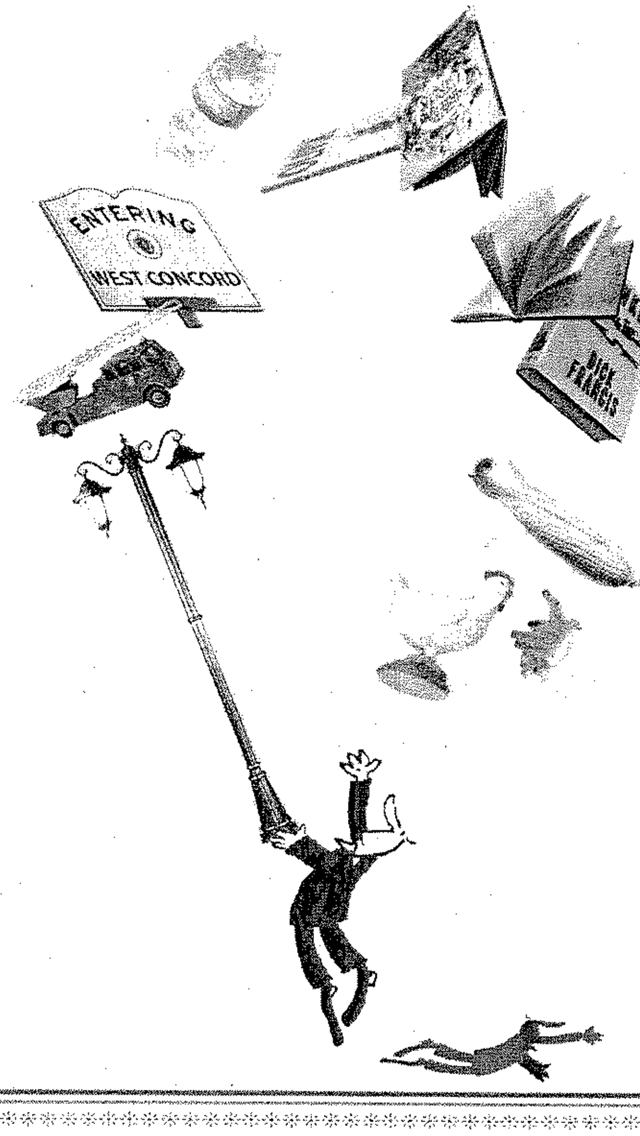
The Report
OF THE FINANCE COMMITTEE
OF THE
TOWN OF CONCORD



MONDAY, APRIL 25, 2011
7:00 PM
CONCORD-CARLISLE REGIONAL HIGH SCHOOL

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Shaded article numbers are proposed for inclusion on the Consent Calendar to be voted under Article 2.

Town Meeting
Monday, April 25, 2011
7:00 PM
Concord-Carlisle Regional High School

Parking
Town Meeting attendees should enter the high school parking lot via the Walden Street entrance only. Parking is limited. Carpooling is encouraged. Parking for people with disabilities is available at the flagpole circle at the high school.

Childcare
Childcare will be provided at the high school for children 2 1/2 and older. The Concord Recreation Department is offering the service at a cost of $5 per child per hour or $25 for two or more children for the evening. To guarantee a space, reservations should be made in advance by calling the Concord Recreation Department, 978/369-6460.

Seniors
Seniors may arrange transportation with the Council on Aging office , 978/318-3020. Advance reservations are necessary.

Check-in
All voters who were registered to vote by **March 9, 2011** are eligible to participate at Town Meeting. Voters should check-in at the tables in the main lobby by last name and pick up a Town Meeting ballot on each night of attendance. Only one ballot per voter per evening of attendance. Ballots are not transferrable.

Seating
Seating is available in either the auditorium or the cafeteria. The auditorium will be the main meeting room.

Refreshments
Pizza, desserts and coffee will be available for purchase in the lobby beginning at 6:30 p.m. Proceeds to benefit the CCHS Class of 2014.

Assisted listening Devices
Assisted Listening Devices will be available in the lobby.

Special arrangements or needs
Anyone with a disability requiring special arrangements for Town Meeting should contact Douglas Meagher, Deputy Town Manager/ADA Coordinator before 4:30 p.m. April 19, 978/318-3000. The earlier special arrangement needs are communicated, the more likely that time will allow for special accommodations, if possible, to be met.

Tellers
Voters willing to be a teller at Town Meeting are asked to call Abe Fisher, head teller, 978/371-7350.

Notes:

The Finance Committee thanks the town and school administrations, employees and committees for their cooperation and assistance during the past year.

TERMS TO EXPIRE IN 2011

Nancy C. Barrett
Bruce W. Button
Mark Howell
Judith Quanrud
Lynn B. Salinger

TERMS TO EXPIRE IN 2012

John C. Hutchins
Radha S. Jalan
Michael E. Lawson, chair
Thomas R. Piper
Carol F. Wilson, vice chair

TERMS TO EXPIRE IN 2013

Charles R. Blair
Mark Garvey
Pamela A. Hill
David W. Kramer
Patricia Nelson

Charts and tables by the Town of Concord Finance Department.

