

FY2021

Town Manager's Proposed Enterprise Budgets

For the Fiscal Year
July 1, 2020 - June 30, 2021

Town of Concord, Massachusetts

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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Town of Concord

Massachusetts

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morill



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Stephen Crane, Town Manager

March 17, 2020

The Honorable Select Board:

I am pleased to submit for your review the Town Manager's Proposed Enterprise Budgets for Fiscal Year 2021 (July 1, 2020 – June 30, 2021). The document presents the Town's business-type operations. These operations have the following characteristics:

- They are **not** supported from property taxes but rather from fees and charges directly related to the services provided;
- They are intended to operate in a fiscally self-sustaining manner with respect to operating expenses, capital expenses and long-term liabilities; and
- They are expected to provide for the continuous renewal of all related investments in plant and equipment without resorting to debt-financing except for the expansion of the related plant or service and for this purpose depreciation expense is accounted for as an operating expense and is incorporated into rate-setting and planning.
- As departments of the Town Government organized under the direction of the Town Manager, each enterprise functions within the personnel bylaw and financial rules and regulations of the town government. Each enterprise receives various central administrative services, including through the Human Resources Department and the Finance Department, the cost of which is allocated to the enterprise.

Each of the funds reported herein is financed entirely by rate-payers, the users of the particular service involved. The seven operations that are described in this book are as follows:

Light Fund

The Concord Municipal Light Plant was established by an 1898 Town Meeting action. The CMLP provides for the distribution of electricity and operates in full compliance with generally accepted enterprise accounting standards.

The Concord Municipal Light Plant (CMLP) is a department of the Town Government and functions under the specific statutory authority contained in Chapter 164 of Massachusetts General Laws (M.G.L.). The CMLP is managed under the operational authority of the Town Manager pursuant to Section 9 of the Town Charter and designation in the Light Department Administrative Code as Manager of the Municipal Light Plant. The Town Manager appoints the five-member Light Board, the department head (the CMLP Director) and all CMLP staff. The CMLP Director supervises all department staff and reports to the Town Manager. It is the CMLP Director's responsibility to keep the Light Board fully informed of department matters so that the Board can effectively carry out its responsibilities of oversight and planning.

The budget is developed for the Town Manager by the CMLP Director and is reviewed by the Light Board. The Light Board is the electric utility rate-setting body, in accordance with the provisions of M.G.L. Chapter 164. Rates are subject to limited oversight of the Commonwealth of Massachusetts

Department of Public Utilities, as the Light Plant operates as a home-rule municipal light plant. The Town Meeting annually authorizes the Town Manager to expend the income of the Light Fund without further appropriation. For FY21, this action will be taken under Article 17 of the 2020 Town Meeting Warrant.

Water Fund

The bylaw that established the Water Revolving Fund dates back to 1974. Beginning in 1984, the Town has applied enterprise accounting standards to its accounting and reporting of the Water Fund activity. Among other aspects of the accounting change, this involved recording the acquisition cost of all plant assets and the recognition of depreciation as an operating expense.

The Public Works Director is appointed by the Town Manager. The Concord Public Works (CPW) Department includes the Water/Sewer Division. The Water/Sewer Superintendent reports to the Public Works Director. CPW staff prepares an annual Water Fund budget recommendation for review by the Town Manager. The budget is also reviewed by the Public Works Commissioners, a five-member body appointed by the Town Manager. The Commissioners are the water utility rate-setting body, in accordance with General Law provisions and the Town Bylaw. The Town Meeting annually authorizes the Town Manager to expend the income of the Water Fund without further appropriation. For FY21, this action will be taken under Article 21 of the 2020 Town Meeting Warrant.

Sewer Fund

The bylaw that first established the Sewer Revolving Fund was adopted by the Town Meeting in 1976. Enterprise accounting commenced in 1984.

In a process identical to the management of the Water Fund, CPW staff under the direction of the Public Works Director prepares the annual Sewer Fund budget recommendation for review by the Town Manager. The budget is also reviewed by the Public Works Commissioners. The Commissioners are the sewer utility rate-setting body, in accordance with General Law provisions and the Town Bylaw. The Town Meeting annually authorizes the Town Manager to expend the income of the Sewer Fund without further appropriation. For FY21, this action will be taken under Articles 19 and 20 of the 2020 Town Meeting Warrant.

Solid Waste Fund

This fund was established by Town Bylaw adopted in 1989. Technically, it is not an enterprise fund but rather it is a Revolving Fund. However, the Solid Waste Fund is included in this presentation because its basic purpose is to operate the curbside collection and recycling program as a business-type activity without property tax support. Rates are set by the Public Works Commission, and program costs are expected to be fully recovered by these rates. There are, however, no capital assets and no depreciation expenses are associated with the operation of the Solid Waste Fund. The Town Meeting annually authorizes the Town Manager to expend the income of the fund without further appropriation. For FY21, this action will be taken under Article 18 of the 2020 Town Meeting Warrant.

Beede Swim & Fitness Center

This facility opened its doors on April 18, 2006. Article 30 adopted by the 2005 Annual Town Meeting authorized the establishment of an enterprise fund for this operation, in accordance with requirements of the General Laws of the Commonwealth, Chapter 44, section 53 F 1/2. This section of the state statutes, enacted in 1986, requires that the annual budget of the Center be submitted to the Town Meeting for enactment in the same manner as is the General Fund budget. Accordingly, the motion under Article 23 of the 2020 Town Meeting Warrant will make an appropriation for the estimated

expenses of the Center for the fiscal year beginning July 1, 2020 based upon an estimate of the income to be derived from the operation.

The operations for the Center has been assigned by the Town Manager to the Assistant Town Manager and is under the direction of the Recreation Director. Rates and fees are set under the authority of the Town Manager pursuant to Section 22F of Chapter 40 of the General Laws adopted by the Town Meeting in 1992. The Recreation Commission, appointed by the Town Manager, also monitors the performance of the Center and provides guidance and advice.

Recreation Fund

With the adoption of Article 3 at the 1979 Town Meeting, this Fund was established by Town Bylaw to be used solely for the maintenance and support of recreation and park facilities and services of the Town. The Recreation Fund is not an enterprise fund but rather it is a Revolving Fund, since it has no capital assets and no depreciation expense associated with its operations. Like the Solid Waste Fund, the Recreation Fund is included in this presentation because its basic purpose is to operate the recreation programs as a business-type activity. Rates are set by the Recreation Director and program costs are expected to be fully recovered by these rates. At the time that the Recreation Fund was established, there was no requirement that an annual appropriation would need to be adopted by Town Meeting and the Bylaw was written so that expenditures can be made by the Town Manager without further appropriation, so there is no action required of and no article presented to the 2020 Town Meeting.

Minuteman Media Network

In 2015, the Annual Town Meeting voted to adopt Article 37 and accepted M.G.L. 44, Section 53F $\frac{3}{4}$ authorizing the creation of the PEG Access & Cable Related Fund. As part of a License Agreement, the Select Board has authorized Comcast of Massachusetts to provide non-exclusive cable television and other telecommunication services to homes and businesses in Town. The Agreement also provides for the delivery of PEG Access (Public, Educational and Governmental) television services defined in the Agreement as “noncommercial programming developed by any Concord residents or organizations, schools, government entities.” Three channels are made available to the Town for PEG Access programming and Comcast has provides 4.8% of the company’s gross annual revenues in Concord to the Town for PEG Access operations and related expenses.

In October 2018, the Town assumed the responsibility for the operations of PEG Access services from Concord-Carlisle Television, Inc. (CCTV). The new Town entity to run PEG Access services is the Minuteman Media Network (MMN), which is managed by the Public Information and Communications Manager under the direction of the Deputy Town Manager who reports to the Town Manager. For FY21, Article 22 of the 2020 Annual Town Meeting proposes an appropriation to fund the operations of the Minuteman Media Network.

Budgets

Each of the seven budget presentations focuses on the projection of operating income and net income. The long-term objective in the management of each enterprise is to generate sufficient income from current operations to fund operating and capital needs without tax support. In general, debt financing of enterprise infrastructure should be employed only to finance system expansion. Resources derived from recording depreciation as an operating expense plus the net income realized from operations should, over a span of years, provide for the continuous reinvestment in the maintenance and renewal of enterprise physical assets. The Town has a long record of successfully operating its enterprises on this basis.

Operating income of each fund is the difference between operating revenues and operating expenses. Certain revenues and expenses are not the result of operations but must be added to or subtracted from **operating income** to arrive at **net income**. These non-operating transactions include:

Revenues:

- Interest earnings on available cash balances
- Fees not associated with operations, such as the electric underground surcharge and the sewer improvement fee

Expenses:

- Interest paid on debt (bonds and notes)

The budgets proposed for FY21 (calendar year 2020 for CMLP), and the related projections of operating and net income are:

	<u>Operating Revenue</u>	<u>Operating Expenditure</u>	<u>Operating Income</u>	<u>Net Income</u>
Light Fund	\$29,047,091	\$28,111,077	\$936,014	\$470,492
Telecom. Fund	1,287,948	990,779	297,169	259,039
Water Fund	6,016,312	4,992,506	1,023,806	1,200,268
Sewer Fund	3,369,219	3,168,656	200,563	472,136
Solid Waste Fund	1,647,081	1,645,057	2,024	2,024
Beede Center Fund	2,520,000	2,543,073	-23,073	41,927
Recreation Fund	2,340,800	2,558,846	-218,046	-218,046
MMN Fund	425,188	336,440	88,748	88,748

One measure for determining whether an enterprise has sufficient resources to fund necessary capital improvements is to: (a) sum net income plus cash generated from recording depreciation expense and (b) subtract debt principal repayments and transfers in the form of Payments in Lieu of Taxes or PILOT (for the CMLP only). This arrives at the net resources available for replacement and renewal of plant and equipment. For each enterprise, this amount can then be compared to the planned capital outlay expenditure, as shown in the following:

<u>Proposed Capital Plan</u>	<u>Light</u>	<u>Water</u>	<u>Sewer</u>	<u>Beede</u>
Net Income Projected	\$470,492	\$1,200,268	\$472,136	\$41,927
Depreciation Expense	<u>1,843,501</u>	<u>1,429,072</u>	<u>1,076,489</u>	<u>401,182</u>
Subtotal	2,313,993	2,629,340	1,548,625	443,109
Less:				
Debt Principal Payment	1,095,000	628,750	659,036	0
CMLP PILOT Payment	470,180	0	0	0
Net Resources derived from Current Operations and available for Capital Purposes	<u>\$748,813</u>	<u>\$2,000,590</u>	<u>\$ 889,589</u>	<u>\$443,109</u>

The planned FY21 capital expenditures of each enterprise (exclusive of expenditures that will be funded by debt issuance) are as follows:

	<u>Light</u>	<u>Water</u>	<u>Sewer</u>	<u>Beede</u>
Capital Outlay	\$1,699,400	\$2,887,570	\$2,625,280	\$110,000

It is not necessary that net resources from current operations equal or exceed the actual or planned Capital Outlay for each year. If an enterprise has greater capital outlay needs, the difference can be financed from the available cash balance of the fund. Over the long term, it is the objective to manage each of these enterprises so that the cost for replacement and renewal of plant and equipment will be met from cash generated by current operations.

In some cases, there is additional funding available for capital purposes. For example, the Light Plant conducts work to place utility wires underground and these projects are financed from the accumulated balance of the Underground Fund.

Program Highlights

Light Fund

The major item affecting operating expenses and revenues for the Concord Municipal Light Plant is the purchase of power supply and distribution of electricity to customers. Since changes in purchased power costs are passed along to customers, the Light Plant's portfolio of power supply purchase agreements in effect at any time greatly affects the price that its customers will pay. In 2020, purchased power expense is projected to be approximately \$19.3 million or 68.8% of operating costs.

The Concord Municipal Light Plant is also actively pursuing efforts to promote energy conservation and renewable energy. In 2015, the Light Board voted to update its residential tiered rate structure in which the unit price rises with higher monthly consumption levels. For both residential and commercial customers, there are rebate programs to encourage the purchase of LED lighting fixtures and heat pumps. Additional rebates for residential customers are available for weatherization and to encourage the adoption of electric vehicles.

The Light Plant Board is committed to reducing the Town's dependency on electricity generated from fossil fuels. Initiatives include seeking to purchase commercially available electricity from renewable sources, developing utility-scale solar generation in Town, facilitating rooftop solar in Town, and participating in wind, hydro and solar power generation projects outside of Town. All of these efforts will contribute to increasing the percentage of electricity generated from renewable sources to 28.8% of purchased power in 2020. In addition, with the purchase of Renewable Energy Certificates (RECs), the Light Plant expects to move further away from dependence on fossil fuels as an energy source.

In 2014, the Light Plant began offering broadband service to Town residences and commercial establishments. This service uses the excess capacity of the optical fiber network that has been installed throughout Town for the Smart Grid program. With the increasing number of installations, the operating revenues have increased from \$764,996 in 2017 to \$1,287,948 forecasted in 2020. Correspondingly, net income has risen from \$72,894 in 2017 to \$259,039 forecasted in 2020.

Water Fund

The Water Fund is in sound financial condition, and needed capital improvements are proceeding on schedule. With Article 28 of the 2016 Annual Town Meeting, the Town approved of \$16.5 million in borrowing to construct the Nagog Pond water treatment facility, replace the water intake pipeline, and rehabilitate the Annursnac and Pine Hill storage tanks. With this funding, the Water Division has begun the process of developing the Nagog Pond facility. In FY21, \$2,120,000 is schedule to be use for Nagog Intake Replacement.

To maintain sufficient funds to cover operating and capital costs, the Water Division is proposing a rate increase of 5.0% for normal residential use as of June 1, 2020 which would result in a \$25.20 increase of an annual bill for the average residential customer. The average water bill for the year would be \$533.

Sewer Fund

The Sewer Fund is projected to finish FY21 in the black with a positive net income of \$472,136. As part of routine upgrades, the Sewer Division is planning on spending \$2,077,000 on the Lowell Road and Assabet Avenue Pumpstation.

A rate increase of 2.0% is proposed to go into effect on June 1, 2020, which would result in an annual increase \$13.97 for the average residential customer. The average sewer bill for the year would be \$713.

Solid Waste Fund

The Town offers curbside trash and recycling collection to all residences and small commercial facilities. The program pays for itself through issuing subscriptions, which make a residence eligible for trash and/or recycling pickup, and by selling barrel tags and stickers, which make a garbage barrel eligible for pickup. The Solid Waste Fund holds no capital assets and the collection and disposal of trash and recycling is contracted out to a third party, Waste Management of New England. In FY21, there are projected to be 3,704 subscribers for trash and recycling service. In FY21, it is expected that the Solid Waste Fund will generate a slight net income. It should be noted that on July 1, 2021, the Town will need to enter into a new collection and disposal contract for trash and recycling and there could be an increase in collection and disposal costs that may cause a corresponding increase in subscription and tag/sticker fees.

Beede Center Fund

Completing its fourteenth year of operation as of April 2020, the Beede Swim and Fitness Center continues to operate successfully. Given that it is the only one of the Town's enterprises that operates in a competitive market, the Beede Center is very dependent upon the satisfaction of its members and on the overall condition of the regional and national economy to maintain membership levels for what may be seen as a discretionary expense. Thus far, the Beede Center has been well received by the community and is increasingly perceived as an important contributor to the community's physical health. As of January 1, 2020, the Beede Center had a total of 1,039 individual, 265 family, 250 couple, and 8 student memberships. In addition, the Beede Center sold 579 3-month passes and 1,325 10-visit passes.

For FY21, the Beede Center is projected to have \$2,520,000 in operating revenues and \$2,543,073 in operating expenses, which combined will result in a negative operating income of \$23,073 and a positive net income of \$41,927. At the end of FY21, the Beede Center's fund balance is projected to be \$3,347,379. The monthly membership fee for a family is \$153, for a couple is \$129, and for an individual is \$82.

Recreation Fund

The Town has had the Recreation Fund since 1979, though this is the fifth year that the Fund has been presented in the Enterprise Budget Book, which will provide a more appropriate place in which the financial and budgetary information can be displayed.

The Recreation Fund earns revenue from user fees to cover its expenses. In FY21, it is projected that revenues will be \$2.34 million and expenses will be \$2.55 million. As the demand for a

particular program increases, so does staffing and expenses as well as revenues earned from program fees. Although this allows the Recreation Department to be very flexible with its cost and hire staff to meet the need, it also makes budgeting difficult.

The Recreation Department provides five types of programs: recreation programs; summer camp; school year programs such as before and after school day care; sports clinics, and special programs. For those Concord residents who cannot afford the program fees, the Recreation Department has a scholarship fund.

Minuteman Media Network

In October 2018, the Town established the Minuteman Media Network (MMN) to provide PEG Access services for the Town. As a self-sustaining enterprise fund, the vast majority of MMN's revenue comes from fees paid by Comcast as part of License Agreement. Quarterly payments from Comcast are approximately \$90,000 and MMN's fund balance is projected to be \$1,418,413 at the end of FY21. The Town expects to collect \$425,188 and spend \$336,440 during FY21 to provide this service for Concord residents.

Acknowledgements

Preparation of this document involves teamwork between the Finance Department, Town Manager's Office, Concord Municipal Light Plant, and Public Works Department. I would like to express my appreciation to Kerry Lafleur (Chief Financial Officer) Jon Harris (Budget and Purchasing Director) and Brandon Roberts (Budget Analyst) for their efforts in facilitating the production of the Enterprise Budget Book.

Preparation of the individual enterprise budget submissions was carried out under the direction of David Wood (CMLP Director), Alan Cathcart (Public Works Director), and Kate Hodges (Deputy Town Manager). In addition, assistance was provided by Paul Reinhardt (Public Works Management Analyst), Robert Hill (Water & Sewer Management Analyst), Paul Cote (Professional Project Specialist), Ryan Kane, (Recreation Director), Anna McKeown (Assistant Recreation Director), Andrew Dutton (Beede General Manager), and Matt Cummings (CMLP Financial Manager / Accountant).

The efforts of the staff in compiling this annual document reflect our commitment in providing information related to the financial health and long-term viability of the Town's enterprise and special revenue operations.

Respectfully Submitted,



Stephan Crane
Town Manager

CC: Finance Committee, Municipal Light Board, Public Works Commission, and Recreation Commission

Budget Introduction

Introduction to Concord's Enterprise Budget

In an effort to breakdown Concord's FY2021 proposed budget, this document is organized into sections covering a host of financial and structural information about the health of the Town's enterprise funds as well as key information regarding anticipated rates, programs, and other benefits to residents. The budget document includes the following sections:

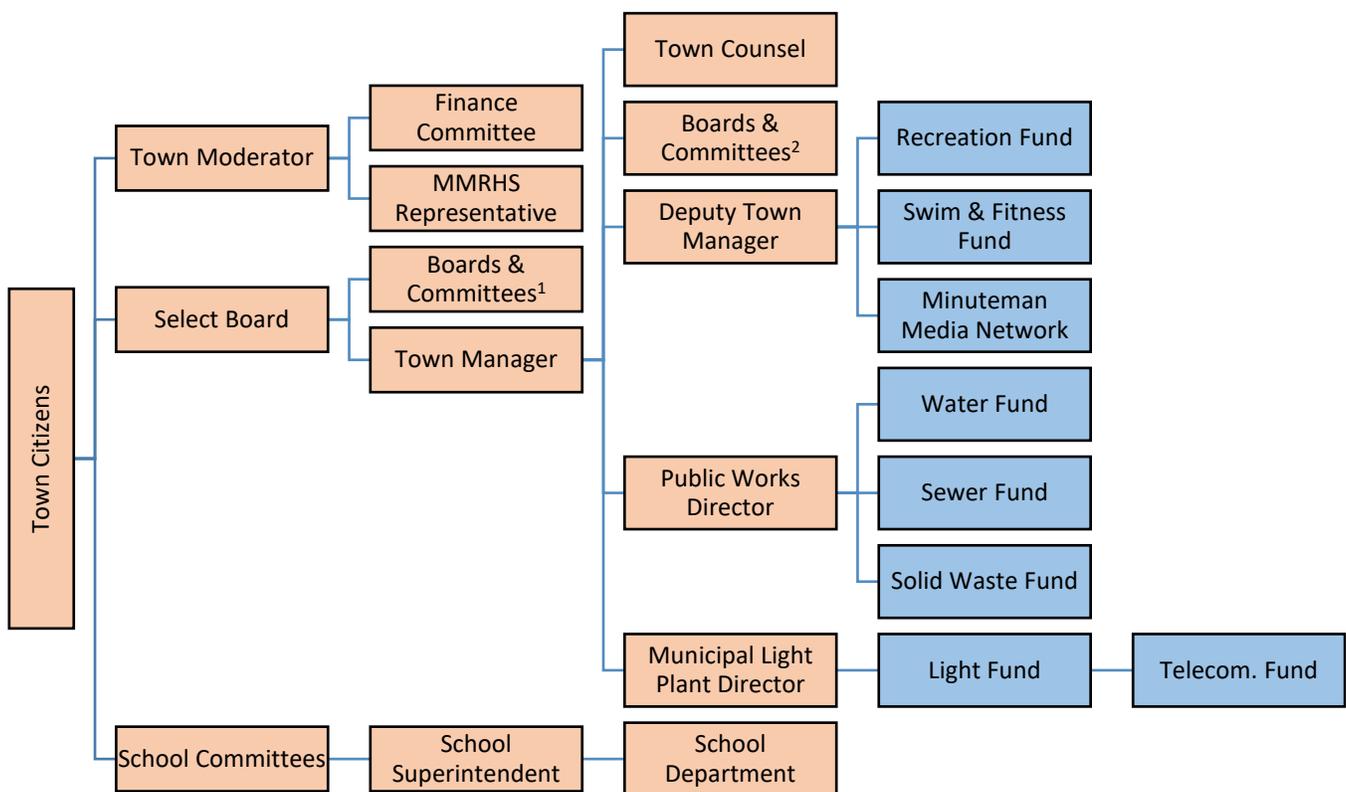
- **Introduction:** Provides an overview of Concord's proposed enterprise budget with information on the overall budget, financial and management policies, organizational structure, and key definitions.
- **Light Fund:** Provides a breakdown of Concord's Municipal Light Plant (CMLP) with information on key planned revenues and expenditures for the upcoming calendar year, electricity data and metrics, rate comparisons, energy supply sources, and an overview of the CMLP's Telecommunications Division.
- **Water Fund:** Provides an analysis of the Town's Water Division with information on key revenues and expenditures for the upcoming fiscal year, program highlights, capital spending, and water rates.
- **Sewer Fund:** Provides an analysis of the Town's Sewer Division with information on key revenues and expenditures for the upcoming fiscal year, program highlights, capital spending, debt service, sewer rates, and other information.
- **Solid Waste Fund:** Provides an analysis of the Town's Solid Waste Division with information on key revenues and expenditures for the upcoming fiscal year, collection and disposal program highlights, performance measures, and other information.
- **Swim & Fitness Fund:** Provides an analysis of the Town's division managed by Concord Recreation with information on key revenues and expenditures for the upcoming fiscal year, operation and membership highlights, programs and fees, capital spending, and fund balance data.
- **Recreation Fund:** Provides an analysis of the Town's Recreation Division with information on key revenues and expenditures for the upcoming fiscal year, strategic plans, programs and fees, and other information.
- **Minuteman Media Network:** Provides an analysis of the Town's Minuteman Media Network (PEG Access Fund) managed by the Town Manager's Office with information on key revenues and expenditures for the upcoming fiscal year, programing, and planned capital expenditures.
- **Appendix:** Provides a guide and resources to help understand the governing budgetary and financial process that oversees the creation of the Town's annual enterprise budget.

Organizational Charts

Town Government Mission Statement

The mission of Concord’s Town Government is to enhance the quality of life of residents by providing efficient, effective, and innovative services, protecting the Town’s character, and being a responsible steward of Town resources.

The chart below outlines how Concord Citizens, either through elections or by sitting on boards and committees, influence the operations of their government under the direction of the Town Manager. The Town Manager oversees Town Departments, which include the enterprise, revolving, and special revenue funds. This Enterprise Budget Book includes information about the Concord Municipal Light Plant, Water Division, Sewer Division, Beede Swim & Fitness Center, Solid Waste Disposal Program, Recreation Program, and Minuteman Media Network.



⁽¹⁾ The Select Board appoints residents to the following boards and committees: Affordable Housing, Agricultural, Board of Registrars, Bruce Freeman Rail Trail Advisory Committee, Cable TV Committee, Community Preservation, Cultural Council, Historic Districts, Hugh Cargill Trust, Library Committee, Personnel Board, Planning Board, Public Ceremonies and Celebrations, Records and Archives, Trustees of Town Donations, White Pond Advisory, and Zoning Board of Appeals.

⁽²⁾ The Town Manager appoints residents to the following boards and committees: Board of Assessors, Historical Commission, Natural Resources Commission, Committee on Disability, Board of Health, Cemetery Committee, Comprehensive Sustainable Energy Committee, Council on Aging, Municipal Light Board, Public Works Commission, and Recreation Commission. Please note that appointments to the Board of Assessors, Historical Commission, and Natural Resources Commission require Select Board approval.

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Introduction

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Introduction – Overview

Enterprise Overview

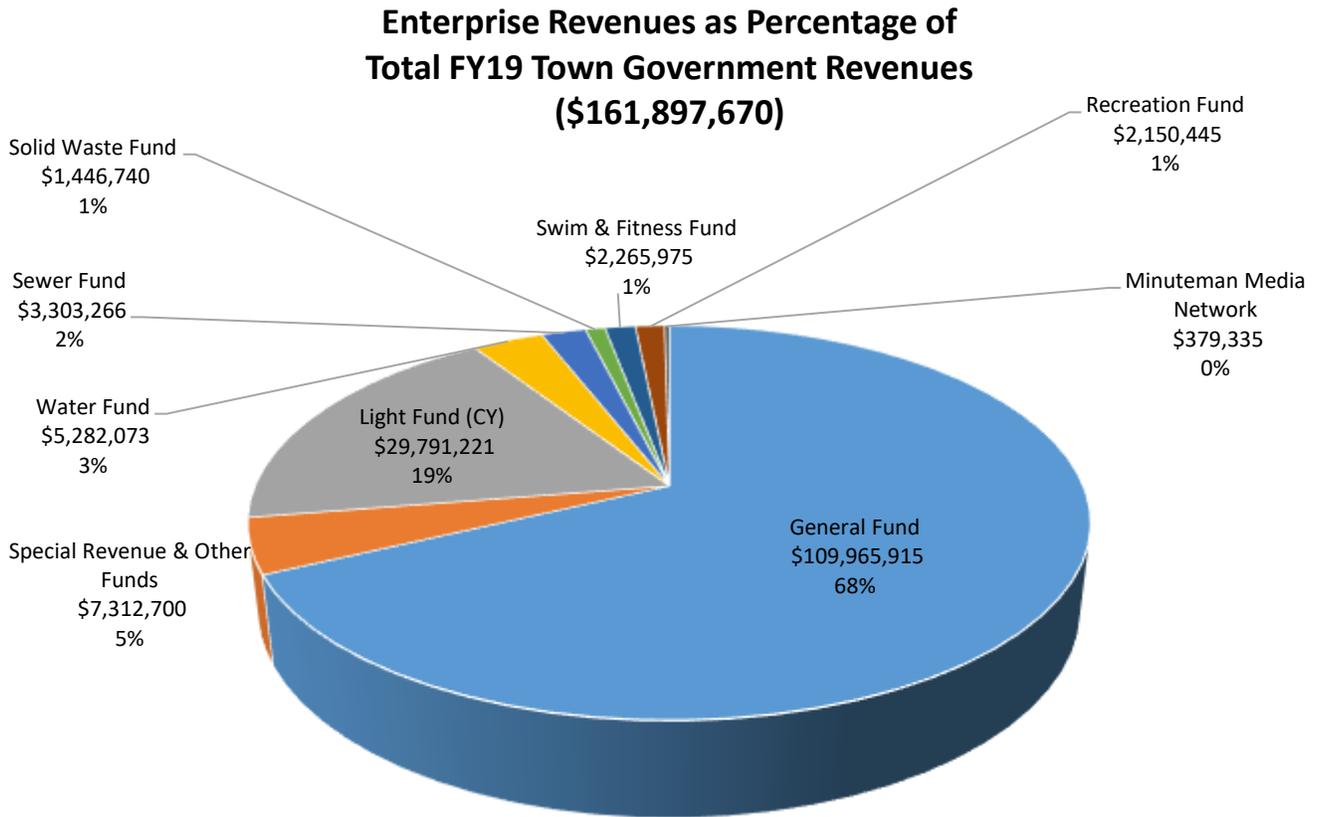
This introduction provides a general description of the Town’s management practices for the five enterprise funds (Light, Water, Sewer, Beede Center, and Minuteman Media Network), the special revenue funds (Solid Waste) and the revolving fund (Recreation).

Enterprise Fund Financial Policies

Along with their missions to provide their respective services in an efficient and effective manner, each of the Town’s enterprise activities must also work to be financially self-supporting.

This means that each is expected to cover all costs associated with operations as well as all costs associated with capital maintenance and depreciation by generating the necessary revenue itself (i.e. through user fees).

Debt should only be used to expand an enterprise activity’s capacity or level of service, and not to replace or renew the existing infrastructure.



A Note on the Solid Waste Fund, Recreation Fund, and Media Minuteman Network (MMN)

The Town’s Solid Waste Fund, Recreation Fund, and Minuteman Media Network are not enterprise funds; rather, they are special revenue funds established by local bylaw. Both funds control no capital equipment or infrastructure. Their principal purpose is to operate as a business-type activity with little or no taxpayer support. These enterprises represent a significant business-type service of the Town and therefore the budgets for the Solid Waste Fund, Recreation Fund, and Minuteman Media Network are presented in this Budget Book.

Introduction – Management Policies

Enterprise Fund

An accounting and reporting entity for a business-type activity that is separate from the taxpayer supported General Fund and involves a municipal service supported wholly or primarily by user fees. The separate accounting and reporting of such an entity allows the Town to balance the specific costs of providing the service, which typically involves the maintenance of capital infrastructure, with the revenues generated from the related user fees. Resources of an enterprise fund cannot be diverted to other unrelated uses.

Management of the Enterprise Funds

Town Charter and Bylaws: Under the Town Charter, the Town Manager serves as the executive of all Town enterprise and special revenue funds. The Town Manager supervises all personnel and expenditures, exclusive of the schools, regardless of the funding source. Enterprise operations are subject to the same personnel bylaws and administrative procedures as all other Town departments.

General Fund Services: Rather than hire their own management, finance, and human resource staff, each enterprise fund utilizes some of the general Town staff to perform certain core functions. This allows the Town to avoid task duplication and keep overall overhead costs to a minimum.

To compensate for these services, and to maintain the goal of accurate cost accounting and self-sufficiency, each enterprise fund makes regular payments to the General Fund in the form of “General Fund Services” transfers (or in the Light Fund’s case, “Administrative and General Expenses” transfers). In some cases, enterprise funds are directly charged for costs (such as health insurance and other employee benefits) throughout the year. Allocations are reviewed each year to tie administrative services payments to the actual services provided.

General Fund Services include but are not limited to the following:

- Financial services are provided by the Finance Department for billing and collection, banking, cash and debt management, purchasing administration, general accounting, payables, financial analysis, and reporting;
- The Human Resources Department handles recruitment, employee retention, and employee benefit administration for the enterprise operations; and
- General management of all enterprise operations is provided from the Town Manager’s office, along with more specific administrative services from the Public Works Department (for Water, Sewer, and Solid Waste operations), and from the Deputy Town Manager (for the Beede Center and Recreation operations).

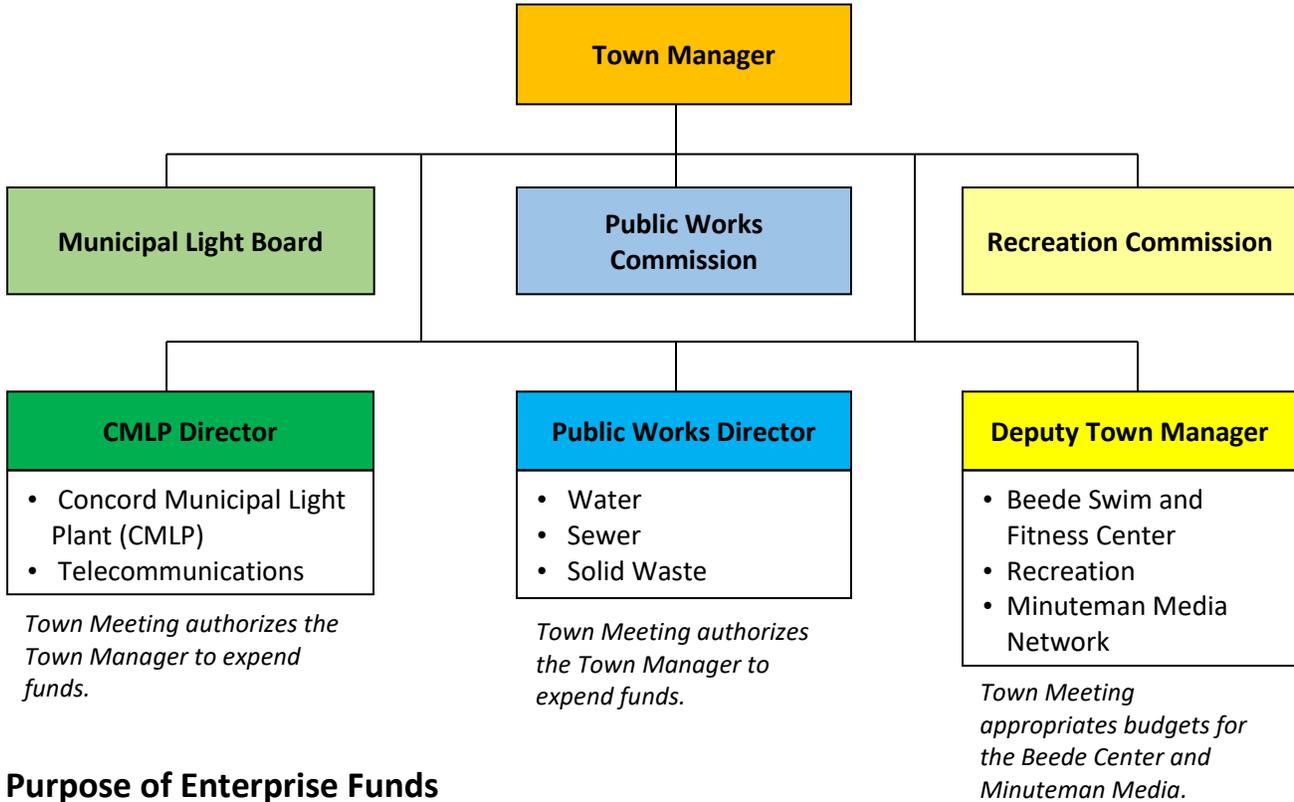
Role of Town Meeting: The budgets presented for the Light, Water, Sewer, and Solid Waste funds are spending plans and do not carry the same restrictive legal obligations as the voted appropriations made for the Town’s General Fund operations. However, the appropriation for Swim and Fitness Fund is set by Town Meeting in accordance to M.G.L. Ch. 44, §53 F½ and that for Minuteman Media Network is set in accordance to M.G.L. Ch. 44, §53 F¾. The Recreation Fund does not require any Town Meeting action.

Setting Rates and User Fees: Rates, or user fees, for each enterprise activity are set by the following entities:

- The Concord Municipal Light Plant (CMLP) Board is the rate-setting authority for the electric utility (CMLP);
- The Public Works Commission is the rate-setting authority for water, sewer, and solid waste services;
- The Town Manager is the rate-setting authority for the Beede Swim and Fitness Center (pursuant to M.G.L. Ch. 40 § 22F as adopted by Town Meeting in 1992).

Introduction – Management Policies

Enterprise Organizational Chart



Purpose of Enterprise Funds

An enterprise operation is a business-type activity supported primarily by the user fees it charges for its services. Funds raised through these user fees are dedicated to the ongoing operations of the specific enterprise activity, while taxpayer support for the activity is eliminated (or in less ideal cases, significantly reduced).

A key component of Concord’s enterprise operations is the maintenance of the capital equipment and infrastructure of the “business”. User fees are set to recover operating costs as well as to finance the continuous maintenance (depreciation) of the capital investments supporting the service. A completely successful enterprise operation should never need to borrow funds to replace and renew the existing infrastructure of the business. Borrowing would be required only to expand the business (for example, to extend water or sewer service into new areas).

In summary, enterprise funds are management tools that aid in the pursuit of the following policy objectives:

- Property tax subsidies are reduced or eliminated for enterprise operations as the goal of an enterprise is to be self-sufficient.
- Unlike tax-supported services, the charge for any enterprise service is based on the direct use of a service or resource. However, unlike many private-sector activities, Concord’s enterprise funds often promote (through investments, education, and rate structures) the conservation of whatever is being sold (e.g., the Water Division aims to reduce water consumption rather than to maximize the sale of water).
- Consumers who are exempt from the property tax (such as nonprofit organizations) nevertheless pay user fees for their consumption of enterprise fund resources like basic utilities (Electricity, Water, and Sewer).

Introduction – Useful Definitions

An understanding of enterprise operations and financial reporting requires familiarity with terms not used in the normal presentation of the General Fund budgets.

Available Capital Resources: Cash for the replacement and renewal of the assets of the enterprise operation is generated from three sources:

- A. net income;
- B. cash produced by the recording of depreciation as an expense; and
- C. borrowing.

The first two items, Net Income and Depreciation Expense, represent the capital resources projected to be generated from current operations. From the combined total of Net Income and Depreciation Expense, maturing principal repayments on existing long-term debt must first be paid. The remaining balance then can be compared to the proposed Capital Spending Plan. These amounts need not match in any fiscal period, but planned spending which exceeds the projected generation of current capital resources can be financed only if there is an available cash balance in the enterprise, or through borrowing.

Capital Expenditure: The use of funds to acquire or enhance productive assets, such as structures, land, and equipment (including related plans, designs, and studies), which have a life expectancy of at least 2 years and a cost of at least \$10,000, and procured with the intention of increasing service capacity or efficiency.

Depreciation: The using up of an asset chargeable to current users. Depreciation is a non-cash expense that is intended to provide resources for capital maintenance and eventual replacement in order to sustain the provision of the service.

Enterprise Funds, as explained above, should be used to account for operations that are financed and operated in a manner similar to private business enterprises:

- A. when the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or
- B. when the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Inter-fund Transfers/General Fund Services: These are the "indirect cost" components of the enterprise operations. They include billing, treasury, investment and accounting services provided centrally by the Town Finance Department; personnel management services provided by the Human Resources Department; and various planning, environmental management, general management, and other services provided through other Town departments. In the case of the Water, Sewer and Solid Waste enterprises, this category also includes allocated costs from the Public Works Administration and Engineering Divisions.

Net Assets: Sometimes called net worth, Net Assets represent how much an entity would be worth after accounting for everything it owns (buildings, equipment, cash, etc.) and subtracting everything it owes (unpaid bills, outstanding loans, etc.).

Net Income: Operating Income plus other non-operating income (such as interest earnings) less debt interest and issuance expense. Net income measures the result of current operations. While Net Income should generally be a positive number, it is possible for an enterprise operation to operate with a loss for a fiscal period and still remain in operation and be financially sound. However, a pattern of negative net income for more than one year, or a

Introduction – Useful Definitions

declining trend in net income for several years, is cause for concern, and requires remedial action with respect either to rates, expenses, or both.

Operating Expenses: Costs, both direct and indirect, of providing the service, including the cost of using up assets (which is the depreciation expense). Outlays that are not part of operating expenses are:

- A. the acquisition or construction of an asset; and
- B. debt principal and interest cost.

Operating Income: The difference between Operating Revenue and Operating Expense for a fiscal period.

Operating Revenue: Earnings from the provision of services, recorded at the time of service rather than as billed or as received. Revenues and other resources that are not part of Operating Revenue include interest earnings, grants from other levels of government, and proceeds from the issuance of bonds.

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Light Fund

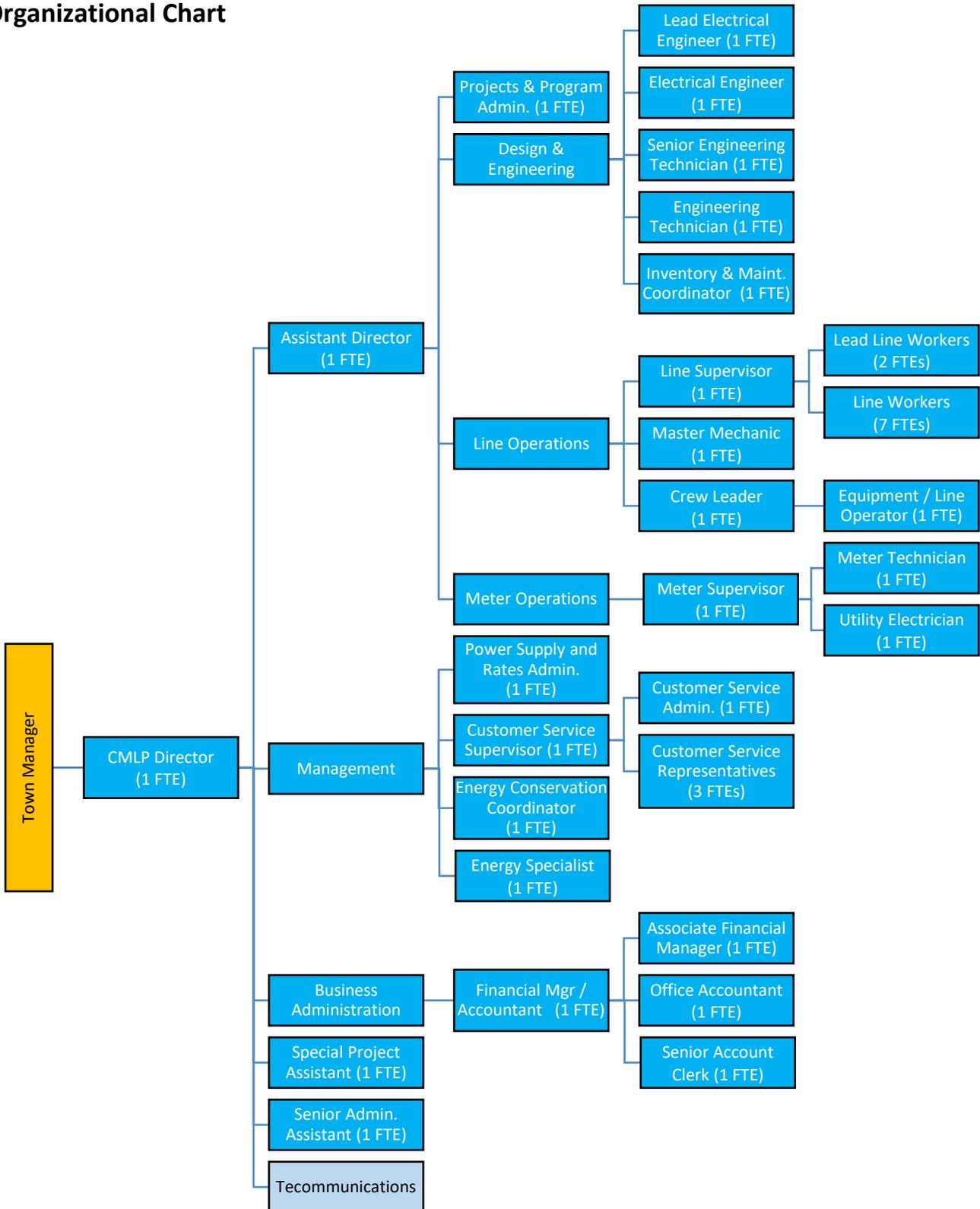
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Light Fund

Mission Statement

The mission of Concord Municipal Light Plant (CMLP) is to supply reliable and cost effective energy services, in a responsible and courteous manner, which meets the current and future needs of our customers.

Organizational Chart



Light Fund

Overview

The Concord Municipal Light Plant (CMLP) is responsible for providing 170,000-megawatt hours of electricity to 6,898 residential customers, 1,244 commercial customers, and 69 municipal customers in Concord. Since the Light Plant does not have generating capability, it purchases its power from outside suppliers. To distribute the electricity, the CMLP operates three substations along with transmission and distribution facilities. Power lines are maintained by CMLP line workers. To monitor the system, the Light Plant has a modern, consolidated operations center.

As a Town Enterprise, the Light Plant is supported by revenue raised from electric utility rates and other charges paid by its customers. Current resources are allocated to pay for the upkeep of existing infrastructure, purchase of power, administration and CMLP customer-related programs.

The Telecommunications Division within CMLP, managed by the Chief Information & Technology Officer who reports to the CMLP Director, provides broadband service to residences and businesses.

Accomplishments

- ☑ Deployed new enterprise software that integrates billing, engineering, and operational applications to streamline processes and improve financial reporting.
- ☑ Replaced 600 overhead metal halide street lights with high-efficiency and reliable LED equivalents and added new, long-term renewable power supply to the portfolio equal to 6.1% of energy needs.
- ☑ Rolled out a new solar program that adds \$1,200/kilowatt to CMLP's existing \$625/kW incentive to install locally-generated solar.
- ☑ Promoted electric vehicle adoption by offering free expert advice, hosting Ride & Drives, creating new online resources; displaying EVs and information tables at 8 community events, granting forty \$250 Level 2 charging infrastructure rebates and installing 3 new public charging stations. The number of electric vehicles in Town rose 31% in 2019.
- ☑ Completed 115 home energy assessments and gave \$133,000 to commercial customers for high efficiency lighting. Fifty-two heat pumps were installed in Concord.
- ☑ Improved the reliability of power supply from Eversource, CMLP's upstream provider, by replacing 23-year old transmission line relays. In the event of a failure, or during maintenance, there are now two additional secondary modes of protection, which will back up the line relays.
- ☑ Performed regular maintenance and upgrade of the distribution system: replacing direct-buried wires with conduit, upgrading several overhead distribution conductors and extending the existing underground duct bank along Lexington Rd near Cambridge Turnpike greatly improving the reliability, expansion of broadband services and visual impact in the area.
- ☑ Relocated and upgraded the transformer serving the Concord Library to greatly improve reliability and flexibility as well as upgraded overhead lighting at the Walden and Keyes Road Parking Lots.

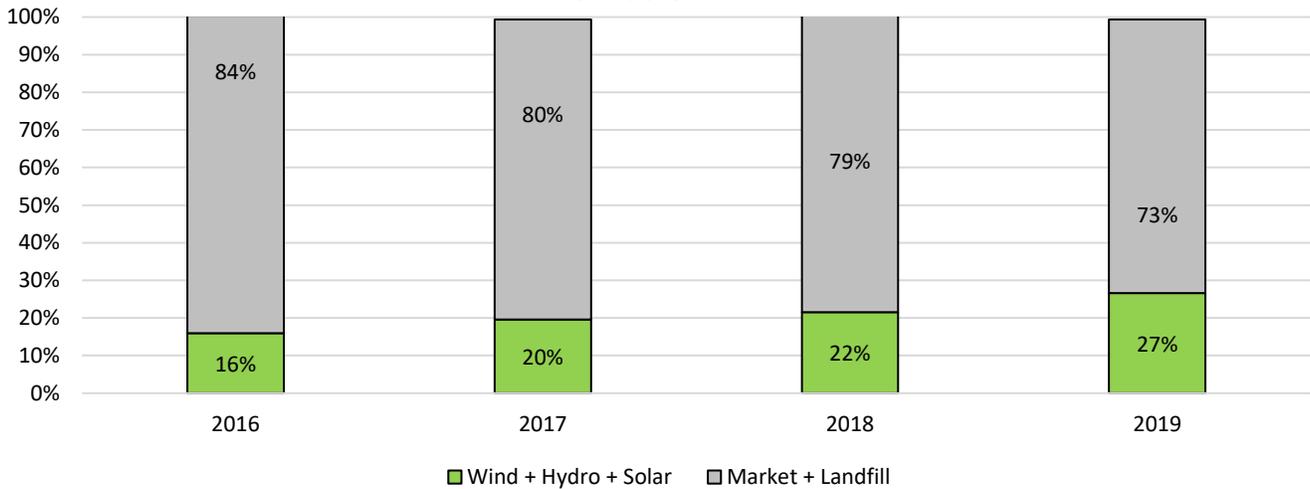
Performance

Power Supply De-carbonization

During the last several years, the Town has been de-carbonizing its power supply. The percentage of wind, hydro and solar supply has increased from 14% in 2016 to 27% in 2019.

Light Fund

Electricity Supply Resource Mix

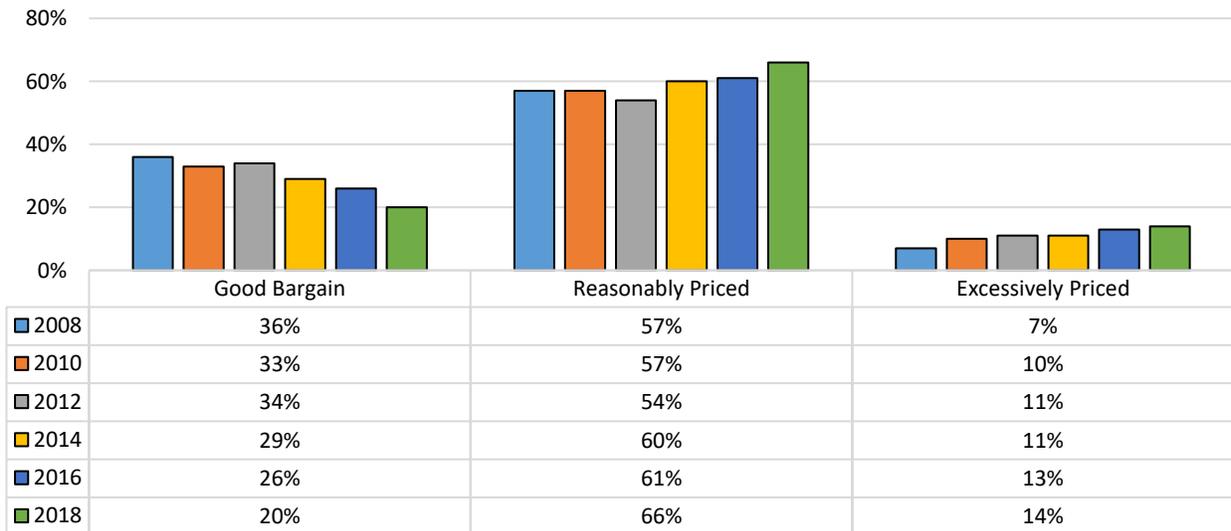


The Light Plant is supporting the development of power generation from non-carbon emitting sources by entering into 10-25 year power purchase agreements with developers in Massachusetts, New Hampshire, Connecticut and Maine. In addition, CMLP helps customers install their own solar generation through generous grants and a favorable net metering policy.

Citizen Feedback

During the past decade, the Town has conducted a random, statistically significant survey of Town residents to gauge their opinion on Town provide services. From 2006 to 2018, the Town conducted a survey of Concord residents and inquired about the opinion of the price of electric rates? In 2018, the response was that 20% thought that the price is a “Good Bargain” and 66% thought that it is “Reasonably Priced”, and 14% thought it was “Excessively Priced”.

Price of Electricity Rates



Light Fund

CMLP's Commitment

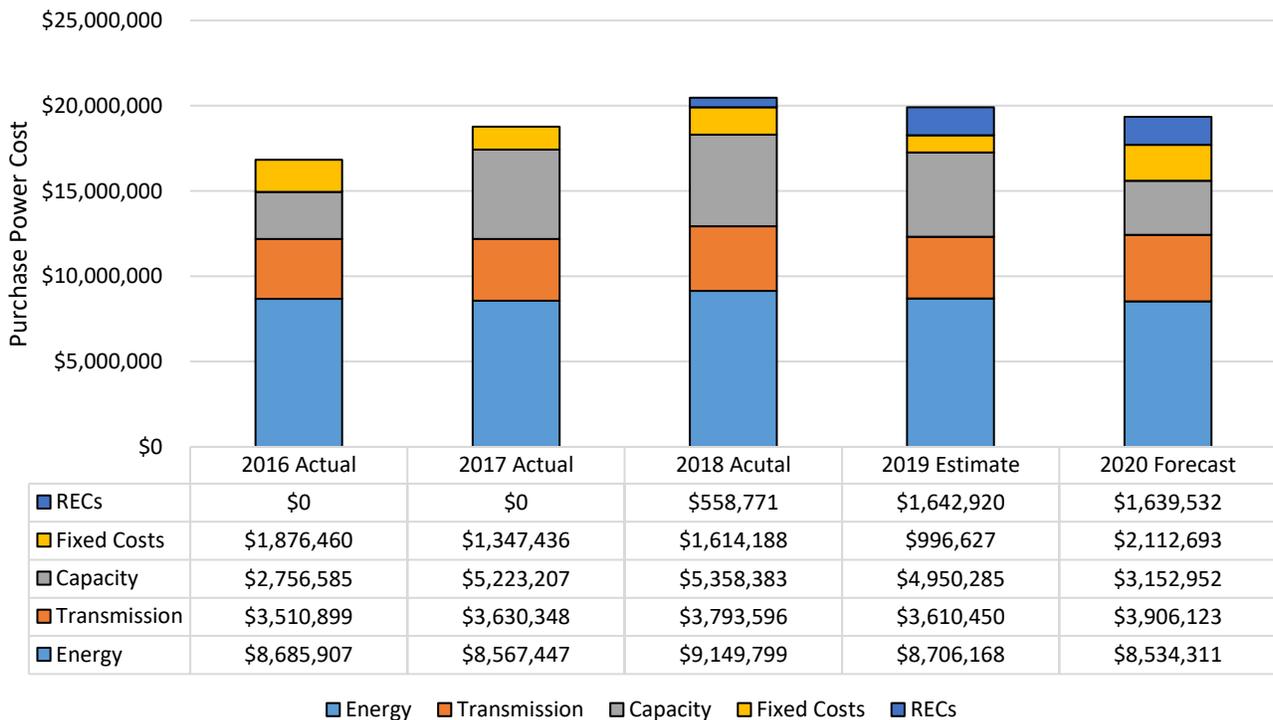
The Concord Municipal Light Plant is committed to providing the Town with reliable power while decreasing the Town's dependence on electricity generated from fossil fuels. In 2019, it is estimated the Light Plant will supply 63% of its purchased power from renewable resources: 10.0% from wind, 11% from hydro, 7% from solar, 2% from landfill gas, and 32% from the purchase of Renewable Energy Certificates (RECs). In addition, the Light Plant has initiated programs and policies to encourage energy efficiency and electrification measures by its residential and commercial customers.

Purchased Power: Energy and Capacity

Purchased power is comprised of two components: energy and capacity. To understand the difference, one can use the analogy of water distribution. Electrical energy (kilowatt hours) can be compared to the amount of water consumed (gallons) over time. Electrical capacity (megawatts or more precisely mega volt amperes that includes power lost during distribution) can be compared to the size of the water pipe or the capacity to deliver water (i.e. the larger the pipe the more water it can carry). Energy has to do with consumption over time while capacity measures the amount of electricity delivered at any one moment. The Town must purchase both.

The graph below shows the energy and capacity costs, as well as the other costs (e.g., transmission, fixed costs and renewable energy certificates (RECs) for the years 2016 to 2020. It should be noted that the capacity cost vary depending on the peak load that the system needs and peak load is often associated with the weather, as an extremely hot day will require more electricity generation. For example, the capacity cost in 2016 was \$2.7 million, whereas this cost in 2018 was \$5.3 million. The Light Plant makes a concerted effort through public education and other means to minimize electricity use on those hot days.

