Item No.	Department	Fiscal 2018 Expenses	Fiscal 2019 Appropriation	Fiscal 2020 Proposal
Unclassified \$1,503,988 is 3.0% of Total				
31	Town Employee Benefits			
	A. Unused Sick Leave	92,000	90,000	90,000
	B. Public Safety Disability	122	2,500	2,500
	C. Employee Assistance Program	7,177	7,500	7,500
	Total	99,299	100,000	100,000
32	Reserve Fund*	-	225,000	225,000
* Transfers totaling \$225,000.00 were made to other accounts in Fiscal Year 2018.				
33	Salary Reserve**	793,923	265,909	1,168,988
** Transfers totaling \$792,923 in Fiscal Year 2018 and \$1,361,974 in Fiscal Year 2019 were made to other accounts.				
34	Land Fund	15,000	10,000	10,000
	Total Unclassified	\$ 908,222	\$ 600,909	\$ 1,503,988
TOWN GOVERNMENT SUBTOTAL Account 1-34		\$25,673,513	\$ 26,927,191	\$28,706,648
Joint (Town - CPS) \$20,345,856 is 41.5% of Total				
35	Insurance			
	A. Group Insurance	4,800,000	5,526,100	5,966,069
	B. OPEB	1,470,000	1,617,000	1,697,850
	C. Property/Liability	250,000	275,000	288,750
	Subtotal	6,520,000	7,418,100	7,952,669
36	Unemployment/Workers' Comp.			
	A. Unemployment Comp.	56,946	110,000	110,000
	B. Workers' Comp.	143,054	100,000	100,000
	Subtotal	200,000	210,000	210,000
37	Retirement	3,667,000	3,777,010	3,965,861
38	Social Security and Medicare	810,000	814,713	800,000
39	Debt Service			
	A. Long-Term Debt			
	Town Principal and Interest	3,015,800	3,277,862	3,450,625
	CPS Principal and Interest	700,350	679,283	715,520
	Subtotal	3,716,150	3,957,145	4,166,145
	Interest on Notes	135,000	30,000	25,000
	Other Debt Expense	8,850	7,500	5,000
	Subtotal Within Levy Limit	3,860,000	3,994,645	4,196,145
	B. Excluded Debt			
	Town Principal and Interest	99,794	392,294	350,794
	CPS Principal and Interest	3,507,713	2,992,575	2,870,387
	Less: Use of Stabilization Funds	(785,000)	(275,000)	-
	Subtotal Excluded Debt	2,822,507	3,109,869	3,221,181
	Total Debt Service	6,682,507	7,104,514	7,417,326
	Total Joint (Town - CPS)	\$17,879,507	\$ 19,324,337	\$20,345,856
	Total Appropriation	\$43,553,020	\$ 46,251,528	\$49,052,504

That the Town Manager is authorized to turn in or sell at public auction surplus equipment, the amount allowed or received therefore to be applied against the purchase of new equipment;

That the Town appropriate and transfer the sum of \$1,000 from the Dog Inoculation Fees Reserve Account for the cost of the Board of Health's Rabies Clinic;

That the appropriation for Salary Reserve under Line Item 33 shall be transferred by the Town Manager to the various salary line items in accordance with salary levels established at July 1, 2019 and thereafter pursuant to the salary schedules adopted under Article 5, the implementation of the merit pay plan in accordance with Section 10.2 (2) of the Personnel Bylaws, and collective bargaining agreements. Any such transfer shall be reported periodically by the Town Manager to the Select Board and the Finance Committee, and a final report shall be issued when all such transfers have been completed for the fiscal year;

That the Town authorize the funds to be expended from the Title 5 Septic Loan Betterment Reserve Account to meet the loan payments to the Massachusetts Clean Water Trust due and payable during FY2020:

<u>Amount</u>	<u>Loan Number</u>	<u>Original Loan</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Town Authorization</u>
\$ 10,828.73	T5-97-1070	\$ 200,000	12/22/99	FY21	Art. 46 (1997)
\$ 29,705.00	T5-05-1243-A	\$ 296,830	06/13/12	FY23	Art. 50 (2004)
\$ 32,471.00	T5-05-1243-B	\$ 324,715	05/22/13	FY23	Art. 42 (2009)
\$ 19,745.70	T5-05-1243-C	\$ 197,457	01/07/15	FY25	Art. 42 (2009)

The Town Budget Article provides for all General Fund (Tax-Supported) Town operations and activities organized by Town Charter under the direction of the Town Manager. The total appropriation presented here for consideration for Town Meeting approval meets the Finance Committee's guideline set on November 30, 2018. The text above also makes certain other appropriations from Stabilization and Enterprise Funds, as well as authorizes certain other transfers. In prior years, funds to cover the cost of services provided by the General Fund to individual Enterprise Funds were made through inter-fund transfers, however, best practices are to request specific Town Meeting authorization through appropriation of these funds. As such, the table above has been updated for FY18 and FY19 to show individual line items, including both appropriation and inter-fund transfer so that a true comparison may be made.

APPROPRIATE FUNDS – MUNICIPAL CAPITAL PROJECTS

ARTICLE 7. To determine whether the Town will vote to raise and appropriate, or transfer from available funds, or authorize the Town Treasurer with the approval of the Select Board to borrow by the issuance of bonds or notes under the provisions of Massachusetts General Laws c. 44, § 7, the sums of money specified below in the FY20 Debt Plan, or any other sum, said funds to be expended under the direction of the Town Manager, and further that any premium received by the Town upon the sale of any bonds or notes approved by the vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Massachusetts General Laws c. 44, § 20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount; or take any other action relative thereto.

FY20 Debt Plan

Item No.	Department	Project	Amount	Authorization Clause
1	Town Manager	Renovation/ Construction/ Acquisition of Town Buildings	\$500,000	1
2	Town Manager	Park Improvements	\$1,400,000	1
3	Planning	Land Acquisition for Open Space	\$100,000	1
4	Public Works	Road and Parking Lot Reconstruction	\$800,000	1
5	Public Works	Cambridge Turnpike Reconstruction	\$600,000	1
6	Human Services	Library, Furniture, Fixtures and Equipment	\$550,000	1
		Total:	\$3,950,000	

This article authorizes the FY20 Debt Plan, all of which will be funded within the existing Levy Limit. Item 1 authorizes the Treasurer to borrow \$500,000 to be used to repair various town buildings. Item 2 authorizes the Treasurer to borrow \$1,400,000 for park improvements. Item 3 authorizes the Treasurer to borrow \$100,000 for Land Acquisition for Open Space purposes. Item 4 authorizes the Treasurer to borrow \$800,000 for the repair, reconstruction or renovation of Concord's roads and public parking areas. Combined with Chapter 90 funding (State Road Aid), funds will be used to protect and replace Concord's 107 miles of public roads, including drainage and sidewalk construction and renovation. Item 5 will authorize the Treasurer to borrow \$600,000 to supplement the existing funding available for the Cambridge Turnpike Reconstruction project. Item 6 will authorize the Treasurer to borrow \$550,000 to fund the cost of original equipment and furnishings of the expansion at the Main Library.

AUTHORIZE EXPENDITURE OF REVOLVING FUNDS UNDER M.G.L. c. 44, § 53E ½

ARTICLE 8. To determine whether the Town will vote to authorize the total expenditures for the following revolving funds pursuant to Massachusetts General Laws c. 44, § 53E½ for the fiscal year ending June 30, 2020, to be expended in accordance with the bylaw previously approved; or take any other action relative thereto.

Revolving Fund	Annual Spending Limit
Regional Housing Services	\$265,000
Road Repair	\$120,000
Senior Services	\$45,000
Tree Preservation	\$100,000

This article authorizes the annual spending limits for each of the Revolving Funds identified above. Spending from these funds may only occur for the stated purposes identified in the Town's Revolving Fund Bylaw, and only with the approval of the Town Manager.

AUTHORIZATION TO ACCEPT M.G.L. c. 32B, § 20 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY TRUST FUND

ARTICLE 9. To determine whether the Town will vote to adopt Massachusetts General Laws c. 32B, § 20, Other Post-Employment Benefits Liability Trust Fund, for the purpose of establishing on its books and accounts the Other Post-Employment Benefits Liability Trust Fund, the assets of which shall be held solely to meet the current and future liabilities of the governmental unit for group health insurance benefits for retirees and their dependents, and to establish the Town Treasurer as the sole Trustee, or take any other action relative thereto.