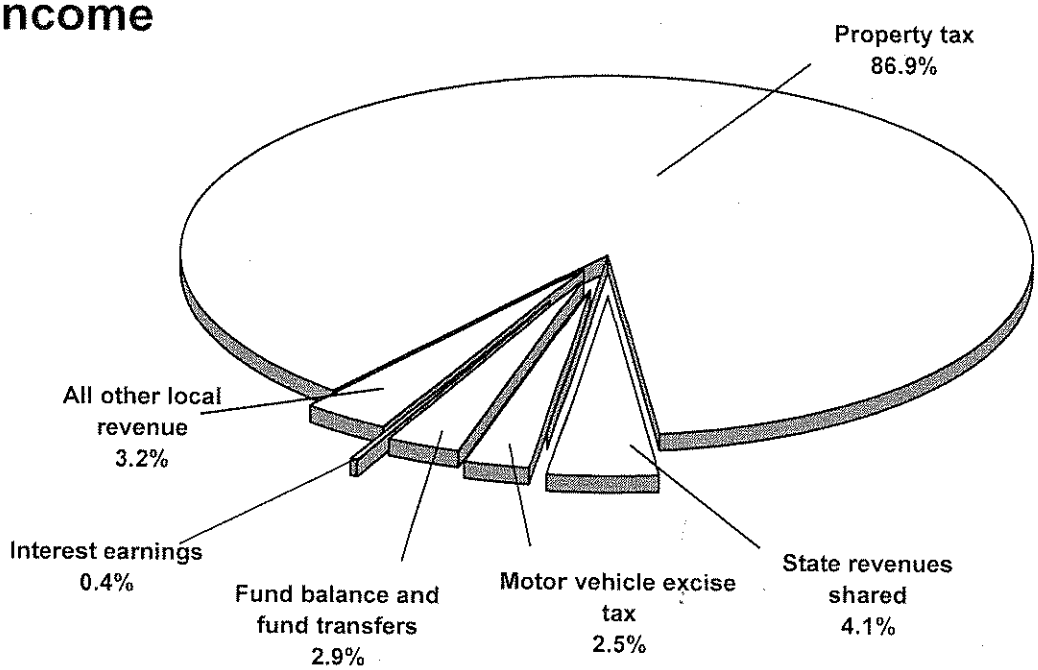
This report of the Concord Finance Committee was designed, edited and produced with the assistance of Janet Beyer.

Cover Design by Donna Thomas.

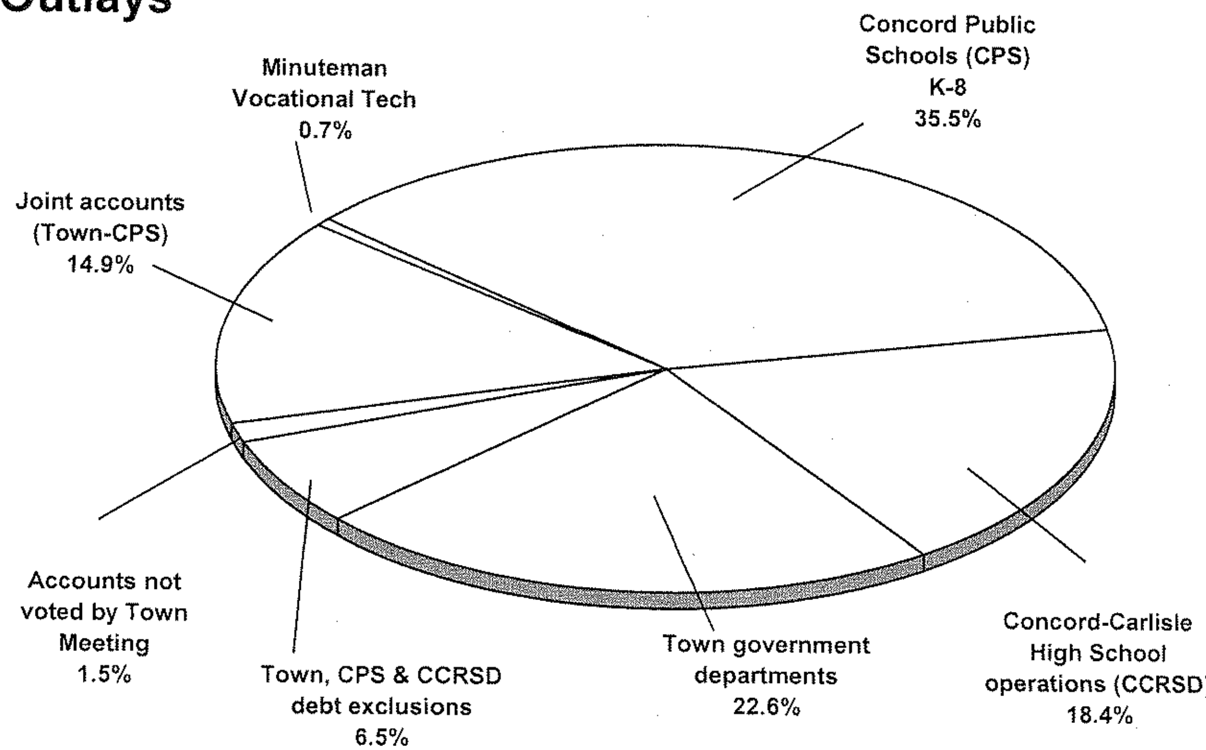
General Fund

FY12 PROPOSED BUDGET
Operating budgets of town and schools
Total Budget: $80,155,345 (+3.35%)