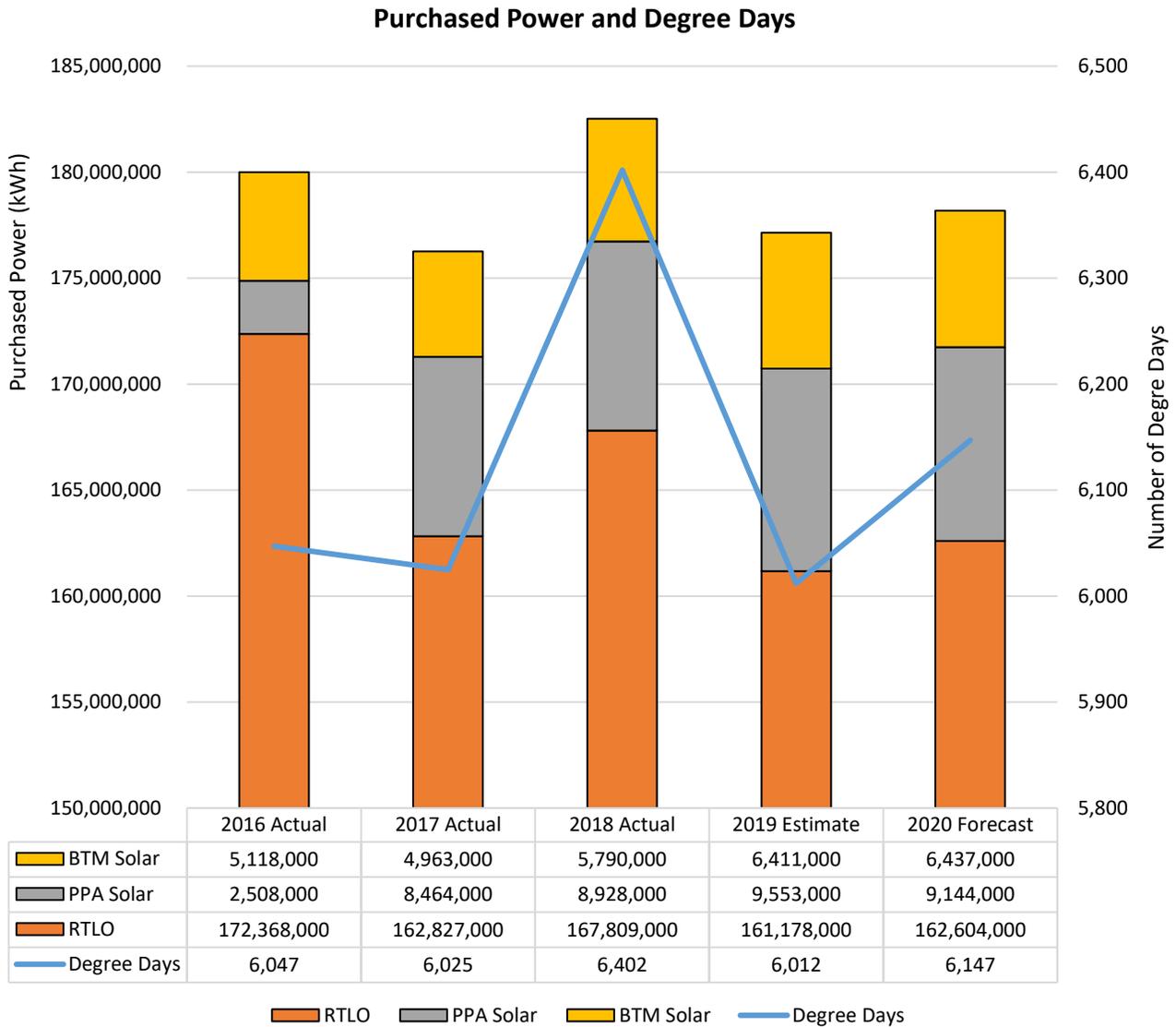
Total Purchased Power Cost by Cost Category



Light Fund

The amount of electricity that the Town requires depends on the weather. Colder or hotter than normal weather results in higher electricity used with the total amount of electricity determined by the amount supplied through the Light Plant (RTLO), by municipal solar panels (PPA Solar) and by rooftop solar (BTM Solar). For example, the weather was mild in 2017 and the CMLP load was 176,250,000 kWh, whereas the weather was more severe in 2018 and the load was 182,500,000 kWh. Temperature severity can be measured using a unit call a “degree day.” Degree days are the difference between the daily temperature mean and a fixed, mild temperature, usually 60 degrees Fahrenheit.

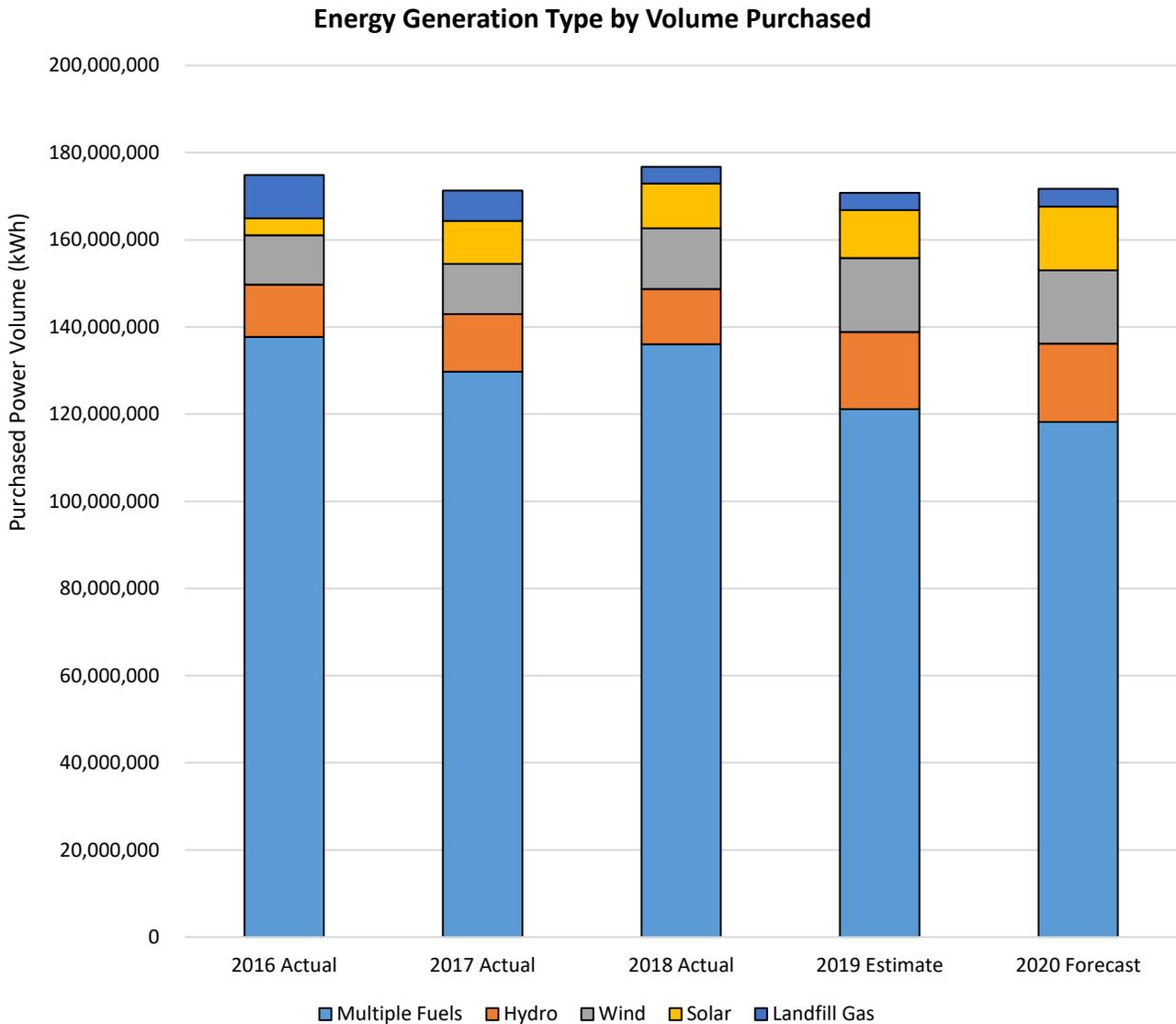
As shown below, more degree days (show in the blue line) causes a greater electricity load on the system.



Light Fund

Purchased Power: Power Supply Portfolio (28.8% from Renewable Sources)

The 2016 to 2020 power supply portfolio consists of the purchase of electricity from the following sources:



Purchased Power: Local Conservation and Electrification Initiatives

The Light Plant has initiated programs and policies to encourage energy conservation and electrification. The Smart Grid Infrastructure will allow CMLP to better manage its customers’ electricity demands. A new residential rate structure adopted in May 2015 has tiers in which users of lower amounts of electricity will pay a lower unit rate.

An active rebate program has been put in place by CMLP to promote local conservation initiatives and the conversion of fossil-based energy uses, such as vehicles and home heating, to electricity. For residential and commercial customers, CMLP provides rebates for LED lighting fixture upgrades and heat pumps. Additional rebates for residential customers are available for weatherization and to encourage the adoption of electric vehicles (EVs).

Light Fund

CY20 Goals

- Continue replacement of aging infrastructure to sustain the level of electric supply reliability.
- Finalize the Cost-of-Service rate study and initiate Time-of-Use rate discussions with the CMLP Board.
- Expand energy efficiency, electrification, and renewable programs to more customers.
- Increase electric vehicle adoption.
- Continue de-carbonization of power supply.

Long-Term Plans

- ⇒ Achieve 100% non-emitting power supply by 2030.
- ⇒ Provide reliable power at a reasonable cost.
- ⇒ Upgrade existing meters to smart meter technology.
- ⇒ Install battery storage or other solution to address solar saturation.
- ⇒ Transition to a Time-of-Use rate structure that would enable customers to lower energy costs.

Light Fund – Overview & Budget Highlights

CY20 Budget Highlights

There is no rate increase in the proposed CY20 budget. The CY20 budget includes planned capital investments totaling \$3,554,300 for the general plant and distribution infrastructure.

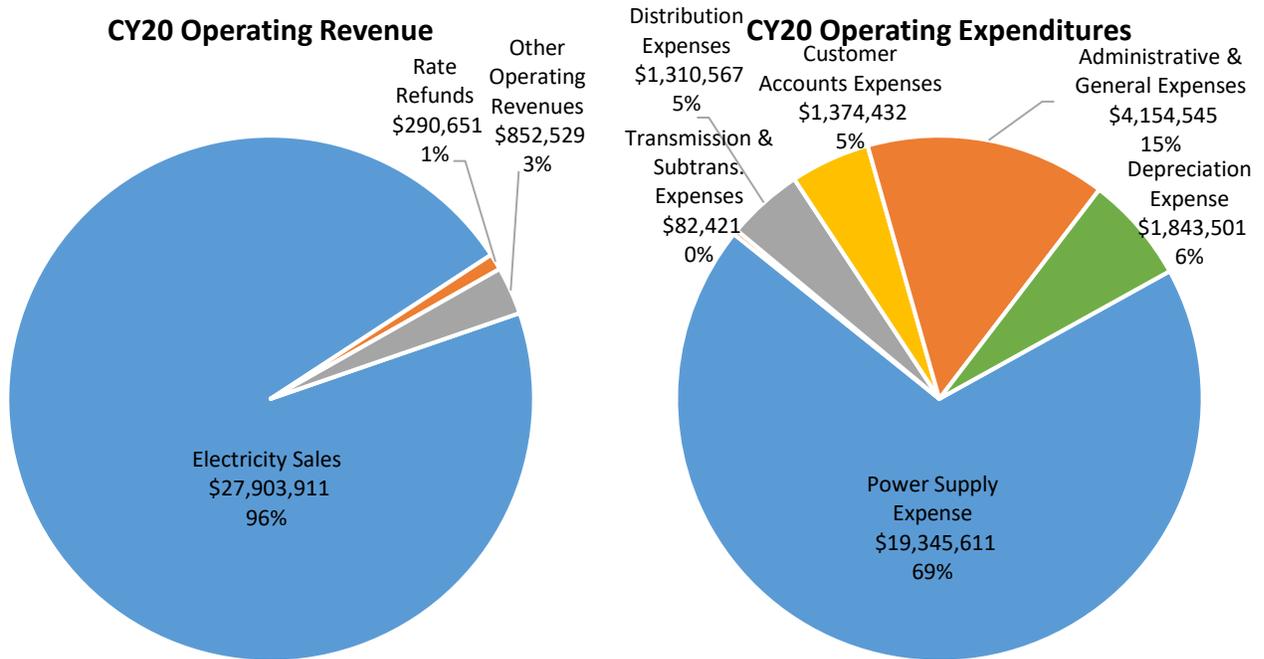
Budget Highlights

CY20 Projected Revenue	\$29,047,091
CY20 Projected Expenses	<u>(28,111,077)</u>
CY20 Projected Operating Income	\$936,014
CY20 Projected Net Income	\$470,492
CY20 Projected Light Fund Balance	\$47,142,713

Revenues and Expenditures Overview

For Calendar Year 2020, the Concord Municipal Light Plant is projecting that it will have \$29.04 million in operating revenues and \$28.11 million in operating expenditures. For revenues, funds collected from the sale of electricity are expected to increase from \$27.45 million in 2019 to \$27.90 million in 2020. For expenditures, the primary cost is the power supply expense. From 2019 to 2020, it is forecast that the power supply expense will decrease from \$19.90 million to \$19.34 million. Purchased power expense is passed directly onto customers. In 2020, the Light Plant is expected to have operating income of \$936,014 and net income from operations of \$940,672.

For the calculation of the Return per DPU formula, the sum of net income from operations (\$470,492), Payment in Lieu of Taxes (\$470,180), Underground Surcharge (\$366,276) and CARES Surcharge (\$117,508) are added together and divided by the previous year's Cost of Plant for Returns Calculation (\$66,140,292) for a Return Per DPU Formula of 0.69%.



Light Fund – Net Income and Fund Balance

NET INCOME

	Calendar Year:			
	2017	2018	2019	2020
	Actual	Actual	Estimated	Budgeted
Statement of Net Income				
Operating Revenues	\$ 26,742,994	\$ 28,827,782	\$ 28,719,476	\$ 29,047,091
Less Operating Expenses	(25,598,793)	(28,052,137)	(28,343,149)	(28,111,077)
Operating Income	\$ 1,144,202	\$ 775,645	\$ 376,327	\$ 936,014
Non-Operating Revenues (Expenses)				
Interest Income	\$ 56,106	\$ 246,222	\$ 146,905	\$ 145,000
Interest Expense	(185,439)	(167,541)	(144,806)	(297,650)
Other	29,980	37,596	167,953	157,307
Non-Operating Income Subtotal	\$ (99,353)	\$ 116,277	\$ 170,052	\$ 4,657
Net Income Before Other Financing	\$ 1,044,849	\$ 891,922	\$ 546,379	\$ 940,672
Other Financing Financing (Uses)				
Loss on Disposal of Capital Assets	(190,434)	(183,353)		
Payment in Lieu of Taxes	(474,000)	(461,000)	(478,000)	(470,180)
Subtotal	\$ (664,434)	\$ (644,353)	\$ (478,000)	\$ (470,180)
Change in Net Position	\$ 380,415	\$ 247,569	\$ 68,380	\$ 470,492

NET POSITION

	Calendar Year:			
	2017	2018	2019	2020
	Actual	Actual	Estimated	Budgeted
Change in Net Position	\$ 380,415	\$ 247,569	\$ 68,380	\$ 470,492
Net Position				
Beginning of Year	\$ 47,207,101	\$ 46,356,272 ⁽¹⁾	\$ 46,603,841	\$ 46,672,221
End of Year	\$ 47,587,516	\$ 46,603,841	\$ 46,672,221	\$ 47,142,713
* Restated Amount				
Unrestricted Net Position				
End of Year	11,176,781 ⁽²⁾	8,871,448 ⁽²⁾		
(1) Restated Amount				
(2) Per Financial Statements				

Light Fund – Net Income and Fund Balance

RETURN ANALYSIS

	Calendar Year:			
	2017	2018	2019	2020
	Actual	Actual	Estimated	Budgeted
Return per DPU Formula				
Net Income from Operations	\$ 380,415	\$ 247,569	\$ 68,380	\$ 470,492
Payment in Lieu of Taxes	474,000	461,000	478,000	470,180
Underground Surcharge	(368,685)	(406,588)	(401,029)	(366,276)
CARES Surcharge	(127,810)	(140,950)	(91,770)	(117,508)
Return per DPU Formula	\$ 357,920	\$ 161,031	\$ 53,581	\$ 456,888
Cost of Plant				
Cost of Plant for Return Calculations	\$ 61,457,574	\$ 64,866,495	\$ 65,587,823	\$ 66,140,292
Return per DPU Formula Percentage				
Return per DPU Formula	\$ 357,920	\$ 161,031	\$ 53,581	\$ 456,888
Cost of Plant for Return Calculations	\$ 61,457,574	\$ 64,866,495	\$ 65,587,823	\$ 66,140,292
DPU Return Percentage	0.58%	0.25%	0.08%	0.69%
Effective Return				
Net Income from Operations	\$ 380,415	\$ 247,569	\$ 68,380	\$ 470,492
Cost of Plant for Return Calculations	\$ 61,457,574	\$ 64,866,495	\$ 65,587,823	\$ 66,140,292
Effective Return Percentage	0.62%	0.38%	0.10%	0.71%
Net Profit Margin				
Net Income from Operations	\$ 380,415	\$ 247,569	\$ 68,380	\$ 470,492
Total Operating Revenue	\$ 26,829,080	\$ 29,111,600	\$ 29,034,334	\$ 29,349,398
Net Profit Margin	1.42%	0.85%	0.24%	1.60%
<p>Note: Return Percentages are calculated using the current year Return per DPU Formula and Effective Return, respectively, divided by the previous year's Cost of Plant for Return Calculations. For CY2017 and CY2018, Net Income from Operations is derived from the Audited Financial Statements.</p>				

Light Fund – Revenues

Operating Revenues

OPERATING REVENUES

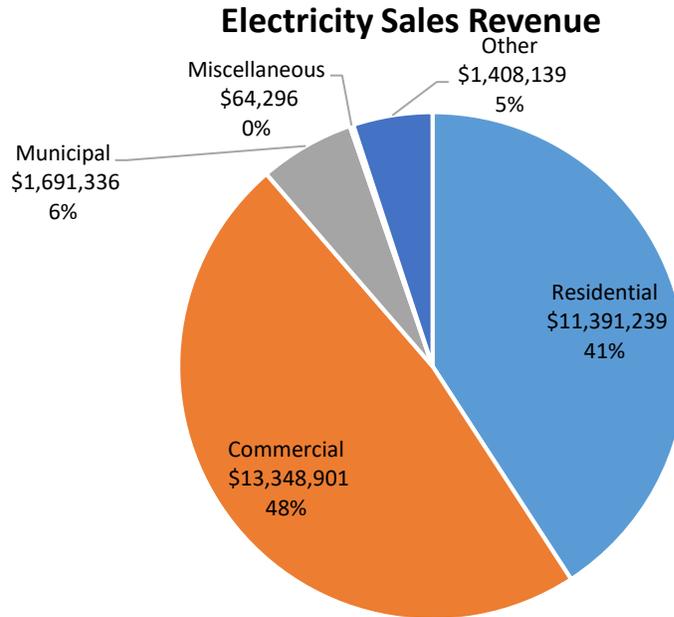
	Calendar Year:			
	2017	2018	2019	2020
	Actual	Actual	Estimated	Budgeted
Electricity Sales				
Residential Sales	\$ 10,852,841	\$ 11,814,425	\$ 11,025,710	\$ 11,391,239
Commercial Sales	12,706,888	13,171,278	14,059,165	13,348,901
Municipal Sales	1,525,000	1,521,528	463,381	1,691,336
Miscellaneous Sales	69,846	46,538	15,837	64,296
Net Change in Unbilled Revenues	(249,473)	(465,340)	246,024	(231,393)
REC Purchase Surcharge		558,771	1,642,920	1,639,532
Audit Adjustment		90,527		
Electricity Sales Total	\$ 24,905,102	\$ 26,737,727	\$ 27,453,037	\$ 27,903,911
Rate Refunds				
Provision for Rate Refund	\$ 269,699	\$ 639,704	\$ (300,234)	\$ (21,952)
Provision for Rate Stabilization	709,958	750,219	700,089	312,603
Refunds Total	\$ 979,657	\$ 1,389,923	\$ 399,855	\$ 290,651
Other Operating Revenues				
Underground Surcharge	\$ 368,685	\$ 406,588	\$ 401,029	\$ 366,276
CARES Surcharge	127,810	140,950	91,770	117,508
Income from Merchandise and Jobbing	221,998	81,602	245,000	225,000
Smart Grid - Fiber Rental	98,495	100,655	96,646	106,694
Fiber Optic School Lease	27,216	27,216	28,789	29,394
Other Miscellaneous Income	2,206	19,092	3,350	7,657
Audit Adjustment	11,825	(75,971)	-	-
Other Operating Revenue	\$ 858,235	\$ 700,132	\$ 866,584	\$ 852,529
Operating Revenues Total	\$ 26,742,994	\$ 28,827,782	\$ 28,719,476	\$ 29,047,091

OPERATING SALES (kWh)

	Calendar Year:			
	2017	2018	2019	2020
	Actual	Actual	Estimated	Budgeted
Kilowatt-hours Sold:				
Residential	\$ 68,832,294	\$ 74,436,879	\$ 69,098,483	\$ 68,224,958
Commercial	85,005,349	87,999,715	91,880,256	84,711,836
Municipal	9,969,993	9,957,283	3,207,744	10,565,942
Street Lighting	444,581	296,617	105,488	434,134
Private Area Lighting	25,971	-	-	16,367
Unbilled Sales Adjustment	(983,407)	(3,711,009)	1,805,150	(963,089)
Electric Sales Billed Total	\$163,294,781	\$168,979,485	\$166,097,121	\$162,990,148

Light Fund – Revenues

Total operating revenue expected to be raised through electric operations in 2020 is projected to be \$27,903,911 as shown in the following categories:



Electricity Rate Highlights

Effective on February 1, 2019, the residential rate (R-1) is set at a meter charge of \$12.00 per month for a single-phase system and the following three-tiered volumetric rates listed to the right.

Tier Rates

Tier	Usage	Rate per kWh
Tier 1:	first 600 kWh	\$0.04853
Tier 2:	next 316 kWh	\$0.06311
Tier 3:	over 916 kWh	\$0.09107

The distribution charge was lowered from \$0.03160 to \$0.02800 to fully offset the meter fee increase. The energy charge is \$0.07418 which includes \$0.01 per kilowatt hour for the purchase of renewable energy.

Surcharges

Each electric utility bill includes a 1.5% Underground Surcharge and a 0.52% Conservation and Renewable Energy Service (CARES) surcharge. The money raised through the underground surcharge is used to place power lines underground. As a result of this activity and in association with zoning requirements for new developments, the Town currently has approximately 50% of its power lines underground.

The Conservation and Renewable Energy Service surcharge pays for the energy conservation activities sponsored by the Light Plant. Among them are services like energy audits and financial assistance through rebates to help customers become more energy efficient.

Light Fund – Expenditures

Operating Expenditures

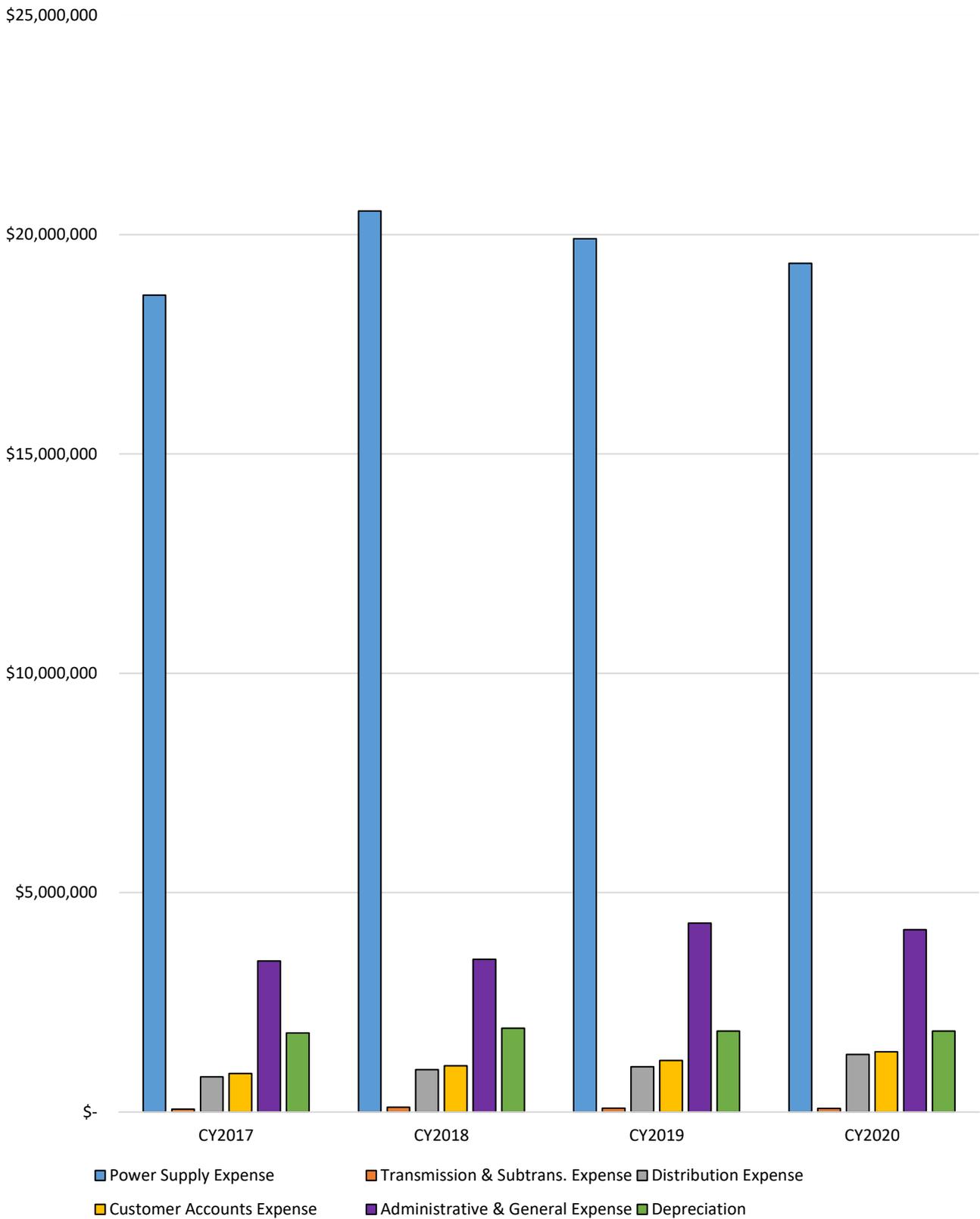
OPERATING EXPENSES (\$)

	Calendar Year:	2017	2018	2019	2020
		Actual	Actual	Estimated	Budgeted
Operating Accounts:					
Power Supply Expense					
Power Supply Expense		\$ 18,768,438	\$ 20,474,737	\$ 19,906,450	\$ 19,345,611
Audit Adjustment		(150,151)	61,294		
		<u>\$ 18,618,287</u>	<u>\$ 20,536,031</u>	<u>\$ 19,906,450</u>	<u>\$ 19,345,611</u>
Transmission & Subtrans. Expenses:					
Operation		\$ 7,230	\$ 41,654	\$ 43,331	\$ 23,809
Maintenance		56,031	67,930	41,533	58,614
		<u>\$ 63,261</u>	<u>\$ 109,583</u>	<u>\$ 84,864</u>	<u>\$ 82,421</u>
Distribution Expenses:					
Operation		\$ 256,512	\$ 226,096	\$ 247,046	\$ 213,439
Maintenance		529,668	721,720	785,241	1,097,128
Audit Adjustment		12,437	17,782		
		<u>\$ 798,617</u>	<u>\$ 965,598</u>	<u>\$ 1,032,287</u>	<u>\$ 1,310,567</u>
Customer Accounts Expenses:					
Customer Accounts		\$ 512,349	\$ 584,890	\$ 686,647	\$ 712,137
CARES Expense		357,239	472,865	487,051	662,295
Audit Adjustment		7,204	(6,460)		
		<u>\$ 876,792</u>	<u>\$ 1,051,295</u>	<u>\$ 1,173,698</u>	<u>\$ 1,374,432</u>
Administrative & General Expenses:					
Electric Operations					
Salaries		\$ 998,727	\$ 911,107	\$ 986,438	\$ 1,150,896
Employee Benefits		1,349,578	1,010,398	1,601,921	1,239,711
Transfer to General Fund		399,259	464,620	502,864	545,577
Other Operating Expenses		435,887	803,690	870,938	876,721
Maintenance of General Plant		162,249	260,828	286,910	295,517
Smart Grid Operations		41,405	42,256	53,278	46,123
Audit Adjustment	64208	53,792	(11,322)		
		<u>\$ 3,440,897</u>	<u>\$ 3,481,577</u>	<u>\$ 4,302,349</u>	<u>\$ 4,154,545</u>
Operating Accounts Subtotal		\$ 23,797,854	\$ 26,144,084	\$ 26,499,648	\$ 26,267,576
Depreciation Expense		\$ 1,800,938	\$ 1,908,051	\$ 1,843,501	\$ 1,843,501
Operating Expenses Total		\$ 25,598,793	\$ 28,052,136	\$ 28,343,149	\$ 28,111,077

Source: 2017 & 2018 data are actual data from audited financial statements; 2019 data is estimated; and 2020 data is proposed.

Light Fund – Expenditures

Light Fund Operating Expenditures



Light Fund – Expenditures

Personnel Summary

AUTHORIZED POSITIONS

Code	Position Title	Grade	July 1, 2019 - June 30, 2020		July 1, 2020 - June 30, 2021	
			Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2021
			# Positions	\$ Amount	# Positions	\$ Amount
Light Plant Operations						
	Director	EM-6	1.00	168,212	1.00	168,212
	Assistant Director	EM-4	1.00	143,165	1.00	147,000
	Power Supply & Rates Admin	EM-4	1.00	127,143	1.00	127,143
	Lead Electrical Engineer	EM-2	1.00	121,150	1.00	121,150
	Electrical Engineer	EM-2	1.00	97,310	1.00	98,963
	Financial Manager & Accountant	MP-5	1.00	100,092	1.00	100,092
	Associate Financial Manager	MP-3	1.00	82,334	1.00	82,334
	Customer Service Supervisor	MP-3	1.00	75,725	1.00	75,725
	Customer Service Admin	MP-3	1.00	101,585	1.00	101,690
	Customer Service Represent.	AC-3	3.00	179,866	3.00	182,451
	Energy Conservation Coord.	MP-3	1.00	95,105	1.00	95,135
	Energy Specialist	MP-2	1.00	76,029	1.00	76,066
	Meter Supervisor	EM-1	1.00	91,032	1.00	91,032
	Senior Eng. Technician	MP-2	1.00	82,834	1.00	82,972
	Engineering Technician	MP-1	1.00	71,382	1.00	71,382
	Office Accountant	MP-2	1.00	81,010	1.00	81,010
	Sr. Administrative Assistant	ACL-5	1.00	65,319	1.00	66,921
	Sr. Account Clerk	ACL-3	1.88	136,363	1.88	137,057
	Line Supervisor	EL-6	1.00	114,757	1.00	115,634
	Lead Line Worker	EL-5	2.00	202,719	2.00	211,327
	Lineworker, Grade 1	EL-4	3.00	297,626	3.00	299,546
	Lineworker, Grade 2	EL-3	2.00	160,476	2.00	164,244
	Lineworker, Grade 3	EL-2	2.00	141,874	2.00	134,927
	Utility Electrician	EL-3	1.00	81,636	1.00	82,727
	Meter Technician	EL-2	1.00	72,427	1.00	73,477
	Master Mechanic	TCL-5	1.00	78,193	1.00	78,843
	Crew Leader	TCL-5	1.00	78,520	1.00	78,635
	Equipment/Line Operator	TCL-4	1.00	68,274	1.00	68,278
	Maintenance & Inventory Coord.	TCL-3	1.00	57,151	1.00	57,588
	FTE Subtotal		<u>36.88</u>	<u>\$ 3,249,309</u>	<u>36.88</u>	<u>\$ 3,271,561</u>
	Line Worker Stand-by Pay		1320 hrs.	51,230	1320 hrs.	54,071
	Engineering Stand-by Pay			31,320		31,320
	Salary Subtotal			<u>\$ 3,331,858</u>		<u>\$ 3,356,952</u>
	Allowance for Salary Increases			129,972		130,862
517X	Group Insurance:					
	Health, Life, Dental			360,566		365,256
	Retirement			752,565		650,908
	OPEB Contribution			72,089		72,810
	Soc. Sec. & Medicare Tax			46,423		47,815
	Clothing Allowance			3,600		3,600
	Benefits Subtotal			<u>\$ 1,235,243</u>		<u>\$ 1,140,389</u>
	Personnel Services Total			<u><u>\$ 4,697,074</u></u>		<u><u>\$ 4,628,204</u></u>

Light Fund – Expenditures

General Fund Services

PAYMENTS TO THE GENERAL FUND

Town Fiscal Year Basis	FY18 Actual	FY19 Actual	FY20 Estimated	FY21 Budgeted
Financial & Administrative Services:				
Town Manager's Office	\$ 105,990	\$ 112,565	\$ 116,970	\$ 122,670
Facilities Management	-	-	11,563	21,041
Town Accountant	59,713	65,979	53,583	54,393
Treasurer-Collector	59,106	58,579	58,143	62,122
Information Systems	76,198	96,911	119,017	118,982
Finance Administration	53,645	58,033	60,155	60,731
Human Resources	72,399	80,444	88,014	85,182
Town House Facilities	6,261	6,500	7,038	6,335
Subtotal	\$ 433,312	\$ 479,011	\$ 514,483	\$ 531,456
Natural Resource Protection:				
Planning	\$ 12,218	\$ 12,428	\$ 13,299	\$ 14,372
Natural Resources	23,261	23,265	24,073	28,308
Subtotal	\$ 35,479	\$ 35,693	\$ 37,372	\$ 42,680
Landscaping @ Substations:				
Parks & Trees	\$ 8,764	\$ 12,291	\$ 10,000	\$ 10,000
Total	\$ 477,555	\$ 526,995	\$ 561,855	\$ 584,136
Payment in Lieu of Taxes (PILOT)	\$ 474,000	\$ 461,000	\$ 478,000	\$ 470,180
<i>Calendar Year of PILOT Payment</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>

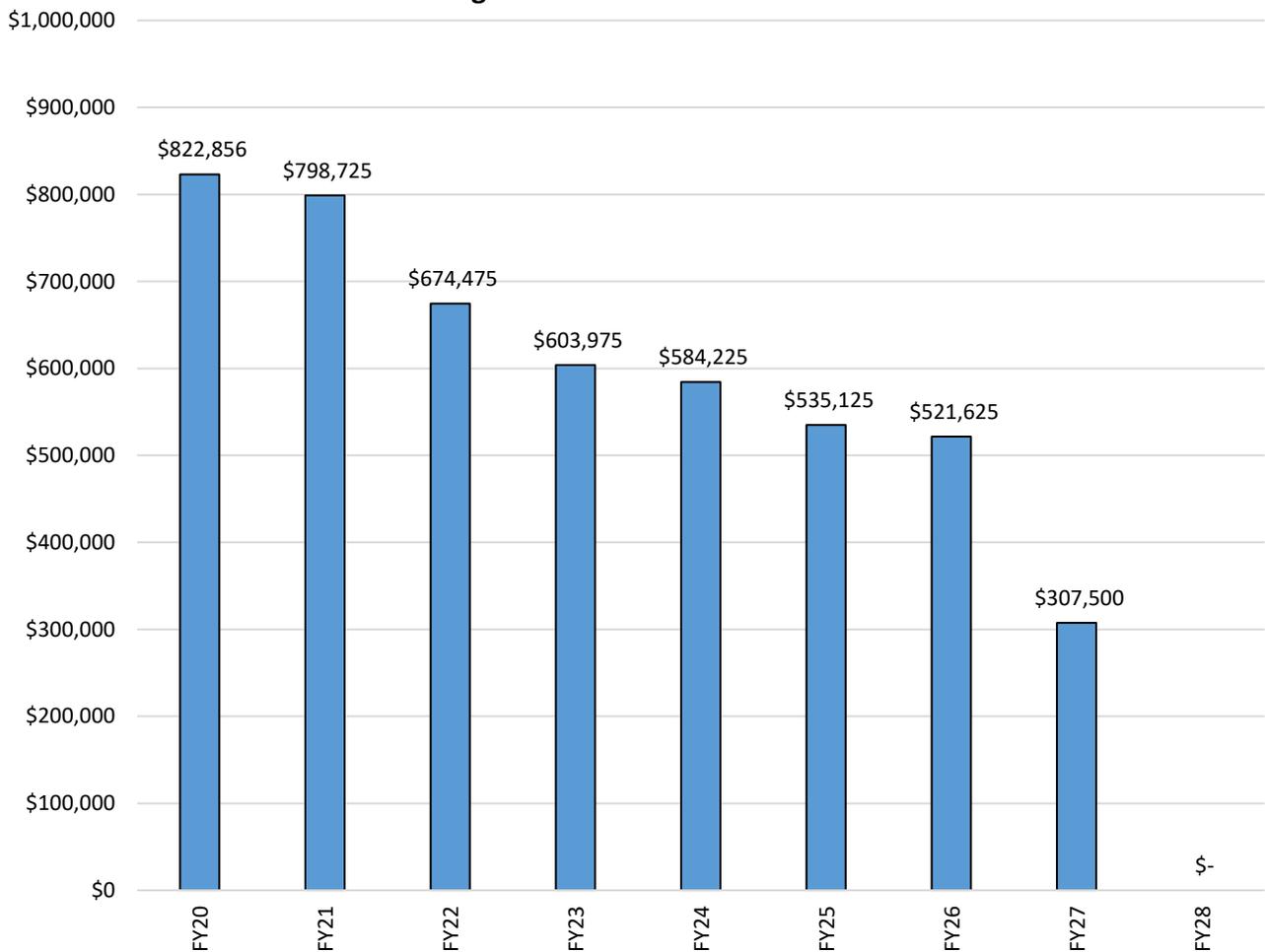
Light Fund – Expenditures

Capital (Capital Outlay and Debt-Funded)

LIGHT FUND DEBT SERVICE

Fiscal Year	Principal	Interest	Total
FY20	685,000	137,856	822,856
FY21	685,000	113,725	798,725
FY22	585,000	89,475	674,475
FY23	535,000	68,975	603,975
FY24	532,000	52,225	584,225
FY25	500,000	35,125	535,125
FY26	500,000	21,625	521,625
FY27	300,000	7,500	307,500
FY28	0	0	0
Totals	\$4,322,000	\$526,506	\$4,848,506

Light Fund Debt Service Chart

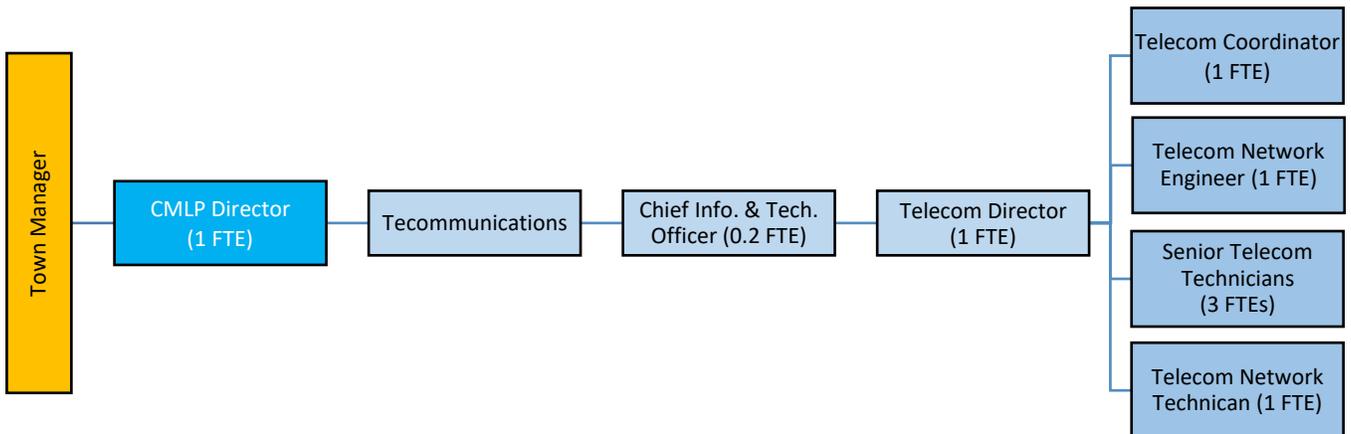


Light Fund – Telecommunications – Overview & Budget Highlights

Mission Statement

The mission of the Concord Municipal Light Plant Telecommunications Division is to provide cost effective reliable telecommunications services that meets the current and future needs of our customers. CMLP currently provides High Speed Internet and dark fiber leasing.

Organizational Chart



Light Fund – Telecommunications – Overview & Budget Highlights

Overview

The CMLP Telecommunications Division provides telecommunication services to the electric utility, supports the Town’s municipal operations and offers High Speed Internet service to Concord residents and businesses.

In 2018, the Telecommunications Division staff was managed by the Chief Information and Technology Officer and includes a Telecommunications Coordinator, Network Engineer and three Telecomm Technicians. In 2019, CMLP expects to add a Telecom Director to manage the team and a fourth Network Technician. This management structure benefits both the Town’s municipal operations and CMLP’s electrical operations with access to in-house networking resources. Business Administration and Customer Service for the Telecommunications Division is shared with Electric operations. Engineering and Line Operations also performs some of the outside plant management.

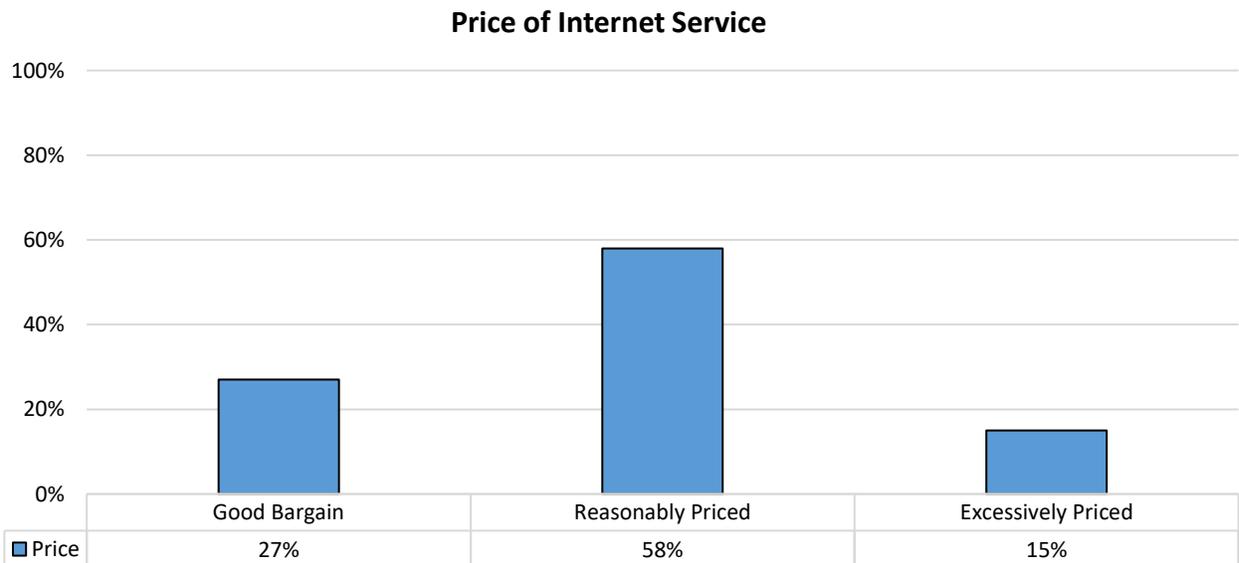
24x7 first Level Broadband Support is provided through a contracted Help Desk. Other contracts provide the Division with installation, emergency restoration, and network performance monitoring. Billing and account management are integrated with Electric Utility billing.

Accomplishments

- ☑ Network Management upgrade to CMS & LEM applications.
- ☑ Moved all MMN minuteman video servers from SS223 to CCHS.
- ☑ Implemented three new Dell virtual applications servers.
- ☑ Cambium Networks cloud Wi-Fi support added to all Town of Concord AP’s
- ☑ Deployed Fiber connectivity to support the Bruce Freeman Rail Trail Project.

Performance

During the past decade, the Town has conducted a randomized, statistically significant survey of Town residents to gauge their opinion on Town provided services. With the initiation of the Town providing telecommunication services to residents, a question was asked in 2018 about the fees for internet service provided by the Town through the Light Plant. Of the 1,254 respondents, 643 responded that they did not use the services and another 125 answered with the response “Don’t Know / No Answer” for a total of 486 providing an opinion.



Light Fund – Telecommunications – Overview & Budget Highlights

CY20 Goals

- Upgrade Core 3850 Cisco routers to latest revision.
- Beede Center Wi-Fi Upgrade to complete full coverage of the entire facility.
- SCADA camera installation for all well sites and pumping stations.
- Deploy new Calix application for remote troubleshooting to decrease equipment dispatches.
- Add two new technicians to increase Broadband installations to better serve the residents.

Long-Term Plans

- ⇒ Continue fiber infrastructure construction development to reach more customers.
- ⇒ Plan and implement a proactive maintenance plan to reduce the likelihood of service interruptions and outages.
- ⇒ Develop and implement a best practices disaster and recovery plan.
- ⇒ Formalize and encourage a customer feedback program to better serve the community.
- ⇒ Expand existing wireless infrastructure to bring more access to town residence and visitors.

Light Fund – Telecommunications – Overview & Budget Highlights

CY20 Budget Highlights

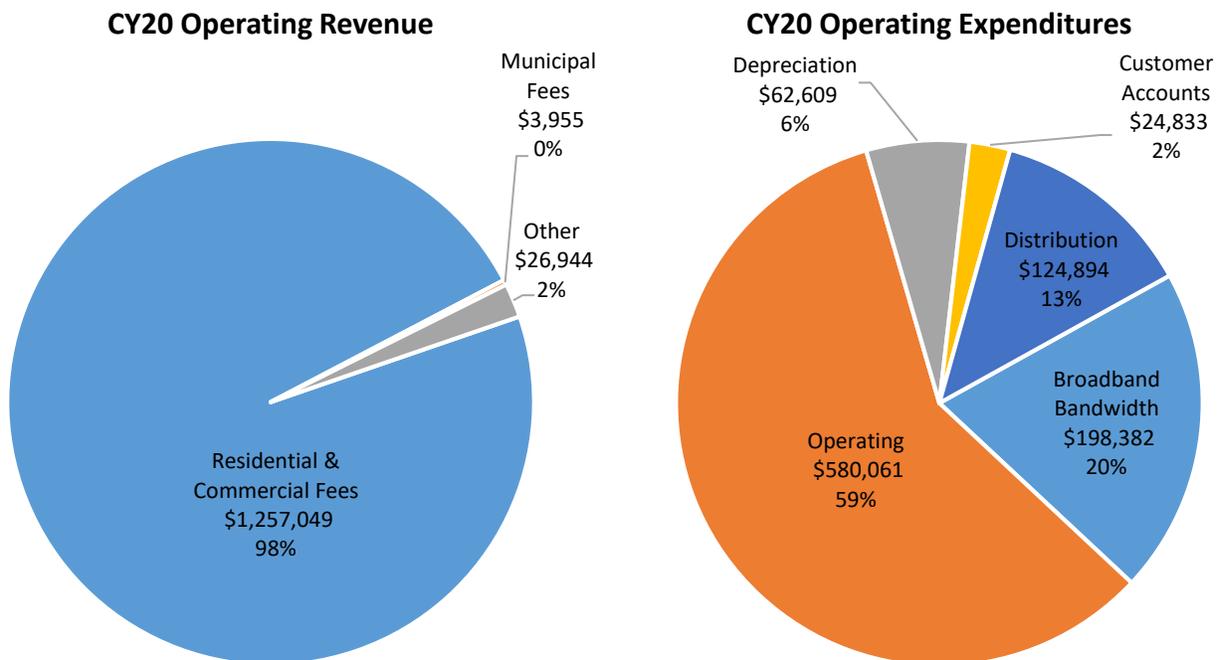
In CY20, the Telecommunications Fund is projected to end the year with a positive net income and fund balance. As of December 31, 2018, the Telecommunications Fund had a fund balance of minus \$358,664 according to the CY18 audited financial report. The proposed CY20 budget projects a positive fund balance of \$94,484 at the end of the calendar year resulting from projected \$1,287,948 in operating revenues and \$990,779 in operating expenses.

Budget Highlights

CY20 Projected Revenue	\$1,287,948
CY20 Projected Expenses	<u>(990,779)</u>
CY20 Project Operating Income	\$297,769
CY20 Projected Net Income	\$259,039
CY20 Projected Telecommunications Fund Balance	\$94,484

Revenues and Expenditures Overview

Since March 2014, High Speed Internet service has been available to both commercial and residential customers of CMLP. 1,556 High Speed Internet customers were connected by January 2020, an increase of over 320 since December 2019. The 2019 plan assumed growth to about 1,500 customers by year-end 2019 and was achieved. Concord Light Broadband generated a positive NET income in 2017, 2018 and 2019. In 2020, new staff is planned to provide support for the customer base and sustain continued system growth.



Light Fund – Telecommunications – Program Highlights

Telecommunications Business Results

CY2019 had continuing growth for the broadband business. Revenue from residential and business subscribers grew by 20% and the number of subscribers grew to over 1,500. Operating expenses remained level in 2019 and installations expenses driven by new subscriptions were also about the same as 2018. Both were in line with the business model. Overall growth in subscribers continued to be steady. Demand for the service is still strong as an average of 26.5 new subscribers were added each month in 2019 versus 21.5 per month in 2018. CMLP will continue to address demand in a controlled way by balancing initial installation cost to achieve growth that remains within the funding plan.

Revenue comes from the following activities:

- One-time installation fees of the fiber optic service to homes and business;
- Monthly fees for High Speed Internet Service;
- Monthly fees for private data services.

Telecommunications Programs

The Light Plant, Town Government, and other Town enterprises need to have access to high quality telecommunications. Public Safety, Education, and Administration are all increasingly dependent on data and data communications. The Light Plant's investment in fiber laid the foundation for a number projects which contribute to efficient and effective operations. The Telecommunications Division provides the necessary operational capability to utilize the fiber network. There are three main program areas:

Broadband Services: The 2013 Annual Town Meeting approved a \$1 million borrowing authorization that enabled CMLP to finance the startup and initial capital costs of retail broadband telecommunication services. An additional \$1 million in borrowing was authorized by the 2017 Annual Town Meeting. The second authorization has not been used, but will enable continued growth in new service connections and capital investments. Telecommunications revenue is used to repay the expenses and the debt service. As the broadband operating revenue grows, it helps to reduce the burden on the electric operations of maintaining the fiber network.

CMLP offers High Speed Internet to residential and business customers. CMLP also provides Internet and private data services for Town's operations. By providing a fiber optic based internet service, CMLP is filling a gap in the service available to the community while generating revenue to help pay for the fiber investment and the telecommunications staff. Customer interest and satisfaction remains high.

For more information regarding CMLP's Broadband Services, please visit <http://www.concordma.gov/broadband>.

Smart Grid Infrastructure: CMLP's Smart Grid Infrastructure supports the distribution of electricity to customers. Advanced meters, load control, and customer engagement applications have been deployed. The Telecommunications Division deploys and maintains this network. The network contains over 800 devices capable of real time communications with our customers throughout the service area.

The fiber network is also being leveraged to support the Water and Sewer enterprises as well. Command and control of this important infrastructure is more reliable, comprehensive and secure as a result the use of fiber.

Municipal Operations Support: The telecommunications need of Town departments are constantly evolving. Separately, neither the Town or the Light Plant could realistically afford to have in-house resources to help meet the requirements. The resulting dependency on vendors and suppliers would be costly and responsiveness would also be reduced. The costs of for providing municipal support for the data and voice network are recovered by the

Light Fund – Telecommunications – Program Highlights

Telecommunication Division through labor sharing agreements that benefit both the Town and the Light Plant. Management by the Chief Information and Technology Officer enables effective coordination given the close interrelationship between Information Technology and Telecommunications. In 2018, CMLP extended this municipal cooperation to include the Town of Bedford.

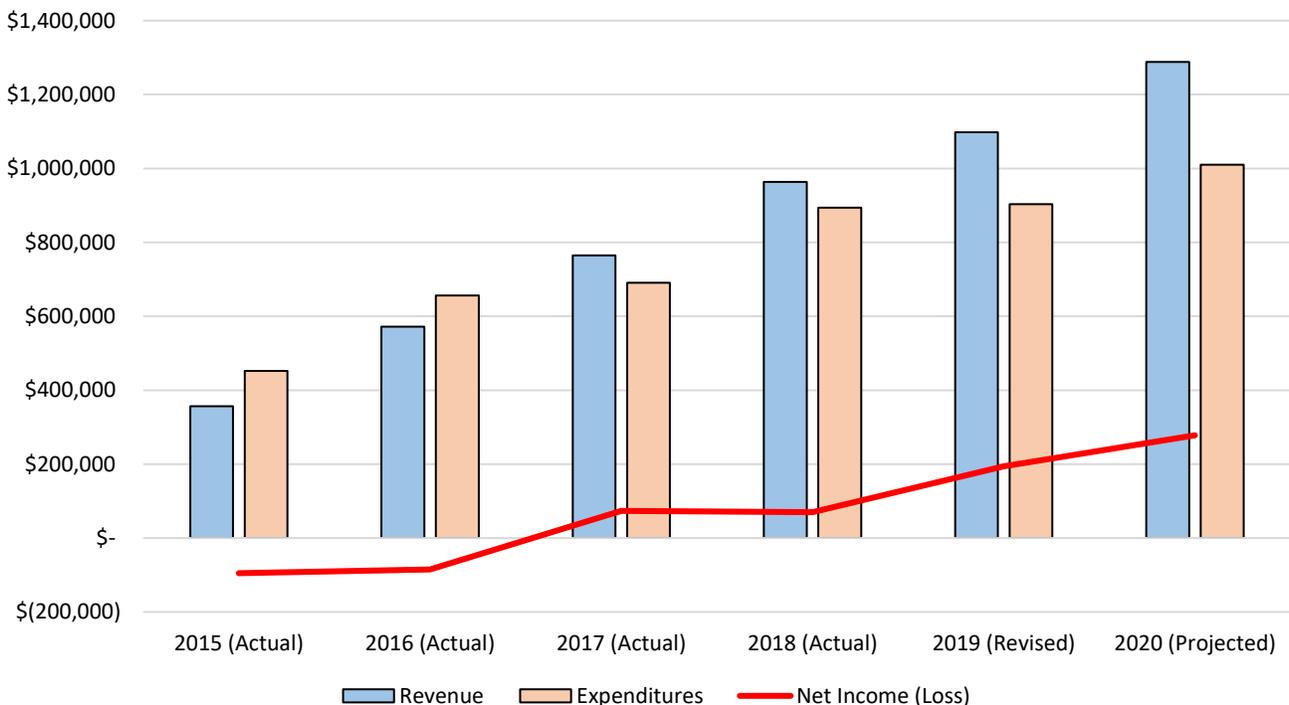
Light Fund – Telecommunications – Net Income and Fund Balance

Calendar Year:	2017	2018	2019	2020
	Actual	Actual	Estimated	Proposed
Operating Income (Loss)	\$ 82,320	\$ 88,544	\$ 209,484	\$ 297,169
Nonoperating Revenues (Expenses)				
Interest Income	\$ -	\$ -	\$ -	\$ -
Interest Expense	(18,896)	(14,146)	(15,375)	(19,215)
Other	9,470	8,546	-	-
<i>Audit Adjustment</i>	-	-	-	-
Operating Expense Total	\$ (9,426)	\$ (5,600)	\$ (15,375)	\$ (19,215)
Other Financing (Uses)				
Loss on Disposal of Capital Assets	\$ -	\$ (11,785)	\$ -	\$ -
Payment in Lieu of Franchise	-	-	-	(18,915)
Subtotal	\$ -	\$ (11,785)	\$ -	\$ (18,915)
Net Income (Loss)	\$ 72,894	\$ 71,159	\$ 194,109	\$ 259,039
Net Position				
Net Position at Beginning of Year	\$ (414,749)	\$ (429,823) *	\$ (358,664)	\$ (164,555)
Net Position at End of Year	\$ (341,855)	\$ (358,664)	\$ (164,555)	\$ 94,484

* Restated Amount

Source: CY2017 and CY2018 data are actual data from audited financial statements; CY2019 data is estimated from the year ending on September 30, 2019; CY2020 data is proposed.