This article seeks Town Meeting approval to establish a new OPEB Trust Fund in accordance with Massachusetts General Laws c. 32B, § 20. In 2008, the MA Legislature adopted a Special Act authorizing an OPEB Trust Fund for the Town of Concord. In 2016, the Legislature revised the existing law relative to OPEB Trust Funds. The Department of Revenue, the Town’s Auditor, and Town Counsel have recommended that the Town adopt Massachusetts General Laws c. 32B, § 20 in order to provide a clear legal structure, make this fund irrevocable, and ensure that monies held in the trust would be used solely to pay the OPEB liability. Further, Massachusetts General Laws c. 32B, § 20 requires the appointment of a sole Trustee or Board of Trustees to oversee this fund. The recommendation is that a sole Trustee be appointed, but that the Trustee have a formalized reporting requirement to an existing board.

MINUTEMAN REGIONAL TECHNICAL HIGH SCHOOL DISTRICT BUDGET

ARTICLE 10. To determine whether the Town will vote to raise and appropriate, or transfer from available funds, the sum of \$1,066,841, or any other sum, for the following necessary and expedient purposes of the Minuteman Regional Technical High School District for the fiscal year ending June 30, 2020, or take any other action relative thereto.

MINUTEMAN REGIONAL TECHNICAL HIGH SCHOOL DISTRICT BUDGET			
Department/Description	Fiscal 2018 Adopted	Fiscal 2019 Adopted	Superintendent’s Proposed Budget & Fiscal 2020 Assessment
Minuteman Regional High School Budget	\$19,449,466	\$21,331,204	\$22,768,830
Concord’s Assessment	\$599,313	\$752,938	\$1,073,368*

*includes \$778,353 for operations & \$295,015 for shared debt and capital

This article provides Concord’s assessed share of the annual operating budget for the Minuteman Regional Technical High School District. Concord’s assessment increase is due in part to an increased enrollment share, but also because of increased debt service due in FY20 for costs associated with the new high school building project, now nearing completion. Each of the member town assessments is calculated by a formula established pursuant to the regional agreement. Concord’s enrollment at Minuteman increased from 17 regular high school students and 1 post graduate in the fall of 2017 to 25 regular students and no post graduate enrollees in the fall of 2018. The formula for assessments relies in part upon a rolling 4-year average of enrollment for member communities, and Concord’s relevant figure increased from 15.75 to 19.0.

CONCORD PUBLIC SCHOOLS BUDGET

ARTICLE 11. To determine whether the Town will vote to raise and appropriate, or transfer from available funds, the sum of \$39,390,163, or any other sum, for the following necessary and expedient purposes of the public schools of the Town for the fiscal year ending June 30, 2020, or take any other action relative thereto:

SCHEDULE A - PUBLIC SCHOOL BUDGET			
Department	Fiscal 2018 Adopted	Fiscal 2019 Adopted	Fiscal 2020 School Committee Vote of Dec. 11, 2018
Concord Public Schools Budget/Appropriation	\$36,810,111	38,246,895	39,390,163

This article provides the annual operating budget for the Concord Public Schools. The appropriation presented for Town Meeting approval is above the spending guideline set by the Finance Committee in November 2018 in the amount of \$145,024, but can be funded without a Proposition 2-½ Override. The appropriation to be presented for Town Meeting approval of \$39,390,163 is at the Concord School Committee Adopted Budget level voted on December 11, 2018.

CONCORD PUBLIC SCHOOLS CAPITAL PROJECTS

ARTICLE 12. To determine whether the Town will vote to raise and appropriate, or transfer from available funds, or authorize the Town Treasurer with the approval of the Select Board to borrow money by the issuance of bonds or notes under the provisions of Massachusetts General Laws c. 44, §7, the sum of \$900,000, or any other sum, to be expended under the direction of the School Committee for remodeling, construction, reconstructing or making extraordinary repairs, including original equipment and related work at various Concord Public School buildings, and further that any premium received by the Town upon the sale of any bonds or notes approved by the vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Massachusetts General Laws c. 44, § 20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount, or take any other action relative thereto.

This article authorizes the Treasurer to borrow \$900,000 for construction, renovations, repairs, and related work at various Concord Public School facilities. This borrowing is part of the Town Manager's five-year Capital Plan, with the debt service cost to be funded within the Levy Limit.

AUTHORIZATION TO ACCEPT M.G.L. c. 71, § 71E – SCHOOL PROPERTY FUND

ARTICLE 13. To determine whether the Town will vote to accept Massachusetts General Laws c.71 § 71E, Use of School Property Fund, or take any other action relative thereto.

This article authorizes the Town to establish a Use of School Property Fund. Facility use fees charged to outside organizations will be credited to the fund and expended under the direction of School Committee for expenses related to making the facility available. Any unspent balance at the end of the fiscal year will carry forward to the next fiscal year.

CONCORD MIDDLE SCHOOL FEASIBILITY STUDY

ARTICLE 14. To determine if the Town will vote to raise and appropriate, or transfer from available funds, or authorize the Town Treasurer with the approval of the Select Board to borrow money by the issuance of bonds or notes under the provisions of Massachusetts General Laws c. 44, the sum of \$1,500,000, or any other sum, to be expended under the direction of the School Committee for a feasibility study to consider the construction of a new middle school, which may be located at 835 Old Marlboro Road, Concord, Massachusetts (the present site of the Sanborn Middle School), provided, however, that this approval shall be contingent upon passage of a Proposition 2½ debt exclusion referendum under Massachusetts General Laws c. 59, § 21C(k), and further that any premium received by the Town upon the sale of any bonds or notes approved by the vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Massachusetts General Laws c. 44, § 20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount, or take any other action relative thereto.

This Article authorizes the Treasurer to borrow up to \$1,500,000 for a feasibility study to consider construction of a new middle school at the existing Sanborn site.

CONCORD-CARLISLE REGIONAL HIGH SCHOOL BUDGET

ARTICLE 15. To determine whether the Town will vote to raise and appropriate, or transfer from available funds, a sum of \$23,344,987, or any other sum, for the following necessary and expedient purposes of the Concord-Carlisle Regional School District for the fiscal year ending June 30, 2020, or take any other action relative thereto.

SCHEDULE A – CONCORD-CARLISLE REGIONAL HIGH SCHOOL BUDGET			
Department	Fiscal 2018 Adopted	Fiscal 2019 Adopted	Fiscal 2020 School Committee Vote of Dec. 11, 2018
Concord-Carlisle Regional High School Budget	\$33,027,108	\$33,749,420	34,687,733
Concord's Assessment	\$21,599,072	\$22,654,028	23,344,987*

*includes \$19,996,874 assessment for operating budget and \$3,348,113 assessment for debt.

This article provides Concord's share of the annual operating budget for the Concord-Carlisle Regional High School. The appropriation presented for Town Meeting approval meets the spending guideline set by the Finance Committee in November 2018.

CONCORD-CARLISLE REGIONAL HIGH SCHOOL CAPITAL PROJECTS

ARTICLE 16. To determine whether the Town will vote to approve \$2,000,000, or any other sum, of debt authorized by the Concord-Carlisle Regional School Committee for the reconstruction of the access road and the design and construction of the parking lot; provided, however, that this approval shall be contingent upon passage of a Proposition 2½ debt exclusion referendum under Massachusetts General Laws c. 59, § 21C(k) to exempt the Town's allocable share of the amounts required for the payment of interest and principal on said borrowing, or take any other action relative thereto.

This article provides Concord's share of the cost for paving the campus entrance road, the design and construction of a parking lot on Concord-Carlisle Regional School District land. These costs will be assessed annually over a period of years consistent with the term of bonds to be issued by the District with debt service expected to commence in FY21.

USE OF FREE CASH – CONSENT CALENDAR

ARTICLE 17. To determine whether the Town will vote to transfer from free cash, the sum of \$1,000,000, or any other sum, to be used by the Board of Assessors to reduce the tax levy for the fiscal year ending June 30, 2020, or take any other action relative thereto.

This article seeks Town Meeting approval to allocate a portion of the available General Fund balance to support the FY20 budget. The proposed amount is consistent with the Finance Committee's FY20 Guideline Budget Plan.