Income



Outlays



The Budget in Brief

essential information at a glance

Total Budget: Town Government and Education at Finance Committee recommendations

• The total proposed FY12 General Fund budget is $80,155,345. This is $2,594,551 or 3.35% over FY11. The Town government and education proposed operating budgets total $61,342,434, which is 3.9% over FY11 operating budgets.

• 65.5% of the proposed FY12 spending plan is for expenses related to primary and secondary education.

• Total debt service (principal and interest payments on long and short-term debt) is budgeted at $8,149,334 (including $700,000 proposed to be appropriated from the Elementary School Debt Stabilization Fund under Article 26). Additionally, the Town's assessed share of debt service for the Concord-Carlisle regional school district is budgeted at $322,941. The allocation to debt repayment is thus $8,472,275, or 10.6% of the total proposed budget. The debt service amount excluded from the Proposition 2 ½ levy limit, in accordance with previous town-wide ballot votes, is $4,069,862, which is equal to 5.1% of the total proposed budget.

• Long term bonds have been issued for the financing of the new Alcott, Thoreau and Willard schools opened in 2004, 2006 and 2009 respectively. The total debt issued, principal repaid through June 30, 2011 and the FY12 debt service amounts are:

	Debt issued	Repaid at 6/30/11	FY12 debt service Principal	FY12 debt service Interest
Alcott	$ 9,350,000	$ 2,740,000	$ 510,000	$ 252,558
Thoreau	16,960,000	3,470,000	975,000	517,661
Willard	27,040,000	2,495,000	1,595,000	805,442
	$ 53,350,000	$ 8,705,000	$ 3,080,000	$ 1,575,661

Property taxes

• The median single family residential tax bill in FY11 is $8,676 based on an assessed value of $657,750 at a tax rate of $13.19 per thousand.

• The tax rate projected increase is 3.76% (an additional $326 on the median bill, $50 per $100,000 of assessed valuation).

• Each 1% increase in the tax levy equals $665,000 in revenue for FY12.

• 87% of the Proposed Budget support is derived from property taxes.

• 76% of property taxes are paid by single family residential property.

Free Cash Use

• The Finance Committee recommends allocating $850,000 from Free Cash to support the FY12 budget plan. Free Cash is a term denoting the available portion of the unreserved General Fund balance. Free Cash is certified as of each June 30 by the state for each city and town

The Proposed General Fund Appropriation for the year beginning July 1, 2011 (FY12)

Recommendations of the Finance Committee

Articles 6, 8, 9, 10 & 26

	Warrant location reference	Appropriated FY11	Proposed FY12	percent change	percent of total
Town Government					
General Government	Art. 6, items 1-6	$ 2,064,801	$ 2,076,847	0.6%	2.6%
Finance & Administration	Art. 6, items 7-10	1,632,676	1,681,344	3.0%	2.1%
Public Safety (Police & Fire)	Art. 6, items 11-16	7,475,740	7,600,575	1.7%	9.5%
Public Works	Art. 6, items 17-24	3,455,054	3,551,989	2.8%	4.4%
Library	Art. 6, item 25	1,736,924	1,771,924	2.0%	2.2%
Reserve Fund	Art. 6, item 34	225,000	225,000	0.0%	0.3%
Salary Reserve	Art. 6. item 35	57,064	470,000	--	0.6%
Recreation and all other	Art. 6, items 26-33	704,754	724,334	2.8%	0.9%
Total Town Gov't operations		$ 17,352,013	$ 18,102,013	4.3%	22.6%
Concord Public Schools (CPS)	Article 8	$ 27,699,200	$ 28,474,200	2.8%	35.5%
Concord-Carlisle Regional HS	Operations	$ 14,006,221	$ 14,766,221	5.4%	18.4%
(Concord's assessment share)	Debt Service	582,444	322,941	-44.6%	0.4%
	Article 9. Item 1 - total	$ 14,588,665	15,089,162	3.4%	18.8%
Town and School (CPS) debt service					
debt repayment within levy limit		$ 3,175,000	$ 3,275,000	3.1%	4.1%
debt excluded from levy limit		3,864,782	4,174,334	8.0%	5.2%
Total tax-supported	Art. 6, item 41 (A & B)	$ 7,039,782	$ 7,449,334	5.8%	9.3%
Stabilization Fund	Article 26	1,000,000	700,000	-30.0%	0.9%
	total debt service	$ 8,039,782	$ 8,149,334	1.4%	10.2%
Employee Benefits (Town and CPS only):					
Group Insurance	Art. 6, item 37A	$ 4,465,000	$ 4,800,000	7.5%	6.0%
Retirement (pension funding)	Art. 6, item 39	2,750,000	2,860,000	4.0%	3.6%
Social Security & Medicare	Art. 6, item 40	580,000	610,000	5.2%	0.8%
Total Employee Benefits		$ 7,795,000	$ 8,270,000	6.1%	10.3%
Minuteman Tech Regional HS	Art. 10	$ 590,682	$ 532,851	-9.8%	0.7%
Property & liability insurance	Art. 6, item 37B	175,000	175,000	0.0%	0.2%
Unemployment/Worker's Comp	Art. 6, item 38	200,000	200,000	0.0%	0.2%
Special appropriations		34,430	0		
TOTAL Town Meeting appropriations		$ 76,474,772	78,992,560	3.3%	98.5%
Not Appropriated:					
State assessments (mostly for MBTA)		$ 441,741	$ 452,785	2.5%	0.6%
Snow & Ice expense account deficit		99,199	160,000	61.3%	0.2%
Overlay for tax exemptions and abatements		545,082	550,000	0.9%	0.7%
TOTAL SPENDING PLAN		$ 77,560,794	$ 80,155,345	3.3%	