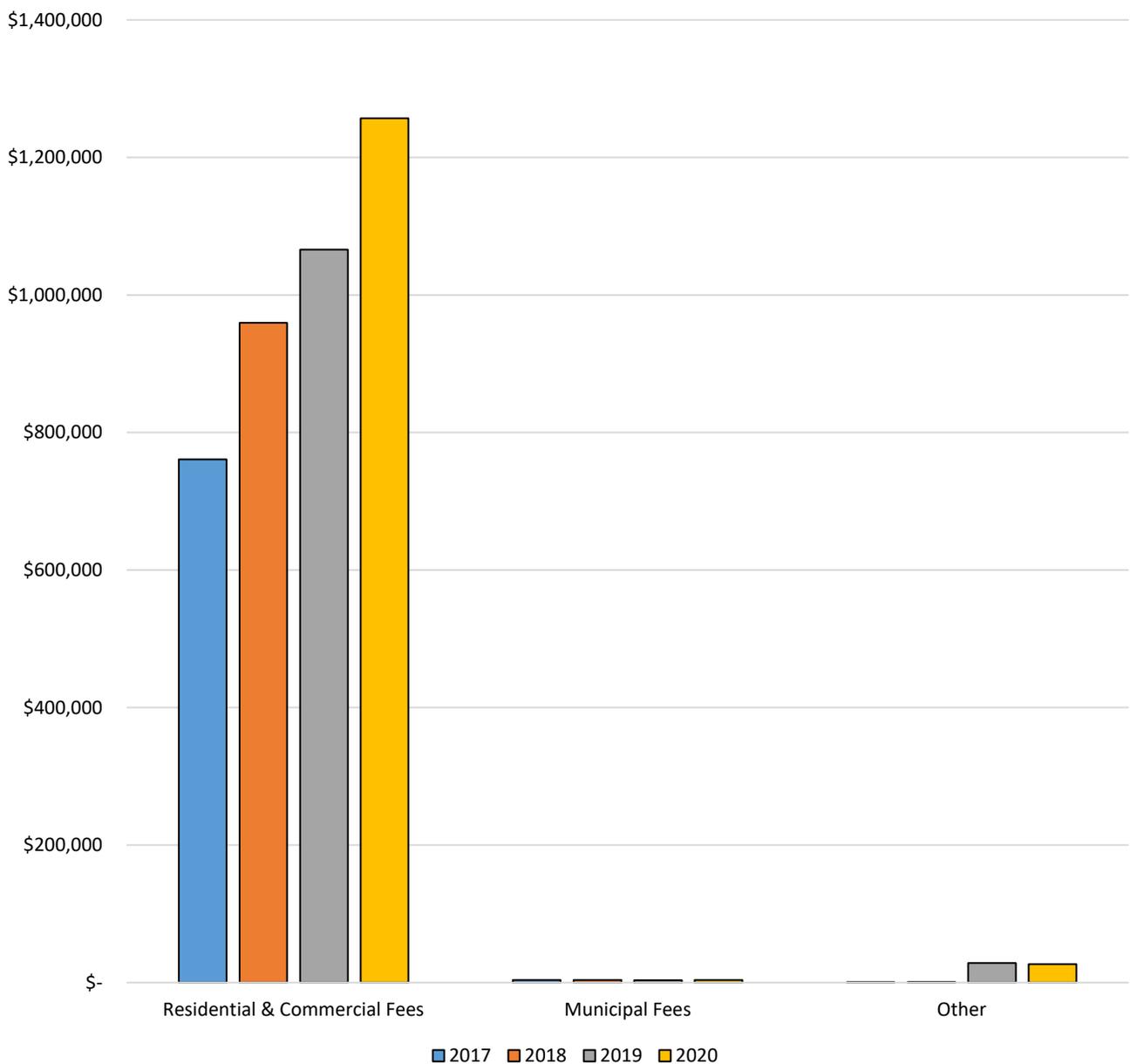
Telecommunications Fund Historical Net Income



Light Fund – Telecommunications – Revenues

	Calendar Year:			
	2017	2018	2019	2020
	Actual	Actual	Estimated	Proposed
Operating Revenue				
Residential & Commercial Fees	\$ 760,732	\$ 959,350	\$ 1,066,024	\$ 1,257,049
Municipal Fees	3,600	3,675	3,480	3,955
Other	91	413	28,214	26,944
<i>Audit Adjustment</i>	573	1	-	-
Operating Revenue Total	\$ 764,996	\$ 963,439	\$ 1,097,719	\$ 1,287,948

Telecommunications Operating Revenues

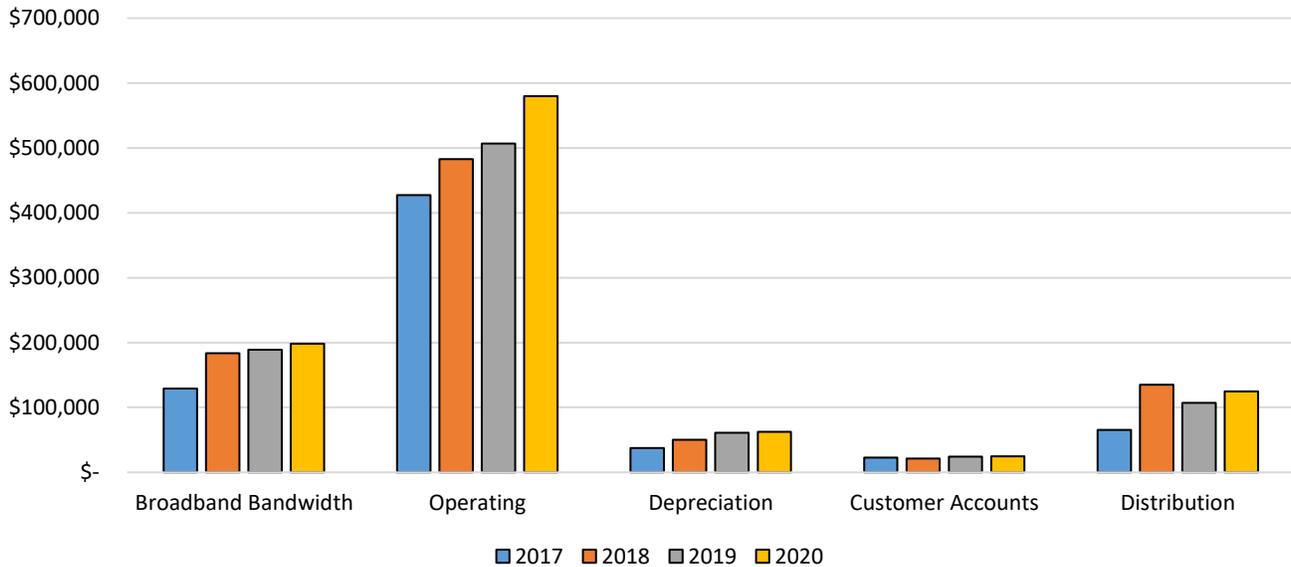


Light Fund – Telecommunications – Expenditures

Operating Expenditures

	Calendar Year:			
	2017 Actual	2018 Actual	2019 Estimated	2020 Proposed
Operating Expenditures				
Broadband Bandwidth	\$ 129,235	\$ 183,432	\$ 188,935	\$ 198,382
Operating	427,575	482,776	506,763	580,061
Depreciation	37,286	50,465	60,785	62,609
Customer Accounts	22,661	21,471	24,464	24,833
Distribution	65,471	135,225	107,288	124,894
<i>Audit Adjustment</i>	448	1,526	-	-
Operating Expense Total	\$ 682,676	\$ 874,895	\$ 888,235	\$ 990,779

Telecommunications Operating Expenditures



Personnel Summary

AUTHORIZED POSITIONS

		FY20 Estimated		FY21 Proposed	
		FTE	Amount	FTE	Amount
Telecommunications					
Chief Information & Tech. Officer	TM-4	0.20	38,613	0.20	38,613
Telecommunications Director	TM-3	1.00	114,000	1.00	114,000
Telecom Coordinator	TM-2	1.00	98,782	1.00	98,782
Network Engineer	TM-2	1.00	98,847	1.00	98,847
Senior Telecom Technician	TT-2	3.00	262,839	3.00	262,839
Telecom Network Technician	TT-1	1.00	72,036	1.00	72,036
FTE Subtotal		7.20 FTEs	685,117	7.20 FTEs	685,117

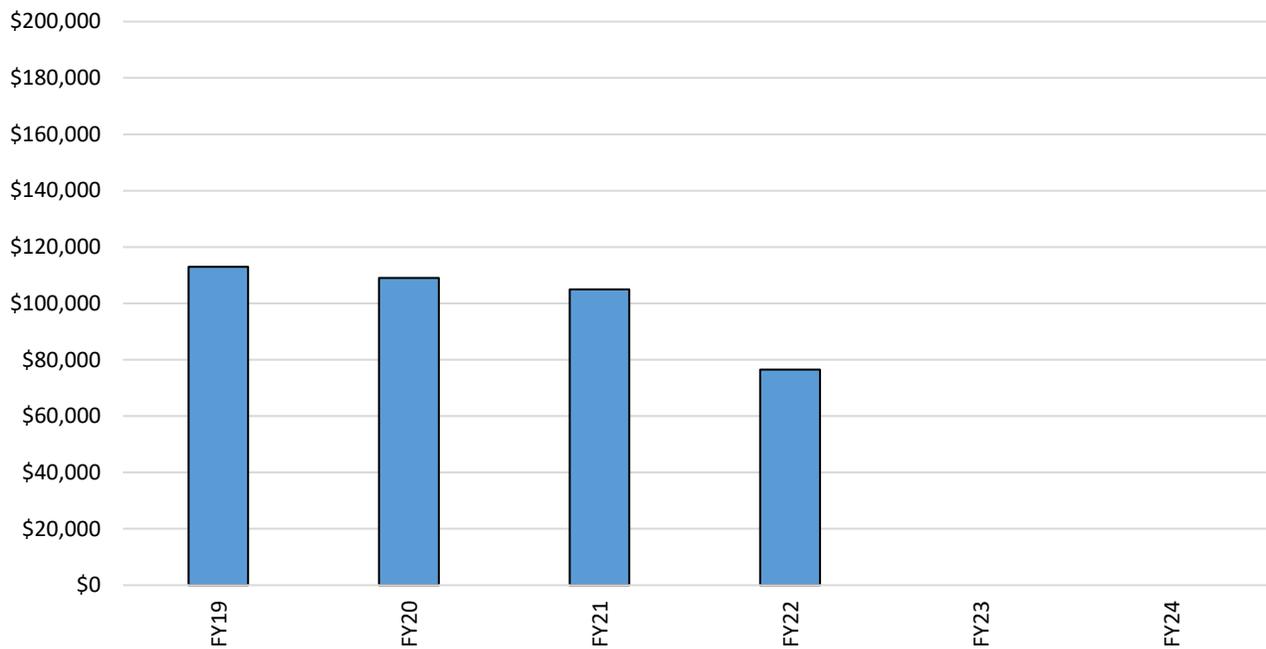
Light Fund – Telecommunications – Expenditures

Capital (Capital Outlay and Debt-Funded)

TELECOM DEBT SERVICE

Fiscal Year	Principal	Interest	Total
FY19	100,000	13,000	113,000
FY20	100,000	9,000	109,000
FY21	100,000	5,000	105,000
FY22	75,000	1,500	76,500
FY23	-	-	-
Totals	\$ 375,000	\$ 28,500	\$ 403,500

Telecommunications Fund Debt Service



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Water Fund

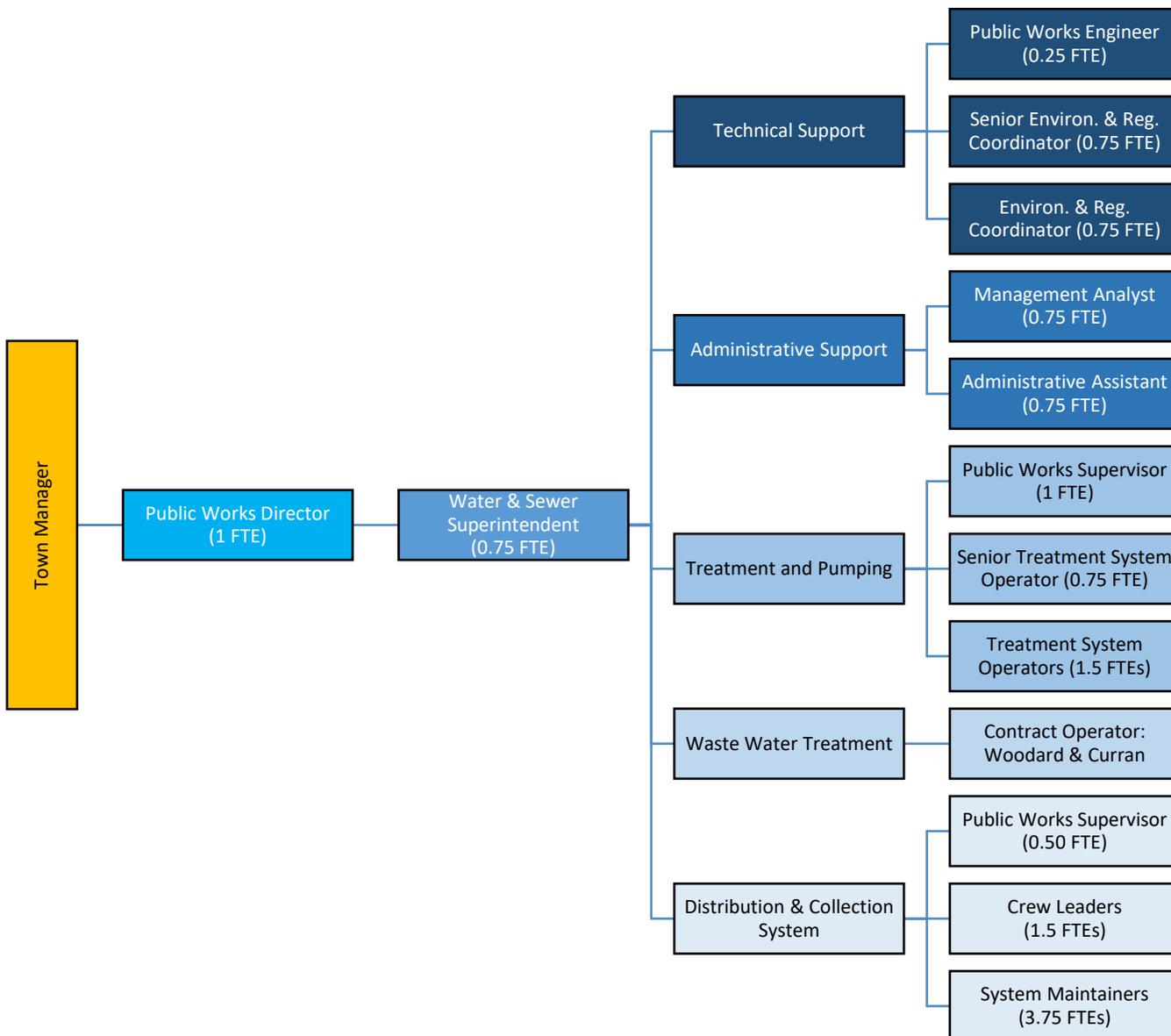
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Water Fund

Mission Statement

The mission of the Water Division is to enhance Concord’s quality of life, and through sound management, innovation, teamwork, and vision, provide dependable, high quality, responsive water utility services, consistent with values and at reasonable costs to Concord’s citizens, businesses, institutions, and visitors.

Organizational Chart



Water Fund

Overview

Concord received legislative authority to establish a public water system in 1872. Today the system consists of groundwater and surface water sources, a total of seven pumping stations, two advanced treatment facilities, and a high-pressure water main network consisting of over 134 miles of pipe. Two covered storage reservoirs, one located at Annursnac Hill and the other located at Pine Hill in Lincoln, provide a total reserve capacity of 7.5 million gallons.

The 1974 Annual Town Meeting established the Water Fund. Expenses for the water system are covered entirely by user fees. The Water and Sewer Division of Concord Public Works is responsible for managing the day-to-day operations of the water infrastructure. As of FY19, the total value of infrastructure assets was approximately \$23.9 million.

There are presently 5,639 customers receiving potable water service and fire protection from the Town water system. This total represents approximately 95% of Concord residents and businesses, along with a small number of Acton properties located on Route 2A.

Accomplishments

- ☑ Concord Water prevailed in seeking a favorable decision from the Massachusetts Land Court relative to its long-standing water rights to Nagog Pond.
- ☑ Water/Sewer Administration worked with its counterparts within the Concord Municipal Light Plant, along with representatives from our third-party support group from NISC, to successfully implement the new customer care and billing software platform.
- ☑ Phase I: J. Tropeano, Inc. (North Andover, MA) replaced approximately 1,097 ft. of 12-inch cast-iron water main (circa 1947) with new 12-inch cement-lined ductile iron pipe (CLDI class 52) from the intersection of Hawthorne Lane to Sandy Pond Road, and the replacement of 1,265 ft. of 8-inch cast iron water main (circa 1967) with new 8-inch CLDI water main (class 52) from the intersection of Cambridge Turnpike down Sandy Pond Road.
- ☑ White Pond Well: Maher Services performed rehabilitation of well, including minor pump repairs.
- ☑ Metropolitan Area Planning Council (MAPC) grant of \$26,000 was used to promote sustainable landscaping projects for Concord residents and businesses, including; the installation of demonstration gardens with native planting and lawn alternatives, the organization of a sustainable landscaping speaker series and develop a sustainable landscaping handbook.

Performance

Long Term Financial Stability

Along with its core mission to operate and maintain the Town's water system in a reliable and efficient manner, the Water Enterprise must also be financially self-supporting. This means that the Water Division is expected to cover all costs associated with operations, capital maintenance, and repairs by generating sufficient revenue through user fees and special service fees. The Water Division maintains a detailed 10-year financial proforma to facilitate long-range planning for all revenues and anticipated investments.

Since the Water Enterprise fund was formally established in 1974, there have been no property tax contributions requested to subsidize annual operations or maintenance of pre-existing infrastructure. Taxpayer contributions would only be sought for major system expansion projects or facility upgrades designed to meet broader community interests. No such projects are presently contemplated.

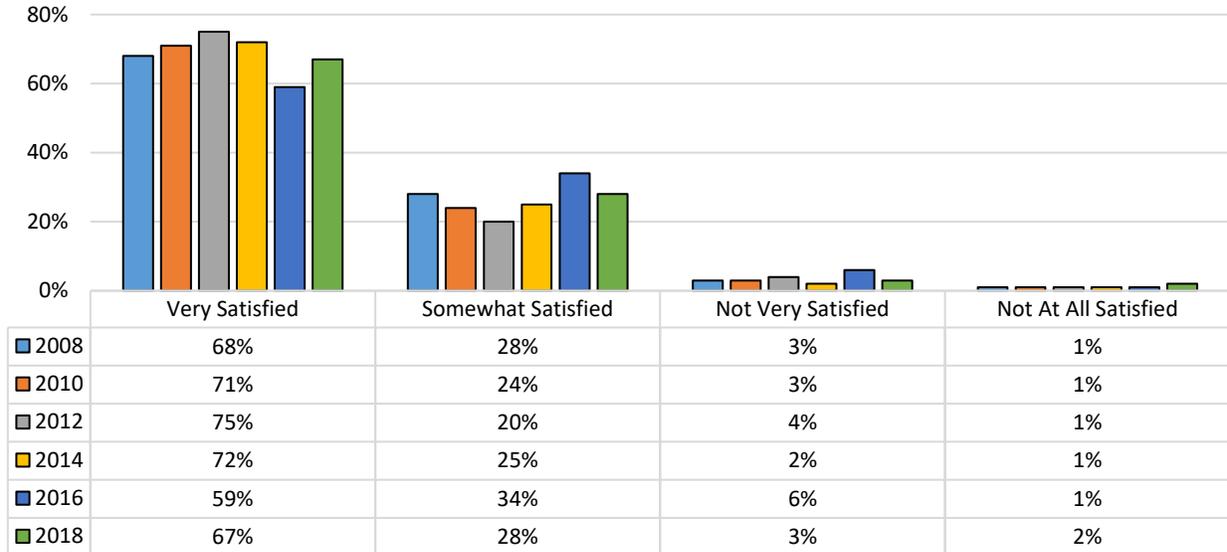
Water Fund

Town Residential Survey

During the past decade, the Town has conducted a random, statistically significant survey of Town residents to gauge their opinion on Town provide services. For the Water Division, two questions were asked. Below are the results of the question, “How would you rate the overall quality of water service?” Of those who said they use the service, the vast majority (72%) thought that the quality is either “Excellent” and (25%) thought it is “Good.”

The second question posed to residents was, “What is your opinion of the price of water service?” Of those who

Satisfaction with Town's Water Service



said they use the service, 15% thought that the price is a “Good Bargain” and 72% thought that it is Reasonably Priced.” From 2012 to 2018, we see a consistent opinion that water services are a good bargain. The vast majority of Concord households that are on Town sewer lines feel that the service is at least “reasonably priced,” while 11% of survey respondents even describe it as “a good bargain.”

Price of Town Water Service



FY21 Goals

Water Fund

- Nagog Pond Filtration Facility: Maintain federally issued Filtration “Avoidance” Waiver while advancing the design of a state of the art Water Filtration Facility.
- Nagog Pond Intake: Replace 1,800 feet of 110-year-old 16-inch, intake pipe required to restore original flow capacity and increase the reliability of service.
- Water Main Rehabilitation/Replacement: Replace 5,000 feet of 8-inch water main, along with associated valves, hydrants within the Peter Spring/Prescott Rd Neighborhood
- Annursnac Hill Reservoir: Perform the replacement of roof perimeter vent, rooftop vent, install new overflow screening, and pour new concrete, reinforced floor.
- Initiate water quality sampling activities in conformance with proposed MassDEP “emerging” contaminant regulations.

Long-Term Plans

- ⇒ To continue to perform water quality sampling activities and maintain compliance with all Safe Drinking Water Act (SDWA) requirements.
- ⇒ To continue to protect, maintain, and develop drinking water supplies in accordance with Water Management Act requirements.
- ⇒ To continue to perform water main rehabilitation and replacement activities on the 134 miles of existing main with due consideration of other Town right-of-way improvement projects.
- ⇒ To continue to maintain and improve structural, mechanical, instrumentation, and operational functions of all water system facilities, including production, treatment, and storage facilities, relied upon to provide a safe and reliable supply of water to residential and commercial customers.
- ⇒ To continue to advance drinking water policies, practices, and outreach efforts that support fiscally responsible investments while encouraging demand that is in keeping with environmentally beneficial and sustainable principles.

Water Fund – Overview & Budget Highlights

FY21 Budget Highlights

The proposed FY21 water rate of \$0.0592 per cubic foot represents a 5% increase over the FY20 rate of \$0.0564 per cubic foot. For the average residential customer, the annual increase in their water bill will be \$25.20 or \$2.10 per month. The proposed FY21 capital improvement plan is \$6,867,570. This includes \$660,000 to perform water main replacement, primarily in the Peter Spring Rd and Prescott Road neighborhoods, \$250,000 in the first phase of a system-wide Advanced Metering Infrastructure (AMI) upgrade in conjunction with meter system upgrades planned by the Concord Municipal Light Plant, and \$5,710,000 for the replacement of the Nagog Pond intake structure and to begin a multi-year construction project for the Surface Water Filtration plant. The proposed FY21 operating budget is \$4,992,506, an increase of 10.3% from FY20, primarily related to an increase of \$322,158 in depreciation (7% of the budget increase).

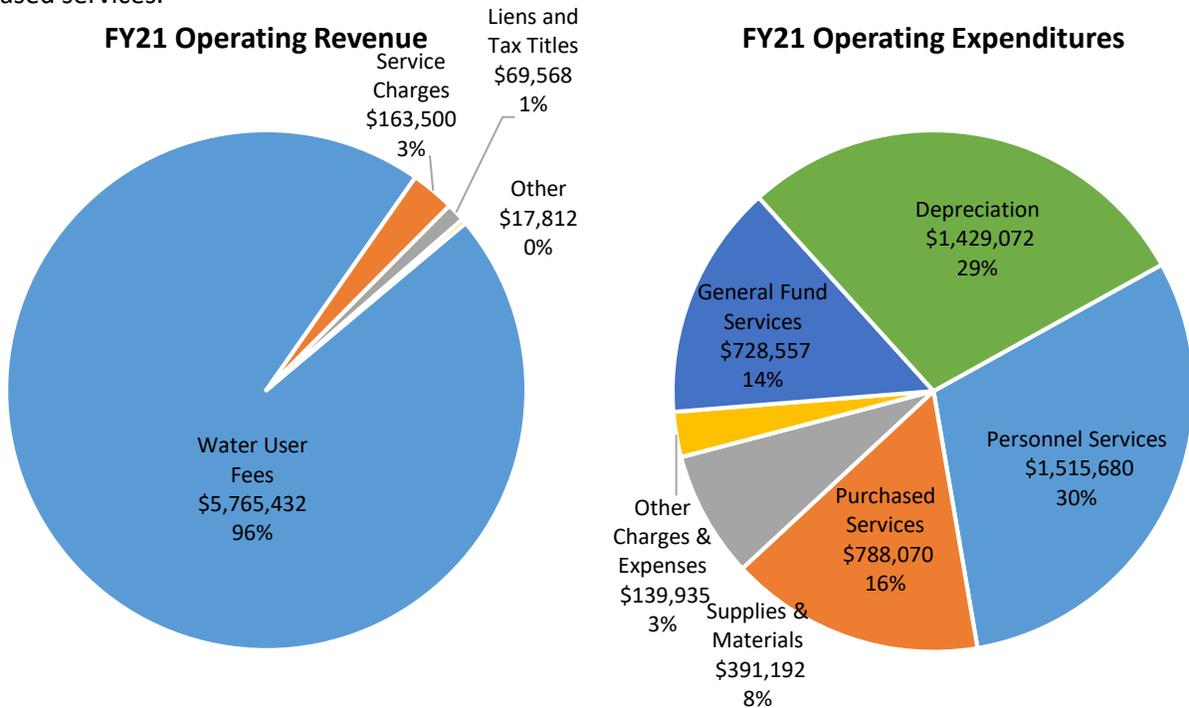
Budget Highlights

FY21 Projected Revenue	\$6,016,312
FY21 Projected Expenses	<u>(4,992,506)</u>
FY21 Projected Operating Income	\$1,023,806
FY21 Projected Net Income	\$1,200,268
FY21 Projected Water Fund Balance	\$7,345,884

Revenues and Expenditures Overview

Ninety-six percent of the Water Division’s revenues in FY21 is expected to come from water user fees (amounting to \$5,765,432 of the total). The remaining projected revenues are proposed to come from service charges, liens and tax titles, and other revenue sources.

The three largest expense categories of the total \$4,992,506 proposed are depreciation, personnel services, and purchased services.



Water Fund – Program Highlights

Concord Water functions in an increasingly complex and highly regulated environment. Its operations are regulated by federal, state, and local government agencies. These laws and regulations directly inform daily operations, capital investments, and budget plans required to maintain compliance with related directives.

On the federal level, the Division's operations are governed by the Safe Drinking Water Act (SDWA). Originally enacted in 1974, the SDWA allows the Environmental Protection Agency (EPA) to promulgate national primary drinking water regulations in order to regulate contaminants that may pose health risks and which are likely to be in the public water supply. Under the SDWA, EPA establishes a maximum contaminant level standard that regulates physical, chemical, biological, and radiological substances in the drinking water supply.

The SDWA allows the EPA to delegate primary oversight and enforcement of these laws to the state if the state meets certain requirements. The state of Massachusetts has been granted this "primacy." In addition to providing oversight and enforcement of drinking water quality issues, MassDEP also regulates water withdrawals and demand management programs in accordance with statutes detailed within the State's Water Management Act program.

The programs and initiatives described below are provided to highlight some of the more noteworthy and potentially significant programs that influence the short-term and long-term financial well-being of the Water Fund.

Regulatory Update

Nagog Pond Filtration Avoidance Waiver: Nagog Pond has continued to be operated in accordance with a long-standing filtration avoidance waiver. The use of Nagog Pond will continue to be curtailed from time to time until a federally compliant water treatment filtration plant has been constructed.

Regional Drought Management Planning: The Executive Office of Energy & Environmental Affairs (EEA), acting through the Massachusetts Water Resources Commission, voted to update to the MA Drought Management Plan, increasing state-wide administrative flexibility when required to make regional declarations. As anticipated, Concord residents will likely be affected by this change through more frequent and potentially prolonged drought declarations. Ultimately, when regional drought declarations are triggered, water customers will be required to conserve water, most notably through reductions in non-essential, outdoor water uses.

Emerging Water Quality Contaminants: MassDEP has proposed new drinking water regulations that will establish a Total PFAS Maximum Contaminant Level (MCL) of 20 ppt for six PFAS contaminants: PFOS, PFOA, PFHxS, PFNA, PFHpA, and PFDA. This group of man-made chemicals that do not readily break down in either the environment or the human body and, therefore, can build up over time. Studies show that exposure to PFAS can lead to adverse human health effects. PFAS have been used in many consumer products, including firefighting foam and in a number of industrial processes.

Local Water Testing: All routine and non-routine water quality testing activities are performed in accordance with MassDEP regulations. Testing continues to demonstrate that the drinking water provided to customers satisfies State and Federal requirements for public water systems, with the one notable exception, bromate. Recent modifications made to the temporary disinfection (ozone) treatment process, performed to improve its reliability of operations, resulted in an increased level of bromate, causing an exceedance of a disinfection byproduct rule (DBR). Bromate is regulated with a "maximum contaminant level" (MCL) of 10 parts per billion (10 ppb), averaged over any 12-month period. Because the average concentration of bromate measured from Nagog Pond supply during the summer months was less than 11 ppb, and because the DBR regulations do not account for seasonal operations like those performed at Nagog Pond, out of an abundance of caution, a Public Notice was sent to all

Water Fund – Program Highlights

customers informing them of this unusual occurrence. This notice, sent out on November 6, 2019, may be followed by a similar notice before re-activating this supply during the summer of 2020. A summary of all water quality test results is available on the Town website.

2018 Water Fluoridation Quality Award: Concord Water once again received recognition from the Centers for Disease Control and Prevention (CDC) and the American Dental Association (ASTDD) for maintaining effective dosing and documentation of ongoing drinking water fluoridation efforts.

Cross-Connection Control Program: Water Safety Services (Woburn, MA) continued to perform routine inspection and testing of all cross-connection control devices installed within industrial and commercial facilities requiring “process” water that is connected directly to the municipal water system. These efforts protect all customers from potential contamination risks associated with a backflow of water that has been tainted by industrial/commercial processes, rendering the water undrinkable.

Nagog Pond: Environmental Partners Group working with Public Archaeology Laboratory and special counsel (Mackie Shea Durning, PC) advanced permitting and design interests for the Nagog Pond Filtration Plant upgrade. This included the submittal of a combined Chapter 91 Waterways License and 401 Water Quality Certification application MassDEP and Army Corp of Engineering for the replacement of the 16-inch intake; coordination with Massachusetts Historical Commission regarding sensitive archeological impacts; and technical and regulatory support to allow for a modified “temporary” ozone system that resulted in a more reliable disinfection process that has been employed at Nagog Pond when required to operate during peak demand periods.

Concord Water is pleased to report that the Town prevailed in seeking a favorable decision from the Massachusetts Land Court relative to its long-standing water rights to Nagog Pond. Special council, Mackie Shea Durning, PC, has provided outstanding guidance and support throughout this process. Securing these water rights forever is one of the most critical accomplishments that the Town has undertaken to preserve and protect the future of its drinking water resources. Littleton and Acton have subsequently appealed this decision, which is expected to be heard at the Massachusetts Supreme Judicial Court (SJC).

Water System Capacity & Resiliency Planning: Weston & Sampson (Peabody, MA) completed a draft water master plan to document the capacity and quality of existing water resources, develop a long-range water needs forecast, and evaluate the town’s ability to satisfy these needs with consideration to climate change and extreme drought conditions.

Demand Management: Concord’s WMA registration and permit presently provides a cap on “authorized” water withdrawals of up to 2.51 million gallons per day (MGD) on average or 916 million gallons per year to meet all residential, commercial, institutional and municipal needs. Conservation limits included in this permit are an allowance of 65 gallons per day per capita (RGPDC) for residences and a 10% allowance for system losses (primarily attributed to leaks). In 2019, the total water production required to meet our system demands was 1.82 million gallons per day or 664.8 million gallons per year. A peak day demand of 3.39 million gallons was recorded on August 22, 2019. The RGPDC and total system losses (or “unaccounted” for water use) was calculated to be 60 gals/day and 10%, respectively.

Water Station Improvements: Division crews continued to perform routine operation and maintenance of the seven water production facilities and related treatment systems, which make up our total water supply. In addition to these routine inspection and service activities, capital upgrades are also planned and performed on the millions of dollars of assets, including associated mechanical, electrical, plumbing, and instrumentation and control systems housed within these facilities. Notable improvements completed within the past year include the rehabilitation of a Jenny Dugan groundwater well and replacement of the associated pump and motor assembly

Water Fund – Program Highlights

(performed by Denis L. Maher Company, Ayer, MA); replacement of “soft-start” motor controller with state of the art programmable logic controller (PLC) at Second Division Pump Station; and a complete upgrade of the Supervisory, Control and Data Acquisition (SCADA) system used to remotely monitor, alarm and control water production and treatment facilities.

Customer Care Service and Billing Software Improvements: Staff from the Water Division, Finance Department, and Concord Municipal Light Plant (CMLP) successfully moved forward on the implementation of a new customer care and billing software platform. The new system is already generating more reliable and detailed information to customers and staff while improving account monitoring and exception reporting capabilities. The Utility Customer Service Group, located within CMLP’s headquarters, continues to expand their knowledge and understanding of water and sewer customer interests and concerns.

Mains (New/Replacement): A key factor in developing the annual Water Enterprise Fund budget is identifying funds required to make necessary investments in our water main infrastructure to maintain a safe and reliable supply of water to our customers. One of the most meaningful measures of success relates to the frequency of interruptions of service resulting from water main breaks. Main breaks occur for several reasons, including the age of the pipes, pressure surges, and cold weather. The Water Research Foundation (WRF) reports that the average number of main breaks in North America is 25 breaks per 100 miles of main per year. The Partnership for Safe Water (PFSW), a group supported by US EPA and the American Water Works Association, recommends a goal of less than 15 main breaks per 100 miles of main per year. As identified previously, Concord’s distribution system consists of over 134 miles of water main. Over the past decade, the Water Division typically responds to approximately 5-10 breaks per year. In 2019, crews responded to only three (3) emergency repairs required at the following locations: ORNAC in the general vicinity of the Concord Country Club (July 21, 2019), Rt. 2A Rotary (August 22, 2019) and Fairhaven Hill Road (December 27, 2019).



Deaconess Well Removal

Water main replacement activities completed in FY20 include:

- **Cambridge Turnpike Water Main Project – Phase I:** J. Tropeano Inc. (North Andover, MA) completed Phase I water main replacement work associated with the Cambridge Turnpike Improvement Project. Their work involved the replacement of approximately 1,097 ft. of 12-inch cast-iron water main (circa 1947) with new 12-inch cement-lined ductile iron pipe (CLDI class 52) from the intersection of Hawthorne Lane to Sandy Pond Road, and the replacement of 1,265 ft. of 8-inch cast iron water main (circa 1967) with new 8-inch CLDI water main (class 52) from the intersection of Cambridge Turnpike down Sandy Pond Road. Their work also included the replacement of associated service laterals located within the right of way along with 11 hydrants.

Water Fund – Program Highlights

- **Cambridge Turnpike Water Main Project – Phase II Construction:** George R. Cairns & Sons (Windham, NH) commenced with the Phase II water main replacement work planned along Cambridge Turnpike. Work completed this construction season included the replacement of approximately 975 feet of the 10-inch HDPE water main, which will eventually connect to the water main that will be installed within the new bridge structure to be completed next construction season.
- **Warner Street Water Main Extension:** Johnson Excavation (Nashua, NH) installed approximately 500 feet of 8-inch cement-lined ductile iron pipe (class 52) along Warner Street to create the necessary frontage for a single-family residential redevelopment project. The work included the installation of a new hydrant and water service.
- **Peter Spring Rd/Prescott Rd Neighborhood - Design:** Staff have been working with the Engineering Division and Hayner Swanson, Inc. (Burlington, MA) on the development of the survey, design, and bid specifications for the replacement of approximately 5,000 ft. of transite water main (circa the 1950s) located in the Peter Spring, Prescott Rd, Minuteman Drive, and Arrow Head Rd neighborhood. This work will be coordinated with the roadway reclamation project being conducted under the direction of the CPW Engineering Division.

Lead Service Line Awareness and Replacement Program

Concord Water continued to offer customers an economically friendly lead service line replacement program to customers with known or suspected lead water service lines. To further incentivize the replacement of these private services, customers have the option of having these replacement fees billed in equal monthly installments over one year. Considerable administrative effort continues to be made in combing through old service records in an attempt to identify potential lead service lines that may not have been accurately captured when the Division first transitioned from paper files to an electronic, geographically linked service database. This program has been tailored to allow for the replacement of all identified private lead service lines at a very competitive rate.

Water Fund – Net Income and Fund Balance

NET INCOME

	FY18	FY19	FY20	FY21
	Actual	Actual	Revised	Proposed
Statement of Net Income:				
Operating Revenues	\$ 6,027,556	\$ 5,282,073	\$ 5,762,312	\$ 6,016,312
Less Operating Expenses	(3,882,564)	(4,160,485)	(4,524,770)	(4,992,506)
Operating Income	\$ 2,144,993	\$ 1,121,588	\$ 1,237,542	\$ 1,023,806
Nonoperating Revenues (Expenses)				
Add Investment Income	\$ 130,256	\$ 164,606	\$ 145,841	\$ 215,517
Add Other Revenue/Expense	47,000	-	-	-
Less Interest Expense	(93,300)	(75,425)	(87,216)	(35,900)
Less Issuance Expense	-	-	-	(3,155)
Nonoperating Income	\$ 83,956	\$ 89,181	\$ 58,625	\$ 176,462
Net Income	\$ 2,228,948	\$ 1,210,769	\$ 1,296,167	\$ 1,200,268

AVAILABLE RESOURCES

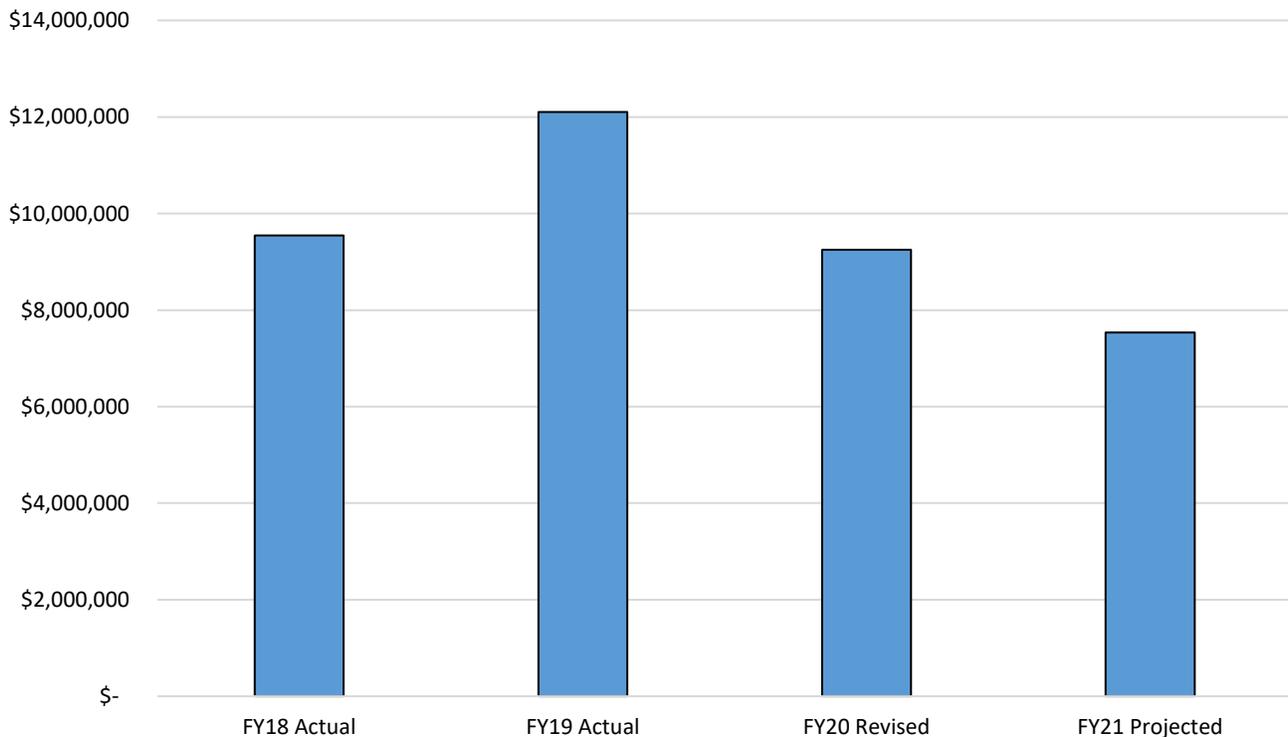
Resources Available from Current Operations for Replacement & Renewal of Facility:				
	FY18	FY19	FY20	FY21
Capital Purposes	Actual	Actual	Revised	Proposed
Add Depreciation Expense	\$ 947,385	\$ 992,615	\$ 1,107,039	\$ 1,429,072
Add Net Income	2,228,948	1,210,769	1,296,167	1,200,268
Add Debt Financing	-	-	-	3,155,000
Less Bonds Payable	(580,242)	(485,000)	(520,000)	(628,750)
Net Available for Capital	\$ 2,596,091	\$ 1,718,384	\$ 1,883,206	\$ 5,155,590

Water Fund – Net Income and Fund Balance

CASH POSITION AND FUND BALANCE FORECAST

Cash at Year Opening	FY20		FY21	
		\$		\$
Cash on July 1st		12,101,839		9,247,855
Add Receivables		1,231,119		1,231,119
Add Inventory & Other Assets		93,381		93,381
Less Cash held for Liabilities		(1,785,305)		(1,785,305)
Deferred Outflows (Inflows)		270,814		270,814
Fund Balance on July 1st		\$ 11,911,848		\$ 9,057,864
Fund Balance Details (projected)	Credits	Debits	Credits	Debits
Net Income	1,296,167		1,200,268	
Bond Principal Repayment		(520,000)		(628,750)
BAN and Bond Proceeds	-		3,155,000	
Capital Borrowing		(2,175,000)		(3,980,000)
Capital Outlay (non-borrowing)		(2,562,190)		(2,887,570)
Add Depreciation Expense	1,107,039		1,429,072	
Balance Projected at June 30th	2,403,206	(5,257,190)	5,784,340	(7,496,320)
Fund Balance on June 30th		\$ 9,057,864		\$ 7,345,884
Cash at Year End (projected)				
Fund Balance on June 30th		\$ 9,057,864		\$ 7,345,884
Less Receivables		(1,231,119)		(1,231,119)
Less Inventory & Other Assets		(93,381)		(93,381)
Add Cash Held for Liabilities		1,785,305		1,785,305
Add Cash Held for Deferred Inflows		(270,814)		(270,814)
Projected Cash at June 30th		\$ 9,247,855		\$ 7,535,875

Water Historical Fund Balance



Water Fund – Proforma

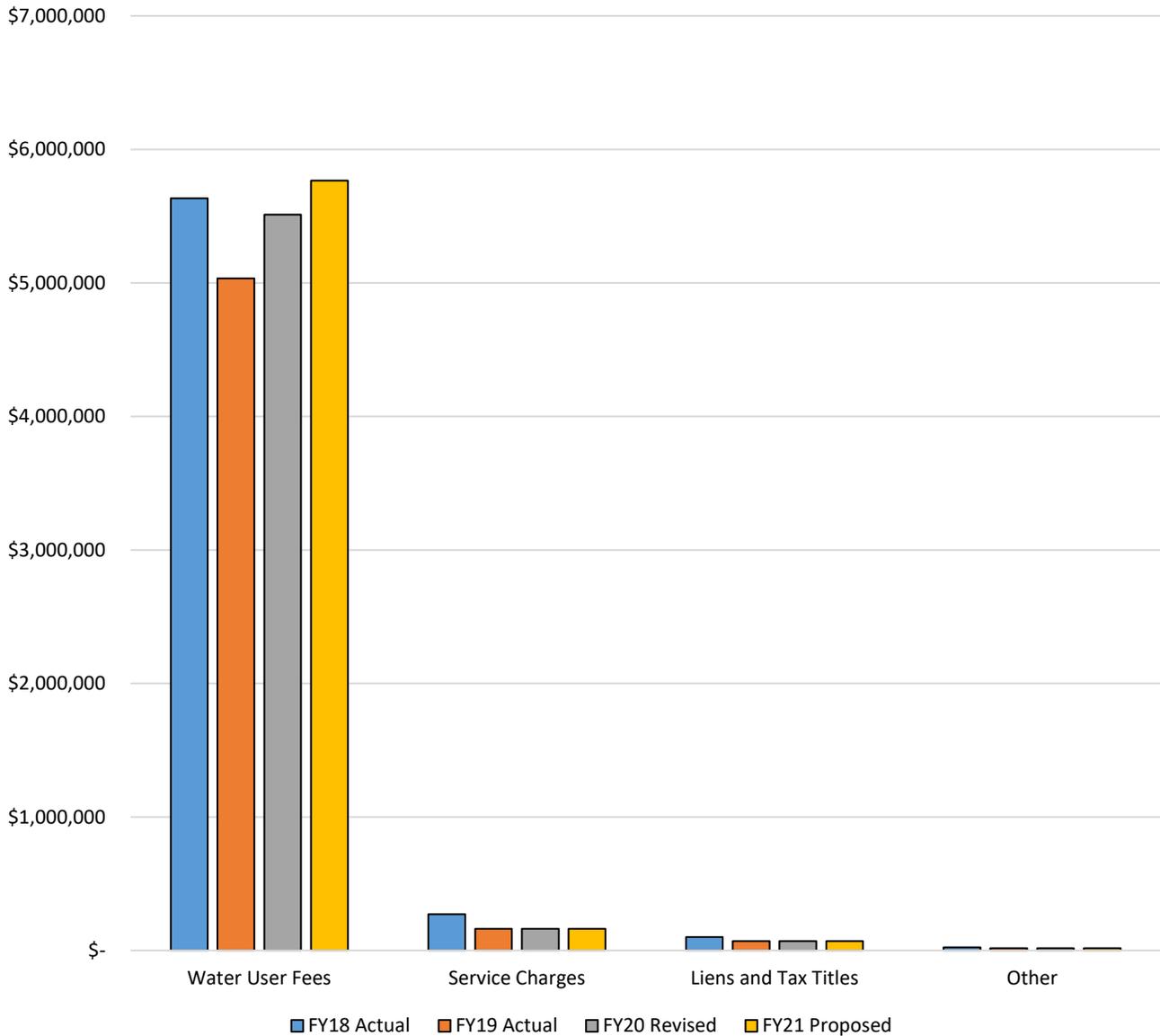
Water Fund: Plan and Projection	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	10 years FY 21-30
Operating Revenue														
User Fees	5,632,620	5,033,193	5,512,432	5,765,432	6,034,432	6,312,432	6,606,432	6,842,432	7,094,432	7,355,432	7,623,432	7,900,432	8,184,432	69,719,320
Other	394,936	248,880	249,880	250,880	251,880	252,880	253,880	254,880	255,880	256,880	257,880	258,880	259,880	2,553,800
Subtotal	6,027,556	5,282,073	5,762,312	6,016,312	6,286,312	6,565,312	6,860,312	7,097,312	7,350,312	7,612,312	7,881,312	8,159,312	8,444,312	72,273,120
Operating Expense														
O & M	2,935,179	3,167,870	3,417,730	3,563,435	3,803,951	3,919,139	4,037,858	4,160,219	4,286,336	4,416,329	4,550,320	4,688,435	4,830,806	42,256,828
Depreciation	947,385	992,615	1,107,039	1,429,072	1,636,704	2,061,718	2,256,605	2,291,790	2,328,029	2,357,433	2,384,449	2,453,830	2,453,830	21,653,459
Subtotal	3,882,564	4,160,485	4,524,769	4,992,507	5,440,654	5,980,857	6,294,463	6,452,009	6,614,365	6,773,762	6,934,768	7,142,265	7,284,636	63,910,287
Operating Income	2,144,992	1,121,588	1,237,543	1,023,805	845,658	584,455	585,849	645,303	735,947	838,550	946,544	1,017,047	1,159,676	8,362,833
ADD: Interest Income	130,256	164,606	145,841	215,517	187,660	144,583	104,450	85,999	73,200	64,357	60,438	58,582	58,367	1,053,153
Other Non-Operating Income	47,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	2,228,948	1,210,769	1,296,167	1,200,267	618,278	-387,372	-585,691	-332,690	-64,548	84,602	238,867	383,309	574,363	1,729,384
Available Resources from:														
Net income	2,228,948	1,210,769	1,296,167	1,200,267	618,278	-387,372	-585,691	-332,690	-64,548	84,602	238,867	383,309	574,363	1,729,384
Depreciation expense	947,385	992,615	1,107,039	1,429,072	1,636,704	2,061,718	2,256,605	2,291,790	2,328,029	2,357,433	2,384,449	2,453,830	2,453,830	21,653,459
subtotal	3,176,333	2,203,384	2,403,206	2,629,339	2,254,982	1,674,346	1,670,914	1,959,101	2,263,480	2,442,035	2,623,315	2,837,139	3,028,193	23,382,844
Bond proceeds	0	3,000,000	0	3,155,000	12,000,000	12,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	24,155,000
Loan proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS: Principal repayments														
Existing Debt	580,242	485,000	520,000	628,750	715,750	1,167,750	1,609,750	1,574,750	1,572,750	1,512,750	1,357,750	1,216,000	1,216,000	10,140,000
New Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	2,432,000
BAN Repayment	0	0	0	0	3,155,000	12,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	24,155,000
Amort of bond premium	15,242	15,242	15,242	15,242	15,242	15,242	15,242	15,242	15,242	15,242	15,242	15,242	15,242	152,420
Net Available for Capital Purposes	2,596,091	4,703,142	1,883,206	5,155,589	13,539,232	9,506,596	61,164	384,351	690,730	929,285	1,265,565	1,621,139	1,812,193	34,965,844
Capital Plan	720,212	3,227,816	4,737,190	6,867,570	14,715,870	12,258,440	1,095,030	1,120,990	1,159,220	1,175,970	1,287,490	1,541,540	1,537,960	42,760,080
Cash Position														
Beginning balance	8,405,994	9,544,443	12,101,839	9,247,855	7,535,874	6,359,236	3,607,392	2,573,525	1,836,886	1,368,396	1,121,712	1,099,787	1,179,386	35,930,049
ADD: Net available	2,596,091	4,703,142	1,883,206	5,155,589	13,539,232	9,506,596	61,164	384,351	690,730	929,285	1,265,565	1,621,139	1,812,193	34,965,844
LESS: Planned Capital Changes in assets & liabilities	720,212	3,227,816	4,737,190	6,867,570	14,715,870	12,258,440	1,095,030	1,120,990	1,159,220	1,175,970	1,287,490	1,541,540	1,537,960	42,760,080
Ending balance	9,544,443	12,101,839	9,247,855	7,535,874	6,359,236	3,607,392	2,573,525	1,836,886	1,368,396	1,121,712	1,099,787	1,179,386	1,453,619	28,135,813
ending cash balance	9,544,443	12,101,839	9,247,855	7,535,874	6,359,236	3,607,392	2,573,525	1,836,886	1,368,396	1,121,712	1,099,787	1,179,386	1,453,619	28,135,813

Water Fund – Revenues

Operating Revenues

OPERATING REVENUES				
	FY18	FY19	FY20	FY21
	Actual	Actual	Revised	Proposed
Water User Fees	\$ 5,632,620	\$ 5,033,193	\$ 5,512,432	\$ 5,765,432
Service Charges	271,585	161,500	162,500	163,500
Liens and Tax Titles	99,765	69,568	69,568	69,568
Other	23,586	17,812	17,812	17,812
Operating Revenues Total	\$ 6,027,556	\$ 5,282,073	\$ 5,762,312	\$ 6,016,312

Water Operating Revenues



Water Rates

Water Fund – Revenues

The total revenue projected to be raised through water user fees in FY21 is \$5,765,432, which represents 96% of total Water Fund revenues. User fees are assessed according to actual measured (metered) use. Rates are set each year by the Public Works Commission following a public hearing with the following goals:

- To ensure that the Division has the resources to operate, maintain, and improve the system,
- To encourage users to conserve water; and
- To minimize rate changes so that water use can be a relatively predictable expense for customers.

Water Rate Highlights

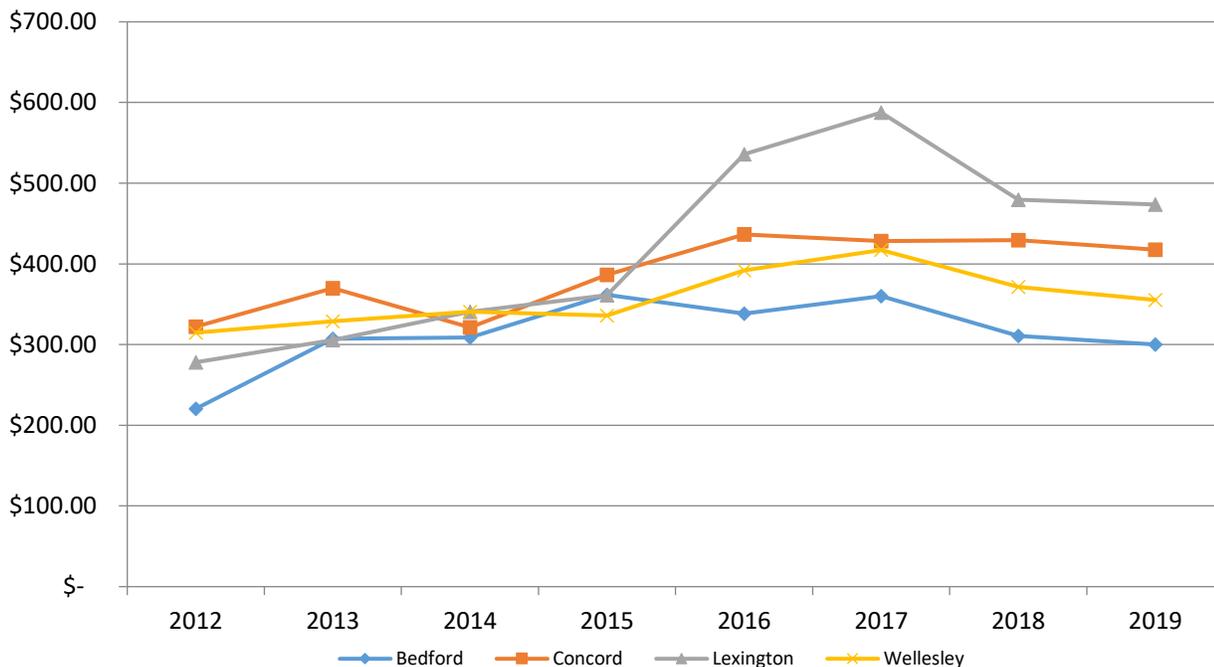
The FY21 proposed Residential Service (step 1) water rate is \$0.0592 per cubic foot (1 cubic foot = 7.48 gallons).