GENERAL BYLAW AMENDMENT – SUSTAINABLE GROWTH RATE

ARTICLE 18. To determine whether the Town will vote to amend the **Finance Committee Bylaw** to add a new Section 4 as follows: "To help the Town plan for and achieve a sustainable financial future, each years Finance Committee report shall also include, for the upcoming fiscal year and for each of the five following fiscal years: (1) a projection of the likely total tax burden on citizens, and (2) based on that burden, a recommended sustainable growth rate, so that said Section 4 reads as follows:

Section 4.

To help the Town plan for and achieve a sustainable financial future, each years' Finance Committee report shall also include, for the upcoming fiscal year and for each of the five following fiscal years: (1) a projection of the likely total tax burden on citizens, and (2) based on that burden, a recommended sustainable growth rate.

or take any other action relative thereto.

This article seeks Town Meeting approval to amend the Finance Committee Bylaw, adding two tasks to the Finance Committee's responsibilities. The first task instructs the Finance Committee to publish an annual five-year projection of the likely burden on the Town's taxpayers. This task was originally adopted by the 2009 Town Meeting, through the passage of a citizen petition. The inclusion of that task in the Finance Committee Bylaw formalizes that 2009 TM action. The second task instructs the Finance Committee to publish an annual statement of its recommendations regarding sustainable growth rates for the upcoming fiscal year and for each of the five following fiscal years. The Finance Committee considers sustainable growth in taxation and budgets to be that which balances over the long term the desirability of socio-economic diversity in the Town, the quality of our schools and municipal services, and the unique position of Concord in our nation's history.

GENERAL BYLAW AMENDMENT – TOWN MEETING NOTICE

ARTICLE 19. To determine whether the Town will vote to amend the Town Meeting Notice Bylaw by deleting the phrase "in at least one public location in each precinct in Concord" and inserting in place thereof the phrase: "and electronically on the town's website" from the first sentence of that Bylaw, so that the Bylaw reads as follows (*changes are shown in bold and strikeout for emphasis only*):

Notice of Town Meeting shall be given by posting an attested copy of the Warrant calling the same at the Concord Town House ~~in at least one public location in each precinct in Concord~~ **and electronically on the town's website**, at least seven days before the day appointed for an annual Town Meeting, and at least fourteen days before the day appointed for any special Town Meeting. A copy of the Warrant of

any Town Meeting shall also be sent by mail or otherwise to every household in Concord, and upon request, to places of religious assembly in Concord, at least seven days before an annual Town Meeting, and at least fourteen days before a special Town Meeting, and the return of the officer that he or she has complied by this bylaw shall be conclusive that he has done so.

or take any other action relative thereto.

This article provides for a more effective form of notice to the general public as well as many residents by requiring electronic posting of the warrant on the Town's website. The Warrant will continue to be mailed to every household to ensure that all residents have access to the Warrant. The Warrant will also continue to be posted at the Town House.

GENERAL BYLAW AMENDMENT – RECORDS MANAGEMENT

ARTICLE 20. To determine whether the Town will vote to amend the Records Management Bylaw by deleting the second paragraph and inserting in place thereof the following: “The Town Manager shall appoint a Municipal Archivist who shall report to the Town Clerk and shall assist the Town Clerk in managing the town’s records and archives, including complying with the Public Records Law and all other applicable laws.”, so that the second paragraph of the Bylaw reads as follows (*changes are shown in bold and strikeout for emphasis only*):

~~The Board of Selectmen, upon recommendation of the Director of the Concord Free Public Library, shall designate a Library employee as Municipal Archivist. The Municipal Archivist shall have the responsibility for the physical oversight of the Town Records stored in the Library vault, including access to the records.~~ The Town Manager shall appoint a Municipal Archivist who shall report to the Town Clerk and shall assist the Town Clerk in managing the Town’s records and archives, including complying with the Public Records Law and all other applicable laws.

or take any other action relative thereto.

The Town recognizes that there is a need for records management and preservation across all town departments, boards and committees that require the professional attention of a full time Municipal Archivist. The legal responsibility of town archives preservation lies with the Town Clerk so this position is best suited to report directly to the Town Clerk. Recent amendment to the State Public Records Law has increased the importance of a municipal archivist.

AUTHORIZATION TO ACCEPT M.G.L. c. 54, § 16A – ELECTION VACANCY APPOINTMENTS – CONSENT CALENDAR

ARTICLE 21. To determine whether the Town will vote to accept the provisions of Massachusetts General Laws c. 54, § 16A authorizing the Town Clerk to fill vacant election officer positions if an election officer is unexpectedly absent at the time the polls open for voting, or take any other action relative thereto.

Election officers play an important role in town elections, checking registered voters in and out to document voter activity and providing voters with ballots. The appointing authority for election officers is the Select Board. On occasion, however, there are last minute cancellations leaving polling locations understaffed due to the timing of Select Board Meetings. Accepting this local option would give the Town Clerk the ability to fill vacancies due to cancellations in order to keep elections running smoothly.

COMMUNITY PRESERVATION COMMITTEE APPROPRIATION RECOMMENDATIONS

ARTICLE 22. To determine whether the Town will vote to appropriate the sum of \$1,811,419, or any other sum, from the Concord Community Preservation Fund, of which up to \$194,503 shall be appropriated from the prior year undesignated fund balance as of June 30, 2018; \$80,000 shall be appropriated from the Land Acquisition Reserve Fund; \$125,497 shall be appropriated from the Housing Reserve Fund; and up to \$1,411,419 shall be appropriated from projected Fiscal Year 2020 Fund Revenues, in accordance with Massachusetts General Laws c. 44B, to be expended under the direction of the Town Manager as follows:

Item	Project/Description	Category	Sources				Total Amount Recommended
			Land Acquisition Reserve Fund	Housing Reserve Fund	Prior Year Undesignated Fund Balance	FY20 CPA Fund Revenues	
A	Town of Concord – Regional Housing Services Program	Community Housing				19,000	19,000
B	Town of Concord – Junction Village Assisted Living	Community Housing		125,497	174,503	-	300,000
C	Concord Free Public Library Corporation - Expansion and Renovation of the Main Library and the Heywood-Benjamin House	Historic Preservation			20,000	480,000	500,000
D	Concord Home for the Aged - 110 Walden Street Preservation Project	Historic Preservation				20,800	20,800
E	Town of Concord - Gerow Recreation Area Improvements	Open Space				100,000	200,000
		Recreation				100,000	
F	Town of Concord - White Pond Beach Access Improvements	Open Space				75,000	250,000
		Recreation				175,000	
G	Town of Concord – Warner’s Pond Dredging Project	Open Space				50,000	75,000
		Recreation				25,000	
H	Town of Concord – Emerson Land Acquisition	Open Space	80,000			10,000	90,000
I	Town of Concord – Heywood Meadow Stone Wall Extension	Open Space				21,619	21,619
J	Town of Concord – Old Calf Pasture Habitat Restoration	Open Space				5,000	5,000
K	Town of Concord Public Works – Emerson Field Improvements	Recreation				300,000	300,000
L	Staff and Technical Support	Administration				30,000	30,000
			80,000	125,497	194,503	1,411,419	1,811,419

or take any other action relative thereto.

This article authorizes the appropriation of funds from the Community Preservation Fund for the completion of specific projects as listed in the above chart and allowed under the Community Preservation Act. These projects will expend a total of \$319,000 for Community Housing, \$520,800 for Historic Preservation, \$341,619 for Open Space, \$600,000 for Recreation, and \$30,000 for Administration. Town Meeting may reduce or reject but may not increase the appropriation from the Community Preservation Fund for any item proposed by the Committee

APPROPRIATE FUNDS FOR AFFORDABLE HOUSING DEVELOPMENT

ARTICLE 23. To determine whether the Town will vote to raise and appropriate, or transfer from available funds the sum of \$500,000, or any other sum, for the purpose of developing affordable housing within the Town, said funds to be expended under the direction of the Town Manager on such terms and conditions as the Select Board may determine, or take any other action relative thereto.