To the residents of Concord

This annual report of the Concord Finance Committee summarizes the operations of Town government, the financial position of the Town, and the articles that appear in the Warrant for the 2011 Annual Town Meeting.

Overview

The national economic downturn that began in the fall of 2007 with the early signs of mortgage finance problems and then worsened significantly in the fall of 2008 persists in its impacts on State and local government finances, despite signs of stabilization and modest recovery over the past year. The Finance Committee is pleased to report that Concord continues to weather this economic period, maintaining its sound fiscal condition and excellent credit rating. The Town and the regional school districts of which it is a member, Concord-Carlisle and Minuteman, continue to address responsibly the difficult financial changes and decisions facing all local governments. All Town departments under the direction of the Town Manager, Christopher Whelan, and the Concord public schools and the Concord-Carlisle Regional High School, under the direction of Superintendent Diana Rigby, have maintained services and constrained expenses over the past several years. These executive officers and the elected boards, the selectmen and the school committee, have worked diligently to maintain the Town's solid financial position and level of service to its citizens. But the fiscal constraint continues, as evidenced by the State's substantial gap in planning its FY12 budget.

One of the essential keys to our relative fiscal strength has been our conservative estimates of State assistance and of our own revenue sources during this period of retrenchment in State and federal aid to local governments. Concord's recent budgets have largely anticipated the downturn reflected in local revenues such as the motor vehicle excise as well as the loss of interest income due to the Federal Reserve's policy of keeping short term interest rates almost at zero for the past two years.

Over the past two years, the operating budget for Town departments has increased less than 1% (or less than a half of one percent per year). The Concord Public Schools budget (grades K-8) has increased less than 1% per year over this same time period. While our assessed share of the high school budget has increased an average 5% over these two years, the annual operating budget increase exclusive of special education costs has averaged a modest 3.5% in the same time frame. Due to this budget restraint, Concord is able to approach the coming fiscal year 2012 budget with the ability to propose modest budget increases for the Town, the public schools and the regional high school. The Finance Committee last November adopted guidelines within which The Town Manager and Superintendent of Schools have been able to craft proposed budgets that avoid, for the fifth consecutive year, the need for an override while largely maintaining the existing range, scope and quality of Town and school public services.

The longer-run financial picture for Concord, however, poses difficult challenges. The continuing State budget problem poses the expectation of further reductions in State aid for all local governments as we plan for the delivery of Town services in the coming year and beyond. Furthermore, two matters with significant financial consequence are expected to require additional public resources in the near future: Other Post-Employment Benefits (OPEB) funding (group health insurance for retirees, for which the town in accordance with state law pays a 50% share), and the Concord-Carlisle Regional High School building project. Both are addressed below. Continued vigilance, careful monitoring of our fiscal facts, and prompt decisive management response to changes in conditions will be required if we are to deal with the pressures of the operating budgets needs of the Town and the schools as well as these two new funding issues.

The Finance Committee established General Fund budget guidelines for the schools' and the Town's budgets initially last November. We have proposed modest increases in the Town and School budgets. The Town, the Public Schools and the Regional School District have all proposed budgets consistent with the Finance Com-

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TABLE 1

Major General Fund revenues
(other than base property tax levy)

	FY10 Actual	FY11 Budget Est.	FY12 Budget Est.	Peak	
State aid	$3,791,634	$3,657,671	$3,300,000	$4,280,198	Fy07
Motor vehicle excise tax	2,199,860	2,100,000	2,000,000	2,458,012	Fy06
Interest earnings	201,633	300,000	300,000	1,322,697	Fy07
Building permit fees	345,012	400,000	400,000	719.895	Fy07
Property taxes from New Growth	1,068,881	817,300	600,000	1,368,514	Fy08
Total, selected revenues	$7,670,020	$7,274,971	$6,600,000		

These declining revenues can also be viewed in terms of their share of the total Budget plans:

	FY10 Budget	FY11 Budget	FY12 Proposed
Total General Fund budget	$75,527,945	$77,560,794	$80,156,929
State aid	5.0%	4.7%	4.1%
Motor vehicle excise	2.9	2.7	2.5
Interest earnings	0.3	0.4	0.4
Building permit fees	0.5	0.5	0.5
New Growth property taxes	1.4	1.1	0.7
	10.1%	9.4%	8.2%

mittee Guidelines and, for the fifth consecutive year, no override request is anticipated to meet the operating budget recommendations.