The FY21 rate of \$0.0592 represents a 5% increase over the FY20 rate of \$0.0564. Since FY 2010, water rates have increased at an average annual rate of 3.9% per year.

In FY21, the average residential customer is expected to pay a total of \$533 in water use over the course of the year. The average residential customer is assumed to use 750 cubic feet per month. Customers who consume more than 1,200 cubic feet of water per month will pay a higher rate (a Conservation Step).

Property owners who meet certain age and income criteria may qualify for a 50% discount on the step 1 residential rates.

Typical Annual Residential Water User Fees Based on Actual Use



Rate comparisons are provided for general information only; differences exist in the management and financial structure of every system. Concord prides itself on operating as a full cost accounting enterprise where rates are designed to cover operations and maintenance (O&M), depreciation and long-term investment needs. Concord is one of only 7% of systems within Massachusetts which have adopted a seasonal ascending-block conservation rate structure. (From Tighe and Bond Survey, 2012).

Water Fund – Expenditures

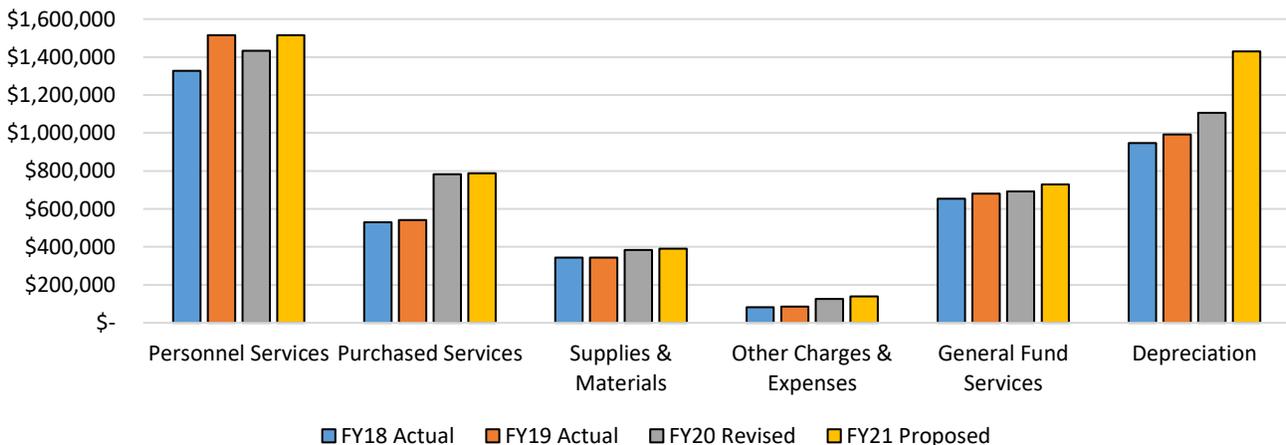
Operating Expenditures

OPERATING EXPENSES				
	FY18	FY19	FY20	FY21
<u>Personnel Services</u>	Actual	Actual	Revised	Proposed
Personnel Expenses	\$ 1,326,918	\$ 1,515,500	\$ 1,433,568	\$ 1,515,680
Audit Adjustment	-	-	-	-
Subtotal	\$ 1,326,918	\$ 1,515,500	\$ 1,433,568	\$ 1,515,680
<u>Non-Personnel Services</u>				
Purchased Services	528,919	541,988	782,938	788,070
Supplies & Materials	342,981	344,033	384,453	391,192
Other Charges & Expenses	82,132	85,850	124,928	139,935
Audit Adjustment	-	-	-	-
Subtotal	\$ 954,033	\$ 971,871	\$ 1,292,319	\$ 1,319,197
<u>Other</u>				
General Fund Services	654,229	680,499	691,844	728,557
Depreciation Expense	947,385	992,615	1,107,039	1,429,072
Subtotal	\$ 1,601,614	\$ 1,673,114	\$ 1,798,883	\$ 2,157,629
Total Operating Expense	\$ 3,882,564	\$ 4,160,485	\$ 4,524,770	\$ 4,992,506

RETIREMENT AND OPEB ASSESSMENT

<i>For Informational Purposes Only</i>				
	FY18	FY19	FY20	FY21
<u>Personnel Services</u>	Actual	Actual	Revised	Proposed
Retirement Assessment	\$ 82,117	\$ 98,164	\$ 146,719	\$ 126,942
OPEB Assessment	25,000	25,000	19,148	25,000
Total Assessment	\$ 107,117	\$ 123,164	\$ 165,867	\$ 151,942

Water Operating Expenditures



Water Fund – Expenditures

Personnel Summary

AUTHORIZED POSITIONS

Regular Staff	FY20 Revised		FY21 Proposed	
	\$ Amount	Position/Hours	\$ Amount	Position/Hours
Water and Sewer Superintendent	0.75 FTEs	\$ 89,299	0.75 FTEs	\$ 90,182
Public Works Engineer	0.25	23,759	0.25	24,947
Assistant to Superintendent	0.00	-	0.00	-
Management Analyst	0.80	64,553	0.80	67,781
Sr. Environ. & Regulatory. Coord.	0.75	71,351	0.75	72,943
Environ. & Regulatory. Coord.	0.75	48,698	0.75	51,034
Administrative Assistant	0.75	51,863	0.75	53,644
Public Works Supervisor	1.50	143,227	1.50	150,885
Crew Leader	1.50	99,853	1.50	111,636
Senior Treatment Systems Operator	0.75	61,436	0.75	66,272
Treatment System Operator	1.50	106,513	1.50	111,253
System Maintainer	3.75	201,793	3.75	255,001
Standby Pay (5111)	N/A	16,122	N/A	35,168
Charges to Snow Account	N/A	(4,328)	N/A	(4,193)
Charges to Capital Projects	N/A	22,227	N/A	(22,698)
Salary Increase	N/A	-	N/A	-
Subtotal	13.05 FTEs	\$ 996,366	13.05 FTEs	\$ 1,063,855
Part-Time Staff				
Watershed Patrol	460 hrs.	\$ 5,865	460 hrs.	\$ 5,865
Environmental Technology Intern	700 hrs.	8,925	700 hrs.	8,925
GIS Project Specialist	0 hrs.		0 hrs.	
Subtotal	0.56 FTEs	\$ 14,790	0.56 FTEs	\$ 14,790
Employee Benefits				
Group Insurance	N/A	\$ 94,914	N/A	\$ 103,519
Retirement Contribution	N/A	146,719	N/A	126,942
OPEB Contribution	N/A	19,148	N/A	25,000
Subtotal	N/A	\$ 260,781	N/A	\$ 255,461
Payroll Taxes				
Medicare Tax	N/A	\$ 14,280	N/A	\$ 14,175
Social Security Contribution	N/A		N/A	533
Subtotal	N/A	\$ 14,280	N/A	\$ 14,708
Other Personnel Costs				
Overtime (5130)	1900 hrs.	\$ 109,471	1900 hrs.	\$ 128,235
Overtime Adjustments (5130)	N/A	4,379	N/A	5,129
Police Overtime (5131)	185 hrs.	7,400	185 hrs.	7,400
Mobile Phone Allowance	N/A	3,840	N/A	3,840
IT Salary (5111)	N/A	22,261	N/A	22,261
Subtotal	N/A	\$ 147,351	N/A	\$ 166,865
Total Personnel Costs	13.61 FTEs	\$ 1,433,568	13.61 FTEs	\$ 1,515,680

Water Fund – Expenditures

General Fund Services

The Water Fund for the use of General Fund services and support contributes a set portion of funding each year to support personnel and non-personnel expenditures of certain accounts.

PAYMENTS TO THE GENERAL FUND

	FY18		FY19		FY20		FY21	
	Actual		Budget		Revised		Proposed	
<u>Management & Engineering</u>								
Public Works Administration	\$	95,427	\$	98,075	\$	98,170	\$	103,335
Public Works Engineering		90,796		87,870		86,001		89,981
Highway Maintenance		19,634		19,701		18,502		19,630
133/135 Keyes Road		51,410		49,313		49,070		44,601
Subtotal	\$	257,267	\$	254,959	\$	251,743	\$	257,547
<u>General Government</u>								
Town Manager	\$	63,591	\$	67,712	\$	69,598	\$	73,603
Human Resources		21,847		23,059		23,152		22,244
Information Systems		-		-		22,033		23,799
Facilities Administration		7,514		7,801		8,359		7,137
Town House		-		-		-		7,603
Subtotal	\$	92,952	\$	98,572	\$	123,142	\$	134,386
<u>Finance</u>								
Finance Administration	\$	78,154	\$	92,852	\$	92,093	\$	97,169
Treasurer-Collector		55,915		55,281		54,384		55,085
Town Accountant								
Accounting Services		56,711		62,376		50,210		51,669
Audit Services		6,000		6,000		6,000		8,652
Subtotal	\$	196,780	\$	216,509	\$	202,687	\$	212,575
<u>Natural Resources</u>								
Planning Administration	\$	48,088	\$	49,699	\$	52,623	\$	57,477
Natural Resource Protection		28,365		28,367		29,103		34,518
Health Department Services		30,777		32,393		32,546		32,054
Subtotal	\$	107,230	\$	110,459	\$	114,272	\$	124,049
Salary Reserve		-		-		-		-
Audit Adjustments		-		-		-		-
Totals	\$	654,229	\$	680,499	\$	691,844	\$	728,557

Water Fund – Expenditures

Capital (Capital Outlay and Debt-Funded)

CAPITAL SPENDING PLAN									
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total FY21-25
<u>Distribution System</u>									
Water Mains	132,435	1,102,250	2,175,000	660,000	1,165,000	637,000	656,000	676,000	3,794,000
Meter Replacements	12,758	28,691	75,000	250,000	250,000	111,000	114,000	117,000	842,000
Hydrants	12,580	-	13,000	14,000	14,400	14,800	15,200	15,700	74,100
Subtotal	157,773	1,130,941	2,263,000	924,000	1,429,400	762,800	785,200	808,700	4,710,100
<u>Pumping Stations/Treatment</u>									
Structures	36,160	72,059	210,000	50,000	52,000	54,000	56,000	58,000	270,000
Equipment	63,155	69,071	200,000	1,000,000	1,000,000	1,000,000	55,000	57,000	3,112,000
Reservoir Improvements		49,816	100,000	340,000					
Nagog Improvements									
Temporary Ozone		180,830	251,000						-
Route 2A Station and Filtration				1,200,000	10,835,000	9,000,000			21,035,000
- Design, Constr Admin, Legal	403,554	1,582,780	1,280,000	1,000,000	1,100,000	755,000			2,855,000
Dam Reconstruction									
Nagog Intake	11,957	69,846	154,000	2,120,000	-				
Contingency						500,000			
Subtotal	514,826	2,024,402	2,195,000	5,710,000	12,987,000	11,309,000	111,000	115,000	30,232,000
<u>General Plant</u>									
Keyes Road CPW Facility	17,181		115,000	25,000	26,000	27,000	28,000	29,000	135,000
Vehicles	10,400	36,219	86,250	120,000	221,250	106,250	116,250	112,500	676,250
Utility Software Upgrade									
Miscellaneous Equipment			15,000	15,000	15,000	15,000	15,000	15,000	75,000
Depreciable Personnel Services	20,032	20,430	20,940	21,570	22,220	22,890	23,580	24,290	114,550
Subtotal	47,613	56,649	237,190	181,570	284,470	171,140	182,830	180,790	1,000,800
<u>Supply and Capacity</u>									
Source Protection		15,824	42,000	52,000	15,000	15,500	16,000	16,500	115,000
Land Acquisition									
New Source Permitting, Design									
Subtotal	-	15,824	42,000	52,000	15,000	15,500	16,000	16,500	115,000
Total Capital Uses	720,212	3,227,816	4,737,190	6,867,570	14,715,870	12,258,440	1,095,030	1,120,990	36,057,900
Funding the Capital Plan									
From Debt			2,175,000	3,980,000	12,000,000	9,000,000	-		24,980,000
From Water Fund Resources	720,212	3,227,816	2,562,190	2,887,570	2,715,870	3,258,440	1,095,030	1,120,990	11,077,900
Total Capital Sources	720,212	3,227,816	4,737,190	6,867,570	14,715,870	12,258,440	1,095,030	1,120,990	36,057,900

Water Fund – Expenditures

DEBT SERVICE

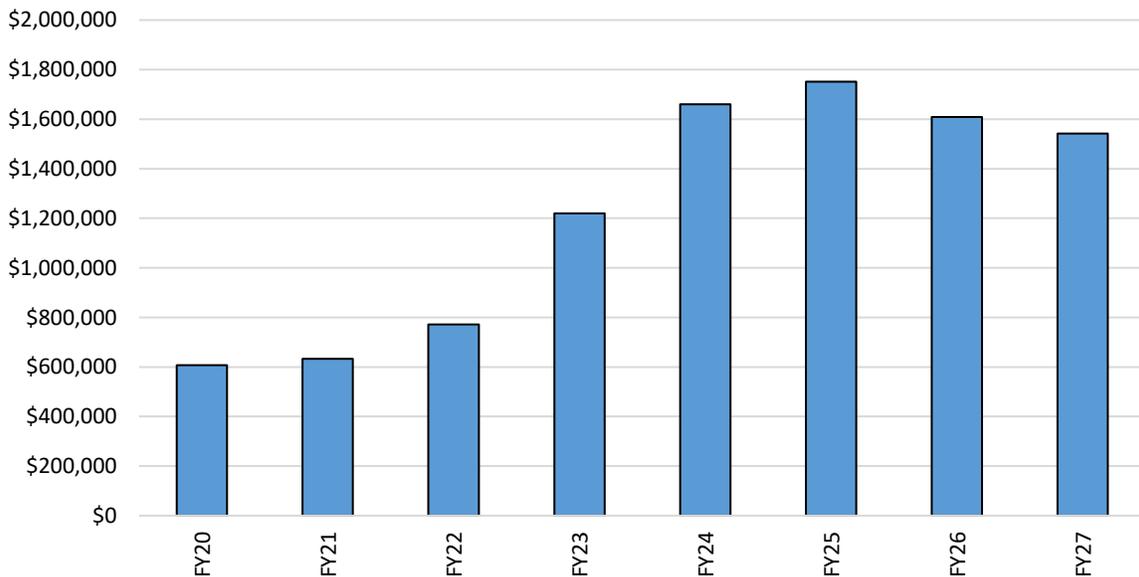
Long-Term Debt Repayment	FY18	FY19	FY20	FY21
	Actual	Actual	Revised	Proposed
Principal	\$ 565,000	\$ 485,000	\$ 520,000	\$ 628,750
Interest	105,871	94,435	87,216	4,350
Total	\$ 670,871	\$ 579,435	\$ 607,216	\$ 633,100

Water Debt Service Schedule

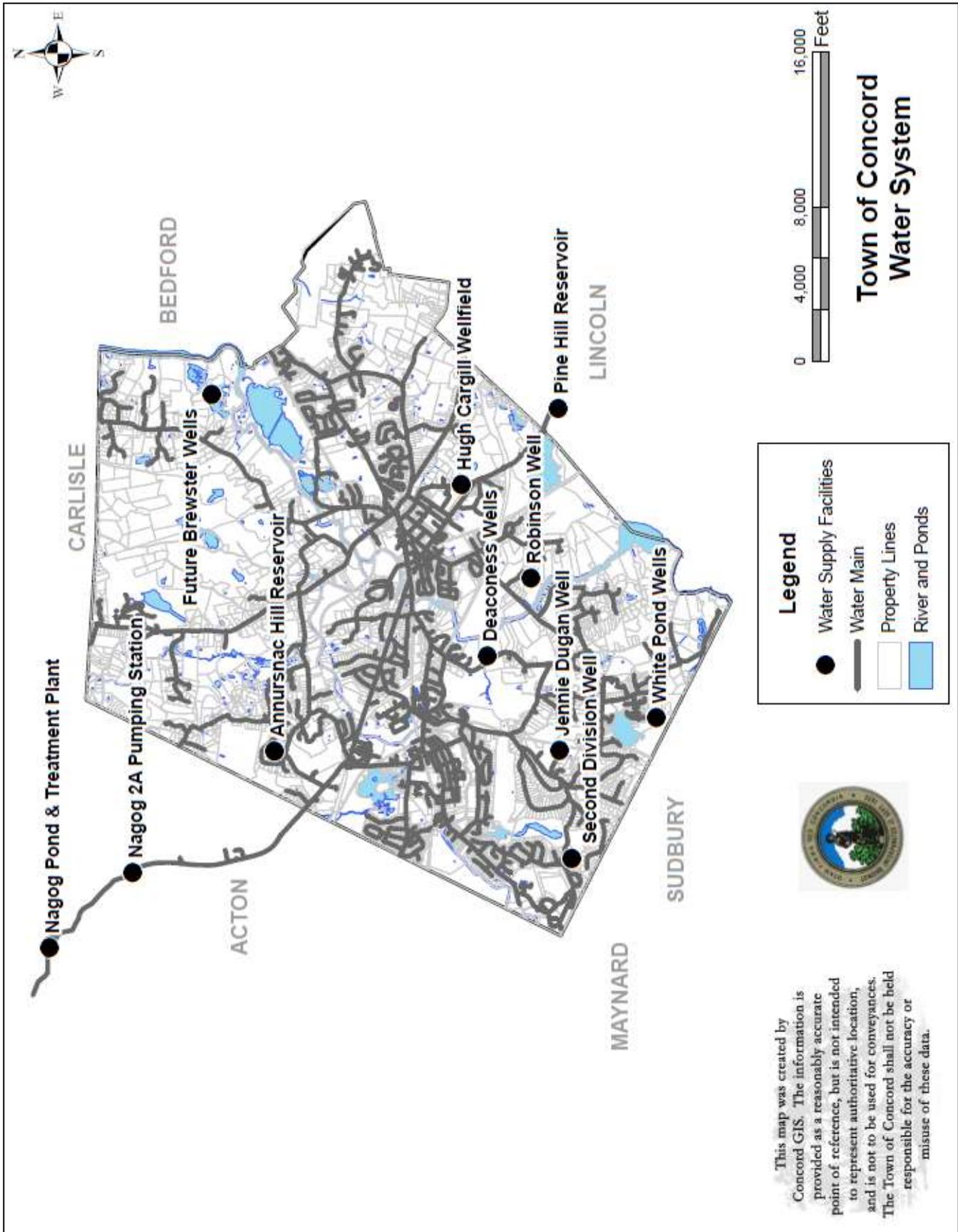
(Issued through June 30, 2019)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY20	520,000	87,216	607,216
FY21	628,750	4,350	633,100
FY22	715,750	55,590	771,340
FY23	1,167,750	51,520	1,219,270
FY24	1,609,750	50,470	1,660,220
FY25	1,574,750	177,111	1,751,861
FY26	1,572,750	35,455	1,608,205
FY27	1,512,750	28,705	1,541,455
FY28	1,357,750	27,155	1,384,905
Totals	\$ 10,660,000	\$ 517,572	\$ 11,177,572

Debt Service Chart



Water Fund – Expenditures



Sewer Fund

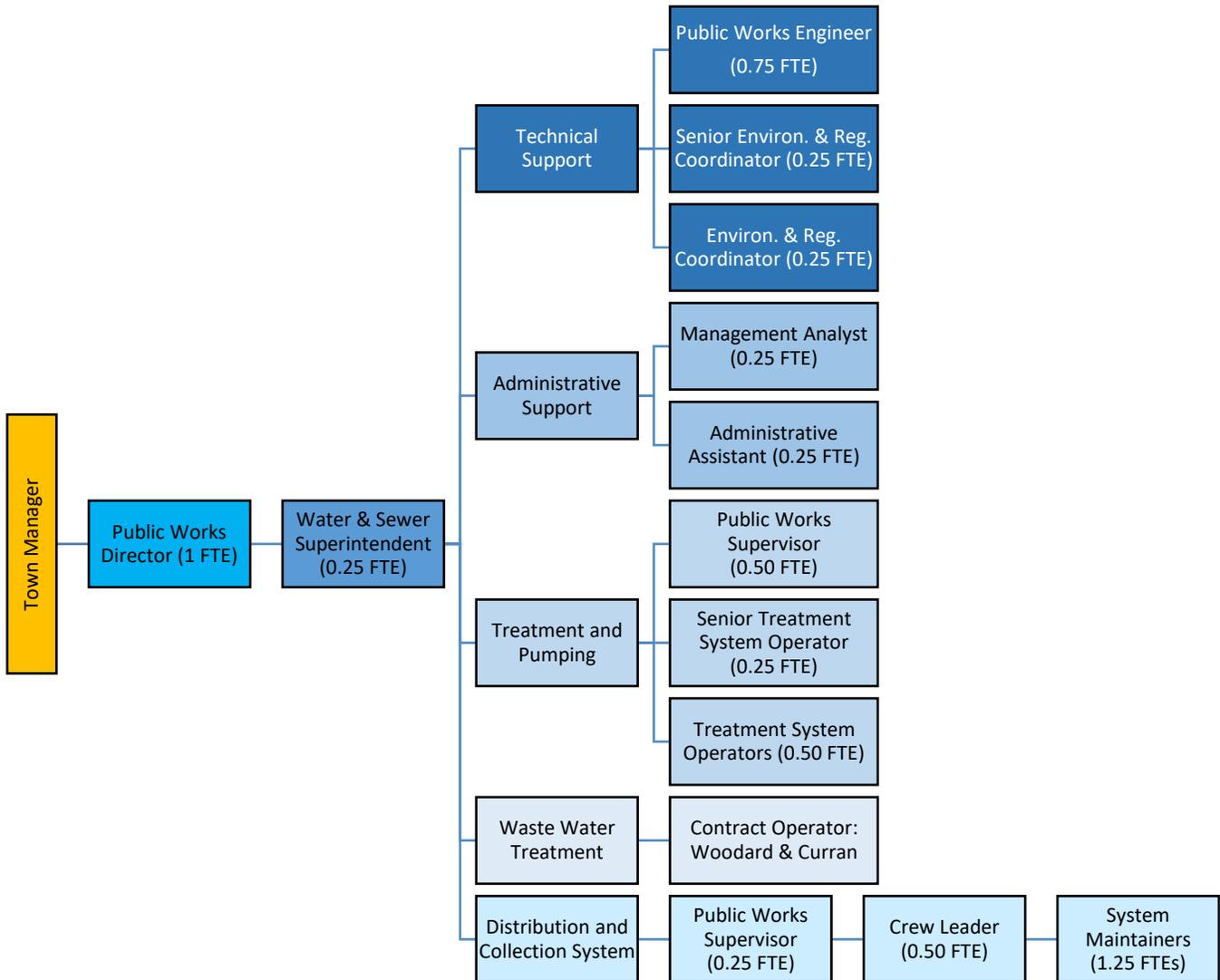
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Sewer Fund

Mission Statement

The mission of the Sewer Division is to enhance Concord's quality of life, and through sound management, innovation, teamwork, and vision, provide dependable, high quality, responsive sewer utility services, consistent with values and at reasonable costs to Concord's citizens, businesses, institutions, and visitors.

Organizational Chart



Sewer Fund

Overview

In 1894, Concord received legislative authority to create a municipal sewer system. Today, the system consists of 34 miles of collection main, two pumping stations, six neighborhood lift stations, and an advanced wastewater treatment plant. The 1976 Annual Town Meeting established a Sewer Fund to ensure that the operation, maintenance, and capital improvement of the sewer system would be a financially viable enterprise. Expenses for this system are covered entirely by user fees. As of 2020, the total value of the collection system and treatment plant infrastructure assets was approximately \$15.3 million. The municipal sewer system serves 1,889 residential and commercial customers representing about 34% of the community. Approximately 40% of the residential households in Concord are served by sewer. The wastewater treatment facility processes approximately 1.4 million gallons of septage per year pumped from residential and commercial establishments served by private septic systems within the Town of Concord.

Accomplishments

- ☑ Continued to operate the municipal wastewater treatment facility in accordance with Concord's National Pollutant Discharge Elimination System (NPDES) permit conditions.
- ☑ Completed the design and awarded a construction contract for the rehabilitation of Lowell Road and Assabet Sewer pumping stations.
- ☑ Submitted an Infiltration/Inflow (I/I) Control Plan to MassDEP, identifying commitments for a long-term and comprehensive investigation and rehabilitation program.
- ☑ Performed smoke testing inspection activities along approximately 10 miles of the sewer collection system in the general vicinity of West Concord commercial district, a limited section of Commonwealth Avenue east of Rt 2, and Monument Square.
- ☑ Replaced 22 sewer manhole castings and associated brick leveling courses to reduce stormwater inflow entering the sewer system.

Performance

Long-Term Financial Stability

Along with its core mission to operate and maintain the Town's municipal sewer system in a reliable and efficient manner, the sewer enterprise must also be financially self-supporting. This means that the Sewer Division is expected to cover all costs associated with operations, capital maintenance, and repairs by generating sufficient revenue through user fees and special service fees. The Sewer Division maintains a detailed 10-year financial proforma to facilitate long-range planning for all revenues and anticipated investments.

Since the sewer enterprise fund was formally established in 1976, there have been no property tax contributions to subsidize pre-existing operations or infrastructure improvements. Taxpayer support has been sought through Town Meeting for projects which have been designed to expand the sewer collection system and to support major upgrades to the Wastewater Treatment plant, as it also accepts septage from properties that are not directly connected to the sewer system.

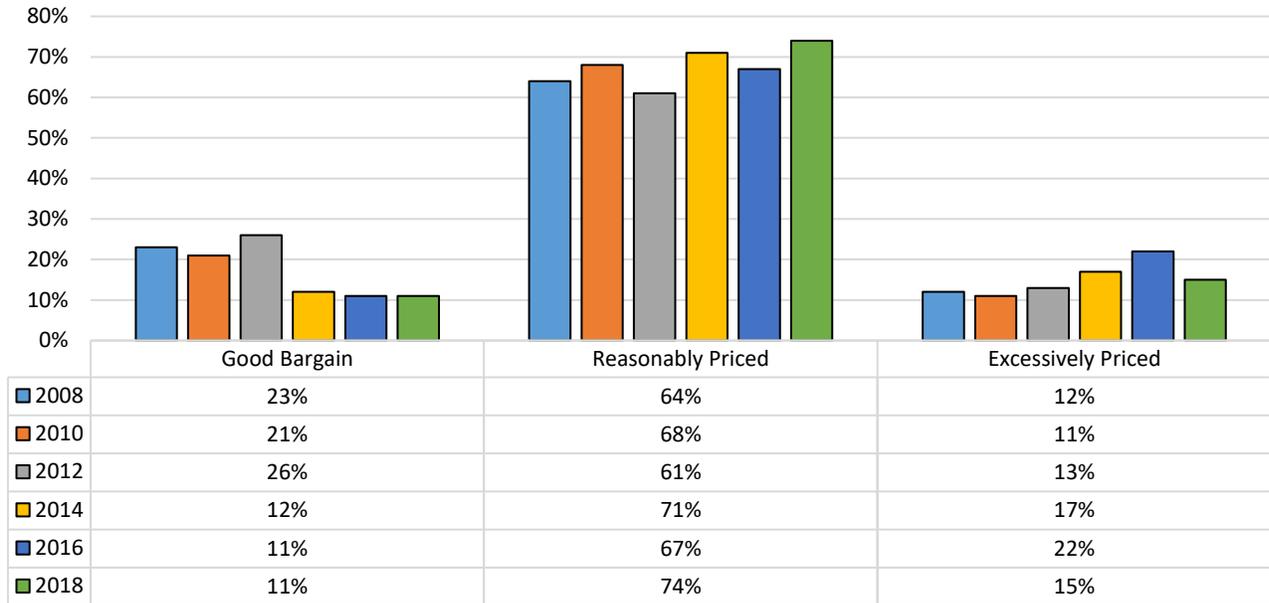
Town Residential Survey

For the past decade, the Town has conducted a survey of randomly selected Concord residents to determine their feelings on various Town services. In terms of sewer services, the vast majority, 74% of Concord households on Town sewer lines, feel that the service is at least "Reasonably Priced," while 11% of survey respondents even describe it as a "Good Bargain." Of a total 1,254 in the sample, 482 respondents said they use the Town sewer

Sewer Fund

service and expressed an opinion. Eighty-five percent think that the price is a "Good Bargain" or "Reasonably Priced."

Opinion of Sewer Service Price



FY21 Goals

- Continue to operate the municipal wastewater treatment facility in accordance with Concord's National Pollutant Discharge Elimination System (NPDES) permit conditions.
- Complete rehabilitation of Lowell Road and Assabet Sewer pumping stations.
- Sewer Rehabilitation and Inspection Services: Perform cleaning and television (CCTV) inspection of approximately 1/3 of the existing sanitary sewers system (approximately 10 miles), along with smoke testing in targeted areas to help identify illicit stormwater interconnections.
- Performed smoke testing inspection activities along approximately 10 miles of the sewer collection system in the general vicinity of the West Concord commercial district, a limited section of Main Street east of Rt 2, and Monument Square.
- Continue to prioritize and replaced 10-20 sewer manhole castings and perform the repair of associated brick leveling courses to reduce stormwater inflow from entering the sewer system.

Long-Term Plans

- ⇒ Continue to operate the municipal wastewater treatment facility in accordance with Concord's National Pollutant Discharge Elimination System (NPDES) permit conditions.
- ⇒ Continue to manage finite wastewater capacity in a proactive manner in accordance with the Comprehensive Wastewater Management Plan (2003) and evolving community planning goals and interests.
- ⇒ Continue to perform sewer collection system inspection activities required to help prioritize system repair and replacement needs.
- ⇒ Develop and implement a "fat, oil, and grease" (FOG) management/prevention program with the goal of exploring opportunities that would work well for Concord.

Sewer Fund – Overview & Budget Highlights

FY21 Budget Highlights

The proposed FY21 sewer rate of \$0.1188 per cubic foot represents a 2% increase over the FY20 rate of \$0.1165 per cubic foot. For the average residential customer, the annual increase in the sewer bill will be \$13.92. The proposed FY21 capital improvement plan is \$2,846,280 which includes \$2,208,000 for design and complete rehabilitation of the two main sewer-pumping stations at Lowell Road and Main Street in West Concord. The proposed FY21 operating budget is \$3,168,656, an increase of 9.8% from FY20, primarily related to an increase of \$203,728 in depreciation (7.1% of the budget increase). The National Pollutant Discharge Elimination System (NPDES) permit for the Wastewater Treatment Plant is under review by the EPA following Concord's formal request for renewal. A budget allowance is provided for potential changes in wastewater effluent discharge limits.

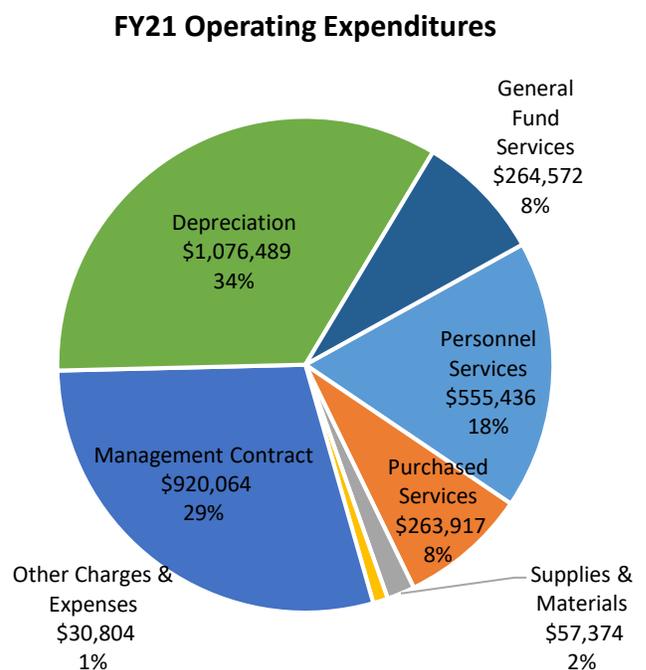
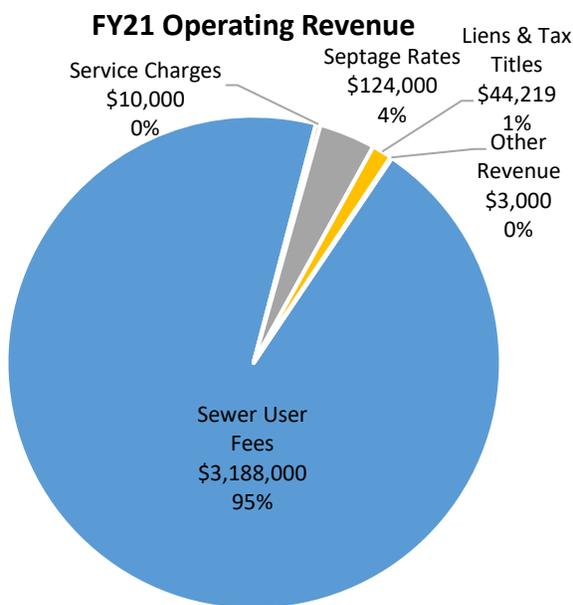
Budget Highlights

FY21 Projected Revenue	\$3,369,219
FY21 Projected Expenses	<u>(3,168,656)</u>
FY21 Projected Operating Income	\$200,563
FY21 Projected Net Income	\$472,136
FY21 Projected Sewer Fund Balance	\$8,096,679

Revenues and Expenditures Overview

Ninety-five percent of the Sewer Division's revenue in FY21 is expected to come from sewer user fees (\$3,188,000 of the total). The remaining projected revenues are proposed to come from service charges, septage rates, liens and tax titles, and other revenue sources.

The three largest expense categories of the total \$3,168,656 proposed are depreciation, management contract, and personnel services.



Sewer Fund – Net Income and Fund Balance

Wastewater Program

In addition to routine operations, maintenance, and improvements to ensure reliable and quality service to all municipal customers, the programs and initiatives detailed below strike the delicate balance between essential needs and broader community and regulatory interests, particularly in the area of increasingly complex and sophisticated water resource management goals.

Wastewater treatment capacity limitations continue to pose the single most immediate and formidable wastewater challenge facing the community. The following summarizes some of the more important developments and recommendations made to date.



Sewer Main Repair – Main Street

NPDES – Permit Renewal: Back in 2018, Concord submitted a formal request to EPA to renew its National Pollutant Discharge Elimination System (NPDES) permit associated with its wastewater facility in accordance with a federally mandated five-year permit cycle. A draft permit and statement of basis or fact sheet to be prepared by EPA is pending and will be forwarded upon the opening of the public comment period.

Collection System Operation and Maintenance Plan: Concord's Infiltration/Inflow 2019 Annual Report was submitted to MassDEP in accordance with conditions detailed within its NPDES permit. No reportable sanitary sewer overflows were identified during this reporting period within Concord's collection system. Furthermore, the 12-month (rolling average) of wastewater flow processed through Concord's wastewater treatment plant was 1.05 MGD, below the 1.2 MGD permitted capacity assigned to this facility. The infiltration rate (of groundwater) into the collection system was calculated at 19.7%, and the inflow rate (stormwater) was estimated at approximately 1.8%. Both rates fall within acceptable industry limits and well below "excessive" rates as defined by the MassDEP.

Flow Assessment Services (Auburn, NH) performed smoke testing inspection activities along approximately 10 miles of the collection system in the general vicinity of West Concord commercial district, a limited section of Main Street east of Route 2, and Monument Square. There were no significant sources of inflow or infiltration (I/I) presently identified within this study area. The results included a list of suspected inflow sources that did not exhibit smoke during the testing but may have the potential to add inflow to the sewer system (i.e., roof downspouts that go below grade, driveway/yard drains, etc.). To confirm these sources, it is recommended we consider performing further investigations of the private property and the buildings and do dye testing.

Sewer Pump Station Upgrades: D&C Construction (Rockland, MA) has been contracted to perform the rehabilitation of the Lowell Road and Assabet Sewer pumping stations. The scope of work includes the replacement of all mechanical, electrical, plumbing, and instrumentation and control systems associated with these two facilities. Kleinfelder will provide construction administration support services throughout the project. In addition to these construction and support services, their scope of work also includes the replacement of an intermediate pump located at the WWTP.

Division crews continued to perform routine operation and maintenance of the eight operating sewer facilities. Non-routine improvements included the replacement of one of two existing submersible pumps located in the Laurel Street pump station and one of two existing submersible pumps located in the Cousins Park pump station.

Sewer Fund – Net Income and Fund Balance

NET INCOME

	FY18	FY19	FY20	FY21
	Actual	Actual	Revised	Proposed
Operating Income				
Operating Revenues	\$ 2,886,763	\$ 3,018,074	\$ 3,304,419	\$ 3,369,219
Less Operating Expenses	(3,076,436)	(3,067,682)	(2,886,425)	(3,168,656)
Operating Income	\$ (189,672)	\$ (49,608)	\$ 417,994	\$ 200,563
Non-operating Income				
Add Investment Income	\$ 137,588	\$ 163,439	\$ 139,052	\$ 178,580
Add Bond Premium	-	27,500	-	-
Add Sewer Improvement Revenues	149,861	248,033	181,000	181,000
Less Int. Exp. and Admin. Fees	(122,427)	(110,249)	(102,377)	(88,007)
Non-operating Income	\$ 165,022	\$ 328,723	\$ 217,675	\$ 271,573
Net Income	\$ (24,650)	\$ 279,115	\$ 635,669	\$ 472,136
Reconciliation with Financials				
Add Betterment Revenues	\$ 91,867	\$ 9,659	\$ -	\$ -
WPAT Loan Int. Exp. And Fees	(26,116)	(21,645)	-	-
WPAT Transfer from General Fund	84,197	85,897	-	-
Change in Net Position	\$ 125,297	\$ 353,026	\$ 635,669	\$ 472,136

AVAILABLE RESOURCES

Resources Available from Current Operations for Replacement & Renewal of Facility:				
	FY18	FY19	FY20	FY21
	Actual	Actual	Revised	Proposed
Capital Purposes				
Add Depreciation Expense	\$ 1,408,551	\$ 1,417,818	\$ 872,763	\$ 1,076,489
Add Net Income	(24,650)	279,115	635,669	472,136
Add Sewer Improvement Allocation	21,094	26,309	250,000	221,000
Add Bond Proceeds	-	-	-	-
Less Bonds Payable	(607,814)	(618,831)	(647,570)	(659,036)
Net Available for Capital	\$ 797,181	\$ 1,104,411	\$ 1,110,862	\$ 1,110,589

Sewer Fund – Net Income and Fund Balance

CASH POSITION AND FUND BALANCE FORECAST

<u>Cash at Year Opening</u>	FY20		FY21	
Cash on July 1st	\$ 11,206,768		\$ 9,889,580	
Add Non-Cash Assets	702,809		702,809	
Less Liabilities and Deferred Inflows	(539,019)		(539,019)	
Fund Balance on July 1st	\$ 11,370,558		\$ 10,053,370	
<u>Fund Balance Details (projected)</u>	Credits	Debits	Credits	Debits
Net Income	635,669		472,136	
Bond Principal Repayment		(647,570)		(659,036)
Capital (Borrowing)			-	
Capital Outlay (Non-Borrowing)		(1,928,050)	-	(2,625,280)
Capital (Sewer Improvement Fund)		(250,000)		(221,000)
Add Depreciation Expense	872,763		1,076,489	
Balance Projected at June 30th	1,508,432	(2,825,620)	1,548,625	(3,505,316)
Fund Balance on June 30th	\$ 10,053,370		\$ 8,096,679	
<u>Cash at Year End (projected)</u>				
Fund Balance on June 30th	\$ 10,053,370		\$ 8,096,679	
Less Receivables	(702,809)		(702,809)	
Add Cash Held for Liabilities	539,019		539,019	
Projected Cash at June 30th	\$ 9,889,580		\$ 7,932,889	
Sewer Improvement Fund Cash	\$ 4,636,488		\$ 4,596,488	
Unrestricted Cash	\$ 5,253,092		\$ 3,336,401	

SEWER IMPROVEMENT FUND

	FY18		FY19		FY20		FY21	
	Actual		Actual		Revised		Proposed	
Cash on July 1st	\$	4,354,997	\$	4,483,764	\$	4,705,488	\$	4,636,488
Revenues		149,861		248,033		181,000		181,000
Expenditures		(21,094)		(26,309)		(250,000)		(221,000)
Adjustment		-		-		-		-
Cash on June 30th	\$	4,483,764	\$	4,705,488	\$	4,636,488	\$	4,596,488
Net Activity	\$	128,768	\$	221,724	\$	(69,000)	\$	(40,000)

Note: The Sewer Improvement Fund is included in the cash and fund analysis found on the preceding page (the Sewer Betterment Account, shown below, is not).

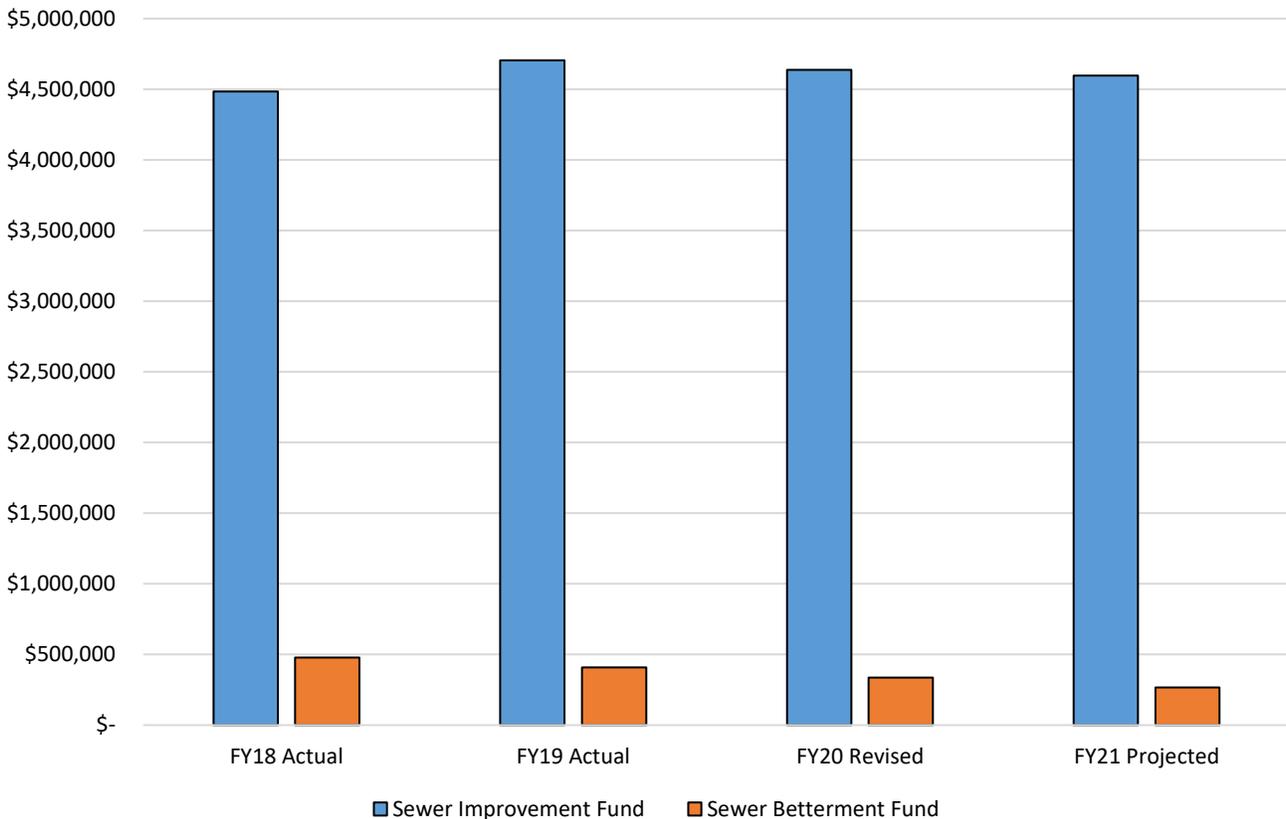
Sewer Fund – Net Income and Fund Balance

SEWER BETTERMENT CASH FLOW ANALYSIS

Activity	FY18	FY19	FY20	FY21
	Actual	Actual	Revised	Proposed
Cash at July 1st	\$ 541,718	\$ 478,151	\$ 407,378	\$ 336,945
Cash Received	91,867	84,660	85,000	85,000
Debt Service	(155,434)	(155,433)	(155,433)	(155,433)
Cash at June 30th	\$ 478,151	\$ 407,378	\$ 336,945	\$ 266,512
Net Activity	\$ (63,567)	\$ (70,773)	\$ (70,433)	\$ (70,433)
Net Assets (as of June 30th)				
Cash	\$ 478,151	\$ 407,378	\$ 336,945	\$ 266,512
Betterment Receivables	477,387	402,384	375,000	375,000
Net Assets	\$ 955,538	\$ 809,762	\$ 711,945	\$ 641,512
Less Outstanding Principal	(1,149,129)	(1,022,725)	(910,225)	(810,100)
Surplus / Deficit	\$ (193,591)	\$ (212,962)	\$ (198,280)	\$ (168,588)

Note: The negative number shown as Surplus / Deficit will be offset by future collections from interest earned on the account's cash holdings, as well as by interest charged to property owners with outstanding balances (both of which accounting practices do not allow to be shown as an asset).

Sewer Historical Fund Balance (as of June 30th)



Sewer Fund – Proforma

Sewer Fund: Plan and Projection	10 Years													
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 21-30
Operating Revenue														
User Fees	2,657,713	2,839,724	3,124,000	3,188,000	3,252,000	3,319,000	3,387,000	3,456,000	3,526,000	3,598,000	3,672,000	3,747,000	3,822,000	34,967,000
Other	229,051	178,350	180,419	181,219	182,219	184,219	185,219	186,219	188,219	189,219	190,219	193,219	196,219	1,876,190
Subtotal	2,886,764	3,018,074	3,304,419	3,369,219	3,434,219	3,503,219	3,572,219	3,642,219	3,714,219	3,787,219	3,862,219	3,940,219	4,018,219	36,843,190
Operating Expense														
O & M	1,667,885	1,649,865	2,013,662	2,092,167	2,155,132	2,220,000	2,286,829	2,355,679	2,426,611	2,499,690	2,574,981	2,652,552	2,732,472	23,996,113
Depreciation	1,408,551	1,417,818	872,763	1,076,489	1,200,845	1,222,604	1,263,165	1,251,720	1,270,503	1,261,661	1,290,397	1,279,011	1,187,586	12,303,981
Subtotal	3,076,436	3,067,683	2,886,425	3,168,656	3,355,977	3,442,604	3,549,994	3,607,399	3,697,115	3,761,351	3,865,378	3,931,563	3,920,058	36,300,094
Operating Income	-189,672	-49,608	417,994	200,563	78,242	60,615	22,225	34,820	17,104	25,868	-3,159	8,656	98,161	543,096
ADD: Interest Income	137,588	163,439	139,052	178,580	154,298	129,574	93,495	79,954	84,484	88,101	97,122	111,810	125,986	1,143,404
Bond Premium	-	27,500	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Improvement Fees	149,861	248,033	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	1,810,000
LESS: Interest Expense	122,427	110,249	102,377	88,007	73,309	59,125	45,700	32,129	19,457	6,529	0	0	0	324,256
Existing Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bond Anticipation Notes (BANs)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Issuance expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	-24,650	279,116	635,669	472,137	340,231	312,065	251,020	263,646	263,132	288,440	274,963	301,466	405,147	3,172,245
Available Resources from:														
Net income	-24,650	279,116	635,669	472,137	340,231	312,065	251,020	263,646	263,132	288,440	274,963	301,466	405,147	3,172,245
Depreciation expense	1,408,551	1,417,818	872,763	1,076,489	1,200,845	1,222,604	1,263,165	1,251,720	1,270,503	1,261,661	1,290,397	1,279,011	1,187,586	12,303,981
subtotal	1,383,901	1,696,933	1,508,432	1,548,625	1,541,076	1,534,668	1,514,185	1,515,365	1,533,635	1,550,101	1,565,360	1,580,477	1,592,733	15,476,225
Bond proceeds														0
Loan proceeds														0
LESS: Principal repayments	607,814	618,831	647,570	659,036	670,734	627,668	637,843	627,265	639,936	652,865	0	0	0	4,515,347
Existing Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BAN Repayment														0
Net Available for Capital Purposes	776,087	1,078,102	860,862	889,589	870,342	907,000	876,342	888,100	893,699	897,236	1,565,360	1,580,477	1,592,733	10,960,878
Capital Plan:														
User Fee Supported	162,137	294,133	1,928,050	2,625,280	605,520	714,030	255,550	321,340	334,900	337,970	374,810	360,170	360,300	6,289,870
Improvement Fee Supported	21,094	26,309	250,000	221,000	697,000	2,120,000	2,127,000	175,500	181,000	187,000	193,000	199,000	205,000	6,305,500
Borrowing Supported	-	337,508	-	-	-	-	-	-	-	-	-	-	-	0
Cash Position														
Beginning balance	9,762,282	10,553,333	11,206,768	9,889,580	7,932,889	7,500,711	5,573,681	4,067,474	4,458,734	4,836,533	5,208,799	6,206,349	7,227,656	62,902,405
ADD: Net available	776,087	1,078,102	860,862	889,589	870,342	907,000	876,342	888,100	893,699	897,236	1,565,360	1,580,477	1,592,733	10,960,878
LESS: Planned Capital	183,232	657,950	2,178,050	2,846,280	1,302,520	2,834,030	2,382,550	496,840	515,900	524,970	567,810	559,170	565,300	12,595,370
Changes in assets & liabilities	-198,196	-233,283	-	-	-	-	-	-	-	-	-	-	-	-
Ending balance	10,553,333	11,206,768	9,889,580	7,932,889	7,500,711	5,573,681	4,067,474	4,458,734	4,836,533	5,208,799	6,206,349	7,227,656	8,255,088	62,902,405

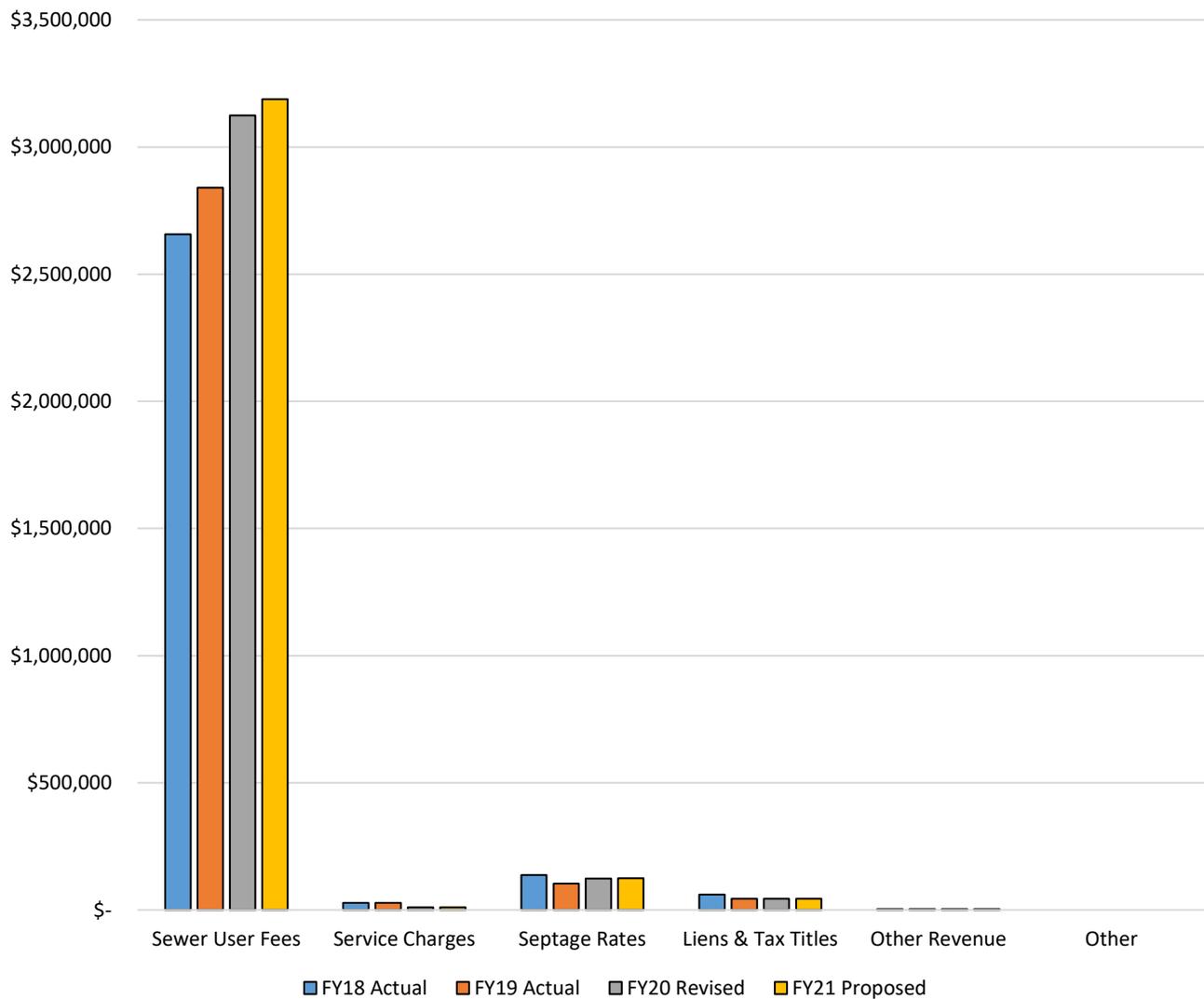
Sewer Fund – Revenues

Operating Revenues

OPERATING REVENUES

	FY18 Actual	FY19 Actual	FY20 Revised	FY21 Proposed
Sewer User Fees	\$ 2,657,713	\$ 2,839,724	\$ 3,124,000	\$ 3,188,000
Service Charges	27,737	27,798	10,000	10,000
Septage Rates	137,660	103,283	123,200	124,000
Liens & Tax Titles	60,503	44,219	44,219	44,219
Other Revenue	3,150	3,050	3,000	3,000
Other	-	-	-	-
Total Operating Revenues	\$ 2,886,763	\$ 3,018,074	\$ 3,304,419	\$ 3,369,219

Sewer Operating Revenues



Sewer Rates

Sewer Fund – Revenues

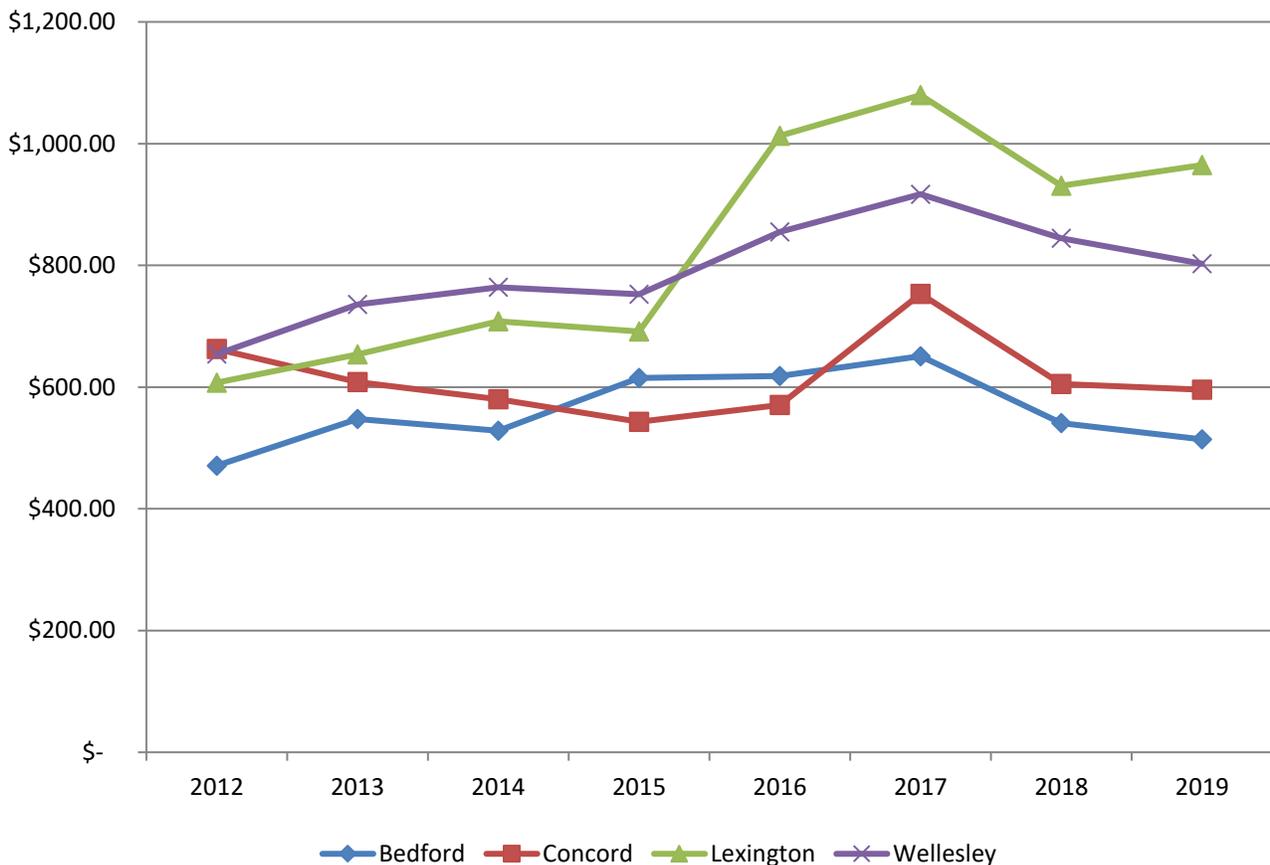
The total revenue projected to be raised through sewer rates in FY21 is \$3,188,000. Rates are set each year by the Public Works Commission following a public hearing with the following goals:

- To ensure that the Division has the resources to operate, maintain and improve the system;
- To minimize rate "shock" so that sewer costs can be a relatively predictable expense; and
- To accurately reflect sewer use (which may be different than seasonally skewed water use).