The Affordable Housing Funding Committee has recommended in its 2018 report to the Select Board that the town appropriate Free Cash to support affordable housing within Concord when the town's Free Cash balance is higher than five-percent of the annual operating budget. The Town's financial policies have long considered five-percent to be a floor below which the Free Cash balance should not fall. The Select Board anticipates annually requesting an appropriation of Free Cash to support affordable housing until such time as other housing revenues are generated should Articles 24, 25 and 26 be approved and the necessary special legislation enacted. The Affordable Housing Funding Committee's report can be reviewed on the Town's website at:

(<https://concordma.gov/DocumentCenter/View/16975/Affordable-Housing-Funding-Committee---Preliminary-Report-10-29-2018>)

AUTHORIZATION TO ACCEPT M.G.L. c. 44, § 55C – MUNICIPAL AFFORDABLE HOUSING TRUST FUND

ARTICLE 24. To determine whether the Town will vote to accept Massachusetts General Laws c. 44 § 55C, to authorize the creation of a Municipal Affordable Housing Trust Fund, or take any other action relative thereto.

Massachusetts General Laws Chapter 44, section 55C is a local-option statute intended to promote the development and management of affordable housing. Voting to accept the statute will create a Concord Affordable Housing Trust, which will have the board of trustees appointed by the Select Board exercising a variety of powers including:

(1) to accept and receive real property, personal property or money, by gift, grant, contribution, devise or transfer from any person, firm, corporation or other public or private entity, including but not limited to money, grants of funds or other property tendered to the trust in connection with any ordinance or by-law or any general or special law or any other source..."

The creation of the Concord Affordable Housing Trust will create a town entity that will manage revenues generated for affordable housing if Articles 25 and 26 are approved and the necessary special legislation is enacted.

**AUTHORIZE SPECIAL LEGISLATION – REAL ESTATE TRANSFER TAX
FOR AFFORDABLE HOUSING**

ARTICLE 25. To determine whether the Town will authorize the Select Board to petition the General Court for special legislation substantially in the form below that that would impose a real estate transfer fee to be used by the Town for the purposes of acquiring, creating, preserving, rehabilitating, restoring and supporting affordable housing in the Town, or take any other action relative thereto:

“An act establishing a real estate transfer fee upon the transfer of property in the Town of Concord.”

SECTION 1. There is hereby imposed a real estate transfer fee, hereafter “the fee,” equal to 1 per cent of the purchase price upon the transfer of (i) any real property interest in any residential property situated in the Town of Concord, or (ii) a controlling interest in a trust, limited liability company, or other entity that directly or indirectly holds an interest in any class residential real property situated in the Town of Concord. The fee shall be the liability of the purchaser of such property interest, and any agreement between the purchaser and the seller or any other person

with reference to the allocation of the liability for the fee shall not affect such liability of the purchaser to the Town. The Town may define by bylaw what constitutes a controlling interest and the calculation of the fee.

SECTION 2. The following transfers of real property interests shall be exempt from the fee established in Section 1:

- (i) purchases by first time buyers that reside in the residential property for at least 5 years, provided that a lien shall accompany the deed equal to 1 per cent of the purchase price, plus accumulated interest and penalties, and provided further that the lien shall run with the land until such time as all conditions of this subsection are met;
- (ii) transfers to the federal government, the commonwealth, the Town, and any of their instrumentalities, agencies or subdivisions, including the Concord Housing Authority;
- (iii) transfers to the Concord Housing Development Corporation;
- (iv) transfers made without additional consideration to confirm, correct, modify or supplement a transfer previously made;
- (v) transfers with consideration under \$100.00;
- (vi) transfers to a charitable organization, as defined in clause Third of section 5 of chapter 59 of the General Laws, or a religious organization, provided, however, that the real property interests so transferred will be held solely for public charitable or religious purposes; and
- (vii) transfers between family members, including spouses, parents and children, grandparents and grandchildren, step-parents and step-children, siblings or step-siblings.

SECTION 3. The fee shall be paid to the Town. The Town shall have such remedies to collect the fee as provided by law with respect to the collection of real property taxes. The Town may, by bylaw, adopt additional requirements, exemptions, and regulations to implement or enforce said fee, consistent with this act. The Town may not, by bylaw or otherwise, eliminate or reduce any exemption set forth in this act.

SECTION 4. All fees received pursuant to this act shall be dedicated to the Concord Housing Development Corporation established by the Town or deposited in the Concord Affordable Housing Trust Fund established pursuant to section 55C of chapter 44 of the General Laws.

SECTION 5. A copy of the deed or other instrument evidencing such transfer shall be provided to the Town and shall be accompanied by (i) an affidavit signed under oath or under the pains and penalties of perjury by the purchaser and seller attesting to the purchase price; (ii) the applicable fee owed or, if applicable, an affidavit of intent to seek one of the permissible exemptions, as described in Section 2, for that property by the purchaser; and (iii) the basis, if any, upon which the transfer is claimed to be exempt in whole or in part from said fee. Upon receipt of the transfer fee or satisfactory evidence of exemption, the Town or its designee shall promptly thereafter issue a certificate indicating that the fee has been paid or that the transfer is exempt from the fee. The Middlesex South Registrar of Deeds shall not record or register a deed unless the deed is accompanied by such certificate.

SECTION 6. The Town Manager or designee shall prepare and issue an annual report that (i) identifies fee receipts; (ii) quantifies affordable housing programs funded, including type and purpose; and (iii) evaluates the impact of said affordable housing programs, including but not limited to, to the extent reasonably possible and permitted by applicable law, the number and demographics of individuals and families served as well as measures of housing stability and wealth generation in the community.

SECTION 7. This act shall take effect upon its passage.

The Town voted under Article 49 of the 2017 Annual Town Meeting to urge the Select Board to appoint a committee "...to study the affordable housing goals of the Town and recommend appropriate measures to fund those goals". In September of that year, the Select Board appointed the Affordable Housing Funding Committee, and in the fall of 2018, the committee issued its report. The report can be reviewed on the Town's website at (<https://concordma.gov/DocumentCenter/View/16975/Affordable-Housing-Funding-Committee---Preliminary-Report-10-29-2018>)

Rather than funding affordable housing on an occasional basis, the Committee's report recommends that an affordable housing goal for Concord should be to establish "Predictable, Sustainable Funding for Affordable Homes". Seeking legislation to establish a real estate transfer tax is one of the Committee's top 4 recommendations to accomplish this goal. Thirty-five states including Massachusetts have established a real estate transfer tax. Massachusetts currently allows Cape Cod communities, Martha's Vineyard and Nantucket to collect a real estate transfer tax to fund local projects.

**AUTHORIZE SPECIAL LEGISLATION – BUILDING PERMIT FEE SURCHARGE
FOR AFFORDABLE HOUSING**

ARTICLE 26. To determine whether the Town will authorize the Select Board to petition the General Court for special legislation substantially in the form below that permits the Town to enact a bylaw charging a building permit surcharge to be used by the Town for the purposes of acquiring, creating, preserving, rehabilitating, restoring and supporting affordable housing in the Town, or take any other action relative thereto:

“An act establishing a building permit surcharge in the Town of Concord.”

SECTION 1. The Town of Concord, hereafter referred to as “the Town,” may, by bylaw, require the payment of an affordable housing surcharge for any construction that (i) requires a building permit and (ii) exceeds a minimum number of square feet to be determined from time to time by the Select Board of the Town. The bylaw shall specify the amount of said affordable housing surcharge, the method by which the surcharge may be increased from time to time, and any types of construction or uses to which the affordable housing surcharge shall not apply.

SECTION 2. All fees received pursuant to this act shall be dedicated to the Concord Housing Development Corporation established by the Town or deposited in the Concord Affordable Housing Trust Fund established pursuant to section 55C of chapter 44 of the General Laws.

SECTION 3. For the purposes of this act, “affordable housing” shall mean as defined under section 1 of chapter 60 of the General Laws.

SECTION 4. This act shall take effect upon its passage.

Similar to Articles 24 and 25, Article 26 is a proposal recommended by the Affordable Housing Funding Committee as a means for the Town to achieve the goal of creating “predictable, sustainable funding for affordable homes”. This article requests that the Town authorize the Select Board to petition the Massachusetts Legislature to approve special legislation that would authorize Concord to charge a building permit fee surcharge with the revenues dedicated to fund affordable homes. The funds collected would be deposited into a special revolving fund or similar account and would be used to develop, maintain, rehabilitate or otherwise support affordable housing.