The FY12 budget guidelines provide for a General Fund budget increase of 3.4%. This is under the 4.4% average annual increase of the past five years. The projections for FY12 General Fund revenues other than the base property tax levy are summarized in Table 1.

State aid

Although the Governor's FY12 budget proposal released in January seeks to avoid major reductions in aid to cities and towns, his initial numbers propose a 4% cut for Concord. There are indications that the legislature may propose deeper cuts. The FY12 State aid estimate shown in Table 1 is based on the assumption that state aid to Concord will decrease about 10% for FY12. The actual cuts in state aid will not be known until after Town Meeting when the FY12 state budget is enacted.

Motor Vehicle Excise Tax

Bills are issued from the Registry of Motor Vehicles on a calendar-year basis. The stability of this taxable base requires continued strength in new car sales, as vehicles up to two years old comprise more than 60% of the tax base. When new car sales are weak, the tax base declines. The budget forecast for FY11 anticipated about a 10% drop from the average of the past few years. FY12 assumes continued weakness in this revenue source.

Interest earnings

Local income from short-term investments is directly related to the Federal Reserve Board's policy on short-term interest rates. These rates have been kept nearly zero for an extended period. The Town invests temporary cash in its treasury according to State law that prudently restricts us to money market rates. As short-term rates have been lowered in recent years, the impact on the Town's budgeted revenue forecast has been dramatic, resulting in a decline in the annual revenue from interest earnings of almost $700 thousand from FY08 to the FY12 estimate.

Building Permit Fees and the tax levy from new construction

As the economy has contracted, construction activity generally has slowed. The FY12 estimates for building permit fees and for property tax revenue from new construction, referred to as New Growth, do not anticipate any substantial change. Permit applications, while healthier than in many surrounding towns, are at levels below normal for Concord. The Longview Meadow development of 320 rental units in West Concord is proceeding; however, other pending development projects remain stalled.

Spending Guidelines

The budgets as presented will result in a tax levy increase of 3.76%, which will keep the tax levy below the projected levy limit by approximately $1.2 million. This tax increase assumes a 4.32% budget increase in Town operations, a 2.8% budget increase for the Concord Public Schools, and a 5.43% increase in the Concord-Carlisle High School operating assessment. This would result in a $326 tax increase at the current median single family residential value of $657,750, or an increase of $50 on each $100,000 of assessed (some taxpayers may see a higher or lower impact as property assessed value changes, required by law to track the real estate market, are never exactly proportional across all 6,000 taxable parcels).

Elementary School Debt Stabilization Fund

At the 2008 Annual Town Meeting, the Town voted to establish an Elementary School Debt Stabilization Fund with an initial transfer of $2.5 million from the Town's Free Cash reserves. This action was taken in anticipation of a long-term bond issuance in the spring of 2010 to permanently finance the construction cost of the new Willard elementary school.

The intent of the Stabilization Fund creation was to begin drawing it down starting in FY11, the first year when debt repayment would be due on the expected Willard bond. At the 2010 Town Meeting, Article 10 was approved, which allocated $1,000,000 from the Stabilization Fund to offset the debt service cost for the Willard project. This prudent planning offset what would have been an additional 1.5% increase in the tax levy. At this year's Town Meeting, Article 26 proposes to allocate an additional $700,000 from this fund to continue to offset the tax impact of the elementary school bonds.

Allocation from the Thoreau School MSBA grant

A grant of $6,336,666 was received from the Massachusetts School Building Authority on June 4, 2010. As all Thoreau School long-term debt had been issued in 2006 and 2007 (at long-term rates below 4%), the grant from the School Building Authority is required to be escrowed and amortized over the remaining 15-year life of the Thoreau School bonds (through FY25). Funds may be used solely for the purpose of offsetting the property tax levy that would otherwise be required to pay the debt service. Allocation is automatic and does not require Town Meeting appropriation. The FY12 proposed budget includes the required allocation of $427,413, reducing the property tax levy that otherwise would have been required. The balance of the grant is invested by the Treasurer and any interest earned is credited to the General Fund, a factor that allows us to forecast higher FY12 interest earnings than the FY10 actual revenue.

Other stabilization funds

The use of stabilization funds is relatively new in Concord. This year the school administration has proposed to continue to allocate funds to existing technology stabilization and capital needs stabilization funds (Ar-

Continued

ticles 28, 29 and 30). The Finance Committee is generally supportive of the need to provide for maintenance of the technology and the physical plant that is required to provide educational programs. Each of these stabilization funds is an attempt to smooth the level of expenditures in these areas. Town Meeting approval is required, by a two-thirds vote, to allocate monies to stabilization funds, as well as eventually to authorize the use of such funds in future years for specific expenditures.