Benchmarking Sewer Rates

The comparison of sewer rates between individual systems and communities can be particularly difficult, given the wide variation in management and financial structures and customer demographics. Some level of public sewerage service is provided by 57% of Massachusetts communities. Some systems, like Concord, adhere to strict enterprise principles (i.e., full cost accounting with consideration of long-range investments and depreciation of fixed assets) while other systems are subsidized through a municipality's general fund. Statewide, 57% of communities have adopted a flat rate structure, 35% use an ascending rate structure, and 8% assess a flat fee. More sophisticated and flexible rate designs, such as the winter/spring demand basis employed by Concord for residential customers, have been adopted by only 3% of systems across the state (from Tighe and Bond rate survey 2014). The table below demonstrates how rate adjustments (and cost of service) over time have impacted Concord and three neighboring systems based on actual sewer use.

Typical Annual Residential Sewer User Fees Based on Actual Use



Sewer Fund – Expenditures

Operating Expenditures

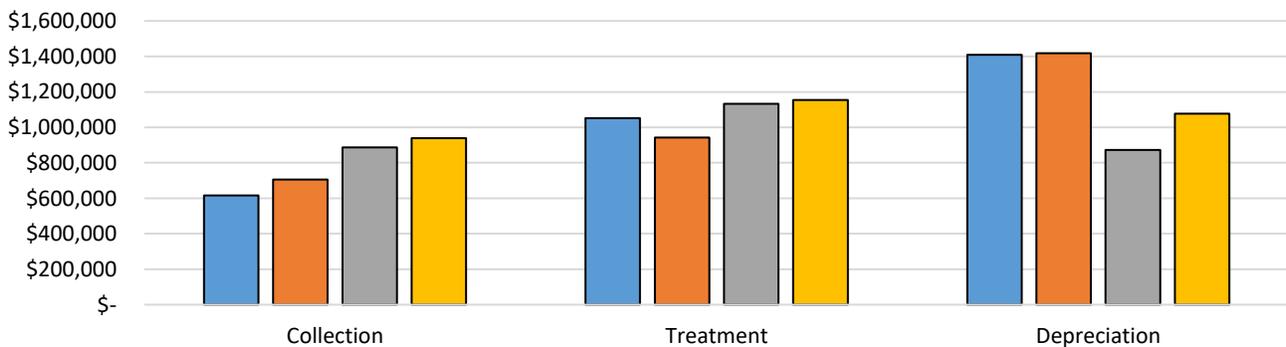
OPERATING EXPENSES

<u>Sewer Divisions</u>	FY18	FY19	FY20	FY21
<u>Collection</u>	Actual	Actual	Revised	Proposed
Personnel Services	\$ 329,333	\$ 395,819	\$ 451,136	\$ 493,967
Purchased Services	110,616	115,645	225,035	223,917
Supplies & Materials	43,876	39,314	53,382	57,374
Other Charges & Expenses	18,278	33,722	27,895	30,804
General Fund Services	113,157	122,056	129,050	132,286
Subtotal	\$ 615,259	\$ 706,556	\$ 886,497	\$ 938,348
<u>Treatment</u>				
Personnel Expenses	\$ 49,781	\$ 48,633	\$ 58,542	\$ 61,469
Purchased Services	23,175	5,134	35,000	40,000
Management Contract	862,065	767,293	910,531	920,064
Supplies & Materials	-	-	-	-
Other Charges & Expenses	4,449	193	-	-
General Fund Services	113,157	122,056	129,050	132,286
Subtotal	\$ 1,052,626	\$ 943,308	\$ 1,133,122	\$ 1,153,819
Depreciation Expense	1,408,551	1,417,818	872,763	1,076,489
Total Operating Expense	\$ 3,076,436	\$ 3,067,682	\$ 2,892,381	\$ 3,168,656

RETIREMENT AND OPEB ASSESSMENT

<i>For Informational Purpose Only</i>				
	FY18	FY19	FY20	FY21
	Actual	Actual	Revised	Proposed
Retirement Assessment	\$ 20,529	\$ 24,541	\$ 36,680	\$ 31,735
OPEB Assessment	5,543	6,000	4,600	5,000
Total Assessment	\$ 26,072	\$ 30,541	\$ 41,280	\$ 36,735

Sewer Operating Expenditures



Sewer Fund – Expenditures

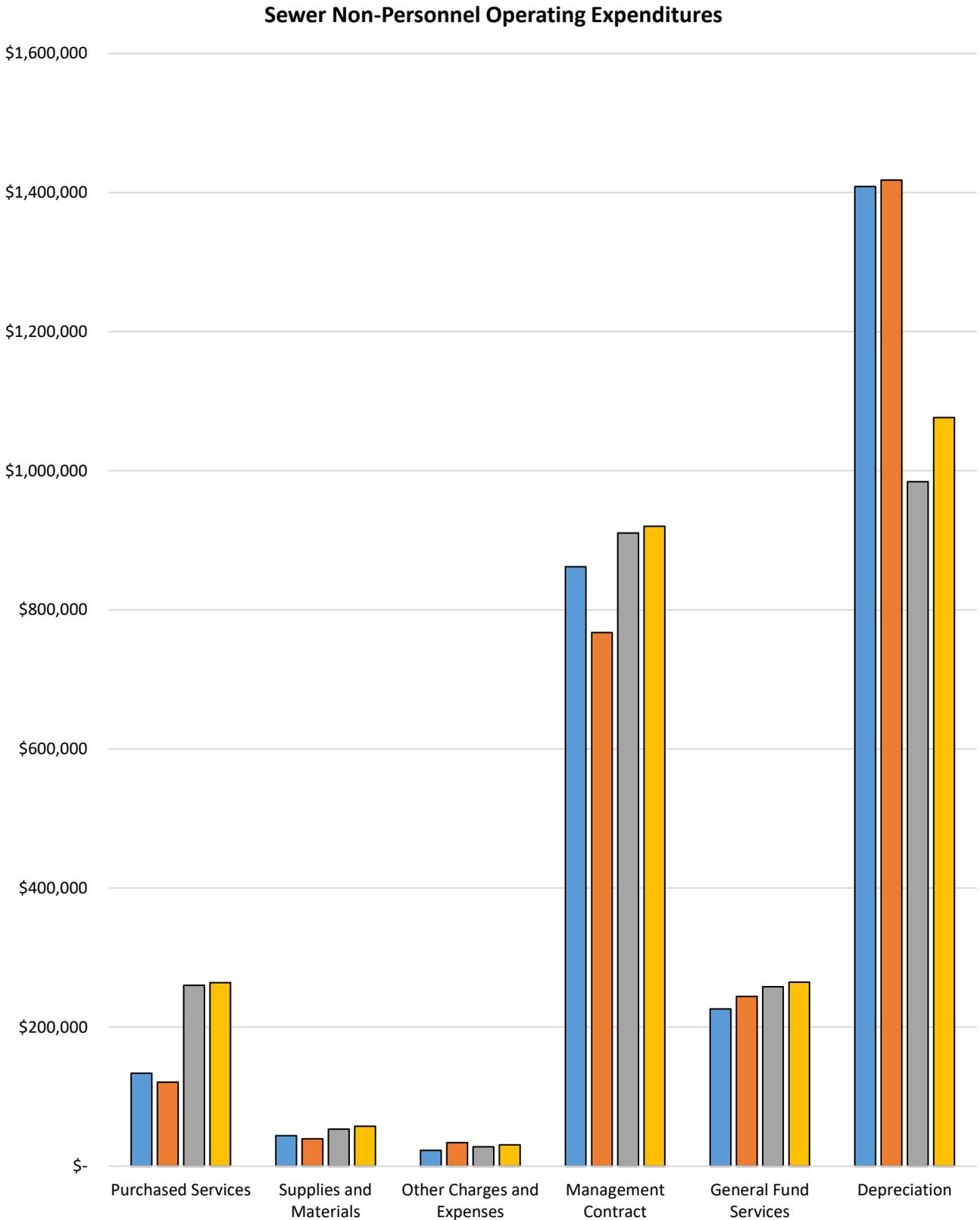
Personnel Summary

AUTHORIZED POSITIONS

Collection Personnel Costs	FY20 Revised		FY21 Proposed	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
Regular Staff				
Water and Sewer Superintendent	0.25 FTEs	\$ 29,766	0.25 FTEs	\$ 30,061
Management Analyst	0.25	21,518	0.25	22,594
Senior Env. & Reg. Coordinator	0.25	23,784	0.25	24,314
Env. & Reg. Coordinator	0.25	16,233	0.25	17,011
Administrative Assistant	0.25	17,288	0.25	17,881
Public Works Supervisor	0.50	47,742	0.50	50,295
Crew Leader	0.50	40,155	0.50	37,212
Senior Treatment System Operator	0.25	20,479	0.25	22,091
Treatment System Operator	0.50	35,504	0.50	37,084
System Maintainer	1.25	67,264	1.25	75,000
Standby Pay (5111)	365 hrs	16,122	730 hrs	35,171
Charges to Snow Account	0	-	0	-
Charges to Projects	N/A	(7,858)	N/A	(7,936)
Salary and Wage Adjustments	N/A	-	N/A	-
Subtotal	4.25 FTEs	\$ 327,997	4.25 FTEs	\$ 360,778
Employee Benefits				
Group Insurance	N/A	\$ 23,728	N/A	\$ 25,880
OPEB	N/A	4,600	N/A	5,000
Retirement Contribution	N/A	36,680	N/A	31,735
Subtotal	N/A	\$ 65,008	N/A	\$ 62,615
Payroll Taxes				
Medicare Tax	N/A	\$ 3,337	N/A	\$ 4,468
Social Security Contribution	N/A	-	N/A	-
Subtotal	N/A	\$ 3,337	N/A	\$ 4,468
Other Personnel Costs				
Overtime (5130)	800 hrs.	\$ 43,115	800 hrs.	\$ 53,994
Police Overtime (5131)	100	4,000	100	4,000
IT Salary (5111)	N/A	5,954	N/A	5,952
Salary Adjustments OT (5130)	N/A	1,725	N/A	2,160
Subtotal	N/A	\$ 54,794	N/A	\$ 66,106
Total Collections	4.25 FTEs	\$ 451,136	4.25 FTEs	\$ 493,967
Treatment Personnel Costs				
Public Works Engineer	0.75 FTEs	\$ 71,277	0.75 FTEs	\$ 74,840
Charge to Capital Projects	N/A	(12,735)	N/A	(13,371)
Salary Adjustments	N/A	-	N/A	-
Medicare Tax	N/A	-	N/A	-
Total Treatment	0.75 FTEs	\$ 58,542	0.75 FTEs	\$ 61,469
Total Sewer Personnel	5.00 FTEs	\$ 509,678	5.00 FTEs	\$ 555,436

Sewer Fund – Expenditures

Non-Personnel Expenditures



Sewer Fund – Expenditures

General Fund Services

The Sewer Fund for the use of General Fund services and support contributes a set portion of funding each year to support personnel and non-personnel expenditures of certain accounts.

PAYMENTS TO THE GENERAL FUND

	FY18	FY19	FY20	FY21
	Actual	Budget	Revised	Proposed
Management & Engineering:				
Public Works Administration	\$ 38,172	\$ 38,172	\$ 41,294	\$ 41,335
Public Works Engineering	23,203	23,203	29,744	29,330
Highway Maintenance	4,941	4,941	6,584	6,545
133/135 Keyes Road	<u>12,853</u>	<u>12,853</u>	<u>16,357</u>	<u>14,867</u>
Subtotals	\$ 79,169	\$ 79,169	\$ 93,979	\$ 92,077
Financial & Administrative:				
Town Manager	\$ 31,798	\$ 31,798	\$ 35,094	\$ 36,803
Human Resources	6,632	6,632	7,137	6,758
Information Systems	-	-	5,954	5,952
Facilities Administration	-	-	-	2,594
Finance Administration	19,541	19,541	24,064	24,295
Treasurer-Collector	13,846	13,846	13,559	13,599
Town Accountant:				
General Services	15,449	15,449	14,954	15,369
Audit Services	6,000	6,000	6,000	6,000
Town House	<u>3,758</u>	<u>3,758</u>	<u>4,222</u>	<u>3,803</u>
Subtotals	\$ 97,024	\$ 97,024	\$ 110,984	\$ 115,173
Natural Resource:				
Planning	\$ 8,018	\$ 8,018	\$ 8,866	\$ 9,581
Natural Resources	7,095	7,095	7,341	8,632
Health	<u>35,007</u>	<u>35,007</u>	<u>36,929</u>	<u>36,702</u>
Subtotals	\$ 50,120	\$ 50,120	\$ 53,136	\$ 54,915
Salary Reserve	\$ -	\$ -	\$ -	\$ 2,407
Totals	\$ 226,313	\$ 226,313	\$ 258,099	\$ 264,572

Sewer Fund – Expenditures

Capital (Capital Outlay and Debt-Funded)

CAPITAL SPENDING PLAN									
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total FY21-25
<u>Collection System</u>									
<u>Pumping Plant</u>									
Station Structures			13,000	13,000	14,000	15,000	16,000	17,000	75,000
Station Equipment	137,799	247,792	1,319,000	2,208,000	26,000	27,000	28,000	29,000	2,318,000
Subtotal	137,799	247,792	1,332,000	2,221,000	40,000	42,000	44,000	46,000	2,393,000
<u>Collection Plant</u>									
Sewer Mains/Laterals			21,000	21,000	22,000	23,000	24,000	25,000	115,000
Inflow/Infiltration (Note 1)			200,000	206,000	213,000	220,000	227,000	234,000	1,100,000
Meter Replacements	5,549		40,000	206,000	206,000	54,000	56,000	58,000	580,000
Subtotal	5,549	-	261,000	433,000	441,000	297,000	307,000	317,000	1,795,000
<u>Wastewater Treatment Plant</u>									
Structures			290,000	41,000	206,000	206,000	30,000	31,000	514,000
Plant Equipment		21,948	175,000	65,000	25,000	26,000	27,000	28,000	171,000
Capacity/Treatment Optimization									
Depreciable Personal Services	16,189	15,338	15,800	16,280	16,770	17,280	17,800	18,340	86,470
Subtotal	16,189	37,286	480,800	122,280	247,770	249,280	74,800	77,340	771,470
<u>General Plant</u>									
Keyes Road CPW Facility			20,500	10,000	11,000	12,000	13,000	14,000	60,000
GIS									
Vehicle Replacements	2,600	9,055	33,750	45,000	78,750	333,750	43,750	42,500	543,750
Miscellaneous Equipment & Billing Software									
Land Acquisition		337,508							
Subtotal	2,600	346,563	54,250	55,000	89,750	345,750	56,750	56,500	603,750
<u>Wastewater Management Project</u>									
Wastewater Planning (Note 1)	21,094	26,309	50,000	15,000	484,000	1,900,000	1,900,000	-	4,299,000
Subtotal	21,094	26,309	50,000	15,000	484,000	1,900,000	1,900,000	-	4,299,000
Total Capital Uses	183,232	657,950	2,178,050	2,846,280	1,302,520	2,834,030	2,382,550	496,840	9,862,220
Funding the Capital Plan									
Total - User Fees	162,137	249,133	1,928,050	2,625,280	605,520	714,030	255,550	321,340	4,521,720
Total - Sewer Improvement Fees	21,094	26,309	250,000	221,000	697,000	2,120,000	2,127,000	175,500	5,340,500
Total - Borrowing		337,508							
Total Capital Sources	183,232	612,950	2,178,050	2,846,280	1,302,520	2,834,030	2,382,550	496,840	9,862,220

Note 1: Charged to Sewer Improvement Fund

Sewer Fund – Expenditures

DEBT SERVICE

	FY18 Actual	FY19 Actual	FY20 Revised	FY21 Proposed
Long Term Debt Repayment:				
Principal	\$ 607,814	\$ 618,831	\$ 647,570	\$ 659,036
Interest	121,390	108,499	102,377	88,007
Totals	\$ 729,204	\$ 727,330	\$ 749,947	\$ 747,043

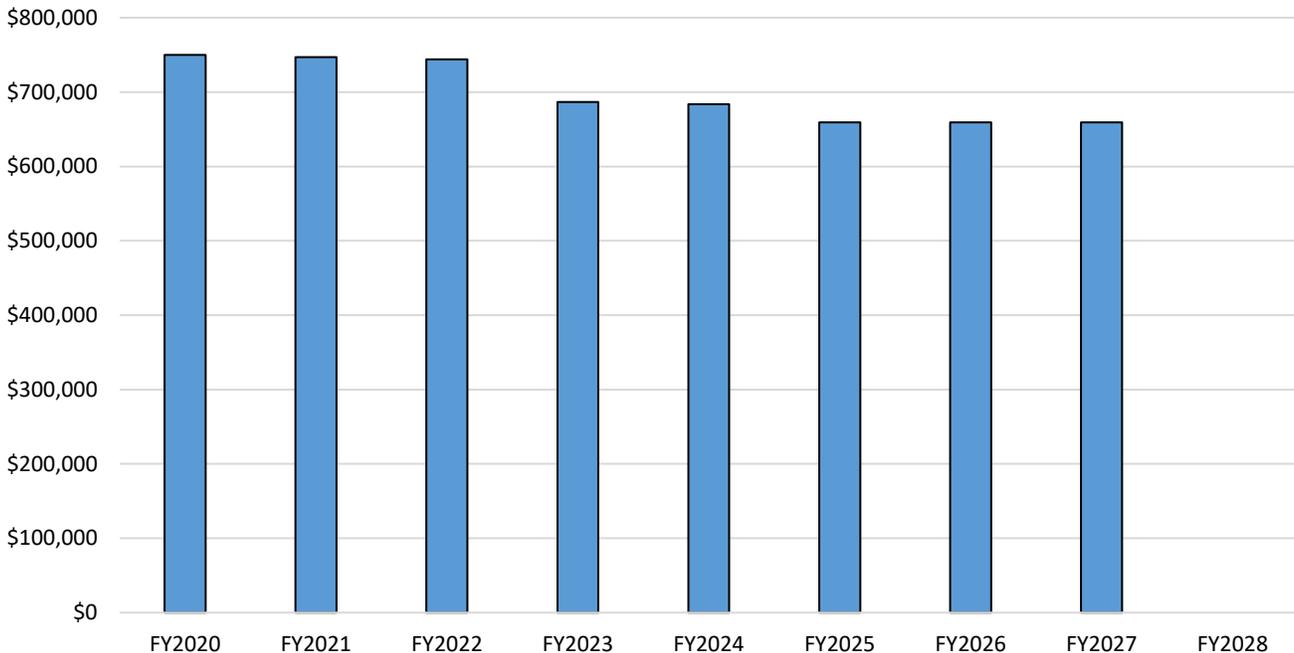
Note: The Debt Schedule above and on the facing page does not account for Accrual periods across fiscal years, and so differs from the Town's Audited Financial Statements.

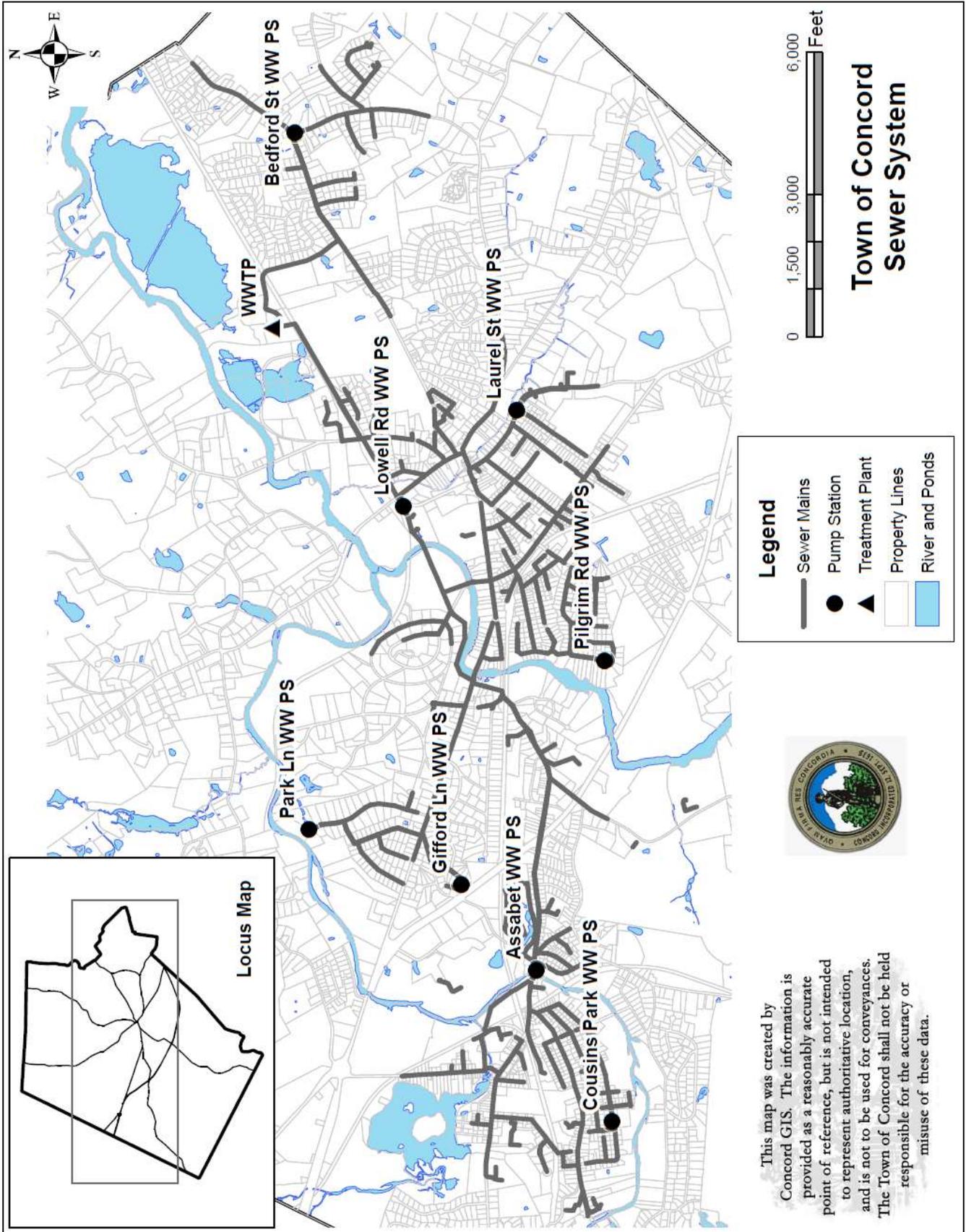
Sewer Debt Service Schedule

Exclusive of betterment financing

Fiscal Year	Principal	Interest	Total
2020	647,570	102,377	749,947
2021	659,036	88,007	747,043
2022	670,734	73,309	744,042
2023	627,668	59,125	686,793
2024	637,843	45,700	683,543
2025	627,265	32,129	659,393
2026	639,936	19,457	659,393
2027	652,865	6,529	659,393
2028	-	-	-
Totals	\$5,162,916	\$426,631	\$5,589,547

Sewer Debt Service Chart





This map was created by Concord GIS. The information is provided as a reasonably accurate point of reference, but is not intended to represent authoritative location, and is not to be used for conveyances. The Town of Concord shall not be held responsible for the accuracy or misuse of these data.



Solid Waste Fund

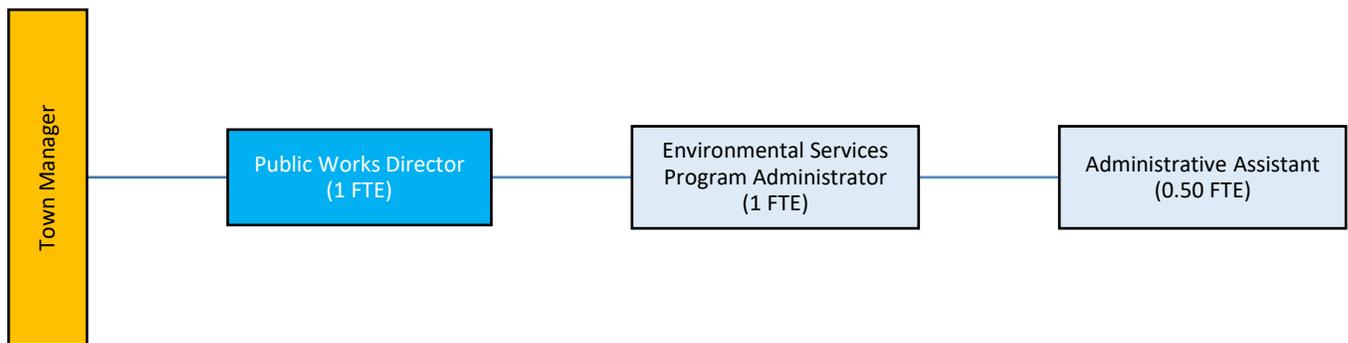
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Solid Waste Fund

Mission Statement

The mission of the Solid Waste Division is to provide an efficient, environmentally sound, and cost-effective solid waste collection and disposal and recycling program for subscribers to the Town's curbside program.

Organizational Chart



Solid Waste Fund

Overview

Concord's "pay-as-you-throw" curbside collection program is open to all residents and small commercial facilities. This program provides Concord residents with an economical trash disposal option and a convenient and comprehensive recycling plan. The curbside collection program is fee-based and is not supported by tax dollars.

Participation in the program requires a base subscription fee, plus a disposal charge for each bag or barrel of trash. Recyclable collection is provided to residential subscribers at no additional charge. The number of subscribers has been very stable over the years, currently with 3,663 customers out of an estimated 5,500 potential households on this program. Residents that do not subscribe to the municipal program are either served by private haulers that provide for a more customized service (flexibility in day of week or off road pick-up) at a premium rate or are in multi-unit residential complexes that are provided with dumpster service.

The pay-as-you-throw curbside collection program encourages recycling, and Concord continues to be one of the top curbside recycling communities in Massachusetts. The pay-as-you-throw collection program, coupled with the weekly recycling collection program, has resulted in a recycling rate of approximately 38% of materials set out at the curb.

Contract Services and Industry Trends

Concord has been in a long-term contract with Waste Management Inc. for collection and disposal services. Under the terms of the contract, Concord receives revenue for the value of paper collected when the value of paper exceeds a predefined processing fee. Historically, paper revenue has helped offset expenses, and re-subscribers to the municipal collection program have been issued paper revenue rebates on their curbside subscription invoices when the paper market was strong. In recent years, however, changes in the global paper market have adversely affected this benefit and led to significant increases in Concord's recyclable processing costs.

Some communities are paying significantly more for paper processing as China's National Sword policy went into effect in January of 2018. This policy has depressed the markets for paper and other recyclable materials by preventing contaminated loads of recyclables from being exported to their country. In addition to China's National Sword policy, China also suspended inspections/certificates for all US recyclables from May 3, 2018 through June 4, 2018. Then in August 2018, China implemented a tariff on "recovered fiber materials," which consists primarily of mixed paper and newsprint, the paper typically collected in curbside collection programs. All of these actions have adversely affected the markets for recyclable materials.

By design, dual stream recycling programs like Concord's have a lower contamination rate than single stream recycling programs. To date, Concord's dual stream recycling program has protected the Town from incurring exorbitant paper processing fees. The Town has also not incurred contamination fees for the recyclables collected on the curbside program, which, again, is not the case for many communities. Recycling contracts that are presently being executed across the State are seeing dramatic increases in recycling cost for both dual and single stream recycling processes.

Accomplishments

- The Curbside Collection Program provided trash and recycling collection and disposal services to more than 3,660 households.
- The Spring DropOff & SwapOff event on May 4th, 2019 attracted 930 households.
- The Fall DropOff & SwapOff event on October 19th attracted 842 households.
- Six 30-gallon boxes of unwanted medications and ten 30-gallon boxes of sharps were collected.

Solid Waste Fund

- Residents made more than 11,000 visits to the 755 Walden Street Compost Site, dropping off leaves, grass clippings and brush.
- 410 residents dropped off paint at the paint shed and 116 residents picked up paint for reuse.

Performance

Success of the Solid Waste program is measured by three general metrics:

- Recycling Rate & Tonnage
- Waste Tonnage per Subscriber
- Program Affordability

Recycling Rate & Tonnage

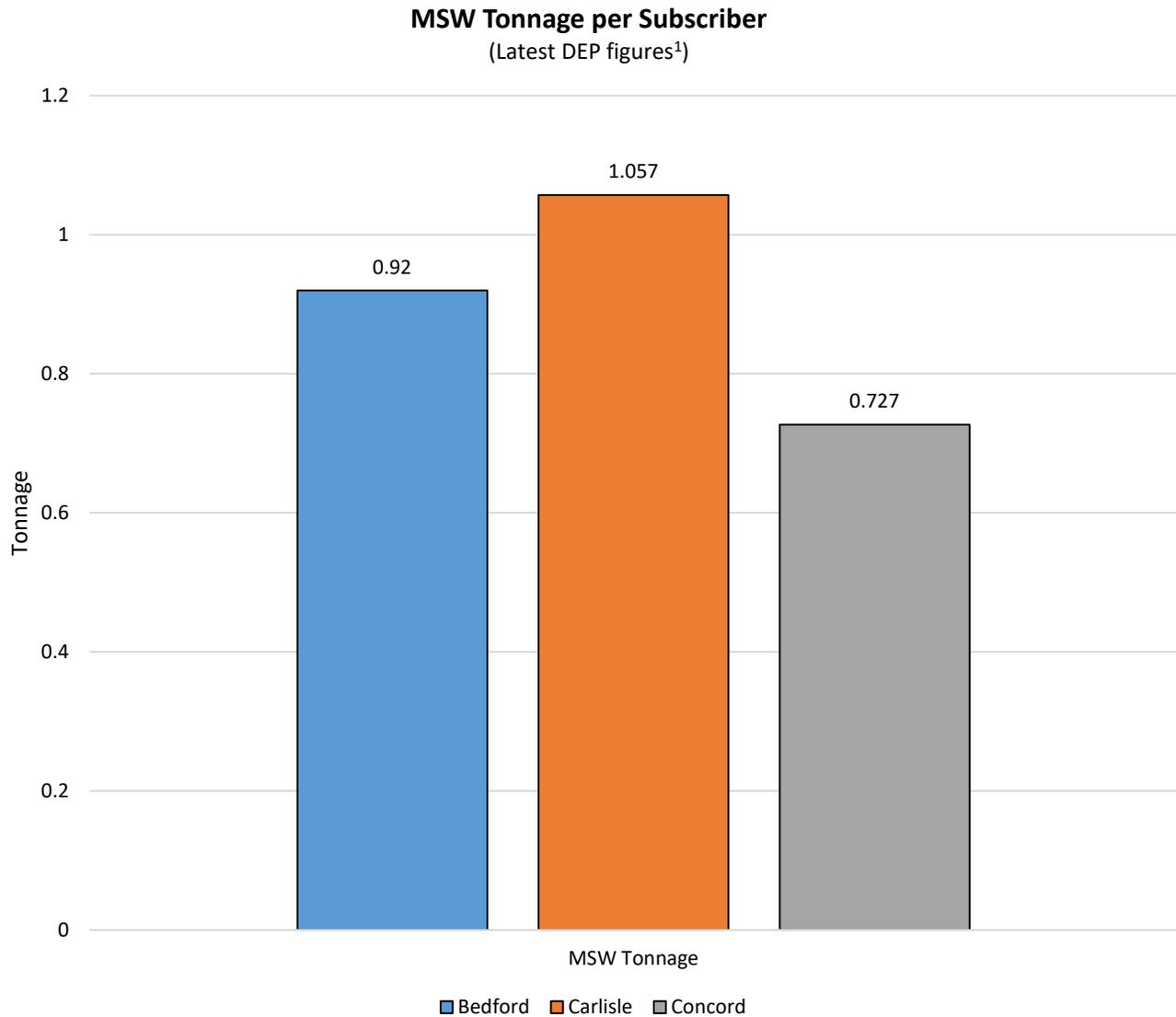
Concord continues to be one of the top curbside recycling communities in Massachusetts. In FY19, subscribers to the municipal curbside collection program disposed of 2,619 tons of trash, and recycled 1,618 tons of paper and commingled containers, resulting in a recycling rate of 38%. Historical tonnages and recycling rates are outlined below.

	No. of subscribers as of 6/30	Change in # of subscribers	Trash (tons)	Recycling (tons)	Total (Tons)	% Recycled
FY98	2,557	425	2,351	1,264	3,615	35%
FY99	2,724	167	2,173	1,598	3,771	42%
FY00	2,828	104	2,254	1,809	4,063	45%
FY01	2,907	79	2,269	1,830	4,099	45%
FY02	3,009	102	2,267	1,902	4,169	46%
FY03	3,077	68	2,376	1,954	4,330	45%
FY04	3,140	63	2,380	1,975	4,355	45%
FY05	3,218	78	2,571	1,998	4,569	44%
FY06	3,224	6	2,551	1,981	4,532	44%
FY07	3,270	46	2,559	1,982	4,541	44%
FY08	3,305	35	2,467	2,025	4,492	45%
FY09	3,323	18	2,387	1,864	4,251	44%
FY10	3,407	84	2,426	1,810	4,236	43%
FY11	3,468	61	2,483	1,780	4,263	42%
FY12	3,488	20	2,484	1,794	4,278	42%
FY13	3,514	26	2,513	1,734	4,247	41%
FY14	3,517	3	2,544	1,760	4,304	41%
FY15	3,539	22	2,574	1,768	4,341	40%
FY16	3,608	69	2,581	1,761	4,342	40%
FY17	3,639	31	2,548	1,716	4,264	40%
FY18	3,671	32	2,637	1,720	4,357	39%
FY19	3,663	(8)	2,619	1,618	4,237	38%

Solid Waste Fund

Benchmark Comparison of MSW Tonnage per Subscriber

MassDEP shifted its focus from municipal recycling rates to waste reduction, and now focuses on tons of municipal solid waste (MSW) generated per household as a benchmark. As shown in the graph below, subscribers on Concord’s curbside program generate less trash than residents of some surrounding towns. To a large extent, this achievement is a result of the pay-as-you-throw (PAYT) pricing structure that the Town has implemented. PAYT communities typically generate less trash per household than non-PAYT communities.



¹ 2018 Municipal Solid Waste and Recycling Survey information.

Solid Waste Fund

Hauler Cost Comparison

Subscription fees and disposal fees (barrel stickers and weekly tags) are established each year to allow the Division to meet its yearly expenditures while remaining competitive, typically well below the rate private haulers charge. A comparison of annual cost to curbside subscribers with those of private haulers that serve the area is presented below based on an average of 1.36 barrels/bags per week (average determined on the most recent route audit). Even with a two barrel/bag setout weekly, the cost to the subscriber is much less expensive. In addition, the subscription fee includes a pass to the Minuteman Household Hazardous Products Facility (a \$60.00 value). Concord curbside subscribers continue to realize a lower cost option than is otherwise available in the area.

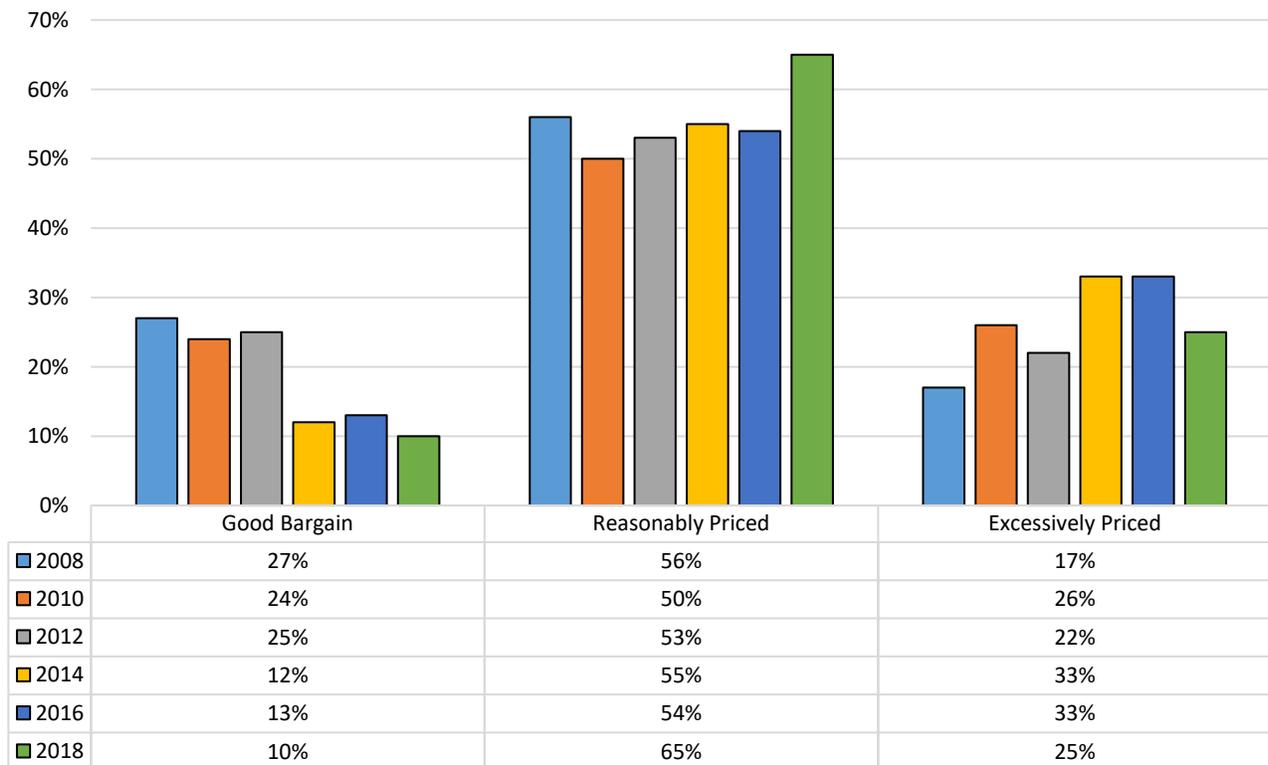
	FY18	FY19	FY20	FY21
TOWN	\$360.08	\$368.08	\$378.08	\$409.30
Mr. Trashman	\$468.00	\$468.00	\$480.00	\$492.00
Moreau & Son	\$480.00	\$480.00	\$480.00	\$468.00
Barry Brothers	\$528.00	\$528.00	\$528.00	*
Orifice Recycling & Refuse				\$504.00

* Barry Brothers no longer servicing residential customers

Town Residential Survey

During the fall of 2006, 2008, 2010, 2012, 2014, 2016, and 2018 the Town conducted a survey of Town residents and asked the following question: Do you consider the price of the Town’s trash and recycling pickup is a Good Bargain, Reasonably Priced, or Excessively Priced? For the 2018 (FY19) Residential Survey, 10% responded “Good Bargain”, 65% responded as “Reasonably Priced”, and 25% “Excessively Priced”.

Opinion of Collection Rates



Solid Waste Fund

FY21 Goals

- Successfully negotiate new multi-year curbside collection contract with waste hauling vendors.
- Increase education and outreach to encourage waste reduction.
- Support local and state initiatives to reduce landfilled waste.
- Continue to host spring/fall DropOff/SwapOff event.
- Continue to provide cost effective and user friendly collection and household hazardous waste disposal services for miscellaneous universal waste (mercury thermostats, batteries, fluorescent bulbs).

Long-Term Plans

- ⇒ Evaluate how a circular economy can help communities similar to Concord move towards a Zero Waste goal.
- ⇒ Evaluate creative ways to help divert waste from landfills and support Concord's greenhouse gas reduction initiatives.
- ⇒ Help Massachusetts meet the waste reduction goals set forth in the Draft 2030 Solid Waste Master Plan.
 - 2030 goal – reduce disposal tonnage by 30%
 - 2050 goal – reduce disposal tonnage by 90%

Solid Waste Fund – Overview & Budget Highlights

FY21 Budget Highlights

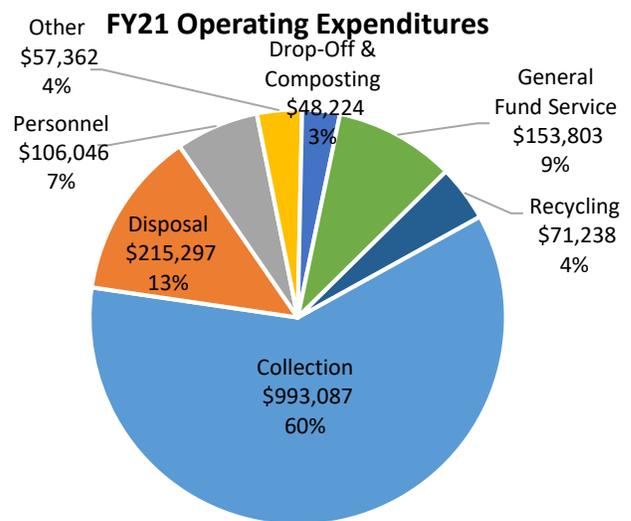
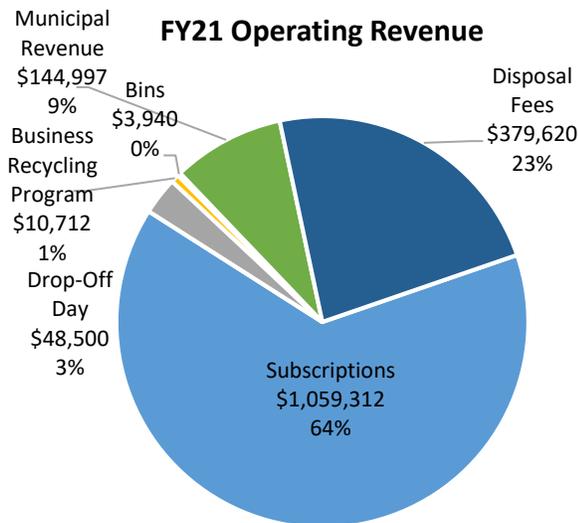
Revenues are budgeted to grow to \$1,647,081 in FY21 from \$1,481,392 in FY20 (an 11.2% increase). Expenses are budgeted at \$1,645,057, an 11.1% increase from the FY20 budget of \$1,480,235. The curbside subscription fee for FY21 is proposed to increase by \$10 to \$282.00 per year. The price of a weekly disposal tag will increase from \$1.50 to \$1.80, and the price of a six-month barrel sticker will increase from \$39.00 to \$46.80. The overall impact of these rate increases to the average residential customer is estimated at 8.3%, based on the average set-out of 1.36 bags or barrels per week. The price increases are driven by the scheduled annual increases in the current Waste Management contract and by dramatic increases in the variable processing rate for recycled paper.

Budget Highlights

FY21 Projected Revenue	\$1,647,081
FY21 Projected Expenses	<u>(1,645,057)</u>
FY21 Projected Operating Income	\$2,024
FY21 Projected Net Income	\$2,024
FY21 Projected Solid Waste Fund Balance	\$545,607

Revenues and Expenditures Overview

Eighty-seven percent of the Solid Waste Division’s revenues in FY21 are expected to come from curbside subscriber subscription fees and disposal fees (\$1,438,932 of the total). Municipal revenue (schools, municipal buildings, parks & fields) is projected at \$144,997. Other revenue from Drop-Off Day, business recycling, and from sales of recycling bins and compost bins is projected at \$63,152.



The two largest expense categories are Collection and Disposal, both provided by the Contractor. Based on Waste Management’s FY21 contract pricing, FY21 collection costs, including the Business Recycling Program, are budgeted at \$993,087. This represents a 10.4% increase over the FY20 budget of \$899,414, reflecting an anticipated increase in the number of subscribers as well as the increase in per customer cost.

Disposal costs are projected to increase slightly in FY21. Disposal costs based on Waste Management’s FY21 contract pricing are budgeted at \$215,297 versus \$208,880 in FY20, which represents a 3.1% increase. Recycling processing costs are expected to more than triple in FY21 due to the volatility in current global market conditions for recyclables.

Solid Waste Fund – Overview & Budget Highlights

Collection and Disposal Contract

FY21 is year 5 of a five-year extension to the Town’s contract with Waste Management for the curbside program. Dual stream recycling programs like Concord’s typically have a lower contamination rate than single stream recycling programs. While some communities with single stream recycling programs have incurred significant contamination costs in recent months, the Town has not incurred any contamination costs for its curbside program. The Town has begun preliminary research on options for a new contract that will best fit the needs of curbside program subscribers starting July 1, 2021.

Collection Rate Highlights

With the FY21 proposed Curbside Collection Rates, the average cost per household (based on 1.36 barrels per week) is \$409.30 per year. The FY21 cost represents an 8.3% increase over the FY20 amount of \$378.08.

	Contract Charges				
	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	
Trash and Recycling	\$216.25	\$223.45	\$230.60	\$238.25	per subscriber per year
Recycling Only	\$126.00	\$131.00	\$137.00	\$145.00	per subscriber per year
Dumpster Pickup	\$48.00	\$50.25	\$53.00	\$55.00	per pickup
Recycling Toter	\$2.70	\$2.75	\$2.75	\$2.75	Business recycling only
Public Barrels	\$2.65	\$2.80	\$2.95	\$3.10	per barrel per pickup
Trash Tonnage	\$79.00	\$79.00	\$79.00	\$79.00	per ton
Commingled Containers	\$31.00	\$32.00	\$33.00	\$34.00	per ton
Paper Processing Fee	\$60.00	\$60.00	\$60.00	\$60.00	per ton

The Waste Management contract contains an index-based revenue sharing provision whereby the Town receives revenue when the paper market is strong. The index for the paper revenue-share calculation is Sorted Residential Papers – No. 56 (formerly ONP#8) for the New England Region. The Town receives revenue when the high price for No. 56 exceeds \$60.00 per ton. As of March 2020, the Town is not receiving any paper revenue and is incurring processing fees of up to \$60.00 per ton.

Curbside Collection Rates (for the periods beginning in April)

	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	
Trash and Recycling Subscription	\$254.00	\$262.00	\$272.00	\$282.00	per year
Recycling Only Subscription	\$128.00	\$133.00	\$140.00	\$154.00	per year
Weekly Disposal Tag	\$1.50	\$1.50	\$1.50	\$1.80	per barrel per week
Barrel Sticker	\$78.00	\$78.00	\$78.00	\$93.60	per year
Cost per Household	\$360.08	\$368.08	\$378.08	\$409.30	per year
(Based on 1.36 barrels per week)					

Solid Waste Fund – Community Programs and Events

DropOff-SwapOff

Concord Public Works co-sponsors two DropOff–SwapOff events per year with REUSIT (Rescue the Environment and Us from being Smothered in Trash). These events provide opportunities for Concord residents to recycle, reuse, or dispose of items that no longer have a useful life, including bulky, over-size items that are not collected at the curb.

The DropOff portion of the event is primarily fee-based, whereas the SwapOff is a free take-it-or-leave-it area. The May 4, 2019 DropOff–SwapOff attracted 930 households. The October 19, 2019 DropOff–SwapOff was attended by 842 households.

Business Recycling

Concord Public Works contracts with CRS (Complete Recycling Solutions) for two business-recycling events per year. These events are typically held on the first Friday in April and the last Friday in September. The business recycling events provide an opportunity for Concord businesses to properly dispose of old computers, printers, fax machines, other electronics, and fluorescent light bulbs. In 2019, 6,993 linear feet of fluorescent bulbs and 4,318 lbs. of computers and electronics were collected from Concord businesses.

Hazardous Waste Disposal

Curbside subscribers are given one free pass per year to the Minuteman Household Hazardous Products Facility in Lexington where they can drop off chemicals and other hazardous waste for proper disposal. Concord is one of eight Minuteman communities that help manage hazardous waste collection events at this site. The site is open one weekend day per month from April – November. Eighty-seven curbside subscribers visited the site in 2019.

Paint Shed / Compost Site

From March through mid-December 2019, residents made more than 11,000 visits to the 755 Walden Street Compost Site, dropping off leaves, grass clippings and brush, while 410 residents dropped off paint at the paint shed and 116 residents picked up paint for reuse. Styrofoam™ block, Christmas lights, and Christmas trees were also accepted for recycling at the facility.

The Compost Site is open Saturdays and Wednesdays from April through mid-December as well as additional days in January for Christmas tree disposal and Styrofoam™ block recycling. Residents can pick up compost free of charge.