**AUTHORIZE TRANSFER OF A PORTION OF THE PROPERTY AT
37B COMMONWEALTH AVENUE FOR AFFORDABLE HOUSING**

ARTICLE 27. To determine whether the Town will vote to authorize the Select Board to transfer the fee, and/or other property interests in, on, over, across, under and along a portion of the property at 37B Commonwealth Avenue, shown on Assessors’ Map 8D as Parcel #2158, which property contains 20,000 square feet, more or less, and is also shown as Parcel “A-2” on the plan of land prepared by Greenman-Peterson, Inc. dated January 11, 2019, on file with the Town Clerk, to the Concord Housing Authority or any other affordable housing development entity, for the sole purpose of creating not more than one unit of affordable housing, under such terms and conditions as the Select Board may determine, or take any other action relative thereto.



The Town voted under Article 25 of the 2018 Annual Town Meeting to purchase 7 acres of land at 37B Commonwealth Avenue with frontage on Warner's Pond "...for municipal purposes, including active recreation and affordable housing...". The Concord Housing Authority has offered to construct a unit of public housing, abutting an existing unit of CHA housing at 365 Commonwealth Avenue. The remainder of the property, which is adjacent to the Bruce Freeman Rail Trail, will be developed as public park. This article proposes that the portion of the property with frontage on Commonwealth Avenue be transferred to the Concord Housing Authority for the development of one unit of affordable housing.

BY PETITION ADOPT A MORATORIUM OF SYNTHETIC TURF ON TOWN PROPERTY

ARTICLE 28. To determine whether the Town will adopt a moratorium on the construction or installation of any synthetic turf (monofilament carpet with infill) and any surface covering of loose fill made from scrap tires on any land, of any size, owned by the town for a three-year time period starting on April 18, 2019 and ending on April 18, 2022; or take any other action relative thereto.

This moratorium is a three-year extension of the 2016 moratorium which the town voted to put in place to prevent the construction of synthetic turf fields on town land in Concord. Crumb rubber, used in synthetic turf, contains known carcinogens and endocrine disruptors raising concerns about its health effects, especially in young children. The Environmental Protection Agency (EPA) has stated that without further study no conclusions can be drawn about the safety of crumb rubber and together with the Consumer Product Safety Commission and the Center for Disease Control and Prevention, they are still working on a study regarding the safety of synthetic turf. Synthetic turf also has environmental impacts which include the loss of carbon capture by grass; the annual loss of 3-5% of the crumb rubber that leaches from the fields into the surrounding area; plastic monofilaments that break off and leave the fields; and poor retention of water after heavy rain events. Building synthetic turf fields violates the four sustainability principles adopted by the Town in 2011. The proposed moratorium does not include the sealed surfaces currently in use on running tracks and children's playgrounds. It would apply to Concord Public School fields but not Concord-Carlisle Regional High School fields or privately owned land.

ZONING BYLAW AMENDMENT – FORMULA BUSINESS

ARTICLE 29. To determine whether the Town will vote to amend the **Zoning Bylaw Section 3.3 Formula Business** to delete Section 3.3 entirely and adopt a new Section 3.3 that reads as follows:

3.3 Formula Business

3.3.1 Purpose. The purpose of regulating the number, location, and visual features of formula businesses in the Concord Center, West Concord Business and West Concord Village Districts is to maintain the unique, small-scale, small-town character and the quality of life for all Concord residents by preserving the individuality and distinctive appeal of its village centers, which are among the Town's most recognized features. Preservation of the existing character, diversity, variety and scale of these districts is vital to the continuation of Concord's ability to attract both residents and visitors.

The Concord Center Business District is the historic heart of the Town, serving as a commercial, cultural, and government center for the community and visitors from around the world. It was established over three centuries ago, and continues to maintain a design and form that represents the quintessential New England town center. The Concord Center Business District also offers abundant cultural resources, including galleries, bookshops, a theatre and other performance venues. It is fully contained within the Concord Center Cultural District, one of the first Cultural Districts to be designated under G.L. c. 10, § 58A in Massachusetts, and falls within the American Mile, Main Street and North Bridge/Monument Square Historic Districts.

West Concord's Business and Village Districts currently provide a mix of unique businesses, architecture, signage, and graphic and other design elements, which gives West Concord a distinctive visual appearance and small-scale eclectic ambiance. The West Concord Junction Cultural District was designated as a Massachusetts Cultural District under G.L. c. 10, § 58A in 2016.

The Town's preservation goals are evidenced in the Comprehensive Long Range Plans of 2005 and 2018, the Village Centers Study of 2007, the Call to Action of 2008, the West Concord Task Force Public Survey of 2009, in committee and public comment in public meetings and public forums of the Comprehensive Long Range Plan Committee and the West Concord Task Force, and in the West Concord Master Plan of 2010.

3.3.2 Limitation on the number of formula businesses in the Concord Center, West Concord Business and West Concord Village District: Limiting the number of formula businesses will allow the Concord Center, West Concord Business and West Concord Village Districts to avoid a proliferation of businesses that are homogenous and visually obtrusive, will safeguard Concord's historical relevance, and will ensure that Concord residents and tourists continue to have unique dining, retail and service experiences in its village centers.

The total number of formula businesses in the Concord Center Business District is limited to 12. The total number of formula businesses in the West Concord Business District and the West Concord Village District combined is limited to 10. When the total existing number of formula businesses is equal to or greater than these limits, no new formula businesses may be established until and unless an existing formula business closes, adapts so that it no longer qualifies as a formula business, or relocates outside of the affected business district. If a business in current operation becomes a formula business by means of additional locations being established, this business shall count toward the total number of formula businesses, but shall not be considered as a formula business being established.

3.3.3 Special permit required: The establishment of a new formula business, expansion, or relocation of an existing formula business in the Concord Center, West Concord Business, and West Concord Village Districts shall require the grant of a special permit as defined in Section 11.6 from the Planning Board.

3.3.4 Additional criteria for establishment, expansion, or relocation of a formula business in the Concord Center, West Concord Business, and West Concord Village Districts:

- (a) The formula business is designed and operated in a manner that preserves the community's distinctive small-town character, as detailed in Section 3.3.1;
- (b) The formula business contributes to the diversity of uses to assure a balanced mix of businesses available to serve residents and visitors;

- (c) The formula business does not result in an over-concentration of formula businesses in its immediate vicinity;
- (d) The formula business use, together with the design and any improvements, is compatible with the existing architecture and unique aesthetic appearance of the district.
- (e) The formula business shall not increase the intensity of use on the site to a level that will adversely impact land uses in the area, pedestrian or motor vehicle traffic or the public welfare; and
- (f) No drive-through facilities are allowed.

3.3.5 *Determination:* A formula business may adapt its business activities in consultation with the Building Inspector so that the proposed establishment no longer qualifies as a formula business as defined in subsection 1.3.10.

or take any other action relative thereto.

In 2011, Concord Town Meeting voted to amend the Zoning Bylaw to add a definition of formula business, to set a limit of ten on the number of such businesses, and provide a special permit process for establishing, expanding or relocating such businesses in the West Concord Business District and West Concord Village District. This amendment extends the same formula business regulations to the Concord Center Business District, and limits the number of such businesses to twelve in the Concord Center Business District. The purpose of the Formula Business Bylaw is to preserve the existing character, diversity, variety and scale of the three districts, which are vital to the continuation of Concord's ability to attract both residents and visitors. Due to the number of amendments required throughout the entire Bylaw, Section 3.3 is being replaced in its entirety for ease of reading.