Other post-employment benefits

Accounting standards promulgated by the Governmental Accounting Standards Board, which became effective for Concord with its June 30, 2009 financial statements, require that state and municipal governments nationwide begin to report their liabilities for what is generally referred as other post-employment benefits (OPEB). A professional actuarial study was conducted in 2010 jointly with the regional school district. Its conclusion indicated that compliance with the State law obligation to provide 50% of the cost of group health insurance for all current and future retirees will require current annual allocations of $2,000,000 from the Town's General Fund and $750,000 from CCRSD. We need to begin to act now to meet these liabilities. Consequently on this year's warrant, Article 7 proposes to begin funding this future cost by transferring $700,000 from the Town's existing Insurance Reserve Fund to the OPEB Trust. Also, both the Town and CCHS proposed FY12 budgets begin to allocate funds toward this future cost. The funding of a trust will enable a long-term investment approach, just as the Town established thirty years ago to meet its pension obligations. Failure to begin covering this liability will increase future annual costs. The Town's excellent credit standing could also be imperiled by inaction, ultimately raising the interest rate on future town bonds issued for any purpose.

CCHS Building Project

Town Meeting last year approved $1,300,000 for carrying out a feasibility study and schematic design services for improvements at the high school. This project is being conducted with the participation, and according to the rules, of the Massachusetts School Building Authority (MSBA). Progress has been made and it appears likely that there will be a special town meeting and town ballot in the fall to address the CCHS project. While figures are still preliminary, it appears that this will be a significant project likely to cost in the range of $75-$85 million, to be assessed across both Concord and Carlisle. If the project is approved, the MSBA share would be at least 31% of the cost, but financing the balance of $52-$59 million will require the Regional School District to issue debt. It is likely that both Concord and Carlisle voters will be asked to approve a debt exclusion ballot for whatever project is finally approved, in order to finance the resulting annual debt repayment above the property tax levy limit. This borrowing, even at very favorable rates will increase the tax burden by an estimated 5% to 6%. It is not yet prudent to attempt to be definitive about either the total cost of the project or its impact on taxes. The Finance Committee will continue to monitor this project and report to the citizens more specific information as it becomes available.

Conclusion

The Town's finances are in good shape. However, providing modest increases in the FY12 budgets for the schools and the Town requires the use of additional free cash (Article 11) and the use of nearly half the existing unused levy limit. As we look past the coming budget year, to FY13 and beyond, it seems increasingly likely to the Finance Committee that the maintenance of existing services and the need to provide funds to meet our OPEB liability will likely require an operating budget override, i.e., a ballot box decision for the Town electorate. Similarly, the capital investment needs of the high school will require a decision by taxpayers. These additional budget pressures will continue for the foreseeable future. The tax bill faced by citizens could significantly increase, primarily as a result of decisions that the voters will be asked to make. We need to begin now to explore creative ways to mitigate cost increases, to increase non-tax revenues where possible, and to openly discuss the inherent trade-offs associated with these choices.

The Finance Committee will review FY12 income figures right up to Town Meeting so as to be able to have the most accurate figures on which to base its recommendations.

The Finance Committee would like to thank the Town and school administrations, led by Christopher Whelan, Town Manager, and Diana Rigby, Superintendent of Schools, for the development and presentation of their budgets and their assistance to the Finance Committee. We also express our thanks to the Town Finance Director, Anthony Logalbo, and the Deputy Superintendent, John Flaherty, as well as to their staffs, for their dedicated work throughout the year in maintaining the Town's fiscal health and providing wise counsel to the Finance Committee.

Notes:

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

The Finance Committee has the following responsibilities:

- Establishing fiscal guidelines for the Town Manager, the Concord Public School Committee, and the Concord-Carlisle Regional School Committee in preparing their budgets. Under Town by-law, these guidelines must be published by the end of November each year.
- Conducting public hearings on the budgets and other financial matters expected to come before annual and special Town Meetings.
- Preparing this report for distribution to all residents, including recommendations on warrant articles before the Annual Town Meeting and a summary of the Town's financial status.
- Conducting special studies and activities to gather and disseminate information about financial issues affecting the Town.
- Managing a Reserve Fund account to meet extraordinary and unforeseen expenditures (proposed at $225,000 for FY12).

Individual committee members are assigned as observers to attend public meetings of other Town boards and committees. Reports from these observers are included in the Observer Reports section of this document.

It is important to emphasize that the role of the Finance Committee is limited to making recommendations. The Finance Committee regularly makes recommendations to Town Meeting, the Town Manager, the Board of Selectmen, the school committees, the Superintendent of Schools, other boards and committees, and the citizens of the Town. Responsibility for making decisions is reserved to the citizens through Town Meeting and Town elections and to staff members, boards, and committees to whom specific responsibilities have been delegated by Town by-law and/or State law.