Solid Waste Fund – Net Income and Fund Balance

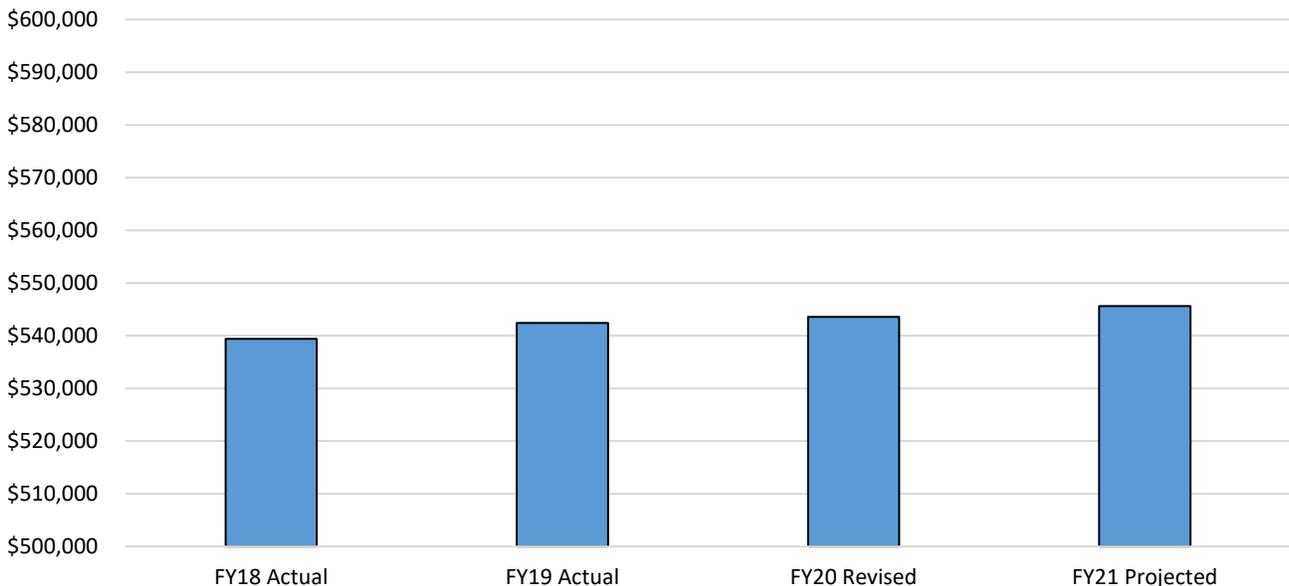
NET INCOME

	FY18		FY19		FY20		FY21	
	Actual		Actual		Budget		Estimate	
Operating Income:								
Operating Revenues	\$	1,389,596	\$	1,446,740	\$	1,481,392	\$	1,647,081
Less Operating Expenses		(1,284,620)		(1,443,712)		(1,480,235)		(1,645,057)
Operating Income	\$	104,976	\$	3,028	\$	1,157	\$	2,024
Non-Operating Income:								
Non-Operating Revenues	\$	-	\$	-	\$	-	\$	-
Non-Operating Expenses		-		-		-		-
Non-Operating Income	\$	-	\$	-	\$	-	\$	-
Net Income	\$	104,976	\$	3,028	\$	1,157	\$	2,024

FUND BALANCE

	FY18		FY19		FY20		FY21	
	Actual		Actual		Budget		Estimate	
Fund Balance:								
Beginning Fund Balance	\$	434,422	\$	539,398	\$	542,426	\$	543,583
Net Income		104,976		3,028		1,157		2,024
Ending Fund Balance:	\$	539,398	\$	542,426	\$	543,583	\$	545,607

Solid Waste Historical Fund Balance

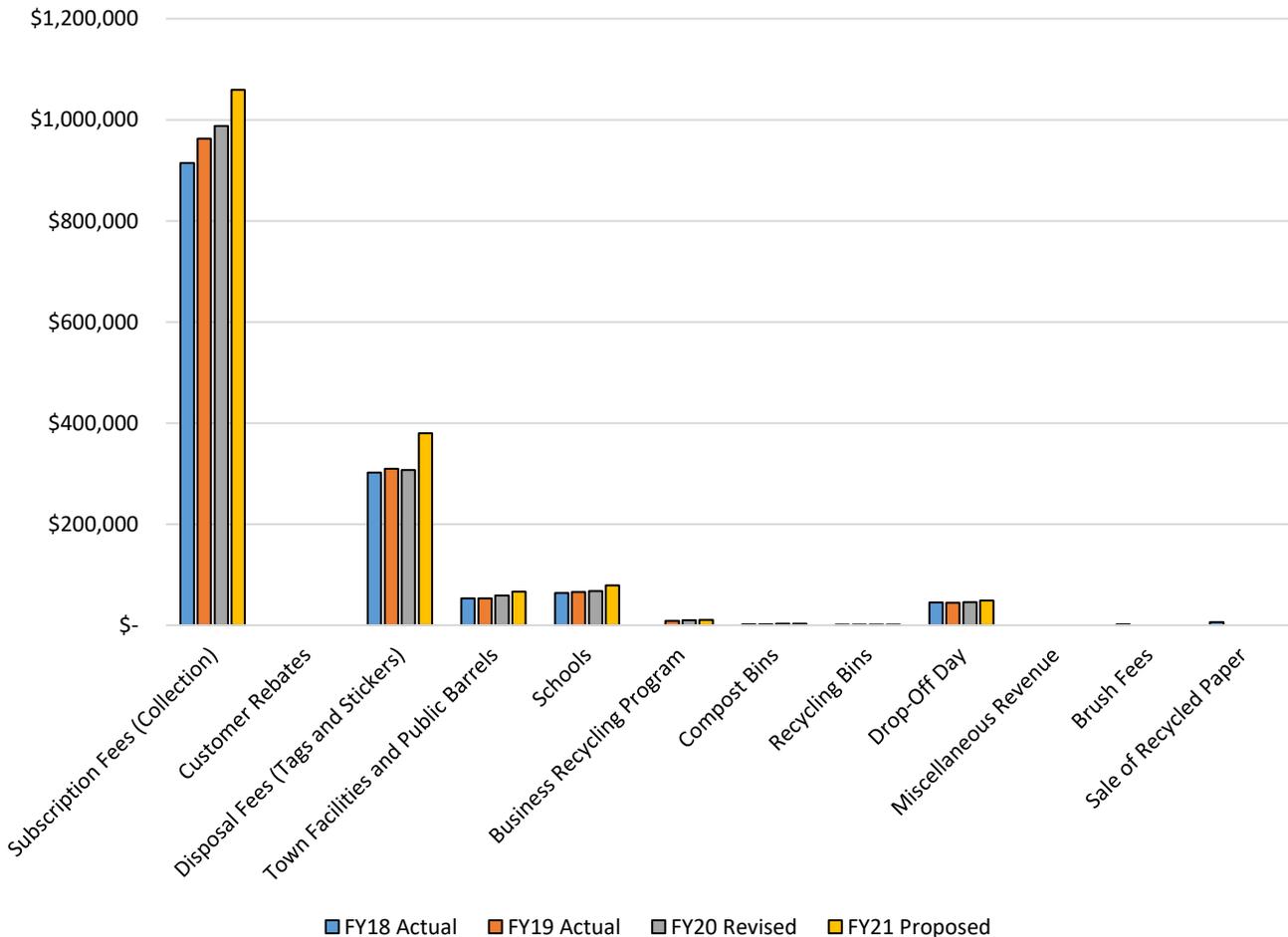


Solid Waste Fund – Revenues

Operating Revenues

	Operating Revenues			
	FY18	FY19	FY20	FY21
	Actual	Actual	Budget	Proposed
Subscription Fees (Collection)	\$ 914,514	\$ 962,729	\$ 987,992	\$ 1,059,312
Customer Rebates	-	-	-	-
Disposal Fees (Tags and Stickers)	302,178	309,495	307,088	379,620
Town Facilities and Public Barrels	53,344	52,901	58,931	66,236
Schools	64,146	65,705	67,610	78,761
Business Recycling Program	-	8,622	9,961	10,712
Compost Bins	1,930	1,767	2,860	2,860
Recycling Bins	1,199	941	1,080	1,080
Drop-Off Day	44,828	44,580	45,870	48,500
Miscellaneous Revenue	-	-	-	-
Brush Fees	1,515	-	-	-
Sale of Recycled Paper	5,941	-	-	-
Operating Revenues Total	\$ 1,389,596	\$ 1,446,740	\$ 1,481,392	\$ 1,647,081

Solid Waste Operating Revenues



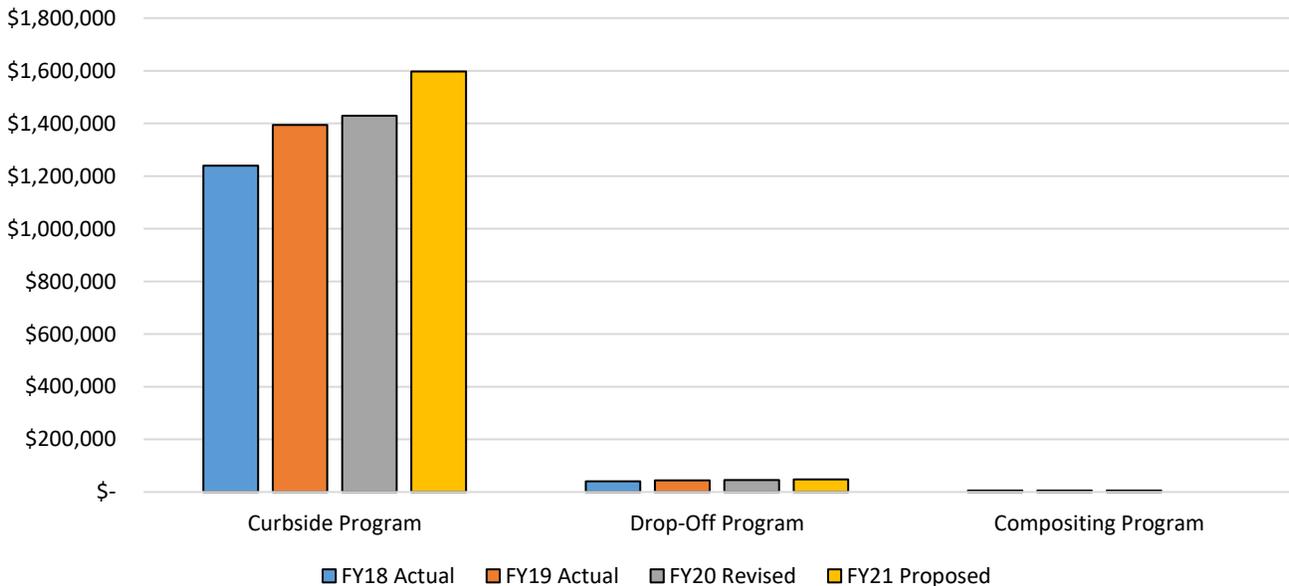
Solid Waste Fund – Expenditures

Operating Expenditures

Operating Expenses

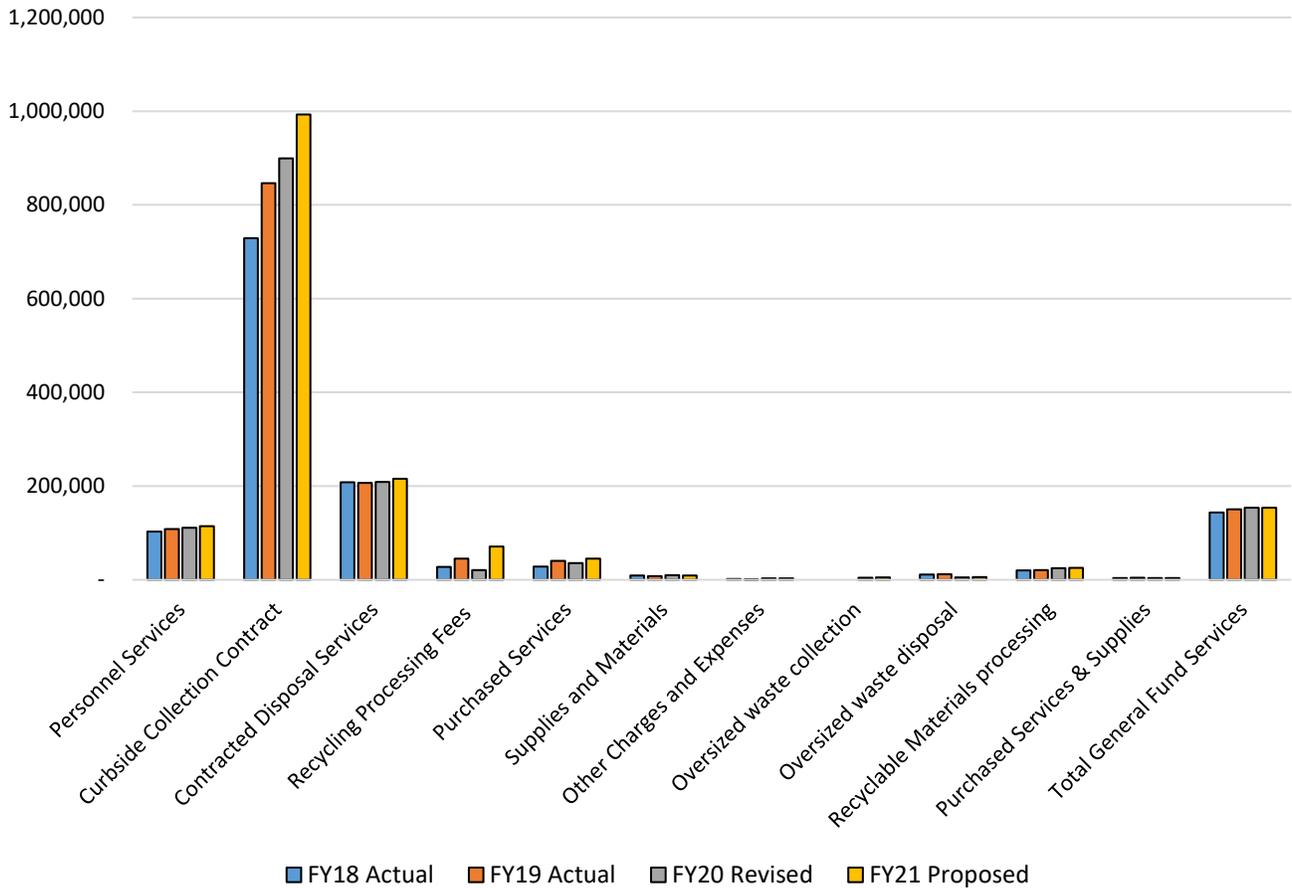
	FY18 Actual	FY19 Actual	FY20 Budget	FY21 Proposed
<u>Curbside Program</u>				
Personnel Services	\$ 97,122	\$ 101,214	\$ 103,464	\$ 106,046
Curbside Collection Contract	728,638	846,329	899,414	993,087
Contracted Disposal Services	208,343	206,998	208,880	215,297
Recycling Processing Fees	27,174	45,091	20,856	71,238
Fuel Adjustment Expense	-	-	-	-
Customer Rebate	-	-	-	-
Purchased Services	28,000	40,442	35,597	45,247
Supplies and Materials	9,262	7,906	9,653	9,260
Other Charges and Expenses	1,575	584	2,855	2,855
Capital Outlay	-	-	-	-
General Fund Services	138,923	145,491	148,646	153,803
Subtotal	\$ 1,239,039	\$ 1,394,055	\$ 1,429,365	\$ 1,596,833
<u>Drop-Off Program</u>				
Personnel Services	6,037	7,151	7,740	8,565
Oversized waste collection	-	-	4,680	5,200
Oversized waste disposal	11,255	12,004	5,208	5,456
Recyclable Materials processing	19,887	20,937	24,842	25,500
Purchased Services & Supplies	3,404	4,564	3,400	3,503
Subtotal	\$ 40,582	\$ 44,656	\$ 45,870	\$ 48,224
<u>Composting Site Program</u>				
General Fund Services	5,000	5,000	5,000	-
Subtotal	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Total Expenses	\$ 1,284,620	\$ 1,443,712	\$ 1,480,235	\$ 1,645,057

Solid Waste Operating Expenditures



Solid Waste Fund – Expenditures

Solid Waste Operating Expenditures



Personnel Summary

AUTHORIZED POSITIONS

	FY20 Revised Budget		FY21 Initial Budget	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
Curbside Collection Program				
5111 - Recycling and Disposal Program Administrator	1.00	\$ 101,664	1.00	\$ 104,227
Administrative Assistant	0.50	(1)	0.50	(1)
5120 - Temporary Status		228		228
5178 - Medicare Tax	N/A	1,572	N/A	1,591
Subtotal	1.50 FTEs	\$ 103,464	1.50 FTEs	\$ 106,046
Drop-Off Day Program				
5130 - Drop-Off Day Overtime	90.0 hrs.	4,500	90.0 hrs.	5,325
5131 - Police Overtime	90.0 hrs.	3,240	90.0 hrs.	3,240
Subtotal	0.00 FTEs	\$ 7,740	0.00 FTEs	\$ 8,565
Total Personnel Services	1.50 FTEs	\$ 111,204	1.50 FTEs	\$ 114,611

(1) Full-time ACL-4 position shared between CPW Administration (50%) and the Curbside Program (50%). Funded directly by the Solid Waste Fund through a Transfer to the General Fund.

Solid Waste Fund – Expenditures

General Fund Services

The Solid Waste Fund for the use of General Fund services and support contributes a set portion of funding each year to support personnel and non-personnel expenditures of certain accounts.

GENERAL FUND SERVICES

	FY18 Actual	FY19 Actual	FY20 Budget	FY21 Estimate
Curbside Collection/Drop-Off Program				
Management Services	\$ 82,574	\$ 85,253	\$ 89,227	\$ 88,992
Financial & Administrative Services	56,349	60,238	59,419	59,568
Salary Reserve	-	-	-	5,243
Subtotal	\$ 138,923	\$ 145,491	\$ 148,646	\$ 153,803
Composting Site Program				
Management Services	5,000	5,000	5,000	-
	\$ 5,000	\$ 5,000	\$ 5,000	-
Combined	\$ 143,923	\$ 150,491	\$ 153,646	\$ 153,803

Swim & Fitness Fund

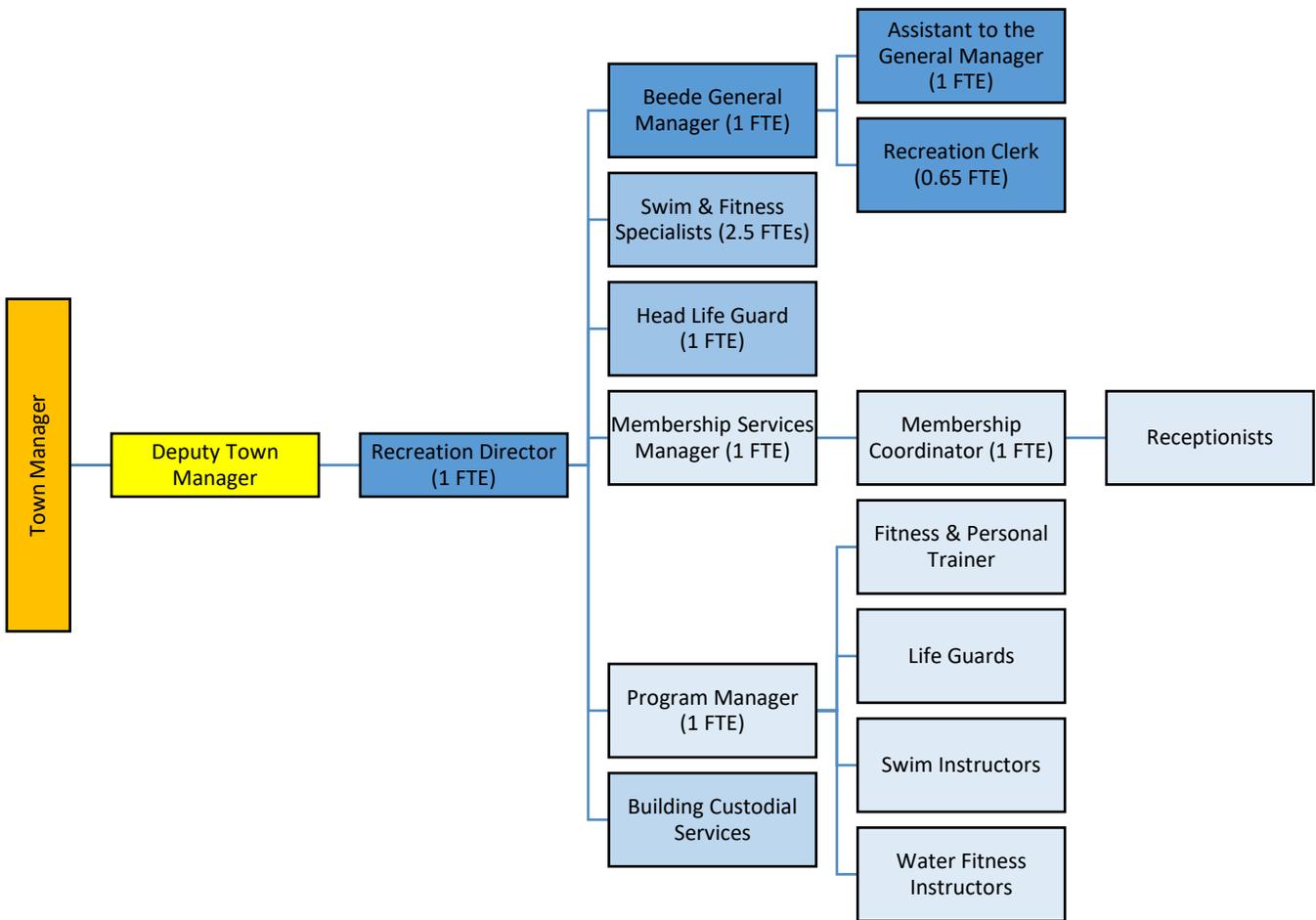
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Swim & Fitness Fund

Mission Statement

The Beede Swim & Fitness Center is managed by Concord Recreation and is funded solely by membership and program fees. The Beede Center is deeply committed to serving the fitness needs and interests of our community across all ages and abilities.

Organizational Chart



Swim & Fitness Fund

Overview

The Beede Swim & Fitness Center, located on the campus of the Concord-Carlisle Regional High School, hosts an 8-lane lap pool, a therapy pool, a children’s pool, a diving well, and pool-side spectator seating. There are two 1,600-square-foot fitness rooms; one for weight training and one for cardiovascular exercise. In addition, the facility includes men’s and women’s locker/shower rooms, family changing rooms, and staff office space. The facility is open approximately 100 hours each week throughout the year. The Beede Center opened on April 18, 2006. It was constructed for approximately \$11 million, which was made possible by a \$6 million gift from the Alfred Sawyer Trust and a \$1.8 million gift from the Beede family, as well as through many generous contributions from the community. The Recreation Department operates the Center as an enterprise fund in accordance with Article 30 of the 2005 Annual Town Meeting. The Beede Center strives to balance the recreational needs of the community with its obligation to be financially self-supporting and stable.

Accomplishments

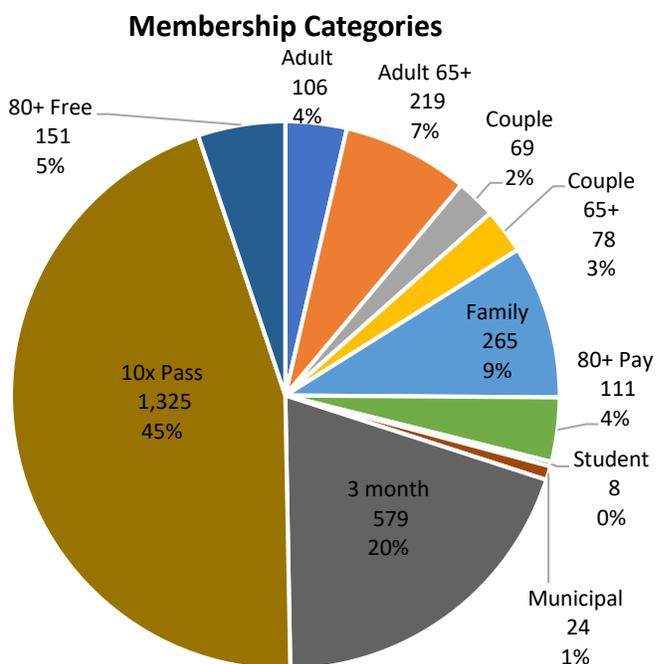
- ☑ Continued facility enhancements with the creation of a new fitness room on bottom floor, new office configurations, new flooring in both the cardio and weight rooms, new treadmills, and replacement of the HVAC and hot water systems to improve member experience.
- ☑ Hired a full-time Program Manager to oversee aquatic operations, which resulted in an immediate increase in swim program offerings.
- ☑ Restructured the position of Personal Trainer to better meet industry trends.
- ☑ Increased facility exposure with an Otters Program, a team overhaul, increased Masters swim options, and more rental group bookings.
- ☑ Continued to work with the Town’s Sustainability Manager and Facilities Director to improve energy efficiency where possible. This included the installation of a thermal cover for the therapy pool.
- ☑ A total of 126,373 visits to the facility occurred in FY19, which is a 22% increase in usage.

Performance

Membership Trends

Membership saw a slight decrease between 2017 to 2018. Some of the decline in traditional memberships can be attributed to the new 3-month and 10-visit passes made available in March 2017.

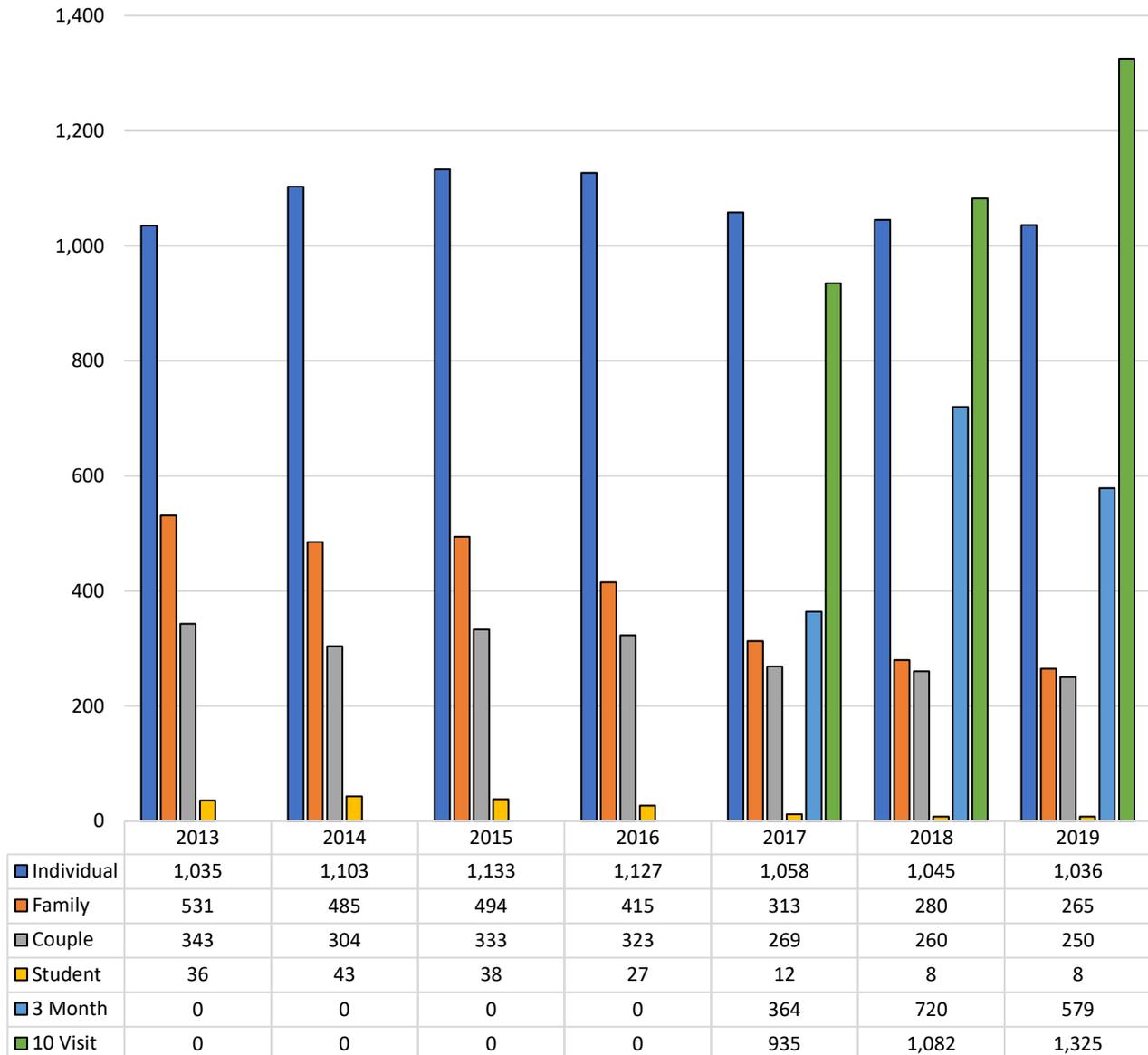
The major trend in membership has been the reduction in Family Memberships, which has dropped by 33 in the past year. The community had been asking for short-term membership options. The Beede Center now offers a 3-month membership and a 10-visit pass.



Swim & Fitness Fund

Becoming a Beede member is the best way to benefit from our fantastic facilities, services, and activities. As a member, you'll have access to all the support and motivation you need to achieve your fitness goals – and have lots of fun along the way! Membership is the best way to kick start your health and fitness and provides unrivalled access to the state-of-the-art aquatic and fitness facilities at the Beede Center.

Beede Center Membership Tracking
(Calendar Year)

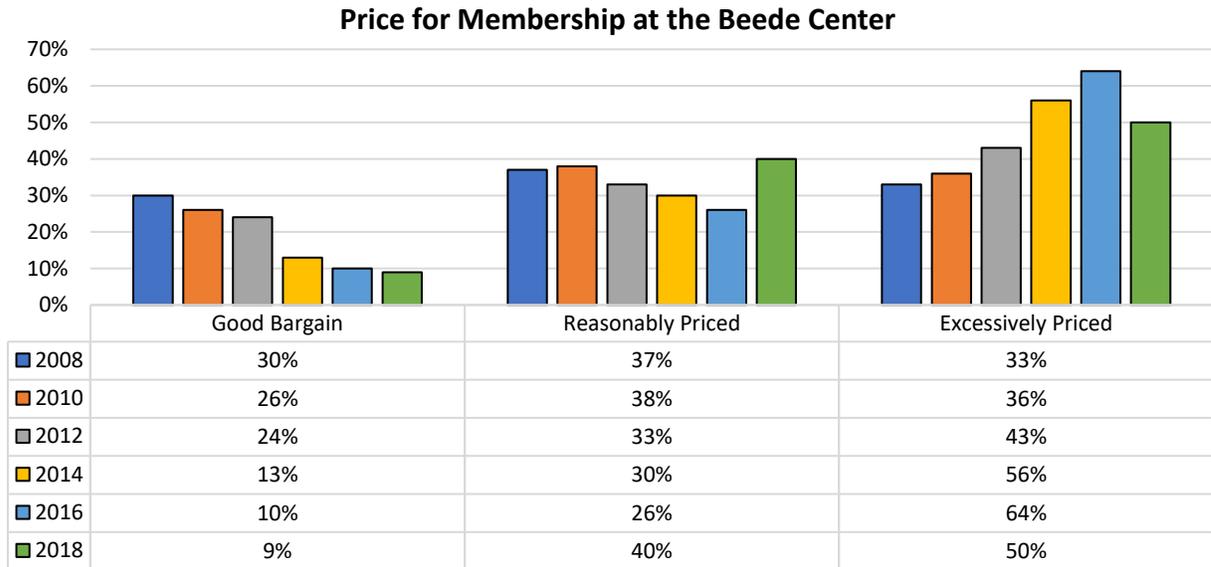


Pricing Trends

During the last Citizen Survey, residents were asked, “Please tell me whether you consider the price to be a Good Bargain, Reasonably Priced, or Excessively Priced?” In 2018, there was a reversal in the trend that the Beede Center had been increasingly perceived to be “Excessively Priced” from survey to survey. The moderation is shown in a comparison for 2016 and 2018 results. When the question was asked to just families with children, 72%

Swim & Fitness Fund

selected “Excessively Priced” in 2016 as compared to 59% in 2018. Similarly, 55% of those with no children in the household chose “Excessively Priced” in 2016 as compared to 43% in 2018.



FY21 Goals

- Prepare budget to manage the effects of increases in minimum wage in coming years.
- Maintain affordable membership and programming options.
- Hire a new membership sales position with the goal of increasing membership.
- Continue facility enhancements in the cardio room and facility mechanical equipment.
- Expand upon programming both at Beede Center facility (utilizing quiet times) and remotely.

Long-Term Plans

- ⇒ Create programming options that uses under-utilized space, the outdoors, and remote access.
- ⇒ Replace dated fitness equipment to ensure quality and efficient operations.
- ⇒ Expand programming with coordination from Recreation and Concord Public Schools to meet needs and add value to the community.
- ⇒ Increase family membership to 450-500 memberships (2014/15 levels).
- ⇒ Add functional training/programming square footage space to the facility.

Swim & Fitness Fund – Overview & Budget Highlights

FY21 Budget Highlights

In FY21, the Beede Center is projected to end the year with a positive net income. As of June 30, 2019, the Beede Center had an Unrestricted Fund Balance of \$2,795,886 according to the FY19 audited financial report. The FY21 Proposed budget projects a Fund Balance of \$3,347,379 at the end of the fiscal year. It is estimated that the School Department’s use for programs and teams costs the Beede Center \$114,400 per year based on actual usage trends and facility areas occupied by the student body.

Budget Highlights

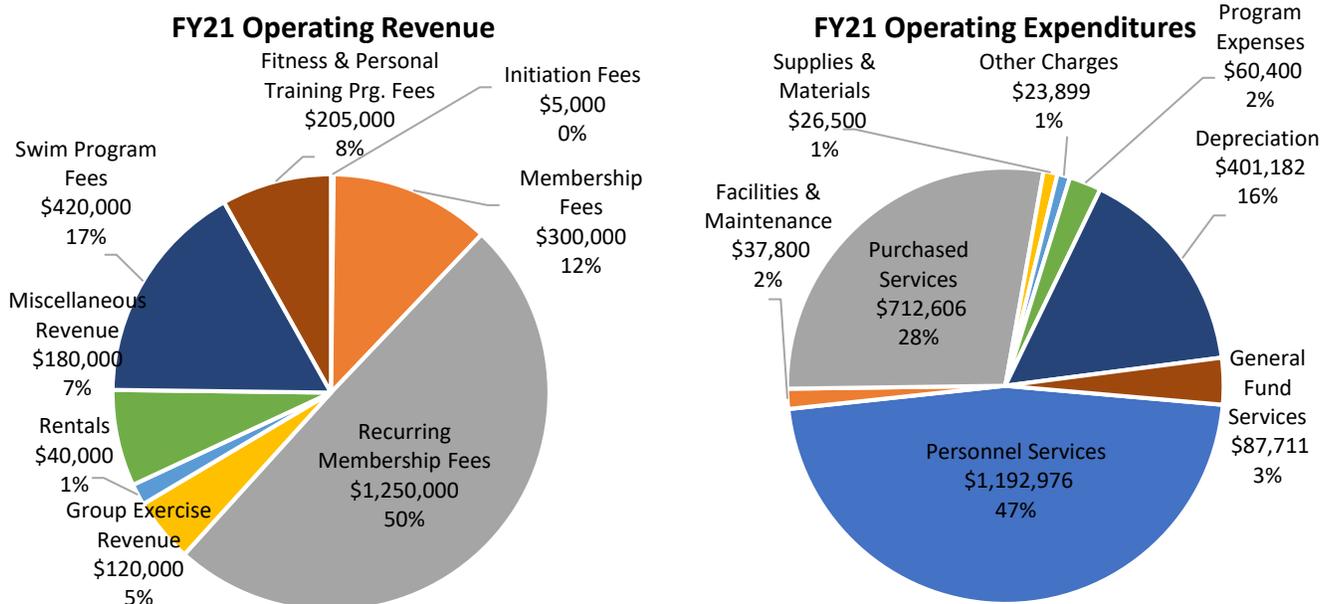
FY21 Projected Revenue	\$2,520,000
FY21 Projected Expenses	<u>(2,543,073)</u>
FY21 Projected Operating Income	\$(23,073)
FY21 Projected Net Income	\$41,927
FY21 Projected Swim & Fitness Fund Balance	\$3,347,379

Revenues and Expenditures Overview

Operating revenues are projected to be \$2,520,000, which is a 7.3% increase from the FY20 budget. This is due to projected increase in Beede membership sales with the proposed hiring of a new sales manager and the goal of increasing family memberships. With operating expenditures proposed to be \$2,543,073, there will be a projected loss in operating income of \$23,073.

In FY21, the Beede Center is projected to spend approximately \$1,192,976 on full-time, part-time, limited and temporary status staff including benefits. The Full time administrative team currently operates with minimal staff, amounting to a decrease of 2.0 FTE’s from 2017. In addition, there are 100+ staff members that include front desk, lifeguards, fitness instructors, etc. These individuals are the ones that deliver our programs and are continually recognized as being vital to the success of the organization.

The FY21 Swim & Fitness Fund budget shows a projected net income of \$41,927 with the addition of non-operating revenues from investment income.



Swim & Fitness Fund – Programs, Fees, and Features

Beede Center Membership Fees

On March 1, 2017, the Beede Swim & Fitness Center changed its membership plans. The goal was to provide members with simpler, more flexible membership options. Following an industry standard, the Beede Center moved to monthly recurring billing for all members.

The following goals are kept in mind when setting fees:

- Fees should reflect the cost of services provided, allowing the Beede Center to operate as a self-supporting enterprise fund;
- Fees should be set in a way that minimizes “shock” increases; and
- Fees should be set to encourage a use of the facility that is appropriate for its capacity.

	Monthly	3 Month	10 Visit	Day Pass
Adult	\$82	\$270	\$100	\$20
Couple	\$129	\$426		\$30
Family	\$153	\$504		\$40
65+	\$62	\$212		
65+ Couple	\$98	\$327		
14-18	\$41	\$138		
80+	Free	Free		

All memberships begin the day of purchase and are valid for one year. A \$99 joining fee is applied to all new memberships.

Hours of Operations

Monday through Friday: 5:30 AM – 9:00 PM

Saturday and Sunday: 7:00 AM – 6:00 PM

The Beede Center is *closed* on the following days:

- Patriots Day
- Easter
- Memorial Day
- July 4th
- Labor Day
- Christmas

There are *limited* hours on:

- Thanksgiving Day
- Christmas Eve
- New Year’s Eve
- New Year’s Day

Swim & Fitness Fund – Programs, Fees, and Features

Beede Programs and Features

At the Beede Center, we strive to be your partner in health with dedicated staff, inspired program offerings and exceptional facilities. Join us today and make yourself at home!

Flexible Membership Options

Our new membership plans offer unlimited access to state-of-the-art aquatic and fitness facilities. Annual, 3-month and 10-visit options let you create the perfect membership to fit your needs.

Aquatics

Beede's state-of-the-art aquatic facilities serve competitive swimmers, fitness classes, therapeutic programs, and family fun year-round.

- 8-Lane Competition Pool (25yd x 25m)
- Deep Water Diving Well with two 1m boards
- Warm Water Therapy Pool
- Children's Play Pool with slide and fountains

Youth Swim Lessons & Programs

40% discount for members! Build competence in the water with American Red Cross swim lessons and water safety courses. Available in Group, Semi-Private and Private.

- Parent & Child
- Preschool
- Learn to Swim
- Lifeguard Training
- Water Safety Instruction
- Diving
- Otters Swim Team

Adult Aquatic Programs

Push yourself beyond free swim with Private Lessons, Coached Workouts and water fitness classes like Ai Chi, Deep Water Interval Training, and Shallow Water Workout. Up to 40% off all programs for members!

Fitness

Work out in natural light with 12 channels of DirecTV on every cardio machine. New members receive a free equipment orientation and workout plan from one of our certified trainers. Members also enjoy up to a 40% discount on all Group Fitness Classes held at Concord Recreation locations.

- Weight Training Room
- Cardio Fitness Room
- Free Weights

Personal Training

Get the most out of your workout with the expertise of our dedicated trainers who will help you design and reach your fitness goals.

Swim & Fitness Fund – Net Income and Fund Balance

NET INCOME (\$)

	FY18 Actual	FY19 Actual	FY20 Revised	FY21 Proposed
Statement of Net Income:				
Operating Revenues	\$ 2,288,021	\$ 2,265,975	\$ 2,349,000	\$ 2,520,000
Less Operating Expenses	(2,267,102)	(2,325,647)	(2,477,477)	(2,543,073)
Operating Income	\$ 20,919	\$ (59,672)	\$ (128,477)	\$ (23,073)
<u>Nonoperating Revenues (Expenses)</u>				
Add Investment Income	\$ 49,070	\$ 58,938	\$ 65,000	\$ 65,000
Add Sawyer Trust Contribution	-	-	-	-
Add Beede Endowment	-	-	-	-
Nonoperating Income	\$ 49,070	\$ 58,938	\$ 65,000	\$ 65,000
Net Income	\$ 69,989	\$ (734)	\$ (63,477)	\$ 41,927

AVAILABLE RESOURCES (\$)

Resources Available from Current Operations for Replacement & Renewal of Facility:				
	FY18 Actual	FY19 Actual	FY20 Revised	FY21 Proposed
<u>Capital Purposes</u>				
Add Depreciation Expense	\$ 371,776	\$ 366,434	\$ 381,861	\$ 401,182
Add Net Income	69,989	(734)	(63,477)	41,927
Net Available for Capital	\$ 441,765	\$ 365,700	\$ 318,384	\$ 443,109

CASH POSITION AND FORECAST

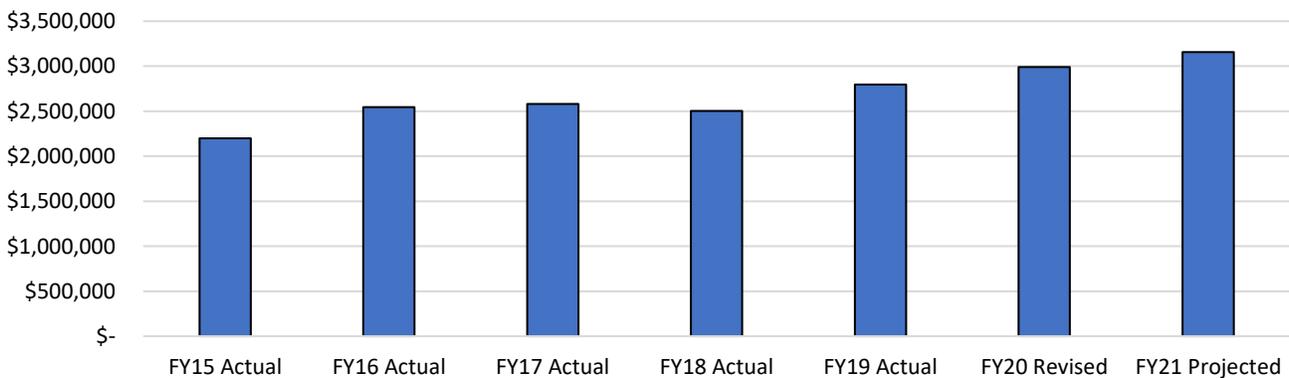
<u>Cash at Year Opening</u>	FY20		FY21	
	Credits	Debits	Credits	Debits
Cash on July 1st	\$ 3,907,426		\$ 4,125,810	
Add Assets	159,426		159,426	
Less Liabilities	(1,270,966)		(1,270,966)	
Fund Balance on July 1st	\$ 2,795,886		\$ 3,014,270	
<u>Fund Balance Details (projected)</u>				
Fund Balance as of July 1st	2,795,886		3,114,270	(100,000)
Net Income	(63,477)		41,927	
Capital Outlay (non-borrowing)		(100,000)		(110,000)
Add Depreciation Expense	381,861		401,182	
Balance Projected at June 30th	3,114,270	(100,000)	3,557,379	(210,000)
Fund Balance on June 30th	\$ 3,014,270		\$ 3,347,379	
<u>Cash at Year End (projected)</u>				
Fund Balance on June 30th		3,014,270		3,347,379
Add Cash as Unearned Revenue		(159,426)		(159,426)
Add Cash Held for Liabilities		1,270,966		1,270,966
Projected Cash at June 30th	\$ 4,125,810		\$ 4,458,919	

Swim & Fitness Fund – Net Income and Fund Balance

PROGRAM NET INCOME

	FY18 Actual	FY19 Actual	FY20 Revised	FY21 Proposed
Group Fitness Program				
Operating Revenues	\$ 119,835	\$ 116,329	\$ 100,000	\$ 120,000
Less Operating Expenses	70,018	61,578	74,896	79,448
Operating Income	\$ 49,817	\$ 54,751	\$ 25,104	\$ 40,552
Acquatic Safety Management Program				
Operating Revenues	\$ -	\$ -	\$ -	\$ -
Less Operating Expenses	-	148,132	222,066	192,618
Operating Income	\$ -	\$ (148,132)	\$ (222,066)	\$ (192,618)
Acquatic Programs				
Operating Revenues	\$ 344,165	\$ 371,175	\$ 430,000	\$ 390,000
Less Operating Expenses	-	108,808	113,000	111,500
Operating Income	\$ 344,165	\$ 262,367	\$ 317,000	\$ 278,500
Fitness Management Programs				
Operating Revenues	\$ -	\$ -	\$ -	\$ -
Less Operating Expenses	-	136,507	124,238	84,062
Operating Income	\$ -	\$ (136,507)	\$ (124,238)	\$ (84,062)
Personal Trainer Programs				
Operating Revenues	\$ 127,663	\$ 195,513	\$ 213,000	\$ 195,000
Less Operating Expenses	-	111,319	133,594	168,347
Operating Income	\$ 127,663	\$ 84,194	\$ 79,407	\$ 26,653
Program Net Income	\$ 521,644	\$ 116,674	\$ 75,207	\$ 69,025
General Beede & Other Programs				
Operating & Non-Operating Revenues	\$ 1,745,428	\$ 1,641,896	\$ 1,644,749	\$ 1,709,149
Less Operating Expenses	2,197,084	1,759,304	1,802,186	1,892,672
Operating Income	\$ (451,656)	\$ (117,408)	\$ (157,437)	\$ (183,522)
Net Income	\$ 69,989	\$ (734)	\$ (82,230)	\$ (114,497)

Swim & Fitness Fund Historical Fund Balance



Swim & Fitness Fund – Revenues

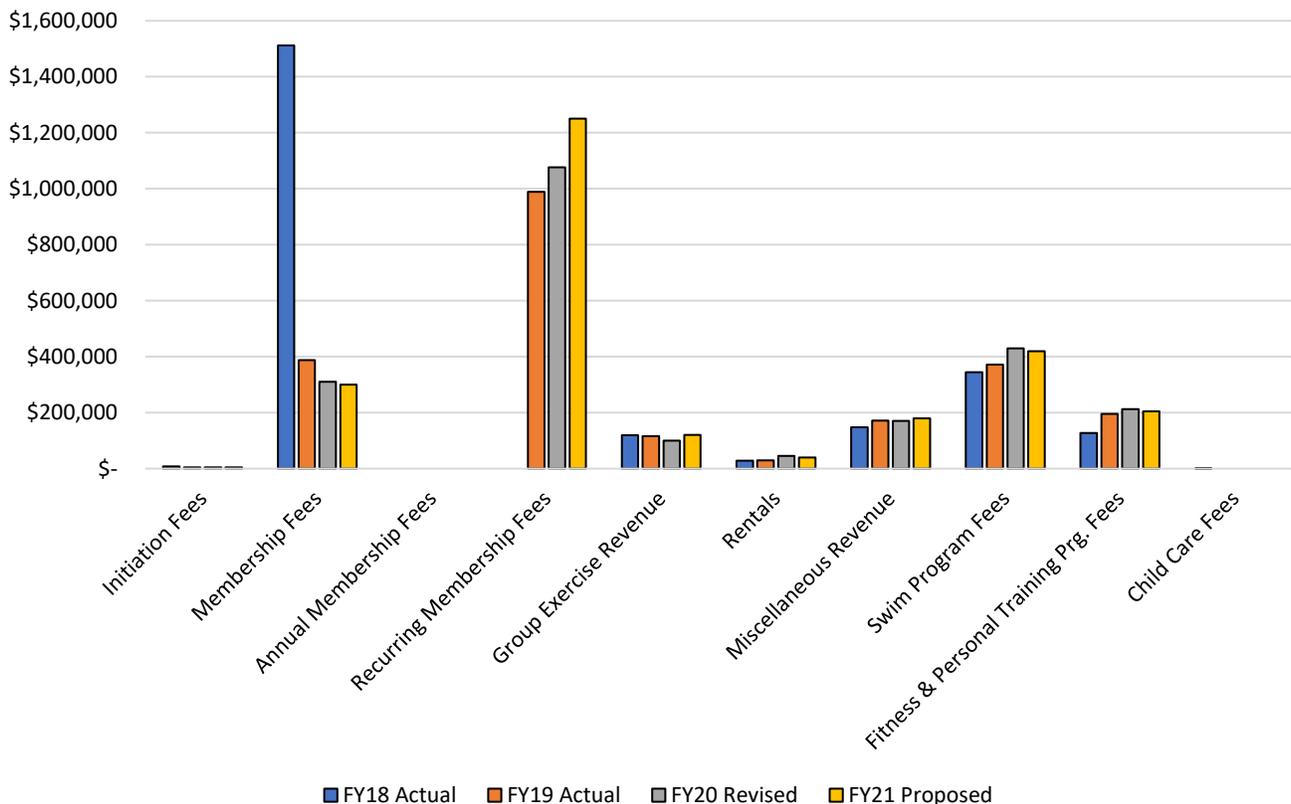
Operating Revenues

Operating Revenues are projected to be \$2,520,000, which is a 7.3% increase from the FY20 budget. This is due to projected increases in Beede membership sales with the proposed hiring of a new sales manager and the goal of increasing family memberships.

OPERATING REVENUES (\$)

	FY18 Actual	FY19 Actual	FY20 Revised	FY21 Proposed
Initiation Fees	\$ 8,445	\$ 4,582	\$ 5,000	\$ 5,000
Membership Fees	1,511,804	387,838	310,000	300,000
Annual Membership Fees	-	-	-	-
Recurring Membership Fees	-	989,351	1,076,000	1,250,000
Group Exercise Revenue	119,835	116,329	100,000	120,000
Rentals	28,207	29,944	45,000	40,000
Miscellaneous Revenue	147,867	171,242	170,000	180,000
Swim Program Fees	344,165	371,175	430,000	420,000
Fitness & Personal Training Prg. Fees	127,663	195,513	213,000	205,000
Child Care Fees	35	-	-	-
Operating Revenues Total	\$ 2,288,021	\$ 2,265,975	\$ 2,349,000	\$ 2,520,000

Beede Operating Revenues



Swim & Fitness Fund – Expenditures

Operating Expenditures

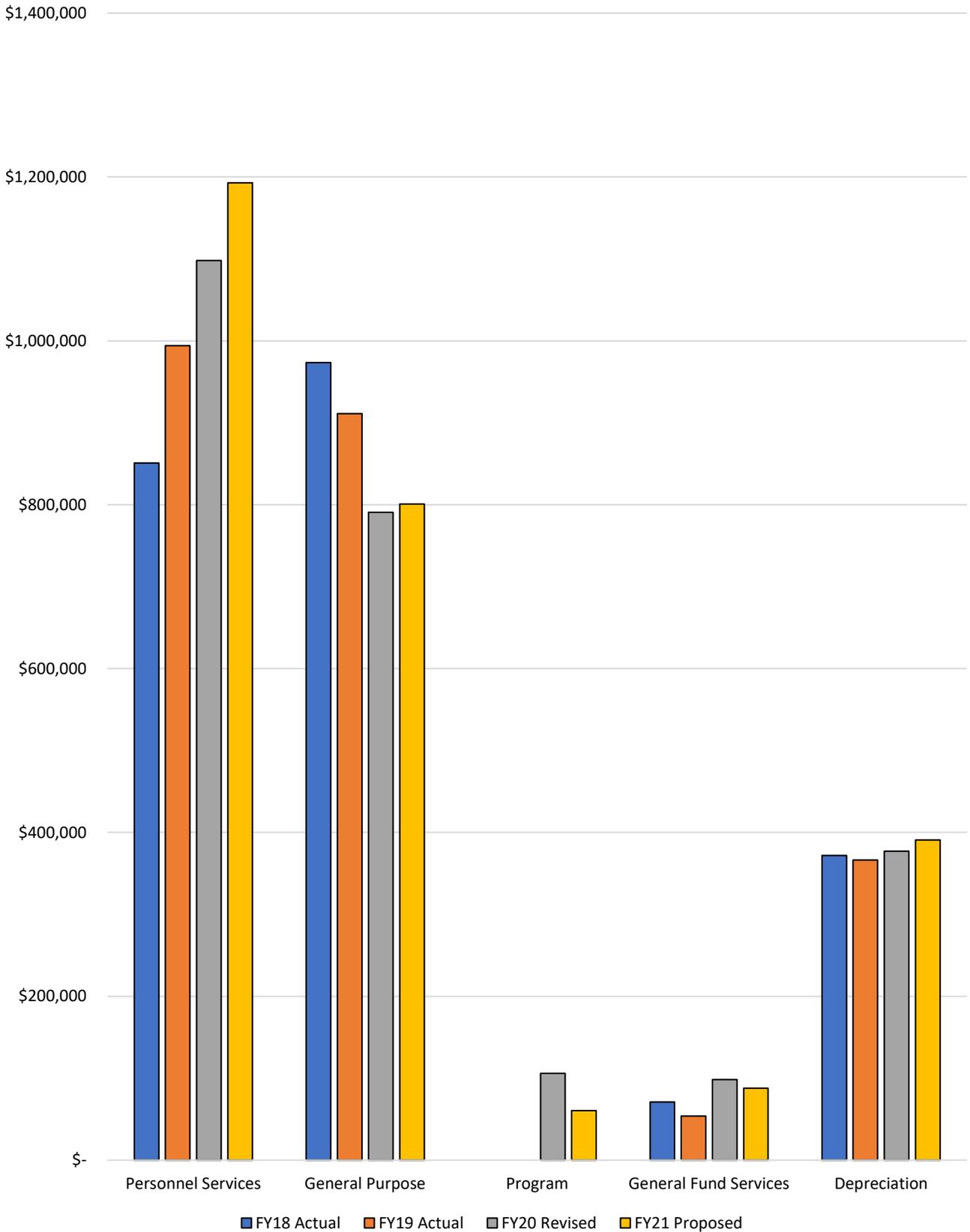
Operating Expenditures are proposed to be \$2,543,073. Driving factors include \$25,000 in increased personnel cost due to minimum wage increases, \$87,711 in General Fund transfers, and \$401,182 in depreciation costs.

OPERATING EXPENSES (\$)

	FY18 Actual	FY19 Actual	FY20 Revised	FY21 Proposed
<u>Personnel Services</u>				
Personnel Expenses	\$ 1,006,064	\$ 1,033,747	\$ 1,097,906	\$ 1,192,976
Accrued Employee Benefits	-	-	-	-
Audit Adjustment	(84,106)	14,186	-	-
Subtotal	\$ 921,958	\$ 1,047,933	\$ 1,097,906	\$ 1,192,976
<u>General Purpose</u>				
Facilities and Maintenance	32,459	58,979	36,213	37,800
Purchased Services	710,112	695,297	692,974	712,606
Supplies and Materials	79,475	29,398	33,200	26,500
Other Expenses	14,212	18,498	28,384	23,899
Audit Adjustment	63,400	(14,568)	-	-
Subtotal	899,658	787,603	790,771	800,805
<u>Program</u>				
Group Exercise Expenses	2,672	-	1,700	1,700
Aquatic Safety Management Expenses	-	22,880	64,333	37,500
Aquatic Programs Expenses	-	7,999	7,000	7,000
Fitness Management Expenses	-	8,322	32,333	14,000
Personal Trainer Expenses	-	401	600	200
Subtotal	\$ 2,672	\$ 39,602	\$ 105,966	\$ 60,400
<u>General Fund Services</u>				
Town Manager	11,138	11,792	10,823	-
Human Resources	24,923	28,964	29,518	22,846
Facilities Managent	-	-	16,702	17,250
Finance Administration	10,730	11,609	12,034	12,149
Treasury	20,374	20,457	19,893	19,162
Accounting	10,809	11,252	12,003	12,127
Recreation Administration	10,033	-	-	-
Salary Adjustment	-	-	-	4,177
Subtotal	\$ 71,038	\$ 84,074	\$ 100,973	\$ 87,711
<u>Depreciation Expense</u>				
Depreciation Expense	371,776	366,434	381,861	401,182
Subtotal	\$ 371,776	\$ 366,434	\$ 381,861	\$ 401,182
Total Operating Expense	\$ 2,267,102	\$ 2,325,647	\$ 2,477,477	\$ 2,543,073

Swim & Fitness Fund – Expenditures

Beede Swim & Fitness Center Operating Expenditures



Swim & Fitness Fund – Expenditures

Personnel Services

AUTHORIZED POSITIONS (\$)

	FY20 Revised		FY21 Proposed	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
5111				
General Manager	1.00	\$ 94,500	1.00	\$ 96,863
Assistant to the General Manager	1.00	70,770	1.00	72,539
Beede Program Manager	1.00	65,100	1.00	66,728
Senior Department Clerk	0.00	-	0.00	-
Member Services Manager	0.00	-	1.00	70,000
Membership Coordinator	1.00	61,951	1.00	63,500
Swim and Fitness Specialists	2.50	120,126	2.50	125,218
Head Lifeguard	1.00	50,733	1.00	53,484
Subtotal	7.50 FTEs	\$ 463,180	8.50 FTEs	\$ 548,331
5112				
Recreation Clerk	0.65	32,511	0.65	41,008
Fitness & Personal Trainer	0.75	31,269	0.75	31,998
Subtotal	1.40 FTEs	\$ 63,780	1.40 FTEs	\$ 73,006
5115				
Lifeguards	7067 hrs.	106,000	6333 hrs.	95,000
Receptionists	5980 hrs.	83,720	5357 hrs.	75,000
Group Exercise	1444 hrs.	65,000	1444 hrs.	65,000
Fitness Trainers	3428 hrs.	80,500	3428 hrs.	99,375
Swim Programming	5000 hrs.	100,000	5000 hrs.	100,000
Subtotal	10.98 FTEs	\$ 435,220	10.33 FTEs	\$ 434,375
Employee Benefits				
Health Insurance	N/A	33,465	N/A	35,414
Life Insurance	N/A	-	N/A	104
Dental Insurance	N/A	-	N/A	2,358
OPEB	N/A	-	N/A	-
Retirement Contribution	N/A	66,053	N/A	65,134
Subtotal	N/A	\$ 99,518	N/A	\$ 103,010
Payroll Taxes				
Medicare Tax	N/A	12,196	N/A	12,562
Social Security Contribution	N/A	19,313	N/A	19,892
Subtotal	N/A	\$ 31,509	N/A	\$ 32,454
Other Personnel Costs				
Overtime	N/A	4,700	N/A	1,800
Unemployment Compensation	N/A	-	N/A	-
Car Allowance	N/A	-	N/A	-
Salary Reserve	N/A	-	N/A	-
Subtotal	N/A	\$ 4,700	N/A	\$ 1,800
Total Personnel Costs	19.88 FTEs	\$ 1,097,906	20.23 FTEs	\$ 1,192,976

Swim & Fitness Fund – Expenditures

Capital (Capital Outlay and Debt-Funded)

Facility Highlights

The Beede Center opened its doors on April 18th, 2006. It has now been in operation for almost fifteen years. Original construction costs were about \$11 million and included:

- Two 1,600-square-foot fitness rooms (one for weight training and one for cardiovascular exercise);
- an 8-lane lap pool;
- a therapy pool;
- a children’s pool;
- a diving well;
- pool-side spectator seating;
- men’s and women’s locker/shower rooms;
- family changing rooms; and
- staff office space.

Capital Highlights

Primary Facility: The Beede Center is proposing to fund \$20,000 for building related improvement projects and \$10,000 for miscellaneous projects and equipment.

Pool Facility: The Beede Center is proposing to fund \$35,000 for miscellaneous improvement projects and equipment related to pool deck spaces.