Definition of Formula Business as it appears in the Town of Concord's Zoning Bylaw:

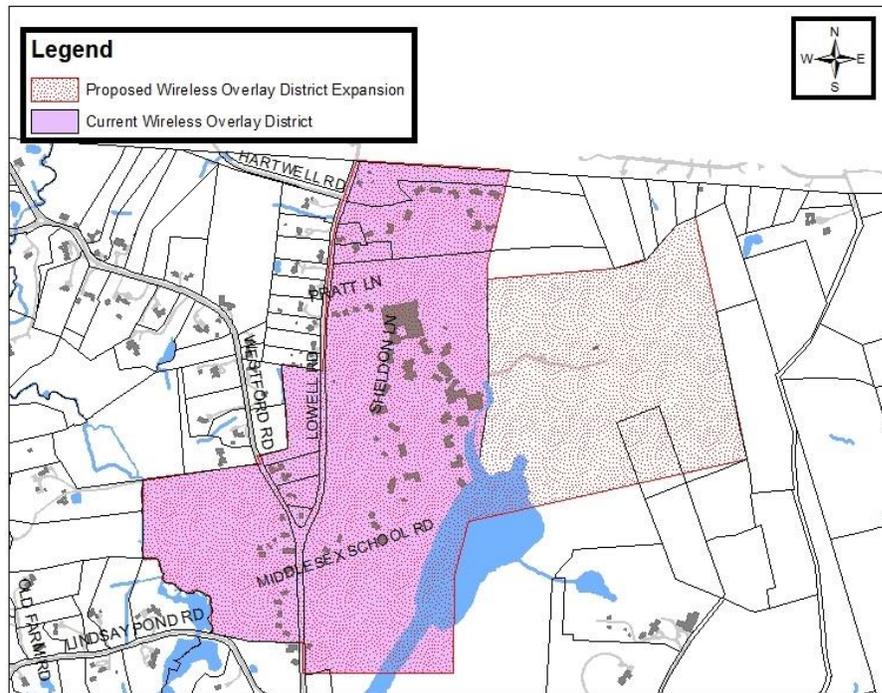
1.3.10 Formula business: A type of business activity that maintains two or more of the following standardized features:

- 1. array of services and/or merchandise, or menu***
- 2. trademark, logo, service mark or symbol***
- 3. décor, architecture, layout or color scheme***
- 4. uniforms***
- 5. sign***

and these features are the same as or substantially the same as fifteen or more such establishments, regardless of ownership or location. Formula businesses shall not include post offices, churches, schools, government facilities, grocery stores or accessory uses.

ZONING BYLAW AMENDMENT –
PERSONAL WIRELESS COMMUNICATIONS FACILITY OVERLAY DISTRICT MAP

ARTICLE 30. To determine whether the Town will vote to amend the seventh paragraph of **Zoning Bylaw Section 2.2 Zoning Map** by deleting “Wireless Communication Facility(s) Overlay District Map, Town of Concord, April 26, 2004 (Scale 1” = 1,000’ consisting of a single sheet)” and adopting a new map that is on file with the Town Clerk’s office entitled “Personal Wireless Communications Facility Overlay District Map, Town of Concord, April 2019 (Scale 1” = 1,000’ consisting of a single sheet)” that expands the District near 1400 Lowell Road, or take any other action relative thereto.



At the 2018 Annual Town Meeting, a citizen's petition was submitted to extend the Wireless Overlay District to include 1400 Lowell Road (Middlesex School). The Planning Board recommended Town Meeting take no action on this warrant article because there had been no comprehensive process with Town staff in the vetting of the zoning bylaw amendment or a deliberative process for the property owners and abutters to review and discuss the proposed amendment other than at a single public hearing or on the floor of Town Meeting. The article did not pass due to the lack of a 2/3 majority vote of Town Meeting. The Planning Board has since reviewed the expansion of the District in this location, taking into consideration apparent physical limitations in the area, and discussed the potential expansion at three separate public meetings. The Planning Board believes the expansion of the District in this location will enable consideration of additional options for wireless services that are consistent with the general requirements described in Section 7.8.4.2 (i.e. general requirements for personal wireless communication facilities).

ZONING BYLAW AMENDMENT – HANDICAPPED PARKING – CONSENT CALENDAR

ARTICLE 31. To determine whether the Town will vote to amend the **Zoning Bylaw Section 7.7.3.7 Handicapped parking** to substitute the word "Barriers" with the word "Access" and delete the phrase "Department of Public Safety" so that this Section reads as follows (*changes are shown in bold and strikeout for emphasis only*):

7.7.3.7 Handicapped parking: Parking facilities shall provide specially designated parking spaces for the physically handicapped in accordance with the rules and regulations of the Architectural **Access** ~~Barriers~~ Board of the Commonwealth of Massachusetts ~~Department of Public Safety~~.

or take any other action relative thereto.

The Commonwealth of Massachusetts has changed the name of the State Board that promulgates handicapped parking rules and regulations from the Architectural Barriers Board to the Architectural Access Board (AAB). Additionally, the AAB is no longer under the Department of Public Safety.

ZONING BYLAW AMENDMENT – GROUNDWATER CONSERVANCY DISTRICT – CONSENT CALENDAR

ARTICLE 32. To determine whether the Town will vote to amend the **Zoning Bylaw Section 7.6 Groundwater Conservancy District** to delete the word “acre” at the end of the Section 7.6.5.8 and insert in its place the phrase “40,000 square feet” so that Section 7.6.5.8 reads as follows (*changes are shown in bold and strikeout for emphasis only*):

7.6.5.8 On-site subsurface disposal which requires a minimum design flow under Title V in excess of four hundred and forty (440) gallons per day per ~~acre~~ **40,000 square feet**.

or take any other action relative thereto.

The State Environmental Code Regulating Septic Systems (Title V) defines an acre as a unit of land measure equal to 40,000 square feet, which is considered a building acre in accordance with standard real estate practices. This proposed amendment will bring this Section of the Bylaw in conformance with Title V.

ZONING BYLAW AMENDMENT – MARIJUANA ESTABLISHMENT TEMPORARY MORATORIUM – CONSENT CALENDAR

ARTICLE 33. To determine whether the Town will vote to amend the **Zoning Bylaw Section 4.8 Marijuana Establishment Temporary Moratorium** to delete this Section in its entirety, or take any other action relative thereto.

The 2018 Annual Town Meeting passed a General Bylaw that prohibits all marijuana establishments, which includes a marijuana cultivator, marijuana testing facility, marijuana product manufacturer, marijuana retailer or any other type of licensed marijuana-related business. The General Bylaw was then ratified through a ballot question at the June 12, 2018 Special Town Election. The Marijuana Establishment Temporary Moratorium is therefore no longer necessary. This Bylaw amendment does not change any of the requirements under Section 4.3.9 Registered Marijuana Dispensary, which allows medical marijuana dispensary in the Medical-Professional Zoning District.

ZONING BYLAW AMENDMENT – NONCONFORMING SINGLE AND TWO FAMILY RESIDENTIAL STRUCTURES – CONSENT CALENDAR

ARTICLE 34. To determine whether the Town will vote to amend the **Zoning Bylaw Section 7.1.5 Nonconforming single and two family residential structures** to delete “(d) extension of a structure by more than fifty percent (50%) is based on the aggregate of all expansions undertaken within a consecutive five (5) year period.” and insert in the first paragraph after the words “by more than fifty percent (50%)” the phrase “**(based on the aggregate of all expansions undertaken within a consecutive five (5) year period)**” so that Section 7.1.5 reads as follows (*changes are shown in strikeout and bold for emphasis only*):

7.1.5 *Nonconforming single and two family residential structures.* Nonconforming single and two family residential structures may be reconstructed, extended, altered, or structurally changed upon a determination by the Building Inspector that such proposed reconstruction, extension, alteration, or structural change does not increase the nonconforming nature of said structure. Where the proposed extension, reconstruction, alteration or structural change does not increase the gross floor area, excluding basements, open or screened porches, and decks, contained within the existing structure by more than fifty percent (50%) **(based on the aggregate of all expansions undertaken within a consecutive five (5) year period)**, the following circumstances shall not be deemed to increase the nonconforming nature of said structure:

- (a) extension, reconstruction, alteration or structural change to a structure located on a lot with insufficient area which extension, reconstruction, alteration or structural change complies with all current setback, yard, building coverage, maximum floor area ratio, and building height requirements.

- (b) extension, reconstruction, alteration or structural change to a structure located on a lot with insufficient frontage which extension, reconstruction, alteration or structural change complies with all current setback, yard, building coverage, maximum floor area ratio, and building height requirements.
- (c) extension, reconstruction, alteration or structural change to a structure which encroaches upon one or more required yard or setback areas, where the extension, reconstruction, alteration or structural change will comply with all current setback, yard, building coverage, maximum floor area ratio, and building height requirements.
- ~~(d) extension of a structure by more than fifty percent (50%) is based on the aggregate of all expansions undertaken within a consecutive five (5) year period.~~

In all other cases, the Board may, by special permit, allow such extension, reconstruction, alteration, or structural change where it determines that the proposed modification will not be substantially more detrimental than the existing nonconforming structure to the neighborhood.

or take any other action relative thereto.

This proposed amendment will fix the formatting of the subsections, because Item (d) is not a circumstance that "shall not be deemed to increase the nonconforming nature of" a structure. This proposed amendment will not alter or change the substance of this section.