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

Finance Committee Policies

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

Continued

- Maintain a minimum fixed percentage of the annual budget in Free Cash. This forms the core of the Town's reserves and its working capital. Since the mid-1990s, the percentage has been 5%, equivalent to about $4 million as we enter FY12.
- Spend about 7% to 8% of the annual budget on routine recurring capital maintenance and renewal of the Town's facilities and infrastructure (including schools). Included in this, up to 5% is reserved for debt service for large items and projects funded by borrowing with debt service to be supported within the property tax levy limit and therefore, for this component of the capital program, without resort to debt exclusion ballots.
- Avoid earmarking of revenues, except as established by statute or local bylaw enacted by Town Meeting. All other revenues go into the General Fund, where they form part of the current year resources and/or contribute to Free Cash for future years.
- Maximize the efficiency of capital with an aggressive program of repayment of debt principal, thereby minimizing the proportion of debt service paid in interest and making tax dollars go farther.
- Adjust these policies only gradually and deliberately, not in response to pressures of the moment.

In general, the Finance Committee's position is that debt service within the Levy Limit should be focused on routine things over which the Town has little discretion, e.g., roofs, roads, equipment, workspaces for employees. Debt exclusion financing should be reserved for community amenities that are direct additions or improvement in basic services and that would otherwise push essential maintenance out of the capital budget.

Budget Process

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

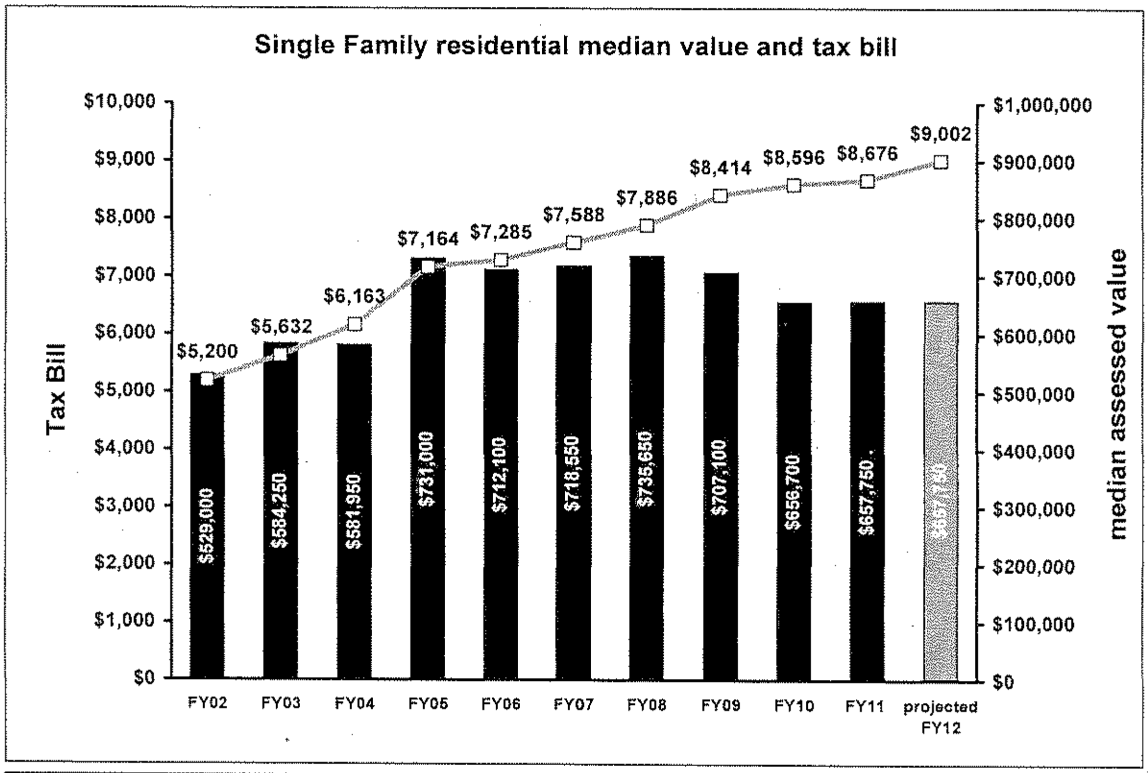
During the fall, the Town Manager and the School Superintendent begin their annual budget process with their own department managers. In October, the Guideline Subcommittee of the Finance Committee meets with each of them to begin to frame the allocation of resources within the Levy Limit and any override for the coming fiscal year. This is presented to the full Finance Committee, which publishes its tentative guideline by the end of October