Beede Equipment: The Beede Center is proposing to fund \$45,000 of Fitness Equipment for the replacement of stationary bikes.

Swim & Fitness Fund – Expenditures

Beede Swim and Fitness Center Capital Program

	FY18 Actual	FY19 Actual	FY20 Revised	FY21 Proposed	FY22	FY23	FY24	FY25	Total FY21-25
Primary Facility									
Building Improvements	19,956	26,542	40,000	20,000	20,000	20,000	20,000	20,000	100,000
Fitness Rooms Flooring	-	-	-	-	-	-	-	-	-
Dehumidification	-	-	-	-	-	-	-	-	-
VFD Motors	-	-	-	-	-	-	-	-	-
Roof Top HVAC Units	-	-	225,000	-	-	-	-	-	-
Sound System	-	-	-	-	-	-	-	-	-
Parking System	-	-	-	-	-	-	10,000	-	10,000
Parking Lighting	-	-	-	-	-	-	-	-	-
Parking Lot Replacemen	-	-	-	-	-	-	300,000	-	300,000
FCR Doors & Frames	-	-	-	-	-	-	-	-	-
Misc. Equipment	-	21,172	-	10,000	10,000	10,000	10,000	20,000	60,000
Subtotal	\$ 19,956	\$ 47,714	\$ 265,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 340,000	\$ 40,000	\$ 470,000
Pool Facility									
Deck Repairs	-	-	-	-	10,000	-	-	-	10,000
Pool Filters	-	3,903	-	-	-	-	-	-	-
Diving Stands	-	-	-	-	-	-	-	-	-
Diving Boards	-	-	-	-	-	7,000	-	-	7,000
Lap Pool Connectors	-	-	-	-	-	-	-	-	-
Misc. Equipment	12,503	11,265	20,000	35,000	10,000	8,000	10,000	10,000	73,000
Subtotal	\$ 12,503	\$ 15,168	\$ 20,000	\$ 35,000	\$ 20,000	\$ 15,000	\$ 10,000	\$ 10,000	\$ 90,000
Beede Equipment									
Sidewalk Plow	-	-	-	-	-	-	-	-	-
Fitness Equipment I (treadmills)	-	-	-	-	-	-	60,000	-	60,000
Fitness Equipment II (Elipticals)	-	-	40,000	-	-	55,000	-	-	55,000
Fitness Equipment III (Strength Machines)	-	-	-	-	60,000	-	-	-	60,000
Fitness Equipment IV (Stationary Bikes)	-	-	-	45,000	-	-	-	-	45,000
Fitness Equipment V (Miscellaneous)	-	-	-	-	-	10,000	-	60,000	70,000
Audit Adjustment	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ 40,000	\$ 45,000	\$ 60,000	\$ 65,000	\$ 60,000	\$ 60,000	\$ 290,000
Total Capital	\$ 32,459	\$ 62,882	\$ 325,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 410,000	\$ 110,000	\$ 850,000

Beede Capital Funding	FY18 Actual	FY19 Actual	FY20	FY21	FY22	FY23	FY24	FY25	Total FY21-
Capital Appropriation	32,459	62,882	100,000	110,000	110,000	110,000	410,000	110,000	850,000
Sawyer Trust/Beede	-	-	170,000	-	-	-	-	-	-
Article 21 ATM 18	-	-	55,000	-	-	-	-	-	-
Total Capital Funding	\$ 32,459	\$ 62,882	\$ 325,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 410,000	\$ 110,000	\$ 850,000

Swim & Fitness Fund – Expenditures

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Recreation Fund

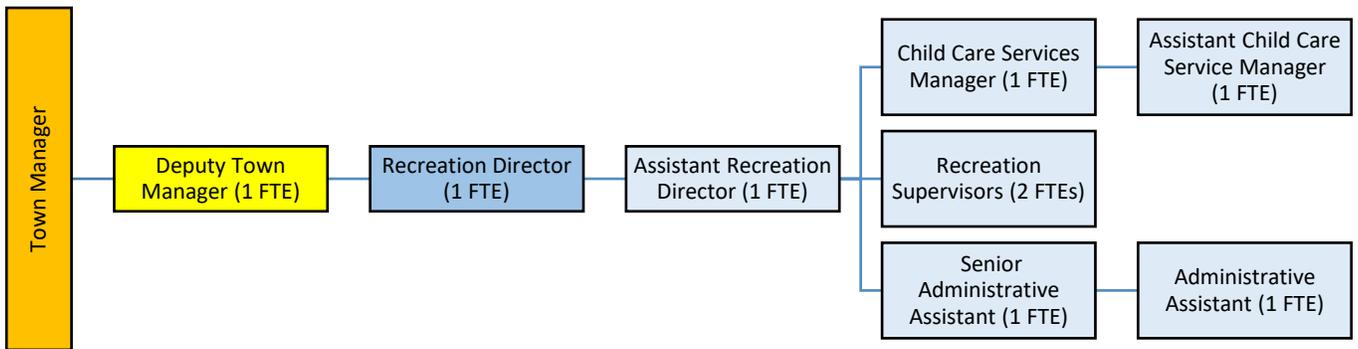
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Recreation Fund

Mission Statement

Supporting and promoting community through wellness and play.

Organizational Chart



Recreation Fund

Overview

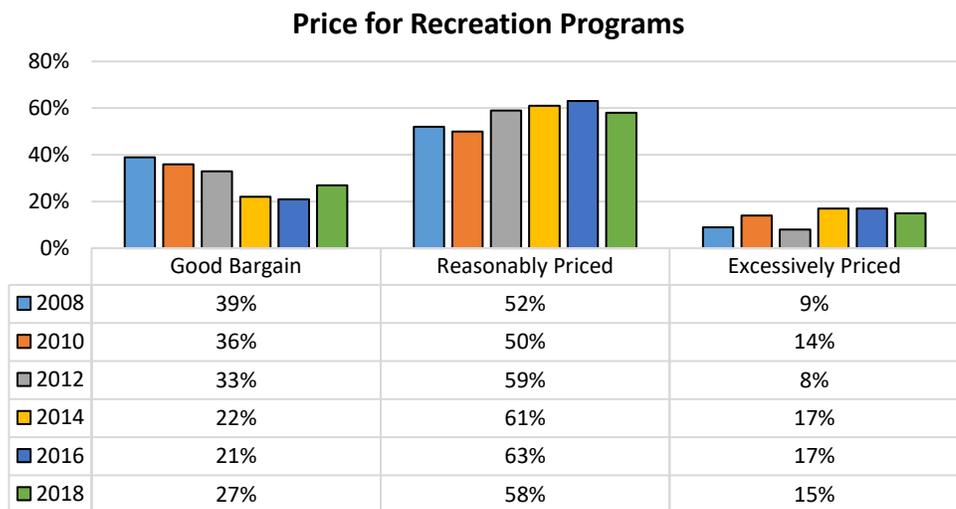
For decades now, Concord Recreation has served as a catalyst for strengthening our community. From youth sports to adult fitness, the Recreation Department has worked hard to assure that all residents have access to quality recreation and leisure services, while utilizing limited tax funding. The Department is in the process of growing program offerings and improving facilities. In the past year, the Department has expanded and is now responsible for the operation of the White Pond beach in addition to offering new programs and special events including Jazz Fest, Bike Fest, and specialty camp programs. Recreation Department staff are spread out amongst our three primary facilities: the Hunt Recreation Center at Emerson Park, the Beede Swim and Fitness Center adjacent to the Concord-Carlisle High School, and the Harvey Wheeler Community Center which is home to the Concord Carousel Preschool located in West Concord. The Recreation Department works closely with the Recreation Commission, a volunteer advisory board comprised of five Concord Residents, to continually evaluate the needs of the community. Concord Recreation is a self-supporting operation that continues to meet the needs of the community by delivering the highest quality customer-focused programs, events and services. Programs run year round, seven days a week at Hunt Recreation Center, Emerson Playground, Harvey Wheeler Community center, 55 Church Street, and the Ripley Gymnasium.

Accomplishments

- ☑ Upgraded management software to improve resident experience and record management capacity.
- ☑ Successfully managed and operated White Pond for 625 beach members.
- ☑ Hired the Town’s first Visitor Center and Tourism Manager to support goals in Envision Concord 2030.
- ☑ Added additional supervisory staff to support weekend hours and operations.
- ☑ Allocated \$145,000 in financial assistance to Concord Residents that qualified.
- ☑ Formed a new relationship with Concord Elementary School PTG groups to oversee before and after school Recreation programs.
- ☑ Installed a new outdoor fitness circuit at Rideout Park in West Concord.

Performance

In the fall of 2006, 2008, 2010, and 2012, the Town conducted a telephone survey of 375 randomly selected Concord residents. In the fall of 2014 (FY15), 2016 (FY16), and 2018 (FY19), the Town used a survey methodology that was sent out to all Concord households. Of the 486 respondents (out of 1,254 surveyed)



who expressed an opinion on the question regarding the price of Recreation Programs (such as after school programs and summer camp), 85% think these programs are a “Good Bargain” or “Reasonably Priced”.

Recreation Fund

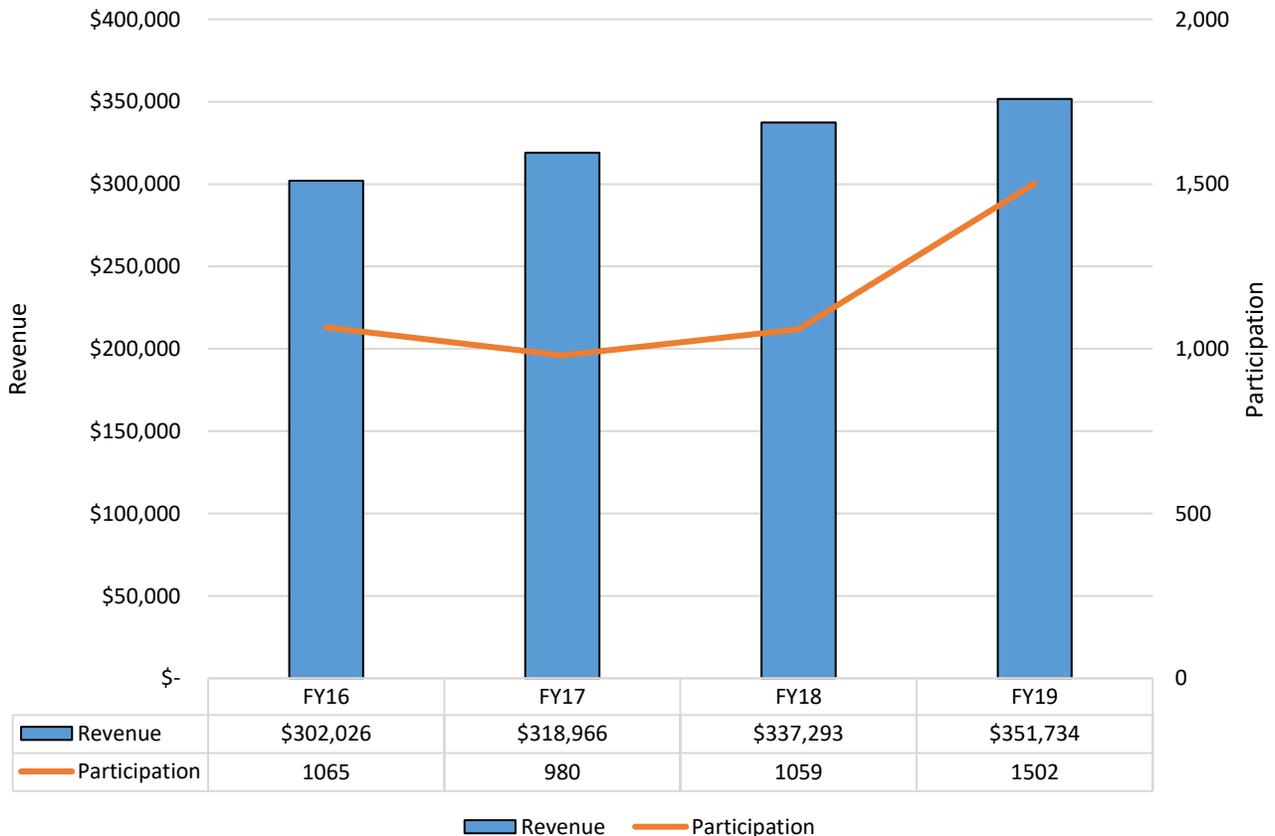
Summer Programs

Concord Recreation offers something for everyone with our wide variety of camps, clinics, and programs in the summer months. These programs include Camp Three Rivers full and half-day camps, Trekkers Teen Travel Camp, Kaleidoscope Kids Preschool Program, Camp Three Rivers Inclusion Program, extended day options, and specialty camps.

Summer Camp Program Highlights

	FY17		FY18		FY19	
	Participation	Revenue	Participation	Revenue	Participation	Revenue
Day Camps	980	\$ 318,966	1,059	\$ 337,293	1,502	\$ 351,734
Preschool Adventures & KA	97	24,383	129	29,626	99	22,155
Workreation	148	26,054	100	24,443	51	13,434
Threater Camps	67	20,906	63	20,745	74	25,090
Post Camp	30	15,861	40	14,216	48	18,225
Minuteman Road Race	210	3,555	196	4,010	230	4,215
	1,532	\$ 409,725	1,587	\$ 430,333	2,004	\$ 434,853

Camp Three Rivers (Day Camps)



Recreation Fund

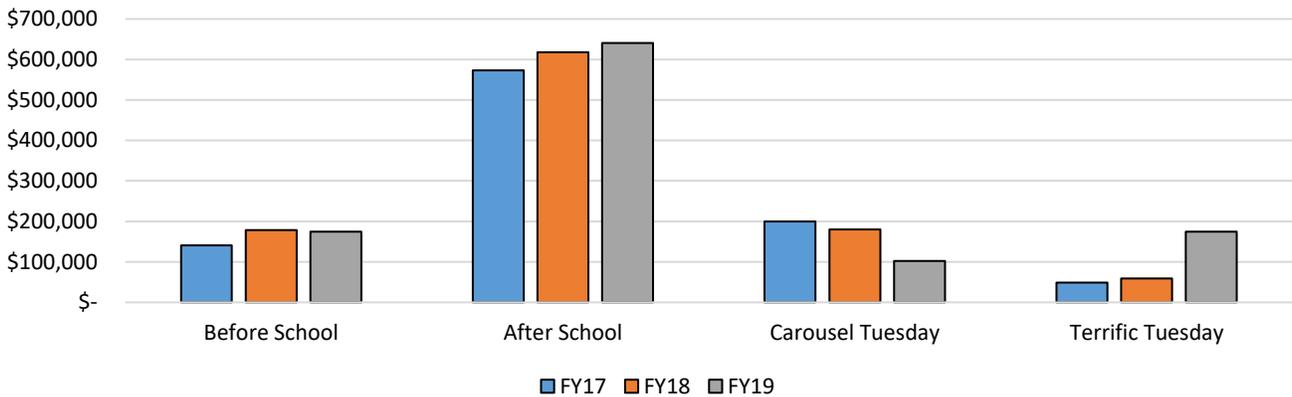
School Year Programs

The Department's Before school, Afterschool, and Terrific Tuesday programs continue to meet the needs of families seeking an out of school time program for their children that is an enriching and social experience. The daily schedule at all sites includes time for supervised indoor and outdoor play, special events, and homework, along with science, arts and crafts and cooking projects, clubs that meet once a week, and field trips throughout the year.

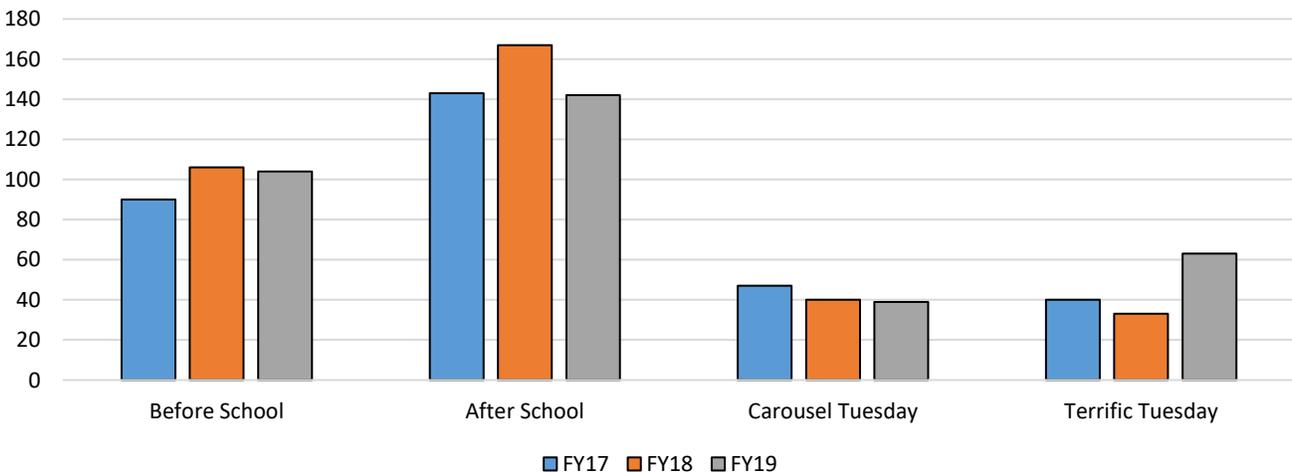
Summer Camp Program Highlights

	FY17		FY18		FY19	
	Participation	Revenue	Participation	Revenue	Participation	Revenue
Before School	90	\$ 140,583	106	\$ 178,780	104	\$ 174,744
After School	143	573,173	167	617,740	142	640,685
Carousel Preschool	47	199,737	40	180,439	39	102,536
Terrific Tuesday	40	48,936	33	58,640	63	174,817
	320	\$ 962,429	346	\$ 1,035,599	348	\$ 1,092,782

School Year Program Revenues



School Year Program Participation



Recreation Fund

FY21 Goals

- ❑ Continue to cultivate a strong sense of community by offering programs and events for Concord residents that encourage recreation, socialization, and leisure education.
- ❑ Maintain a close relationship with the Town’s Human Services team to assure that we are providing programs, services, and supports that lead towards “optimal social, emotional health and well-being for all Concord children and families”.
- ❑ Develop best practices for integrating adaptive recreation and community inclusion programs within already existing Concord Recreation programs, classes, and teams.
- ❑ Work with other town and private entities to explore the use of under-utilized yet programmable space.
- ❑ Develop a funding strategy to support Department needs beyond scheduled budgets to enhance scholarship availability, facility improvements, and program enrichments.
- ❑ Explore the development of events and services at the Visitor Center to meet the needs of Concord residents and tourists as expressed in the Envision Concord 2020 plan.

Long-Term Plans

- ⇒ Develop a department wide marketing plan to better reach target markets, locally, and otherwise.
- ⇒ Explore ways in which the Department can utilize Concord’s previously established outdoor recreation opportunities that include a vast amount trails, rivers, and parks.
- ⇒ Collaborate with field and facility user groups to evaluate space usage and scheduling.
- ⇒ Maximize relationships and opportunities with national parks, state parks, and local historical sights to better serve tourists, visitors, and residents.
- ⇒ Focus on enhancing park and open spaces as recommended in the 2014 Recreation Facilities Strategic Plan by increasing the number of public drinking fountains, benches, bike racks, and picnic pavilions.
- ⇒ Evaluate the Department’s ability to meet the recreation and leisure needs of all residents, especially those with disabilities.
- ⇒ Explore the possibility of installing lights on the Emerson Park outdoor basketball court.

Recreation Fund – Overview & Budget Highlights

FY21 Budget Highlights

Depending on the number of participants in each program, the revenues and expenditure attributed to the Recreation Fund varies from year to year. The goal of the Recreation revolving fund as a self-sustaining entity is to operate with a positive annual balance while keeping programs affordable. The Recreation Fund Balance is designed to be a safety net and to provide funding that can be allocated to building and program improvements efforts throughout the year.

Budget Highlights

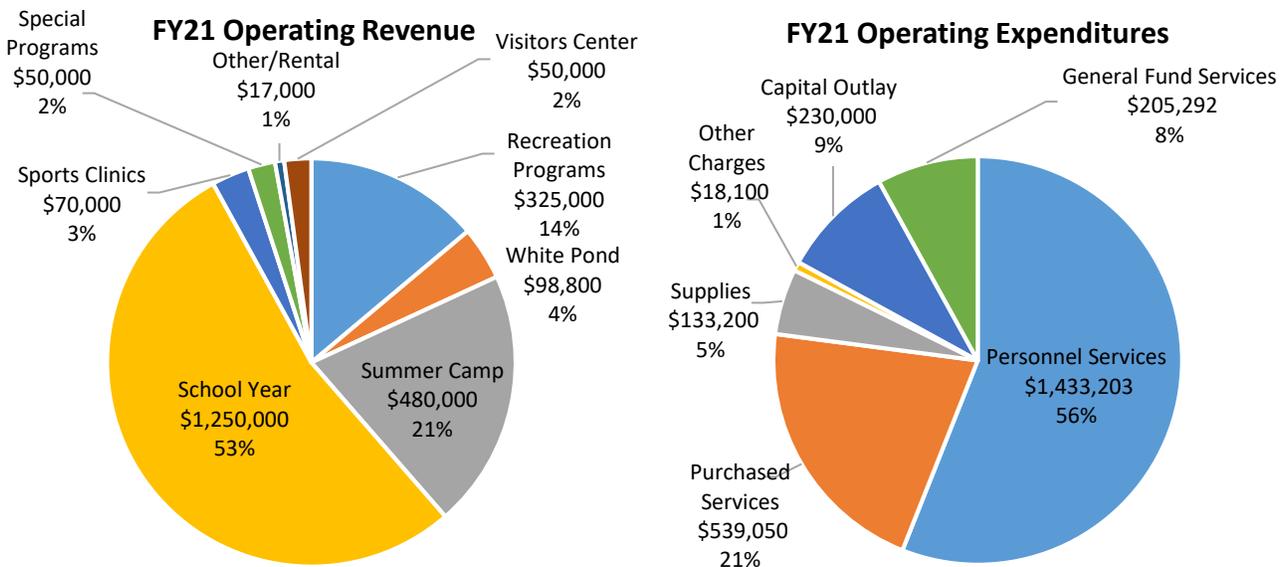
FY21 Projected Revenue	\$2,340,800
FY21 Projected Expenses	<u>(2,558,846)</u>
FY21 Projected Operating Income	\$(218,046)
FY21 Projected Net Income	\$(218,046)
FY21 Projected Recreation Fund Balance	\$755,839

Revenues and Expenditures Overview

Operating revenues are projected at \$2,340,800, which is a 10.9% increase from the FY20 budget. This is due to projected increases in program revenue. The General Fund will support the Recreation Department with \$118,882 for 100% of the salary of the Recreation Director. With operating expenditures projected at \$2,558,846, there will be a projected loss in operating income. This loss is in accordance with the request from the Town’s auditors who requested that the Town reduce the fund balance.

The largest expense seen within the Recreation Fund is that of Department staff. In FY21, the Department is projected to spend approximately \$1,433,203 on full-time, part-time, limited status and temporary status staff including benefits. These 100+ staff members include administration, camp counselors, lifeguards, before/after school staff, fitness instructors, etc. These individuals are the ones that deliver our programs and are continuously recognized as being vital to the success of the organization.

The FY21 Recreation Fund budget shows a projected loss of \$218,046. The projected loss in operating is accordance with the request from Auditors to reduce the fund balance. In doing so, the Department is focused on keeping program costs static or slightly increased while continuing to invest in resources for programs.



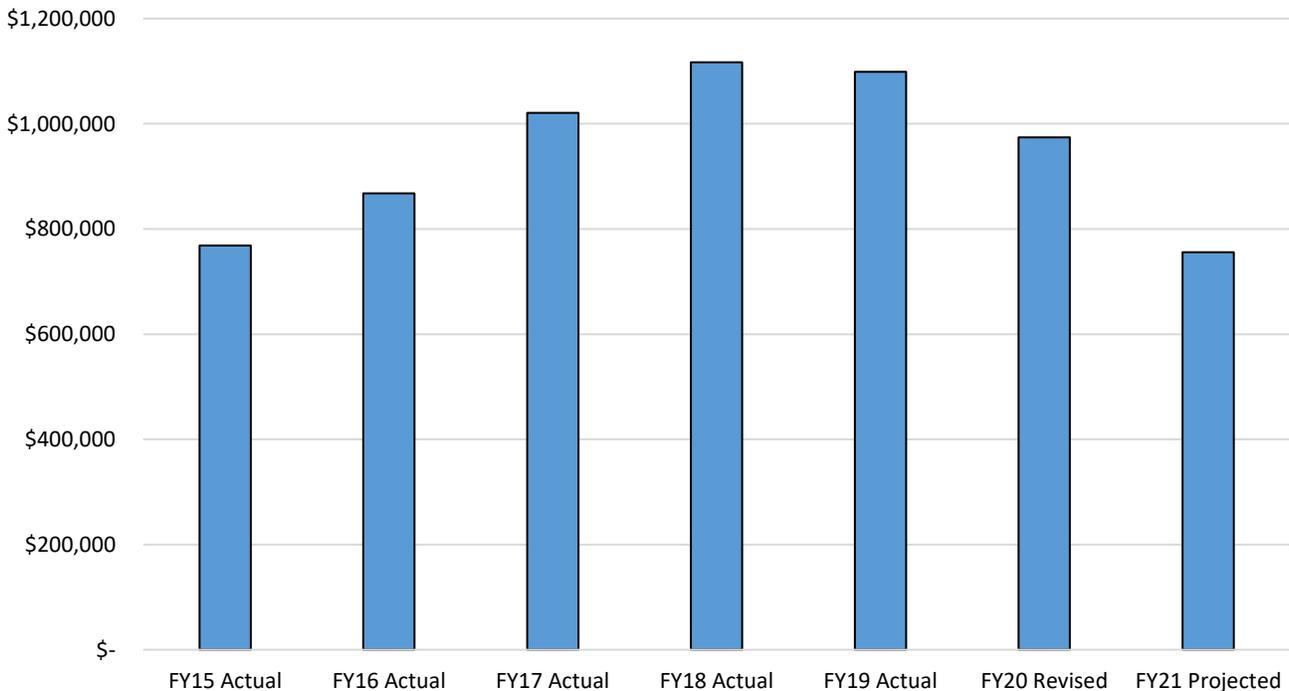
Recreation Fund – Net Income and Fund Balance

NET INCOME AND FUND BALANCE

	FY18 Actual	FY19 Actual	FY20 Revised	FY21 Proposed
Recreation				
Operating Revenues	\$ 1,954,349	\$ 2,191,500	\$ 2,111,000	\$ 2,340,800
Less Operating Expenses	(1,861,967)	(2,210,163)	(2,235,611)	(2,558,846)
Operating Income	\$ 92,382	\$ (18,663)	\$ (124,611)	\$ (218,046)
Senior Services Transportation				
Operating Revenues	\$ 25,796	\$ -	\$ -	\$ -
Less Operating Expenses	(21,473)	-	-	-
Operating Income	\$ 4,323	\$ -	\$ -	\$ -
Total Operating Income	\$ 96,707	\$ (18,663)	\$ (124,611)	\$ (218,046)
Fund Balance:				
Beginning Fund Balance	\$ 1,020,452	\$ 1,117,159	\$ 1,098,496	\$ 973,885
Net Income	96,707	(18,663)	(124,611)	(218,046)
Ending Fund Balance	\$ 1,117,159	\$ 1,098,496	\$ 973,885	\$ 755,839

Note: The Town's Auditors requested that the Town not carry such a large fund balance. Accordingly, the Recreation Department has looked at ways to use the fund balance to promote programs and other activities. In FY21, the Department is proposing an operating income amount of -\$218,046.

Recreation Historical Fund Balance



Recreation Fund – Net Income and Fund Balance

PROGRAM NET INCOME

	FY18		FY19		FY20		FY21	
	Actual		Actual		Revised		Proposed	
<u>Recreation Program</u>								
Operating Revenues	\$	303,434	\$	305,111	\$	310,000	\$	325,000
Less Operating Expenses		223,829		203,318		233,900		197,300
Operating Income	\$	79,605	\$	101,793	\$	76,100	\$	127,700
<u>White Pond</u>								
Operating Revenues	\$	-	\$	120,740	\$	80,000	\$	98,800
Less Operating Expenses		-		84,740		93,700		81,350
Operating Income	\$	-	\$	36,000	\$	(13,700)	\$	17,450
<u>Summer Camp</u>								
Operating Revenues	\$	404,357	\$	435,683	\$	417,000	\$	480,000
Less Operating Expenses		268,801		372,233		337,450		418,600
Operating Income	\$	135,557	\$	63,450	\$	79,550	\$	61,400
<u>School Year</u>								
Operating Revenues	\$	1,085,985	\$	1,168,481	\$	1,125,000	\$	1,250,000
Less Operating Expenses		294,243		336,372		337,600		347,800
Operating Income	\$	791,742	\$	832,109	\$	787,400	\$	902,200
<u>Sports Clinics</u>								
Operating Revenues	\$	80,455	\$	66,554	\$	85,000	\$	70,000
Less Operating Expenses		40,018		39,670		52,400		38,500
Operating Income	\$	40,437	\$	26,884	\$	32,600	\$	31,500
<u>Special Programs</u>								
Operating Revenues	\$	41,128	\$	60,610	\$	45,000	\$	50,000
Less Operating Expenses		64,624		78,598		61,900		62,000
Operating Income	\$	(23,497)	\$	(17,988)	\$	(16,900)	\$	(12,000)
<u>Visitors Center</u>								
Operating Revenues	\$	22,687	\$	19,630	\$	27,000	\$	50,000
Less Operating Expenses		29,839		24,341		15,300		106,750
Operating Income	\$	(7,151)	\$	(4,712)	\$	11,700	\$	(56,750)
Program Net Income	\$	1,016,693	\$	1,037,536	\$	956,750	\$	1,071,500
<u>General Recreation & Other Programs</u>								
Operating Revenues	\$	42,098	\$	14,691	\$	22,000	\$	17,000
Less Operating Expenses		962,086		1,070,890		1,103,361		1,306,546
Operating Income	\$	(919,987)	\$	(1,056,199)	\$	(1,081,361)	\$	(1,289,546)
Net Income	\$	96,707	\$	(18,663)	\$	(124,611)	\$	(218,046)

Recreation Fund – Revenues

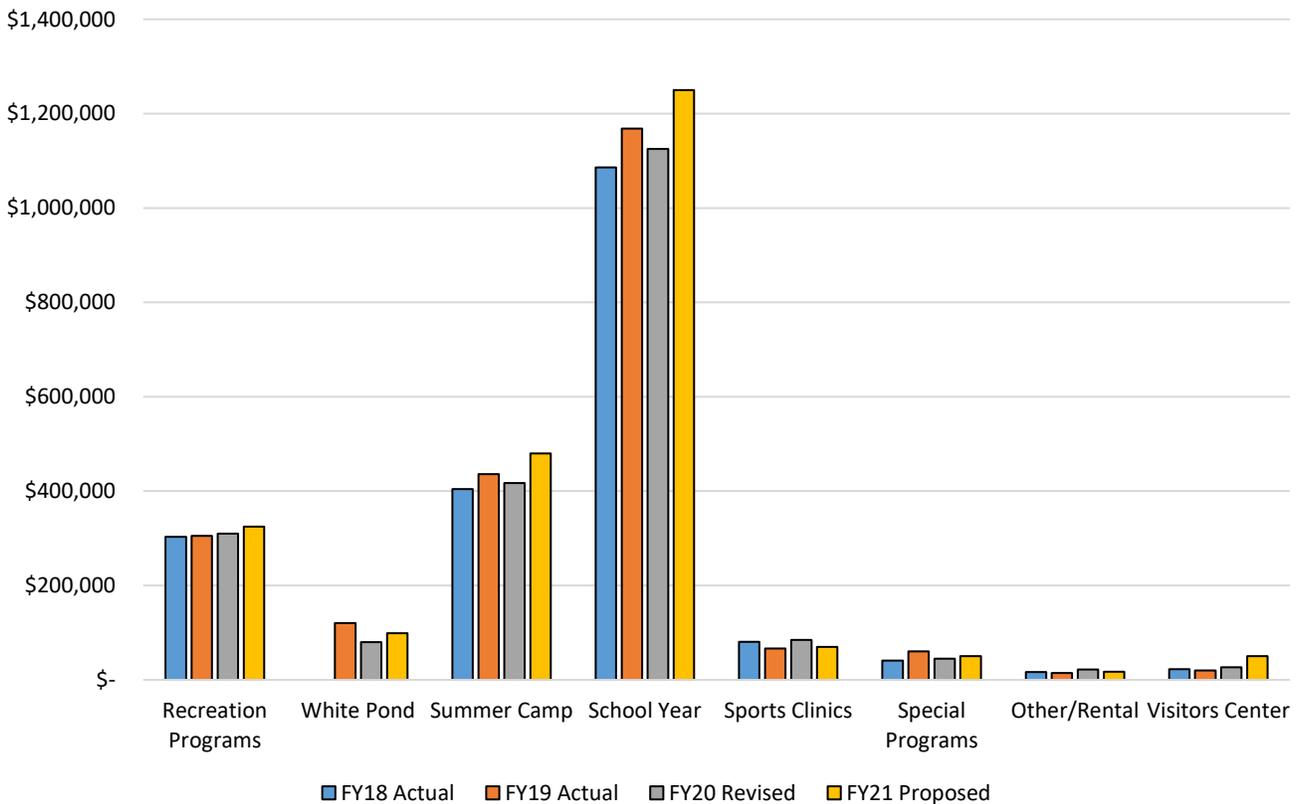
Operating Revenues

Almost all of the Recreation Department’s programs and services operate on a user fee basis. These user fees generate the department revenues that are used to fund daily operations, which includes staff, equipment, in-kind financial assistance, and more.

OPERATING REVENUES

	FY18 Actual	FY19 Actual	FY20 Revised	FY21 Proposed
Recreation Programs	303,434	305,111	310,000	325,000
White Pond	-	120,740	80,000	98,800
Summer Camp	404,357	435,683	417,000	480,000
School Year	1,085,985	1,168,481	1,125,000	1,250,000
Sports Clinics	80,455	66,554	85,000	70,000
Special Programs	41,128	60,610	45,000	50,000
Other/Rental	16,303	14,691	22,000	17,000
Visitors Center	22,687	19,630	27,000	50,000
Subtotal	\$ 1,954,349	\$ 2,191,500	\$ 2,111,000	\$ 2,340,800
Operating Revenues Total	\$ 1,954,349	\$ 2,191,500	\$ 2,111,000	\$ 2,340,800

Recreation Operating Revenues



Recreation Fund – Expenditures

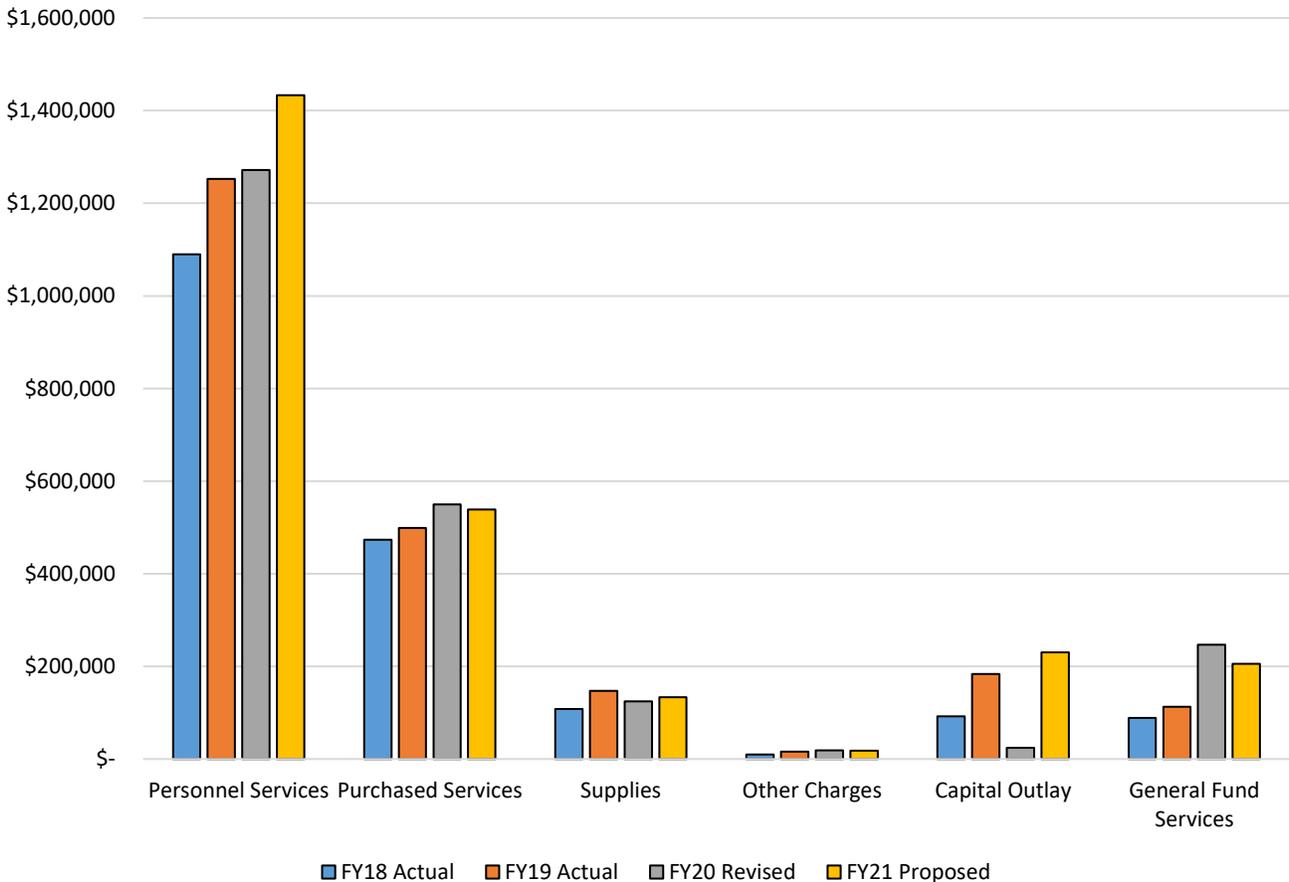
Operating Expenditures

Concord Recreation continues to monitor expenses closely to assure cost effective programs and events. The largest expense continues to be in Personnel Services. This category includes an invaluable group of 100+ part-time and full-time individuals who deliver high quality, customer focused programs, events, classes, and clinics.

OPERATING EXPENSES

	FY18	FY19	FY20	FY21
	Actual	Actual	Revised	Proposed
Personnel Services	\$ 1,089,846	\$ 1,252,817	\$ 1,271,721	\$ 1,433,203
Purchased Services	473,314	498,641	550,000	539,050
Supplies	107,732	147,090	124,500	133,200
Other Charges	9,705	15,659	18,600	18,100
Capital Outlay	92,306	183,265	24,000	230,000
General Fund Services	89,064	112,691	246,790	205,292
Subtotal	\$ 1,861,967	\$ 2,210,163	\$ 2,235,611	\$ 2,558,846
Total Expenses	\$ 1,861,967	\$ 2,210,163	\$ 2,235,611	\$ 2,558,846

Recreation Operating Expenditures



Recreation Fund – Expenditures

Personnel Services

PERSONNEL DETAIL

		FY20 Revised		FY21 Proposed	
		Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
Recreation Staff					
5111	Recreation Director	0.00	\$ -	0.00	\$ -
	Asst. Recreation Director	1.00	91,366	1.00	95,934
	Events & Program Manager	1.00	70,999	0.00	-
	Recreation Supervisor	1.00	69,171	2.00	142,878
	Childcare Services Manager	1.00	95,263	1.00	100,026
	Asst. Childcare Services Manager	1.00	68,096	1.00	71,501
	Sr. Administrative Assistant	1.00	76,055	1.00	79,858
	Administrative Assistant	1.00	54,745	1.00	57,482
	Recreation Clerk	0.00	-	0.50	22,185
	Subtotal	7.00 FTEs	\$ 525,695	7.50 FTEs	\$ 569,864
5115	Limited Status				
	Recreation	1000 hrs.	\$ 15,000	1667 hrs.	\$ 25,000
	White Pond	4000 hrs.	65,000	4000 hrs.	65,000
	55 Church Street	0 hrs.	-	0 hrs.	-
	General Recreation Programs	267 hrs.	4,000	267 hrs.	4,000
	Summer Camp	0 hrs.	-	0 hrs.	-
	School Year	0 hrs.	-	0 hrs.	-
	Fitness	0 hrs.	-	0 hrs.	-
	Sports Clinics	133 hrs.	2,000	0 hrs.	-
	Special Programs	0 hrs.	-	0 hrs.	-
	Subtotal	5400 hrs.	\$ 86,000	5933 hrs.	\$ 94,000
5120	Temporary Status				
	Recreation Programs	200 hrs.	\$ 3,000	167 hrs.	\$ 2,500
	General Recreation Programs	1167 hrs.	35,000	1167 hrs.	35,000
	Summer Camp	11111 hrs.	200,000	14722 hrs.	265,000
	School Year	15556 hrs.	280,000	16389 hrs.	295,000
	Fitness	0 hrs.	-	0 hrs.	-
	Sports Clinics	250 hrs.	5,000	350 hrs.	7,000
	Special Programs	100 hrs.	1,500	67 hrs.	1,000
	Visitors Center	0 hrs.	-	3168 hrs.	57,000
	Subtotal	28384 hrs.	\$ 524,500	36029 hrs.	\$ 662,500

Recreation Fund – Expenditures

PERSONNEL DETAIL (Continued)

5130	Overtime					
	Recreation	N/A	\$	8,000	N/A	\$ 8,000
	General Recreation Programs	N/A		6,500	N/A	-
	Summer Camp	N/A		2,000	N/A	5,000
	School Year	N/A		-	N/A	-
	Fitness	N/A		-	N/A	-
	Sports Clinics	N/A		-	N/A	-
	Special Programs	N/A		-	N/A	-
	Visitors Center	N/A		-	N/A	-
	Subtotal		\$	16,500		\$ 13,000
	Benefits					
5158	Cell Phone Allowance	N/A	\$	600	N/A	\$ 800
5160	Incentive Pay	N/A		31,000	N/A	18,000
5172	Unemployment Comp.	N/A		-	N/A	-
5173	Life Insurance	N/A		-	N/A	265
5174	Health Insurance	N/A		41,001	N/A	22,298
5176	Health Reimbursement	N/A		-	N/A	-
5177	Dental Insurance	N/A		-	N/A	4,659
5178	Medicare Tax	N/A		13,236	N/A	13,633
5180	Social Security	N/A		33,189	N/A	34,184
	Subtotal		\$	119,026		\$ 93,839
	Total	23.18 FTEs	\$	1,271,721	27.60 FTEs	\$ 1,433,203

Recreation Fund – Expenditures

General Fund Services

The Recreation Fund for the use services and support of General Fund programs contributes a set portion of funding each year to support personnel and non-personnel expenditures of certain accounts.

PAYMENTS TO THE GENERAL FUND

	FY18 Actual	FY19 Actual	FY20 Revised	FY21 Proposed
Recreation Services	\$ 15,050	\$ -	\$ -	-
Hunt Gym	21,200	21,997	17,829	9,420
Town Manager	24,104	24,134	28,808	17,519
Human Resources	13,709	16,095	22,309	22,608
Facilities Administration	-	-	-	32,556
55 Church Street	-	33,634	45,666	40,862
Visitors Center	-	-	79,500	-
Economic Vitality & Tourims	-	-	-	66,000
Parks & Playgrounds	-	-	29,922	16,327
Parks and Trees	15,000	15,000	15,000	-
Total	\$ 89,063	\$ 110,860	\$ 239,034	\$ 205,292

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Minuteman Media Network

Minuteman Media Network

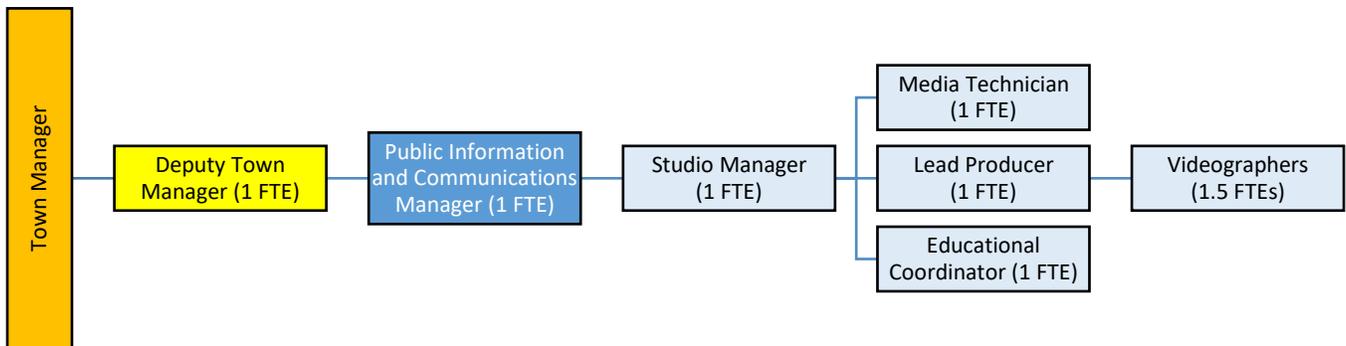
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Minuteman Media Network

Mission Statement

The mission of Minuteman Media Network (MMN) is to enable the residents of Concord to learn, listen and communicate through television and web-based media services. As an integral service in the community, MMN endeavors to manage and improve upon its electronic forum in order to encourage the free exchange of information and ideas of our citizenry.

Organizational Chart



Minuteman Media Network

Overview

Pursuant to Section 611 of the Federal Communications Act, local franchising authorities, such as Concord, are able to require certain cable operators, such as Comcast, to set aside channels for public, educational, or governmental ("PEG") use by and through the community.

- **Public** access channels are available for use by the general public for a variety of shows, ideas, programs and documentaries.
- **Educational** access channels are used by educational entities for programming related to schools and school-sponsored activities.
- **Governmental** access channels are used for programming by local government and are used as an educational tool for the community to learn about what their civic and community leaders are doing.

In October of 2018, the Town assumed responsibility for the services and operations of the PEG Services Division from Concord-Carlisle Television, Inc. (CCTV). PEG Services in Concord are operated by Minuteman Media Network (MMN) and are overseen by the Public Information Division, which is managed by the Public Information and Communications Manager and overseen by the Deputy Town Manager.

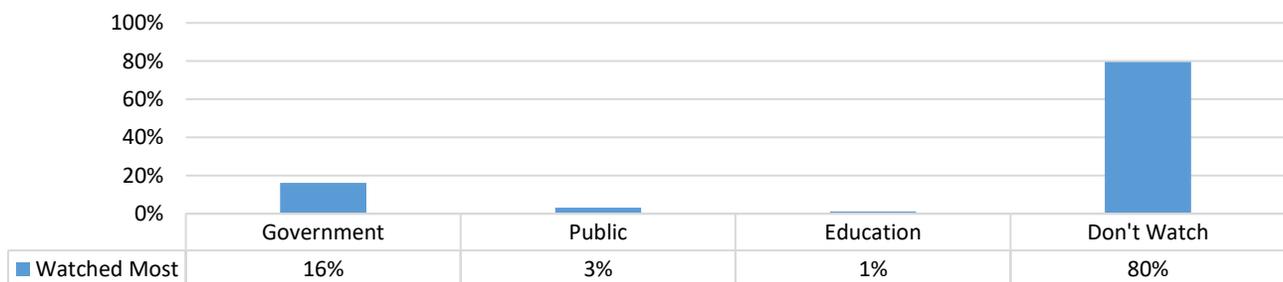
Accomplishments

- ☑ Over the past year, MMN has increased the number of programs created and shown on our various channels including increasing the number of government meetings, which are regularly covered.
- ☑ Minuteman Media Network is fully staffed with four full-time staff and several part-time staff.
- ☑ Implemented a virtual bulletin board that fills space between other programs with relevant notices, information about weather, traffic, news, and images of the towns.
- ☑ Information technology services were brought in-house through the Media Technician position that cares for and improves upon equipment and audio video systems throughout the town.

Performance

For the past decade, the Town has conducted a survey of randomly selected Concord residents to determine their feelings on various services. In 2018, the Town assumed responsibility and operations of PEG Access channels through the creation of a new organization, Minuteman Media Network, to broadcast programming. To gauge public interaction with programming, the most recent survey included a question asking "If you watch PEG Access channels, which PEG programming do you watch most?" Of those who watch programming, 16% engaged with "Government" programming while the majority of people "Don't Watch" any programming.

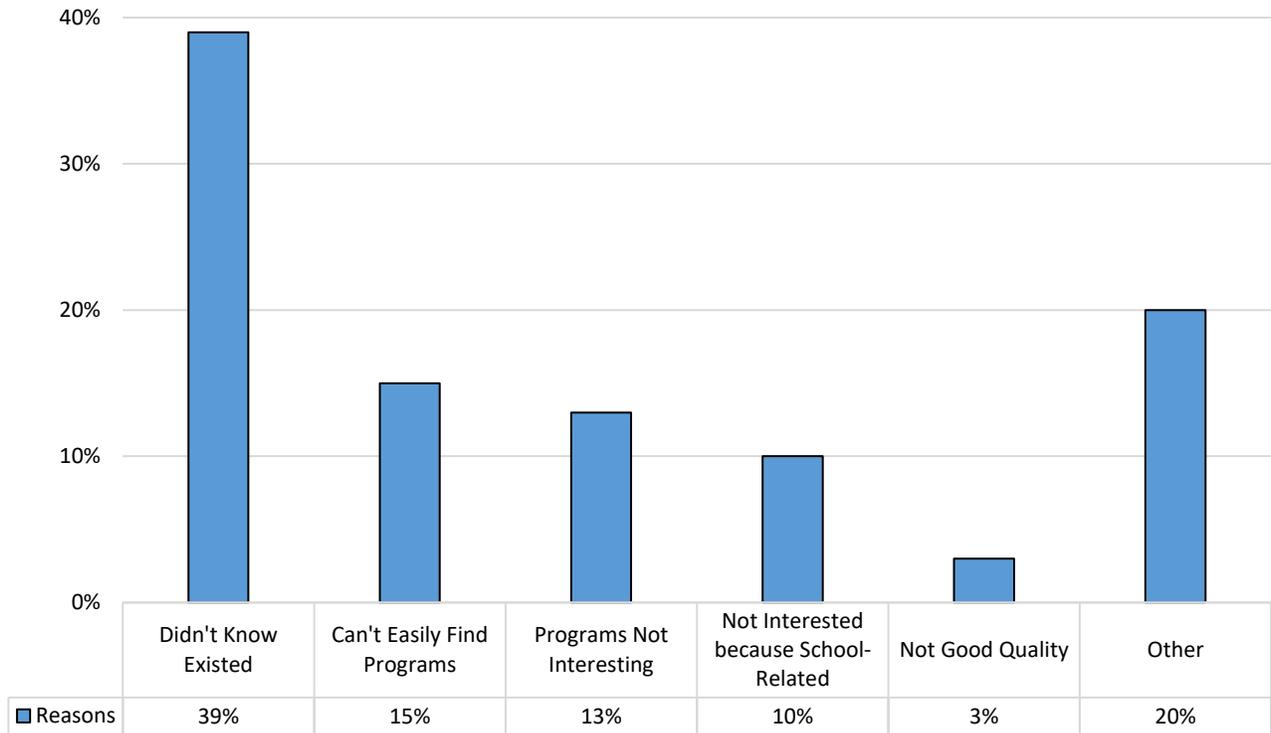
PEG Access Programming Watch Most



Minuteman Media Network

In addition, the survey also posed a question inquiring for those that do not watch PEG Access related programming. Of those that responded to the survey and didn't watch programming, 39% of respondents didn't know the channels existed.

Reasons for Not Watching PEG Access Channels



FY21 Goals

- To create a more systematic and comprehensive training procedure for new employees to bring them up to speed and confidence on all of our equipment when they begin.
- Increase community involvement with MMN including increasing public programming and training community members on equipment use.
- To create a more robust education program through our Education Coordinator position at MMN and the rest of the MMN staff.
- To be able to go live from all currently equipped locations without issue.
- Hold community classes to educate the public on film and how to create their own films for home use or broadcast.

Long-Term Plans

- ⇒ Grow public awareness of MMN programming and services.
- ⇒ Maintain a healthy fund balance to ensure continued MMN operations for public consumption.

Minuteman Media Network – Overview & Budget Highlights

FY21 Budget Highlights

In FY21, Operating Revenues are projected to total \$425,188 while proposed Operating Expenses are budgeted to total \$336,440. This results in a projected net income of \$88,748 and a projected fund balance of \$1,418,413 at the end of the fiscal year.

Budget Highlights

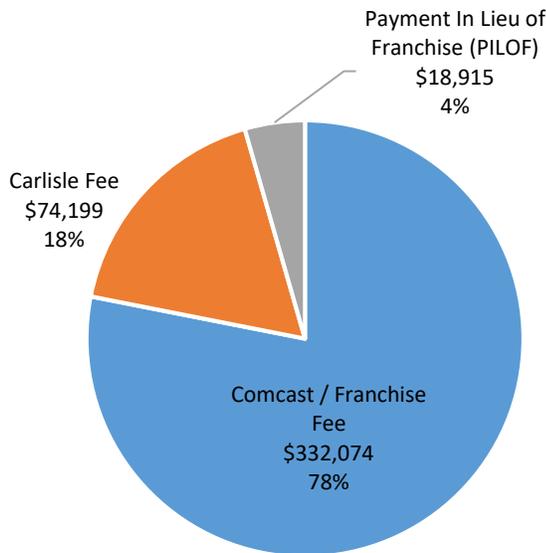
FY21 Projected Revenue	\$425,188
FY21 Projected Expenses	<u>(336,440)</u>
FY21 Projected Operating Income	\$88,748
FY21 Projected Net Income	\$88,748
FY21 Projected MMN Fund Balance	\$1,418,413

Revenues and Expenditures Overview

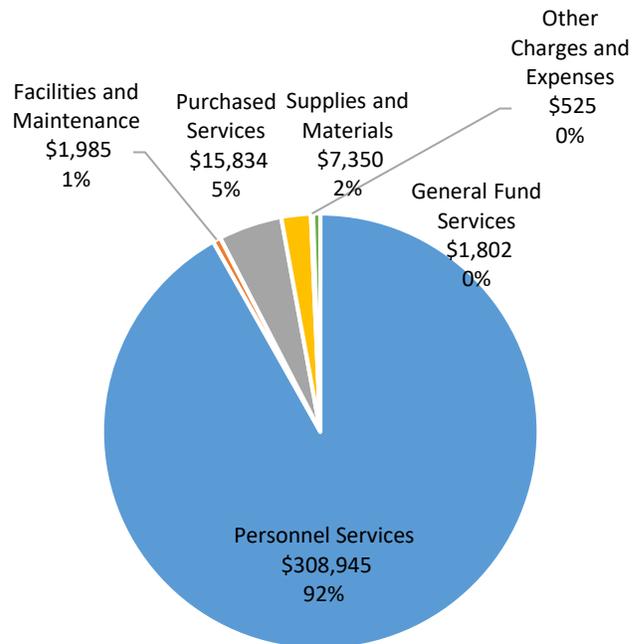
In FY21, operating revenues are projected to be \$425,188 and operating expenses to be \$336,440 resulting in a net income of \$88,748. Ninety-two percent of expenditures are for personnel services, which includes both full-time and part-time staff as well as their benefits.

The projected surplus in operating will allow continued support and improvement in the exchange of information and ideas through a variety of mediums.