ZONING BYLAW AMENDMENT – FAIRS, BAZAARS, ANTIQUE SHOWS, SUPPERS AND DANCES

ARTICLE 35. To determine whether the Town will vote to amend the **Zoning Bylaw Section 5.4.5 Fairs, bazaars, antique shows, suppers and dances** to (a) delete the word "municipal," (b) insert the sentence "Any such event held by the Town of Concord, in or on any building or premises owned or operated by the Town of Concord, shall not be subject to the restrictions of this Section or the requirement to obtain a special permit hereunder." at the end of the Section, and (c) make grammatical corrections to the Section, so that this Section reads as follows (*changes are shown in bold and strikeout for emphasis only*):

5.4.5 Fairs, bazaars, antique shows, suppers and dances: In all districts, any building or premises owned or operated by ~~a an municipal~~, educational or religious organization or private lodge or club may be used for fairs, bazaars, antique shows, suppers, dances or similar events, provided that: no such event shall continue for more than three (3) days; such event shall take place entirely within a building; and police supervision of parking and traffic shall be provided during the event, unless the Concord Police Chief is of the opinion that such supervision is unnecessary. Events, which do not conform to the provisions of this subsection, may be authorized by the Board by special permit. **Any such event held by the Town of Concord, in or on any building or premises owned or operated by the Town of Concord, shall not be subject to the restrictions of this Section or the requirement to obtain a special permit hereunder.**

or take any other action relative thereto.

The Town of Concord often holds events, such as Picnic in the Park, Stow Street Block Party, JazzFest, Drop-off/Swap-off and Discover West Concord Day. These events are coordinated through various Town Departments and with the Select Board, Town Manager and Police Chief. The Planning Board believes it serves no beneficial purpose for the Town to also have to file for a Special Permit with the Zoning Board of Appeals to hold an event.

ZONING BYLAW AMENDMENT – FLOOD PLAIN CONSERVANCY DISTRICT MAP
– CONSENT CALENDAR

ARTICLE 36. To determine whether the Town will vote to amend the third paragraph of **Zoning Bylaw Section 2.2 Zoning Map** by (a) deleting the date January 1, 2015 and inserting the date April 2019, (b) inserting reference to the LOMR dated February 9, 2018 for FIRM Panel 25017C0264F, 25017C0376F, 25017C0377F, 25017C0378F, and 25017C0379F, (c) inserting reference to the Letter of Map Revision dated February 9, 2018, and (d) making grammatical corrections to the Section, so that said third paragraph reads as follows (***bold for clarity only***):

Flood Plain Conservancy District, Town of Concord, **April 2019** ~~January 1, 2015~~ (Scale 1"=1000' consisting of a single sheet). The general boundaries of the Flood Plain Conservancy District includes all special flood hazard areas within the Town of Concord designated as Zone A, AE and AH, on the Middlesex County Flood Insurance Rate Maps (FIRMs) issued by the Federal Emergency Management Agency (FEMA) for the administration of the National Flood Insurance Program. The map panels of the Middlesex County FIRM that are wholly or partially within the Town of Concord are panel numbers 25017C0244F, 25017C0263F, 25017C0264F, 25017C0356F, 25017C0357F, 25017C0358F, 25017C0359F, 25017C0366F, 25017C0367F, 25017C0376F, 25017C0377F, 25017C0378F, 25017C0379F, 25017C0381F, 25017C0383F, 25017C0386F and 25017C0387F dated July 7, 2014, with panels 25017C0378F and 25017C0379F revised by Letter of Map Revision dated August 14, 2015 **and panels 25017C0264F, 25017C0376F, 25017C0377F, 25017C0378F, and 25017C0379F revised by Letter of Map Revision dated February 9, 2018.** The exact boundaries of the District may be defined by the 100-year base flood elevations shown on the ~~FIRM~~ **FIRMs** and further defined by the Middlesex County Flood Insurance Study (FIS) report dated July 7, 2014 and ~~Letter~~ **Letters** of Map Revision dated August 14, 2015 **and February 9, 2018.** The FIRM and FIS report are incorporated herein by reference and are on file with the Town Clerk.

And, by amending Zoning Bylaw Section 2.3.5 to insert a reference to the Letter of Map Revision dated February 9, 2018 so that Section 2.3.5 reads as follows (***bold for clarity only***):

2.3.5 The exact boundaries of the Flood Plain Conservancy District shall be the location on the ground of the 100-year flood contours shown on the Flood Plain Conservancy District maps or the Middlesex County FIRMs, and as determined by an actual field survey. Supplementary information concerning flood elevations and the limits of the floodway may be found in the Middlesex County "Flood Insurance Study" booklet dated July 7, 2014 and ~~Letter~~ **Letters** of Map Revision dated August 14, 2015 **and February 9, 2018** and published by the Federal Emergency Management Agency.

or take any other action relative thereto.

This Zoning Bylaw amendment updates the Flood Plain Conservancy District boundary as a result of an alteration to the Flood Insurance Rate Map for a portion of the Concord River and Sawmill Brook 2 through a Letter Of Map Revision issued by the Federal Emergency Management Agency. This amendment keeps the Town in compliance with requirements of the National Flood Insurance Program.

ZONING BYLAW AMENDMENT – LARGE GROUND-MOUNTED SOLAR TABLE OF USES – CONSENT
CALENDAR

ARTICLE 37. To determine whether the Town will vote to amend the **Zoning Bylaw Section 4.4 Government and Utility Uses and Table I Principal Use Regulations** to add Section 4.4.5 Large-Scale Ground-Mounted Solar Photovoltaic Installation and a new line in Table I so that Section 4.4.5 and Table I read as follows:

4.4.5 Large-Scale Ground-Mounted Solar Photovoltaic Installation: A solar photovoltaic system that is structurally mounted on the ground and is not roof-mounted, and has a rated nameplate capacity of at least two hundred-fifty kilowatts (250 kW) direct current (DC) in accordance with the provisions of Section 7.9.

Table I – Principal Use Regulations

	Principal Use	Residential Districts				Commercial Districts					Industrial Districts				Site Plan Approval	
		RAA	RA	RB	RC	WCV	B CCB TDB NACB	WCB	LB	MP	WCI	I	IPA	IPB		LIP#1 LIP#2
4.4.5	Large Ground-Mounted Solar Photovoltaic Installation	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	R

or take any other action relative thereto.

Section 7.9 Large-Scale Ground-Mounted Solar Photovoltaic Installation was adopted in 2012 to promote the creation of new large-scale ground-mounted solar photovoltaic installations in any zoning district by providing standards for the placement, design, construction, operation, monitoring, modification and removal of such installations that address public safety, and minimize impacts on scenic, natural and historic community resources. However, the Definitions under Section 4.4 and Table I Principal Use Regulations were not amended at the same time to reflect the provisions of Section 7.9. This Bylaw amendment corrects that omission. It does not change any of the requirements under Section 7.9.

LIGHT PLANT EXPENDITURES & PAYMENT IN LIEU OF TAXES – CONSENT CALENDAR

ARTICLE 38. To determine whether the Town will vote that the income from sales of electricity and from servicing and jobbing during the ensuing fiscal year, together with the balance of operating cash in the Light Plant Fund, be expended without further appropriation under the direction and control of the Town Manager for the expenses of the Light Plant for said fiscal year, as defined in Massachusetts General Laws ch. 164, § 57; and/or for other plant extensions, enlargements, additions, renewals and reconstruction; and further, to authorize a transfer of \$452,000 or any other sum, from the Operating Fund of the Light Plant to be used by the Board of Assessors to reduce the tax levy for the fiscal year ending June 30, 2020; or take any other action relative thereto.

This article authorizes the Town Manager, as manager of the Light Plant, to expend the income received by the Light Plant from the sale of electricity along with other departmental income to be used for the purposes of operating the department for the fiscal year ending June 30, 2020. This is a routine annual action. Further, this article authorizes the transfer of \$452,000 from the operating fund of the Light Plant to the General Fund, an amount consistent with past years and designed to represent what a private utility would pay in property taxes. The amount is based on the Light Plant’s sales revenue.

SOLID WASTE DISPOSAL FUND EXPENDITURES – CONSENT CALENDAR

ARTICLE 39. To determine whether the Town will vote that the income from user fees for solid waste disposal services, associated services, and jobbing services by Concord Public Works during the ensuing fiscal year, together with the balance of operating cash in the Solid Waste Disposal Fund, be expended without further appropriation under the direction and control of the Town Manager in accordance with the Motion passed under Article 27 of the 1989 Annual Town Meeting; or take any other action relative thereto.