FY21 Operating Revenue



FY21 Operating Expenditures



Minuteman Media Network – Key Initiatives

Key Initiatives

- Completing all new and updated personnel actions for MMN including finalizing all regular-status job descriptions and adopting a market-appropriate and streamlined compensation plan for full-time and part-time staff.
- Expanding MMN’s educational offerings with particular focus on the High School and Middle School student populations.
- Intensifying “P” offerings including enticing citizens to create and take part in new programming initiatives and developing a greater volunteer base.
- Finalize the new MMN website and historical digital database for former CCTV, Inc. recordings as well as current and future MMN programs.

Under the 1984 Cable Act, local franchising authorities, such as Concord, are able to require that cable operators, such as Comcast, Inc., set aside channels for public, educational, or governmental ("PEG") use. In addition, franchising authorities may require cable operators to provide services, facilities, and equipment for the use of these channels. Many cable systems include several PEG channels; Concord currently has three dedicated channels.

In general, cable operators are not permitted to control the content of programming on PEG channels. Cable operators may impose non-content-based requirements, such as minimum production standards, and may mandate equipment user training.

PEG channels are not mandated by federal law, rather they are a right given to the franchising authority, which it may choose to exercise. The decision whether to require the cable operator to carry PEG channels is up to the local franchising authority. If the franchise authority does require PEG channels, that requirement will be set out in the franchise agreement between the franchising authority and the cable operator. Concord has chosen to exercise this right in its agreement with Comcast. In accordance with applicable franchise agreements, local franchising authorities or cable operators may adopt on their own, non-content-based rules governing the use of PEG channels. Concord’s agreement does not currently have such rules provided by Comcast.

Examples of such types of rules may include:

- Rules may be adopted for allocating time among competing applicants on a reasonable basis other than the content of their programming;
- Minimum production standards may be required;
- Users may be required to undergo training.

Federal law once permitted a cable operator and their franchise communities to prohibit the use of their PEG channels for programming which contained obscene material, sexually explicit conduct, indecency, nudity, or material which solicits or promotes unlawful conduct. However, nearly a decade ago the U.S. Supreme Court determined that this law was unconstitutional. Currently, we do not control the content of programming on public access channels, but we do control when a particular program may air. Programs which may be deemed controversial, offensive or explicit may be scheduled to air during ‘off’ times such as early morning and late night hours.

Minuteman Media Network – Programming

Program Implementation

In October of 2018, the Town assumed the responsibility for the PEG-Access Cable services. Over the past six months, the Town have been working to develop an internal operating structure to design regular status positions and other applicable and necessary part-time positions to ensure the highest quality of programming and even higher levels of service. In addition to the Town's staffing needs, the team has been taking a comprehensive approach to developing and outlining policies and procedures relative to the public's use of equipment and studio space. Procedures for how one may request services, editing assistance and record help are also being explored and workshopped.

New modes of communication via web-based 'On Demand' and YouTube-Style channels have been explored and are currently in use or in 'pilot program' mode. A new and updated website solely dedicated to Minuteman Media Network is nearly complete and will be prepared to go 'live' early in FY21. The concept of digital signage is being explored and the Town team has taken a great deal of time to explore and understand the current technological capabilities which exist in the studio and with the related equipment. Advances and upgrades related to these capital assets are underway and the Town expects to have some capital plans in place for July 1st. Additional technical capabilities relative to satellite campuses or 'studio-in-a-box' type arenas are in the exploratory phases.

As a relatively new entity within the Town, FY21 will be the second full year in which Minuteman Media Network will be a Town-run entity. As with many new initiatives, on-the-job learning curves and the changes they bring are expected and, at times, required. To this end, the role of the PEG Advisory Committee will be vital to the success and enhancement of the Division as it navigates through its first full year as a Town operation.

Minuteman Media Network – Net Income & Fund Balance

NET INCOME

	FY18	FY19	FY20	FY21
	Actual	Actual	Revised	Proposed
Statement of Net Income:				
Operating Revenues	\$ -	\$ 379,335	\$ 402,741	\$ 425,188
Less Operating Expenses	-	(251,587)	(312,461)	(336,440)
Operating Income	\$ -	\$ 127,748	\$ 90,280	\$ 88,748
Nonoperating Revenues (Expenses)				
Add Investment Income	\$ -	\$ -	\$ -	\$ -
Add Other Revenue/Expense	-	-	-	-
Less Interest Expense	-	-	-	-
Less Issuance Expense	-	-	-	-
Nonoperating Income	\$ -	\$ -	\$ -	\$ -
Net Income	\$ -	\$ 127,748	\$ 90,280	\$ 88,748

AVAILABLE RESOURCES

Resources Available from Current Operations for Replacement & Renewal of Facility:				
	FY18	FY19	FY20	FY21
Capital Purposes	Actual	Actual	Revised	Proposed
Add Net Income	-	127,748	90,280	88,748
Add Debt Financing	-	-	-	-
Less Bonds Payable	-	-	-	-
Net Available for Capital	\$ -	\$ 127,748	\$ 90,280	\$ 88,748

CASH POSITION AND FUND BALANCE FORECAST

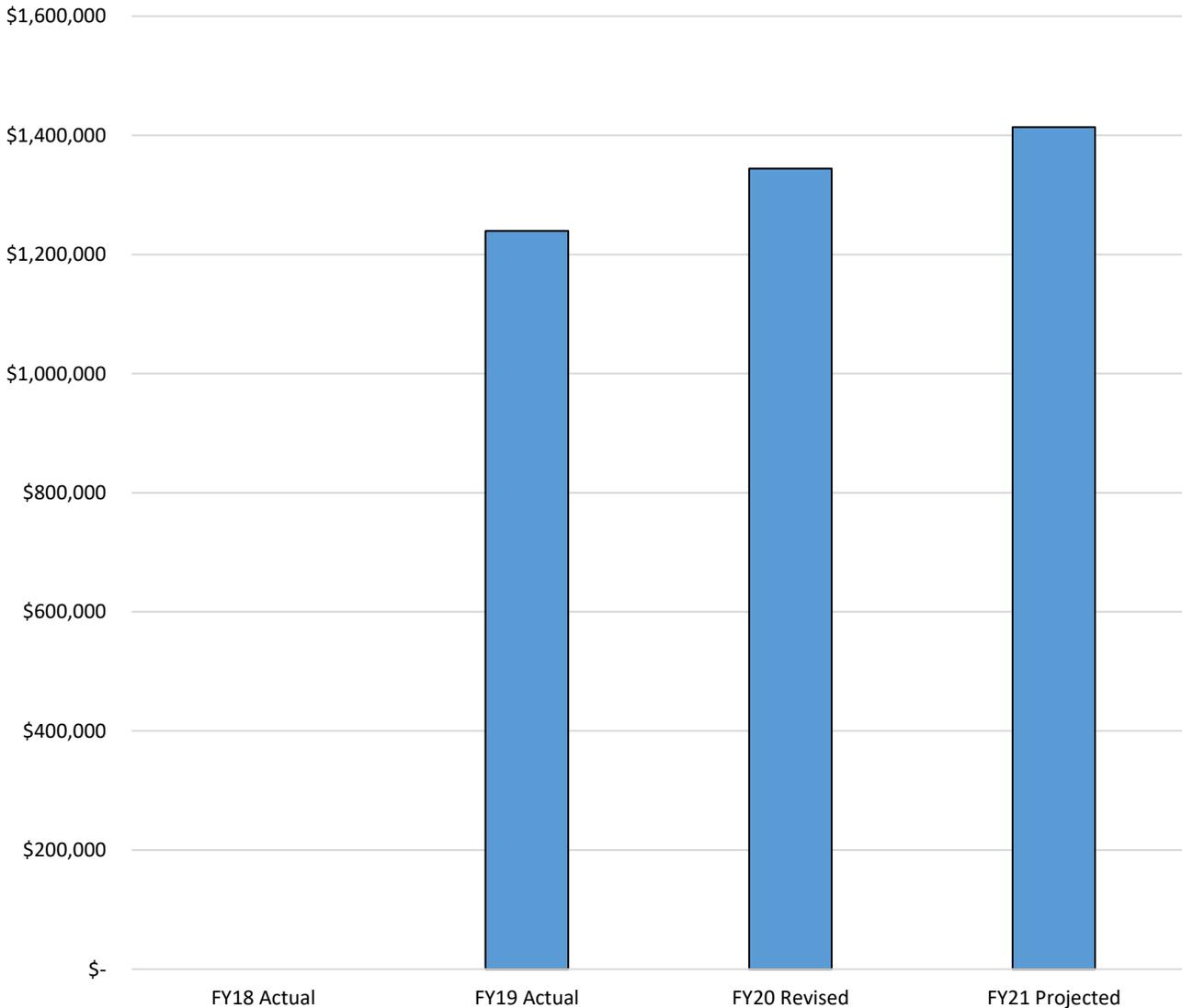
Cash at Year Opening	FY20		FY21	
Cash on July 1st	\$	1,253,733	\$	1,344,013
Add Receivables		-		-
Add Inventory & Other Assets		-		-
Less Cash held for Liabilities		(14,348)		(14,348)
Deferred Outflows (Inflows)		-		-
Fund Balance on July 1st	\$	1,239,385	\$	1,329,665
Fund Balance Details (projected)	Credit	Debit	Credit	Debit
Fund Balance on July 1st	\$ 1,239,385	\$ -	\$ 1,329,665	\$ -
Net Income	90,280	-	88,748	-
Bond Principal Repayment	-	-	-	-
BAN and Bond Proceeds	-	-	-	-
Capital Borrowing	-	-	-	-
Capital Outlay (non-borrowing)	-	-	-	-
Balance Projected at June 30th	1,329,665	-	1,418,413	-
Fund Balance on June 30th	\$	1,329,665	\$	1,418,413
Cash at Year End (projected)				
Fund Balance on June 30th	\$	1,329,665	\$	1,418,413
Less Receivables		-		-
Less Inventory & Other Assets		-		-
Add Cash Held for Liabilities		14,348		14,348
Add Cash Held for Deferred Inflows		-		-
Projected Cash at June 30th	\$	1,344,013	\$	1,432,762

Minuteman Media Network – Net Income & Fund Balance

In an effort to maintain and improve services provided by the newly formed MMN, special attention is paid to monitor the network’s fund balance. With the newly reorganized network under Town management in October of 2018, the fund balance at the end of FY19 according to audited financial statements was \$1.2 million. The proposed FY21 budget estimates the fund balance to increase by \$88,749 from \$1,344,013 at the close of FY21 to \$1,432,762.

FUND BALANCE				
MMN Fund Balance	FY18	FY19	FY20	FY21
	Actual	Actual	Revised	Proposed
Operations	\$ -	\$ 1,239,385	\$ 1,344,013	\$ 1,432,762
Capital	-	-	-	-
Undesignated	-	-	-	-
Total	\$ -	\$ 1,239,385	\$ 1,344,013	\$ 1,432,762

Minuteman Media Network Fund Balance



Minuteman Media Network – Revenues

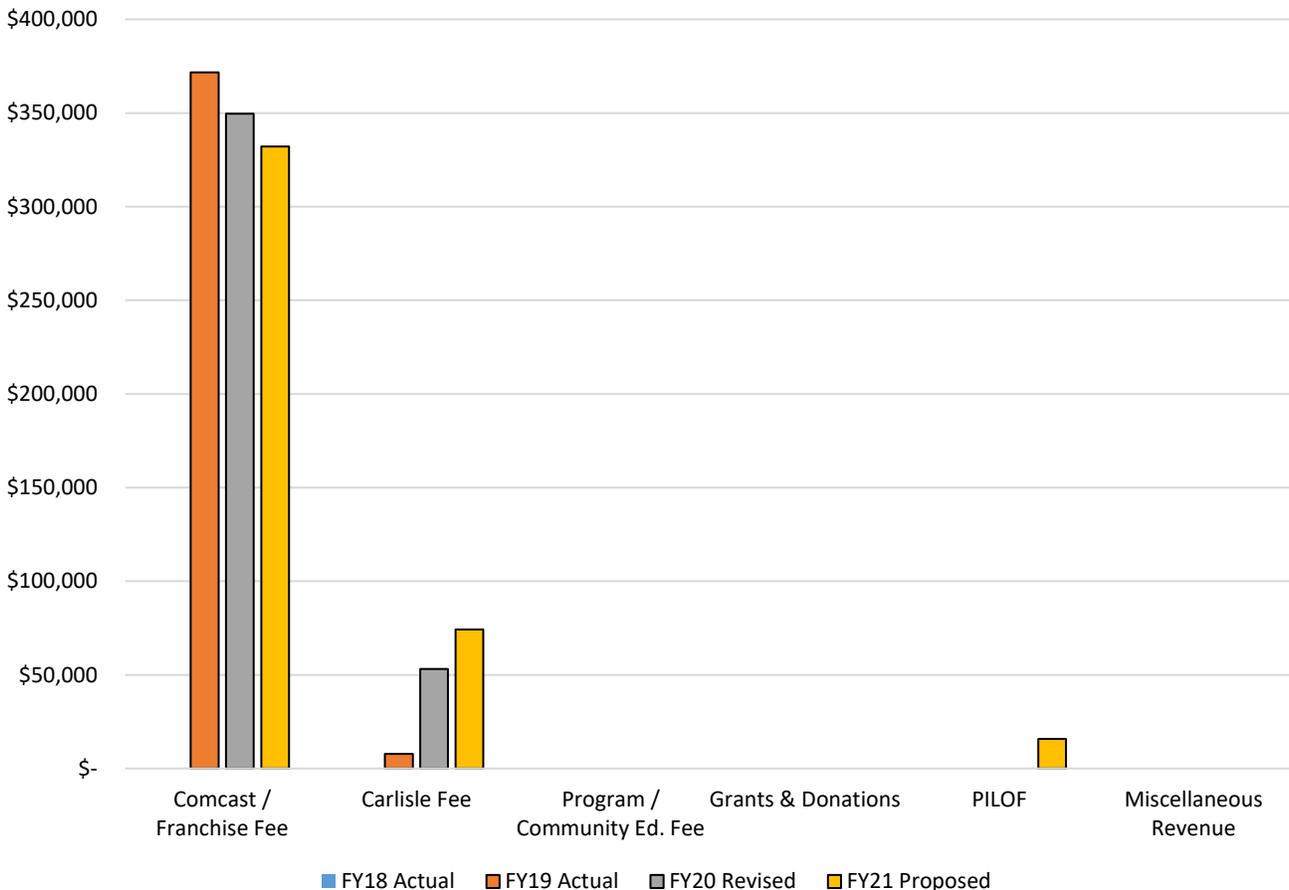
Operating Revenues

The majority of Operating Revenue collected in FY19 came from the Comcast / Franchise Fee paid quarterly to the Town. Other sources of revenue included support from Carlisle as they receive services for their commitment of funding each year. In FY21, \$332,074 is proposed to be collected from the Comcast / Franchise Fee in addition to \$74,199 from Carlisle. Beginning in FY21, MMN is also projected to receive \$18,915 from the Concord Municipal Light Plant (CMLP)'s Telecommunications Fund.

OPERATING REVENUES				
	FY18	FY19	FY20	FY21
	Actual	Actual	Revised	Proposed
Comcast / Franchise Fee	\$ -	\$ 371,626	\$ 349,551	\$ 332,074
Carlisle Fee	-	7,710	53,190	74,199
Program / Community Ed. Fee	-	-	-	-
Grants & Donations	-	-	-	-
Payment In Lieu of Franchise (PILOF)*	-	-	-	18,915
Miscellaneous Revenue	-	-	-	-
Operating Revenues Total	\$ -	\$ 379,335	\$ 402,741	\$ 425,188

* Starting in FY21, the Telecommunications Fund (boadband service) operated by the Concord Municipal Light Plant is proposed to contribute 1.5% of CY2020 broadband sales (up to \$60,000) to support MMN. Forecasted CY2020 broadband sales total \$1,261,004 and 1.5% of those sales is \$18,915.

Minuteman Media Network Operating Revenues



Minuteman Media Network – Revenues

Comcast Franchise Agreement

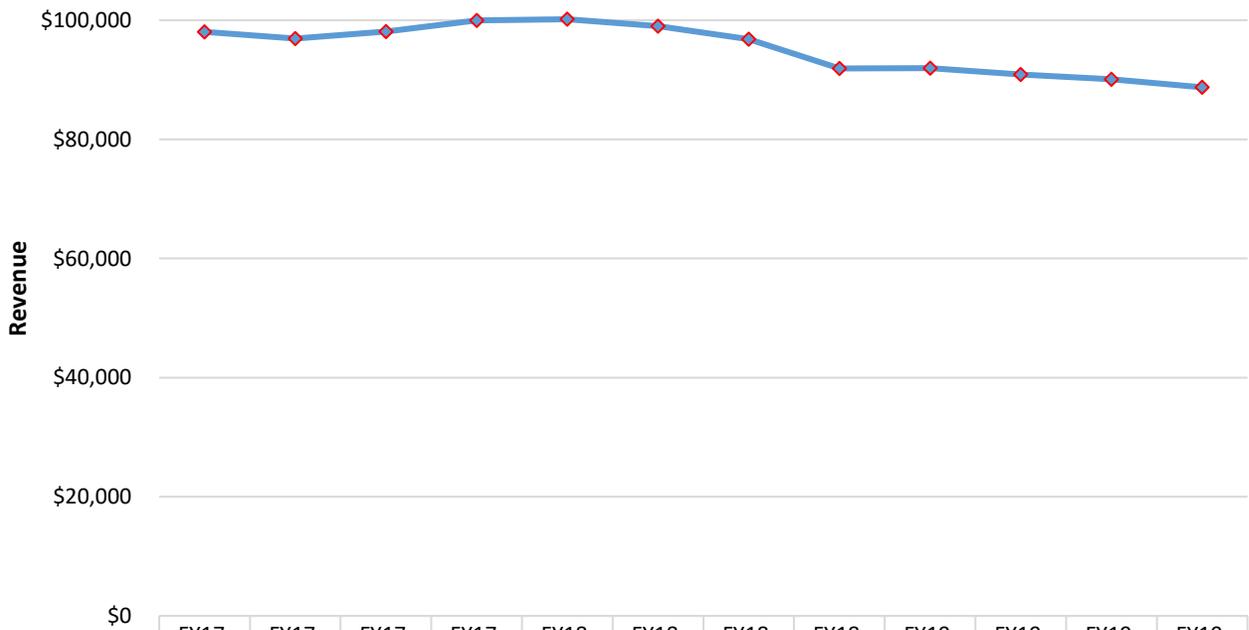
The Select Board issued a License Agreement to Comcast of Massachusetts III, Inc. for the period of April 22, 2014 through April 21, 2024, which authorizes the company to provide non-exclusive cable television and other telecommunication services to homes and businesses in the Town of Concord. The agreement provides for the delivery of PEG Access (Public, Educational, and Governmental) Television services, defined in the agreement as “noncommercial programming developed by any Concord residents or organizations, schools, government entities and the use of facilities, equipment and/or channels of the Cable System in accordance with 47 U.S.C. 531 and this Renewal License”.

Pursuant to Section 6 of the agreement, Comcast makes three channels available to the Town for PEG access programming and allocates 4.8% of the company’s gross annual revenue in Concord to support PEG access programming and its related expenses.

In 2015, Town Meeting voted to accept MGL Chapter 44, Section 53F-3/4 authorizing the creation of the PEG Access & Cable Related Fund. Revenue from Comcast is deposited into this fund and may be expended by the Town Manager only to support PEG access programming through the Town’s annual budget process.

The Concord-Carlisle Regional High School has set aside space in the school for a fully functioning and highly technical cable studio. This serves as the home base for the community television station. Costs related to the upkeep and maintenance of that space are paid for from the Comcast revenues received quarterly by the Town and include both personnel and non-personnel related charges.

Comcast Revenue History



	FY17, Q1	FY17, Q2	FY17, Q3	FY17, Q4	FY18, Q1	FY18, Q2	FY18, Q3	FY18, Q4	FY19, Q1	FY19, Q2	FY19, Q3	FY19, Q4
Comcast Payments	\$98,033	\$96,941	\$98,084	\$99,976	\$100,16	\$99,003	\$96,810	\$91,915	\$91,968	\$90,882	\$90,098	\$88,735

Quarterly Payments

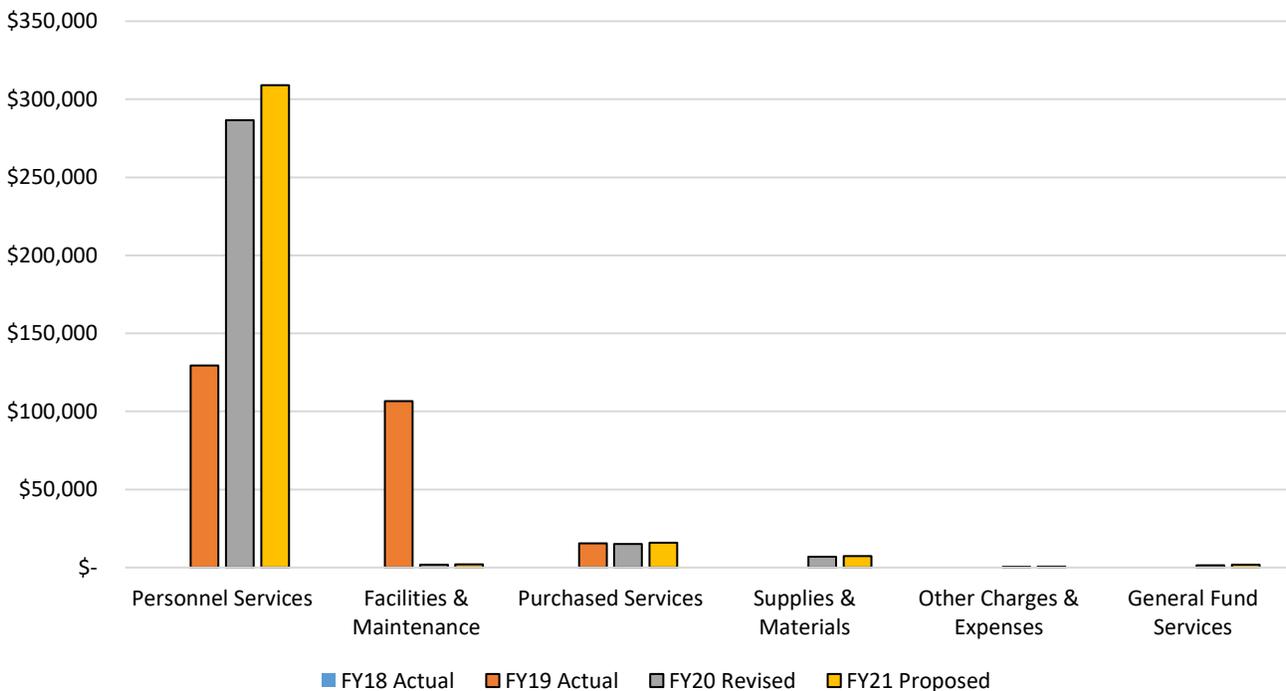
Minuteman Media Network – Expenditures

Operating Expenditures

With the assumption of responsibility for the newly reorganized network, the majority of planned expenses in FY20 and FY21 are focused on Personnel Services. These services in FY21 are proposed to include salaries, wages, and benefits for MMN staff which total 91.8% of the budget. In addition, the FY21 proposed budget also includes \$25,694 for various facility needs, advertising, branding, and other technology related services.

OPERATING EXPENSES				
	FY18	FY19	FY20	FY21
	Actual	Actual	Revised	Proposed
<u>Personnel Services</u>				
Personnel Expenses	\$ -	\$ 129,418	\$ 286,580	\$ 308,945
Retirement Adjustment				
Audit Adjustment	-	-	-	-
Subtotal	\$ -	\$ 129,418	\$ 286,580	\$ 308,945
<u>Non-Personnel Services</u>				
Facilities and Maintenance	-	-	1,890	1,985
Purchased Services	-	106,658	15,080	15,834
Supplies & Materials	-	15,512	7,000	7,350
Other Charges & Expenses	-	-	500	525
Audit Adjustment	-	-	-	-
Subtotal	\$ -	\$ 122,170	\$ 24,470	\$ 25,694
<u>Other</u>				
General Fund Services	-	-	1,411	1,802
Audit Adjustment	-	-	-	-
Subtotal	\$ -	\$ -	\$ 1,411	\$ 1,802
Total Operating Expense	\$ -	\$ 251,587	\$ 312,461	\$ 336,440

Minuteman Media Network Operating Expenditures



Minuteman Media Network – Expenditures

AUTHORIZED POSITIONS

Staff	FY20 Revised		FY21 Proposed	
	FTE	Amount	FTE	Amount
Station Manager	1.00	59,248	1.00	62,211
Media Technician	1.00	56,475	1.00	57,817
Lead Producer	0.00	18,766	1.00	46,082
Education Coordinator	1.00	50,112	1.00	50,112
Videographers	1.50	52,566	1.50	52,566
Editors	0.00	-	0.00	-
Studio Aides	0.25	9,576	0.00	-
Professional Project Specialists	0.00	-	0.00	-
Subtotal	4.75 FTEs	\$ 246,743	5.50 FTEs	\$ 268,788
Programming				
Educational Programming-Students	0 hrs.	-	0 hrs.	-
Community Programming	0 hrs.	-	0 hrs.	-
Subtotal	0.00 FTEs	\$ -	0.00 FTEs	\$ -
Employee Benefits				
Health Insurance	N/A	23,000	N/A	23,000
Life Insurance	N/A	-	N/A	-
Dental Insurance	N/A	2,080	N/A	2,080
Subtotal	N/A	\$ 25,080	N/A	\$ 25,080
Payroll Taxes				
Medicare Tax	N/A	3,578	N/A	3,897
Social Security Contribution	N/A	3,259	N/A	3,259
Subtotal	N/A	\$ 6,837	N/A	\$ 7,157
Other Personnel Costs				
Overtime	0 hrs.	2,700	0 hrs.	2,700
Unemployment Compensation	N/A	-	N/A	-
Car Allowance	N/A	5,220	N/A	5,220
IT Salary	N/A	-	N/A	-
Subtotal	N/A	\$ 7,920	N/A	\$ 7,920
Total Personnel Costs	4.75 FTEs	\$ 286,580	5.50 FTEs	\$ 308,945

Minuteman Media Network – Expenditures

General Fund Services

Minuteman Media Network for the use of General Fund services contributes a set portion of funding each year to support personnel and non-personnel expenditures of certain accounts. The FY21 proposed budget includes an estimated contribution of \$1,802 to the Department of Human Resources for the services they provide in on-boarding and off-boarding personnel as well as benefits management.

PAYMENTS TO THE GENERAL FUND

	FY18	FY19	FY20	FY21
	Actual	Actual	Revised	Proposed
<u>Finance & Administrative</u>				
Town Manager	\$ -	\$ -	\$ -	-
Human Resources	-	-	1,411	1,802
Town Accountant				
Accounting Services	-	-	-	-
Audit Services	-	-	-	-
Treasurer-Collector	-	-	-	-
Finance Administration	-	-	-	-
Facilities Maintenance	-	-	-	-
Subtotal	\$ -	\$ -	\$ 1,411	\$ 1,802
Salary Reserve	-	-	-	-
Audit Adjustments	-	-	-	-
Totals	\$ -	\$ -	\$ 1,411	\$ 1,802

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Appendix

Appendix – Budget Process

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Appendix – Budget Process

Budget Process

The Town of Concord operates under state statutes in general; and under the Town Charter as amended, which established the present Selectmen-Town Manager form of government; and under various Town bylaws. The legislative body of Concord is an Open Town Meeting, in which all voters registered in Concord are permitted to participate. While Town Meeting has the sole authority to appropriate funds for the General Fund operating budget and capital projects, it does not appropriate funds for the electric, sewer, and water enterprise funds, or for the special revenue funds. For the three existing enterprise funds and Solid Waste Special Revenue Fund, the responsible department heads, with review by the Town Manager, develop the proposed budgets. The Town Manager then submits these proposed budgets to the Board of Selectmen and Finance Committee, and to the public, prior to the Annual Town Meeting. Each budget is approved by the responsible policy committee as a spending plan, and the Town Meeting authorizes the Town Manager to expend the funds. The new Swim and Fitness Center enterprise fund follows this same pattern, with the additional requirement that the Town Meeting enacts this budget as an appropriation. The Swim and Fitness Center Fund is authorized under MGL c. 44, s. 53F½, a state law enacted in 1986 that sets forth conditions for newly-established enterprise funds. The fiscal year for the electric utility begins on January 1, while the fiscal year for all other funds begins on July 1.

Like prior budgets, these CY20/FY21 budgets have been developed based upon projected assumptions of available revenue. These budgets are based primarily upon fees charged for the services provided by each activity. Added to these service fees are projections for grants and miscellaneous non-operating revenues, such as interest earnings.

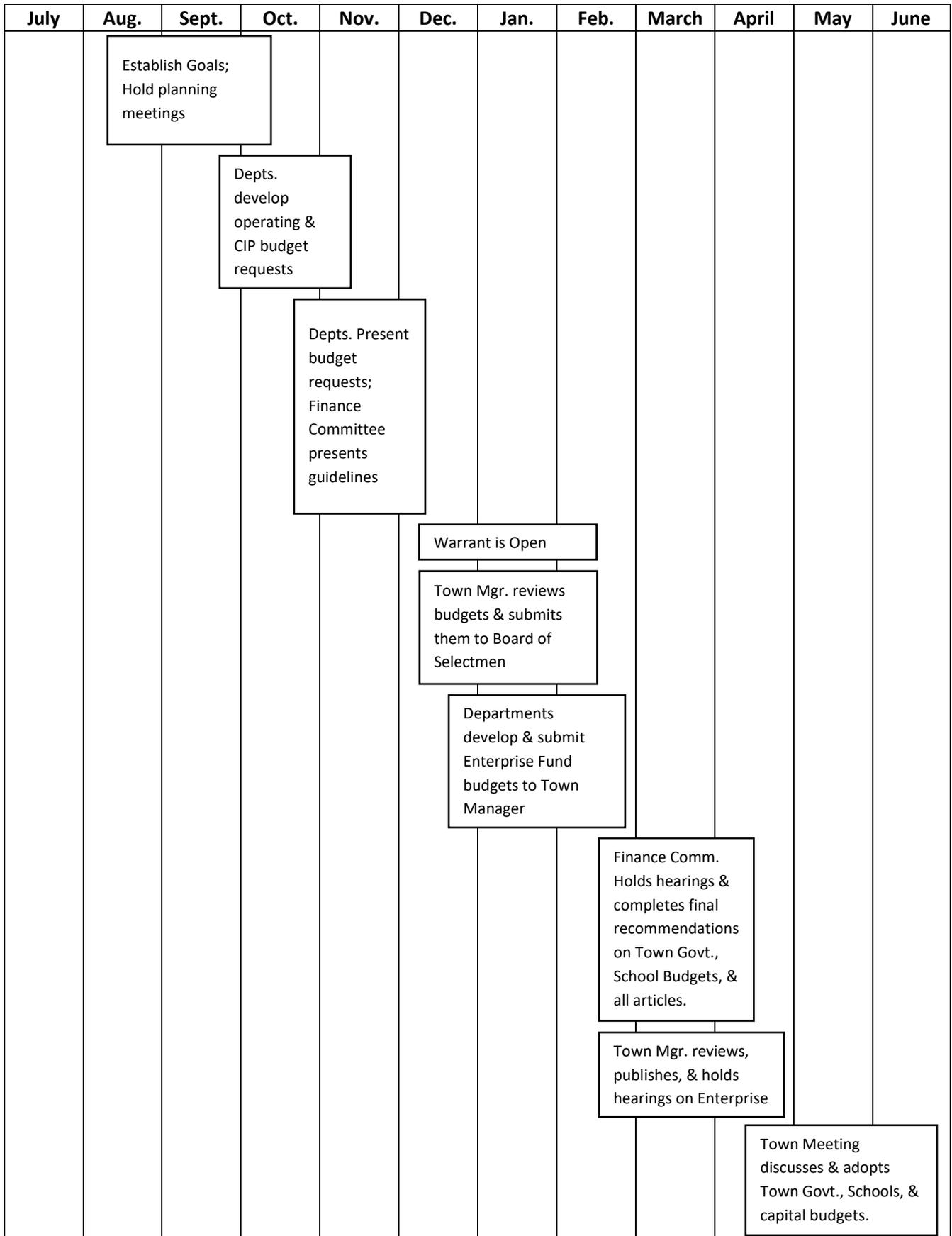
The projected expenditures are calculated based upon the costs of operating the existing service. These operating costs include salaries and employee benefits, debt interest payments, and infrastructure repair and maintenance, including depreciation expense.

Budget Schedule

Beginning in September each fiscal year, the responsible boards and commissions discuss budget issues and provide policy guidance to the staff at a series of working meetings. By February, the responsible departments develop and submit their budgets to the Town Manager. With input from these parties, the Town Manager submits the proposed budgets to the public at a hearing held in mid to late March.

Shown on the following pages are a calendar of important dates and a chart of the budget schedules for developing and acting on the CY20/FY21 budgets, including the enterprise/special revenue budgets.

Appendix – Budget Calendar



Appendix – Budget Calendar

Budget Calendar

This calendar describes the steps leading to adoption of the budget for those accounts overseen by the Town Manager under the jurisdiction of the Select Board and requiring appropriation by the Town Meeting. The School Superintendent and School Committees carry out similar steps.

2019

September 17	Capital Improvement Program (FY21-25) instructions issued
September 17	FY21 Budget instructions issued to all departments, boards, and committees
September 26	Joint meeting on FY21 fiscal and budgetary plan
October 8	Capital Improvement Program (FY21-25) requests due
October 15	FY21 General Fund Operating Budget requests due
October 21 - 30	FY21 General Fund Operating and FY21-25 Capital Budget Requests review: meetings with Town Department Heads and Budget Review Team
November 4	Presentation of Preliminary FY21 General Fund Operating and FY21-25 Capital Budget recommendations by Town Manager to the Select Board
November 14	Guidelines subcommittee - Town Manager's Response to Tentative Guidelines
November 21	Guidelines subcommittee - Superintendents Response to Tentative Guidelines
November 30	Bylaw required deadline to issue Guidelines
December 7	Warrant opened - Select Board/Committees Coordination Meeting; planning session for 2020 Annual Town Meeting and review of known articles

Appendix – Budget Calendar

2020

January 10	Warrant for Town Meeting closes at 4:00 PM
January 27	Draft version of FY21 Budget Book provided to the Select Board
February 7	Target Date for Mailing of Town Meeting Warrant to Residents (At least 10 Days Prior to Public Hearing)
February 11	Town Manager's Proposed FY21 General Fund Budget is published
February 13	Presentation of FY21 General Fund Budget to Finance Committee
February 17	Proposed FY21 Enterprise Budget Request due
February 24 - 28	Enterprise Budget Request review: Meetings with Enterprise Directors and Budget Review Team
February 28	Public Hearing advertised (for FY21 General Fund operations)
March 9	Finance Committee public hearing regarding Town Manager's General Fund operating and capital budget proposals for FY21 and other non-school and non-CPA financial articles on the Town Meeting Warrant
March 16	Finance Committee public hearing on Education budget proposals for FY21 (Concord Public Schools, Concord-Carlisle Regional High School, and Minuteman Career and Technical High School) and Community Preservation Act Article
March 26*	Finance Committee Completes its recommendations for Town Meeting
April 6*	Finance Committee Report to Printer
April 10*	Finance Committee Report mailed to residents (at least 10 days prior to Town Meeting)
April 28*	Town Manager's Proposed FY21 Enterprise Budget is published
May 6*	Finance Committee public hearing on FY21 Enterprise Fund Budgets and Article
May 18*	Annual Town Meeting

* Subject to change to later dates due to COVID-19 crisis.

Appendix – Financial Statements

TOWN OF CONCORD, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2019

(Except for the Electric Enterprise Fund, which is as of December 31, 2018)

	Business-Type Activities				Total
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	
Assets					
Current:					
Cash and short-term investments	\$ 12,101,839	\$ 11,614,145	\$ 5,597,793	\$ 3,907,428	\$ 33,221,203
User fees, net of allowance for uncollectibles	1,231,119	618,227	3,633,678	-	5,483,224
Betterment receivables	-	45,000	-	-	45,000
Inventory	93,381	-	1,200,171	-	1,293,552
Prepaid expenses	-	-	1,763,710	-	1,763,710
Total Current Assets	13,426,339	12,277,372	12,195,552	3,907,428	41,806,689
Noncurrent:					
Betterment receivables, net of current portion	-	357,384	-	-	357,384
Restricted cash	-	-	9,901,660	-	9,901,660
Investment in associated companies	-	-	353,766	-	353,766
Capital assets being depreciated, net	19,844,587	14,464,029	37,884,673	7,952,489	79,946,078
Capital assets not being depreciated	4,070,467	650,000	2,280,590	-	7,201,057
Total Noncurrent Assets	23,915,054	15,671,413	50,221,189	7,952,489	97,760,145
Deferred Outflows of Resources					
Related to pensions	328,561	82,142	959,458	155,121	1,525,282
Related to OPEB	11,760	2,440	239,561	4,305	258,066
Total Assets and Deferred Outflow of Resources	37,681,734	28,033,367	63,615,760	12,019,341	141,350,202
Liabilities					
Current:					
Warrants payable	455,519	155,178	2,970,142	38,949	3,619,788
Accrued liabilities	266,168	105,388	155,005	-	526,561
Accrued payroll	39,883	4,746	-	28,488	73,117
Unearned revenue	-	-	-	163,432	163,432
Customer deposits	-	-	634,648	-	634,648
Customer advances for construction	-	-	101,313	-	101,313
Notes payable	3,000,000	-	400,000	-	3,400,000
Other current liabilities	-	-	-	5,941	5,941
Current portion of long-term liabilities:					
Bonds payable	500,242	608,694	750,000	-	2,158,936
Accrued employee benefits	13,137	3,284	7,506	2,977	28,904
Total Current Liabilities	4,274,949	1,175,290	5,018,614	239,787	10,708,640
Noncurrent:					
Bonds payable, net of current portion	2,011,941	6,095,444	4,526,668	-	12,634,053
Net pension liability	632,514	158,129	1,097,567	346,817	2,235,027
Net OPEB liability	259,850	65,260	2,345,407	514,092	3,184,609
Accrued employee benefits, net of current portion	118,234	29,559	142,612	26,797	317,202
Total Noncurrent Liabilities	3,022,539	6,348,392	8,112,254	887,706	18,370,891
Deferred Inflows of Resources					
Related to pensions	88,619	17,156	1,008,430	137,065	1,231,270
Related to OPEB	908	319	32,430	6,408	40,065
Other	-	-	3,198,855	-	3,198,855
Total Liabilities and Deferred Inflows of Resources	7,387,015	7,541,157	17,370,583	1,270,966	33,549,721
Net Position					
Net investment in capital assets	22,913,627	9,124,224	34,540,563	7,952,489	74,530,903
Restricted for debt service	-	1,015,338	-	-	1,015,338
Restricted for capital improvements	-	4,705,490	4,420,297	-	9,125,787
Unrestricted	7,401,082	5,647,158	7,284,317	2,785,888	23,128,453
Total Net Position	\$ 30,314,719	\$ 20,492,210	\$ 46,245,177	\$ 10,748,375	\$ 107,800,481

The accompanying notes are an integral part of these financial statements.

Appendix – Financial Statements

TOWN OF CONCORD, MASSACHUSETTS
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019
 (Except for the Electric Enterprise Fund, which is for the year-ended December 31, 2018)

	Business-Type Activities				Total
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	
Operating Revenues					
Charges for services	\$ 5,282,073	\$ 3,055,233	\$ 29,791,221	\$ 2,265,975	\$ 40,394,502
Improvement fees	-	248,033	-	-	248,033
Total Operating Revenues	<u>5,282,073</u>	<u>3,303,266</u>	<u>29,791,221</u>	<u>2,265,975</u>	<u>40,842,535</u>
Operating Expenses					
Salaries and benefits	1,983,460	822,805	-	994,108	3,800,373
Other operating expenses	1,086,246	1,002,518	-	911,280	3,000,044
Depreciation	992,615	1,417,818	1,958,516	366,434	4,735,383
Electric operations	-	-	26,968,516	-	26,968,516
Total Operating Expenses	<u>4,062,321</u>	<u>3,043,141</u>	<u>28,927,032</u>	<u>2,271,822</u>	<u>38,304,316</u>
Operating Income (Loss)	1,219,752	260,125	864,189	(5,847)	2,338,219
Nonoperating Revenues (Expenses)					
Investment income	164,806	163,439	246,222	58,938	633,205
Interest expense	(75,425)	(131,894)	(181,687)	-	(389,006)
Gain on disposal of capital assets	-	-	(195,138)	-	(195,138)
Other	-	-	46,142	-	46,142
Total Nonoperating Revenues (Expenses), Net	<u>89,181</u>	<u>31,545</u>	<u>(84,461)</u>	<u>58,938</u>	<u>95,203</u>
Income Before Transfers	1,308,933	291,670	779,728	53,091	2,433,422
Transfers in	-	85,897	-	-	85,897
Transfers out	(98,184)	(24,541)	(461,000)	(53,825)	(637,530)
Change in Net Position	1,210,769	353,026	318,728	(734)	1,881,789
Net Position at Beginning of Year, as restated	29,103,950	20,139,184	45,926,449	10,749,109	105,918,692
Net Position at End of Year	<u>\$ 30,314,719</u>	<u>\$ 20,492,210</u>	<u>\$ 46,245,177</u>	<u>\$ 10,748,375</u>	<u>\$ 107,800,481</u>

The accompanying notes are an integral part of these financial statements.

Appendix – Financial Statements

TOWN OF CONCORD, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

(Except for the Electric Enterprise Fund, which is for the year-ended December 31, 2018)

	Business-Type Activities				Total
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	
Cash Flows From Operating Activities					
Receipts from customers and users	\$ 5,726,243	\$ 3,315,316	\$ 30,450,311	\$ 2,276,748	\$ 41,768,618
Payments to employees for salaries and benefits	(1,983,307)	(622,780)	(28,004,359)	(994,321)	(31,604,767)
Payments to suppliers and service providers	(448,499)	(1,016,308)	-	(927,131)	(2,391,938)
Net Cash Provided By Operating Activities	3,294,437	1,676,228	2,445,952	355,296	7,771,913
Cash Flows From Noncapital Financing Activities					
Other	-	-	15,804	-	15,804
Transfers in	-	85,897	-	-	85,897
Transfers out	(98,164)	(24,541)	(461,000)	(53,825)	(637,530)
Net Cash Provided By (Used for) Noncapital Financing Activities	(98,164)	61,356	(445,196)	(53,825)	(535,829)
Cash Flows From Capital and Related Financing Activities					
Acquisition and construction of capital assets, net of disposals	(3,227,816)	(657,950)	(1,557,013)	(73,355)	(5,516,134)
Proceeds from issuance of bonds and notes	3,000,000	310,000	-	-	3,310,000
Principal payments on bonds	(485,000)	(838,517)	(787,500)	-	(2,111,017)
Interest expense	(90,667)	(131,895)	(181,687)	-	(404,249)
Net Cash (Used For) Capital and Related Financing Activities	(803,483)	(1,318,362)	(2,526,200)	(73,355)	(4,721,400)
Cash Flows From Investing Activities					
Investment income	164,606	163,439	246,222	58,938	633,205
Net Cash Provided By Investing Activities	164,606	163,439	246,222	58,938	633,205
Net Change in Cash and Short-Term Investments	2,557,396	582,661	(279,222)	287,054	3,147,889
Cash and Short-Term Investments, Beginning of Year	9,544,443	11,031,484	15,778,875	3,620,372	39,975,174
Cash and Short-Term Investments, End of Year	\$ 12,101,839	\$ 11,614,145	\$ 15,499,653	\$ 3,907,426	\$ 43,123,063
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating Income (loss)	\$ 1,219,752	\$ 260,125	\$ 864,189	\$ (5,847)	\$ 2,338,219
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	992,615	1,417,818	1,958,516	366,434	4,735,383
Changes in assets, liabilities, and deferred outflows/inflows:					
User fees receivables	342,020	(88,366)	634,782	-	888,436
Beitements	-	75,003	-	-	75,003
Inventory	17,217	-	(84,173)	-	(66,956)
Prepaid and other assets	-	-	548,795	-	548,795
Deferred outflows - related to pensions	(227,332)	(56,834)	347,749	(75,959)	(12,376)
Deferred outflows - related to OPEB	13,220	3,560	(239,561)	25,695	(197,086)
Net pension liability	373,042	93,261	(1,546,242)	122,350	(957,589)
Net OPEB liability	41,407	9,880	280,964	61,822	394,073
Accounts payable and accrued liabilities	370,551	56,237	141,072	(17,166)	550,694
Accrued expenses	249,979	(70,027)	37,186	1,315	218,453
Unearned revenue	-	-	-	(65,934)	(65,934)
Deferred inflows - related to pensions	(106,887)	(26,721)	876,809	(59,098)	684,103
Deferred inflows - related to OPEB	(3,041)	(682)	(4,892)	(1,768)	(10,383)
Deferred inflows - other	-	-	(1,381,065)	-	(1,381,065)
Other liabilities	11,894	2,974	11,823	3,452	30,143
Net Cash Provided By Operating Activities	\$ 3,294,437	\$ 1,676,228	\$ 2,445,952	\$ 355,296	\$ 7,771,913

The accompanying notes are an integral part of these financial statements.

Appendix – Glossary of Terms

Glossary of Terms Commonly Used in Municipal Finance

Abatement: A complete or partial cancellation of a levy imposed by a governmental unit; applicable to tax levies and special assessments.

Accrual Basis: In the context of accounting, practice in which expenses and income are accounted for as they are earned or incurred, whether or not they have been received or paid.

Actuarial Accrued Liability (AAL): Generally represents the portion of the present value of fully projected benefits attributable to service credit earned (or accrued) as of the valuation date.

Actuarial Value of Assets (AVA): The value of a pension plan investments and other property used by the actuary for the purpose of an actuarial valuation (sometimes referred to as valuation assets). Actuaries often select an asset valuation method that smooths the effects of short-term volatility in the market value of assets.

Annual Required Contribution (ARC): The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB 25. The ARC consists of the Employer Normal Cost and the Amortization Payment.

Appropriation: An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and the time when it may be expended. Only a vote of Town Meeting or the School Committee can authorize money appropriated for one purpose to be used for another. Any amount which is appropriated may be encumbered. Any part of the general appropriation not spent or encumbered by June 30 automatically reverts to surplus. A specific or particular appropriation is carried forward from year to year until spent for the designated purpose or transferred by Town Meeting vote to another account.

Assessed Valuation: The value placed upon a particular property by the local Board of Assessors for the purpose of apportioning the Town's tax levy among individual property owners equitably and in accordance with the legal requirement that property be assessed at "full and fair cash value," certified periodically by the Commonwealth's Commissioner of Revenue (no less frequently than once every three years).

Audit: Work done by accountants in examining financial reports, reviewing compliance with applicable laws and regulations, reviewing efficiency and economy of operations, and reviewing effectiveness in achieving program results. A basic audit examines only the financial reports and legal compliance. An outside Certified Public Accountant (CPA) audit is directed primarily toward the expression of an opinion as to the fairness of the financial statements and submission of a management letter. An auditor must be independent of the executive branch of government. A state auditor, private CPA, or public accountant, or elected auditor meets this test.

Balance Sheet: A statement which discloses the assets, liabilities, reserves, and equities of a fund or government unit at a specified date.

Balanced Budget: A plan of financial operation in which the estimate of proposed expenditures for a given period is less than or equal to the proposed means of financing these expenditures (from various sources of funds or revenues).

Appendix – Glossary of Terms

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period (usually a 12-month period referred to as the Fiscal Year, or FY) and the proposed means of financing them. A budget may be preliminary (the financial plan presented to the Town Meeting) or final (the plan approved by that body).

Capital Budget: A plan of proposed capital outlays, and the means of financing them for the current fiscal period. It is usually a part of the current budget but may also be a multi-year plan.

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period (usually a 12-month period referred to as the Fiscal Year, or FY) and the proposed means of financing them. A budget may be preliminary (the financial plan presented to the Town Meeting) or final (the plan approved by that body).

Capital Budget: A plan of proposed capital outlays, and the means of financing them for the current fiscal period. It is usually a part of the current budget but may also be a multi-year plan.

Capital Improvement: A major, non-recurring expenditure involving one of the following:

- a. Real Property - Includes the purchase or lease of land, existing buildings and appurtenant structures, and fixtures attached to land and buildings.
- b. Equipment - Includes the replacement or addition of major items of equipment with a life expectancy of at least two years and a cost of at least \$5,000. Similar items can be bundled together.
- c. Projects - Include activities such as the following:
 1. Construction of new buildings or facilities (including architectural, engineering, and related fees).
 2. Improvements or major repairs (costing \$5,000 or more) of existing buildings or facilities, aside from routine maintenance.
 3. Studies or other activities (costing \$5,000 or more) that either relate to future “brick and mortar” projects, or are a part of a multi-year program of infrastructure improvements.
 4. An annual sum available for routine building improvements, renovations, or repairs.

Cherry Sheet: An annual statement received from the Massachusetts Department of Revenue (DOR) detailing estimated receipts for the next fiscal year from the various state aid accounts, and estimated state and county government charges payable by the Town, and included by the local Assessors in setting the tax rate. The actual receipts and charges may vary from the estimates.

Classification: The division of property valuations by type of property. There are five classes: Residential, Open Space, Commercial, Industrial, and Personal. The Selectmen may set as many as three different tax rates (within limits set forth in state law): for residences, for business and personal, and for open space.

Cooling Degree Days: Are a measure of how much (in degrees), and for how long (in days), outside air temperature was *higher* than a specific base temperature. They are used for calculations relating to the energy consumption required to *cool* buildings

Debt Service: Payment of interest and principal related to long term debt.

Depreciation: A non-cash expense (also known as non-cash charge) that provides a source of available funds. Amount allocated during the period to amortize the cost of acquiring long-term assets over the useful life of the assets. This is an accounting expense not a real expense that demands cash.

Appendix – Glossary of Terms

Encumbrance: Obligations such as purchase orders, contracts, or salary commitments that are chargeable to an appropriation, and for which a part of the appropriation is reserved.

Enterprise Fund: A fiscal entity with a self-balancing set of accounts that is utilized to account for a governmental service when it is the intent to recover the total cost of service, including depreciation, primarily through user charges imposed on the consumers of the service. Examples in Concord include electricity provided by the Concord Municipal Light Plant, and Water and Sewer services provided by the Department of Public Works.

Equalized Valuation (EQV): The value of all property as determined by the Commissioner of Revenue biennially, using a standard of "full and fair value"; also referred to as EQV.

Expenditure: The spending of money by the Town for the programs or projects within the approved budget.

Fiscal Year (FY): A 12-month period, commencing July 1 and ending June 30, to which the annual budget applies, and at the end of which a governmental unit determines its financial position and the results of its operations. The number of the fiscal year is that of the calendar year in which it ends; FY2016 is the fiscal year which ends June 30, 2016.

Free Cash: Free cash refers to the amount of Fund Balance that is available for appropriation. It is certified each July 1 by the state. Because of the stringent way that the state makes these calculations, Free Cash more closely represents Cash (actual dollars held) than does Fund Balance, which includes a variety of receivables (i.e., cash due).

Fund: An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Balance: The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to the stockholders equity account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected (see **Free Cash**).

General Fund: The fund into which the general (non-earmarked) revenues of the Town are deposited, and from which money is appropriated to pay expenses.

General Obligation Bonds: Bonds issued by the Town that are backed by the full faith and credit of its taxing authority.

Governmental Funds: Funds used to organize and separate the finances of various Town activities and objectives. Governmental Fund categories include: the General Fund; Enterprise Funds; Special Revenue Funds; and the Capital Projects Fund.

Heating Degree Days: Are a measure of how much (in degrees), and for how long (in days), outside air temperature was *lower* than a specific "*base temperature*" (or "*balance point*"). They are used for calculations relating to the energy consumption required to *heat* buildings.

Appendix – Glossary of Terms

Kilowatt-hour (kWh): Kilowatt-hour is an energy unit (symbol kWh). One kilowatt-hour is defined as the energy consumed by power consumption of 1kW during 1 hour. The Town of Concord uses kWh to measure electric output for facilities.

Land Fund: A fund established by Town bylaw in FY1986 to which may be added an annual appropriation, gifts, and grants. The use of the fund is restricted to the acquisition of land, debt service on designated land purchases, and related costs, such as legal and appraisal fees.

Overlay: The amount raised from the property tax levy in excess of appropriations and other charges. It cannot exceed 5 percent of the levy, and is used to cover abatements and exemptions granted locally or on appeal.

Overlay Surplus: The unused portions of **overlay** accounts from previous years; at the end of each fiscal year, this amount is computed from information provided by the Board of Assessors. Any sum so designated is transferred to, and becomes part of, the General Fund undesignated fund balance.

Override: A vote to increase the amount of property tax revenue that may be raised over the levy limit set by **Proposition 2½**.

Personal Services: The cost of salaries, wages, and related employment benefits.

Payment in lieu of Taxes (PILOT): made to compensate a local government for some or all of the tax revenue that it loses because of the nature of the ownership or use of a particular piece of real property. Usually it relates to the foregone property tax revenue.

Personal Services: The cost of salaries, wages, and related employment benefits.

Property Tax Levy: The amount produced by multiplying the assessed valuation of property by the tax rate. The tax rate is expressed per thousand dollars of assessed valuation. For example: (based on \$14.29 tax rate)

<i>House Value:</i>	\$700,000
<i>Tax Rate:</i>	\$14.29 (which means \$14.29 per thousand \$ of valuation)
<i>Levy Calculation:</i>	\$14.29 multiplied by \$700,000 divided by \$1,000.
<i>Result, Property Tax Levy:</i>	\$10,003

Proposition 2½ (see below): A tax limitation measure passed by Massachusetts voters in 1980 that limits the growth of the total property tax levy to 2.5% per year. New construction values are added to this limit. Two provisions of Prop 2½, so-called, allow the Town to raise taxes above this tax levy limit, upon approval by a Town-wide vote: an operating override or a debt exclusion.

Public Employee Retirement Administration Commission (PERAC): A government agency that was created for and is dedicated to the oversight, guidance, monitoring, and regulation of the Massachusetts Public Pension Systems.

Purchased Services: The cost of services that are provided by a vendor.

Appendix – Glossary of Terms

Reserve Fund: A fund appropriated each year that may be used only by vote of the Finance Committee for "extraordinary or unforeseen expenditures."

Revolving Fund: Those funds that may be used without **appropriation**, and that are established for special uses. Fees (such as for recreation) may be paid into a revolving fund. Revolving funds are established directly by state law or by Town bylaw consistent with state law.

Tax Levy: Total amount of dollars assessed in property taxes by the Town each **fiscal year**.

Therm: A unit of measure for heating energy. In Concord, this can be linked to facility natural gas output.

Unfunded Actuarial Accrued Liability (UAAL): The excess, if any of the **Actuarial Accrued Liability** over the **Actuarial Value of Assets**. In other words, the present value of benefits earned to date that are not covered by current plan assets.

Warrant: A list of items to be voted upon at Town Meeting.

Terms Associated with Proposition 2½

Excess Levy Capacity: The difference between the Town's maximum annual tax levy limit as established by Proposition 2½, and its actual **tax levy** for the current year. It is additional **tax levy** that a town could raise without asking voters for an **override** or debt exclusion.

Growth Revenue: The amount of property tax revenue that the Town can add to its allowable tax levy as a result of new construction, alterations, subdivision, or change of use of a parcel.

Primary Levy Limit, or Absolute Limit: 2.5 percent of certified full and fair cash value of taxable property.

Secondary Levy Limit, or Annual Levy Limit: Prior levy limit plus 2.5 percent (base) plus **growth revenue**.

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(Front Cover): The Minute Man, Old North Bridge, Concord, MA; Samuel Krueger
(Back Cover): West Concord Mural, West Concord, MA; Erin Stevens