Pursuant to Article 27 of the 1989 Annual Town Meeting, this article authorizes the Town Manager to use cash on hand in the Solid Waste Disposal Fund and user fee revenue from fiscal year ending June 30, 2020 to be used to operate the Town’s “pay-as-you-throw” curbside solid waste and recycling collection and disposal program. The Program consists of two major components: curbside collection and disposal including recycling and Drop-Off Days; and the operation and maintenance of the Town’s composting site including the former landfill. This has been a routine annual action.

SEWER SYSTEM EXPENDITURES – CONSENT CALENDAR

ARTICLE 40. To determine whether the Town will vote that the income from user fees, special service fees and jobbing services by the Water and Sewer Division of Concord Public Works during the ensuing fiscal year, together with the balance of operating cash in the Sewer Fund, be expended without further appropriation under the direction and control of the Town Manager in accordance with the Motion passed under Article 37 of the 1976 Annual Town Meeting; or take any other action relative thereto.

Pursuant to Article 37 of the 1976 Annual Town Meeting, this article authorizes the Town Manager to use cash on hand in the Sewer Fund and fiscal year 2020 revenue for the operation and maintenance and improvement of the Town's sewer system. The Sewer Fund is an enterprise fund similar to the Town's Water and Light Plant Funds. The entire cost of operations, maintenance, and capital replacement and renewal is funded by user fees. At the present time approximately one-third of Concord's residences and many businesses and institutions are connected to the Town's municipal sewer system. This has been a routine annual action.

SEWER IMPROVEMENT FUND EXPENDITURES – CONSENT CALENDAR

ARTICLE 41. To determine whether the Town will vote that the income from sewer improvement fees during the ensuing fiscal year, together with the balance of operating cash in the Sewer Improvement Fund, be expended without further appropriation under the direction and control of the Town Manager in accordance with the Motion passed under Article 25 of the 1989 Annual Town Meeting and applicable state enabling statutes, or take any other action relative thereto.

Pursuant to Article 25 of the 1989 Annual Town Meeting, this article authorizes the Town Manager to use cash on hand in the Sewer Improvement Fund (a sub-fund within the Sewer Fund) and fiscal year 2020 fees for constructing and expanding the Town's sewer lines and treatment facility capacities. Sewer improvement fees are charged to certain properties connecting to the sewer system. This has been a routine annual action.

WATER SYSTEM EXPENDITURES – CONSENT CALENDAR

ARTICLE 42. To determine whether the Town will vote that the income from user fees, special service fees, and jobbing services by the Water and Sewer Division of Concord Public Works during the ensuing fiscal year, together with the balance of operating cash in the Water Fund, be expended without further appropriation under the direction and control of the Town Manager in accordance with the Motion passed under Article 38 of the 1974 Annual Town Meeting, or take any other action relative thereto.

Pursuant to Article 38 of the 1974 Annual Town Meeting, this article authorizes the Town Manager to use cash on hand in the Water Fund and fiscal year 2020 revenue for the operation and maintenance and improvement of the Town's water system. Similar to the Town's Sewer and Light Plant Funds, the Water Fund is an enterprise fund. The entire cost of operations, maintenance, and capital replacement and renewal is funded by user fees. Almost all of Concord's residences and businesses/institutions are connected to the Town's municipal water system. This has been a routine annual action.

DEBT AUTHORIZATION – WATER MAIN REPLACEMENT

ARTICLE 43. To determine whether the Town will vote to raise and appropriate, transfer from available funds, or authorize the Town Treasurer with the approval of the Select Board to borrow by the issuance of bonds or notes under the provisions of Chapter 44 of the Massachusetts General Laws, the sum of \$4,000,000, or any other sum, to fund a multi-year water main replacement program, for the repair, reconstruction, renovation, replacement or design of water mains and water system improvements, said funds to be expended under the direction of the Town Manager; and further that the Town Manager be authorized to accept and expend state grants as may be available for the same purpose, and that the Treasurer, with the approval of the Select Board, be authorized to borrow up to the amount stipulated in such grant or grants under the provisions

of Massachusetts General Laws ch. 44, in anticipation of reimbursement of this amount, and further that any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Massachusetts General Laws c. 44, § 20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount, or take any other action relative thereto.

This article authorizes the Treasurer to borrow \$4,000,000 for the repair, reconstruction, renovation, placement and design costs associated with Concord's water main distribution system and water system infrastructure. This borrowing will fund a multi-year water main replacement program to maintain a portion of Concord's 132 miles of the water main distribution system and over 1,300 fire hydrants. Funding will also be used as contingency funding, if required, for ongoing water system improvements including the Annursnac and Pine Hill reservoir improvements, water pump station improvements and the Nagog Pond water treatment plant and associated Infrastructure. This borrowing is part of the Town Manager's Five-Year Capital Plan, to be funded through the Water Enterprise Fund.

AUTHORIZE EXPENDITURE FROM PEG ACCESS & CABLE-RELATED FUND – CONSENT CALENDAR

ARTICLE 44. To determine whether the Town will vote to raise and appropriate, or transfer from the PEG Access and Cable-Related Fund the sum of \$600,000, or any other sum, said funds to be expended during the fiscal year ending June 30, 2020 under the direction of the Town Manager for necessary and expedient cable-related purposes consistent with the Town's license agreement with Comcast, or take any other action relative thereto.

The Town currently receives 4.8% of all revenue generated by Comcast from the company's Concord customers. This amounts to about \$360,000 per year. This article proposes that the revenue from Comcast received during calendar year 2018 be appropriated, to be used only for cable-related purposes in accordance with the ten-year license agreement, and that an additional \$240,000 available in the PEG Access and Cable-Related Fund be appropriated, of which \$270,000 shall be reserved for capital improvements needed to enhance PEG access services. PEG Access services are Public, Educational and Governmental local cable television channels. The fund balance as of January 1, 2019 is \$1,172,807.15.

BEEDE SWIM & FITNESS CENTER ENTERPRISE FUND EXPENDITURES – CONSENT CALENDAR

ARTICLE 45. To determine whether the Town will vote to appropriate the amount required for the total expenses of the Community Pool Enterprise Fund for the fiscal year ending June 30, 2020 for the operation of the Community Pool, in accordance with Massachusetts General Laws, c. 44, § 53F½, said funds to be expended under the direction of the Town Manager, or take any other action relative thereto.

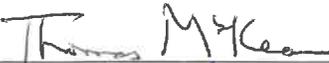
The 2018 Annual Town Meeting appropriated a fiscal year 2019 Beede Center operating budget of \$2,379,905 (\$2,122,500 from estimated revenues, \$245,405 from the undesignated Fund Balance) and a capital budget of \$567,500 (funded from the undesignated fund balance). The FY20 budget will be submitted by the Town Manager and reviewed at a public hearing on March 11, 2019.

UNPAID BILLS

ARTICLE 46. To determine whether the Town will vote to raise and appropriate, or transfer from available funds, a sum of money to pay the unpaid bills of prior fiscal years, or take any other action relative thereto.

If there are unpaid bills of a prior fiscal year, State Law requires that such bills be presented to the Town Meeting.

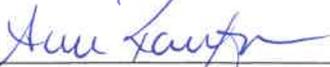
Hereof fail not and make due return of this Warrant with your doings thereon, to the Town Clerk, at or before the time of meeting aforesaid. Given under our hands this 14th day of January in the year two thousand-nineteen.



Thomas McKean, Chair



Michael Lawson



Alice Kaufman



Jane Hotchkiss



Linda Escobedo

SELECT BOARD

Commonwealth of Massachusetts Middlesex, ss.

Concord Jan 17, 2019
Date

By virtue of this warrant I have notified the legal voters of the Town of Concord to meet at the times and places and for the purposes within named as directed.



Constable of Concord

TOWN OF CONCORD
ANNUAL TOWN MEETING



MONDAY, APRIL 8, 2019 • 7PM

CONCORD-CARLISLE REGIONAL HIGH SCHOOL
GYMANSIUM

ADJOURNED SESSIONS START AT 7:00 PM – AS NEEDED

TUESDAY	APRIL 9, 2019*
WEDNESDAY	APRIL 10, 2019
THURSDAY	APRIL 11, 2019

*SEE INSIDE FOR SPECIAL ANNOUNCEMENTS REGARDING
TUESDAY'S SESSION