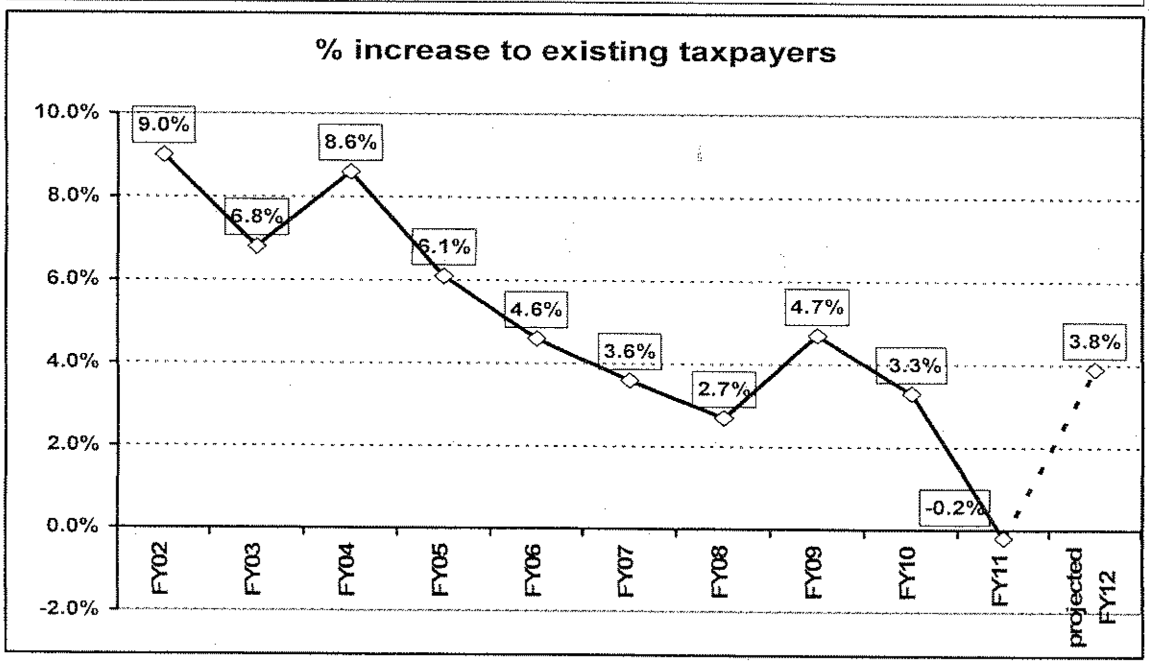
During November, the Guideline Subcommittee again meets with the Town Manager and School Superintendent to finalize the recommended Guideline. This Guideline is published by the Finance Committee no later than the end of November.

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

PROPERTY TAX IMPACT OF PROPOSED FY12 BUDGET

	FY11 Budget	plus		FY12 Budget
Single Family residential property				
Projected Tax rate Impact				+ 3.76%
Tax Bill at median $657,750 value	$ 8,676	+ 326	=	$ 9,002
Tax Bill per $100,000 a.v.	$ 1,319	+ 50	=	$ 1,369





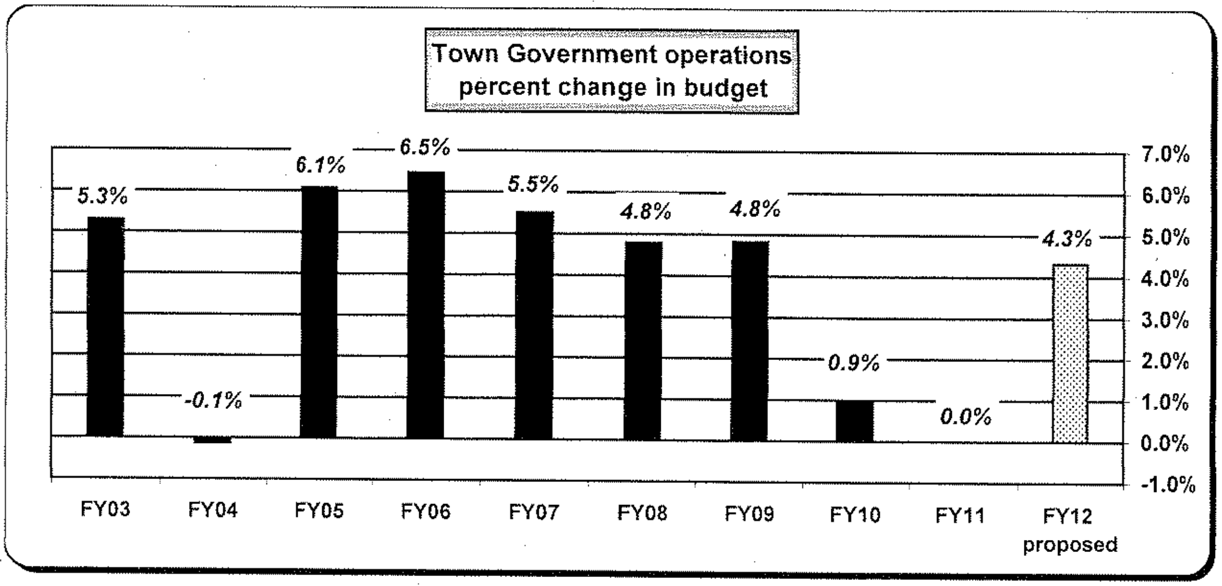
General Fund Budget - All Accounts
Five Years: FY07 - FY11 and FY12 Guideline

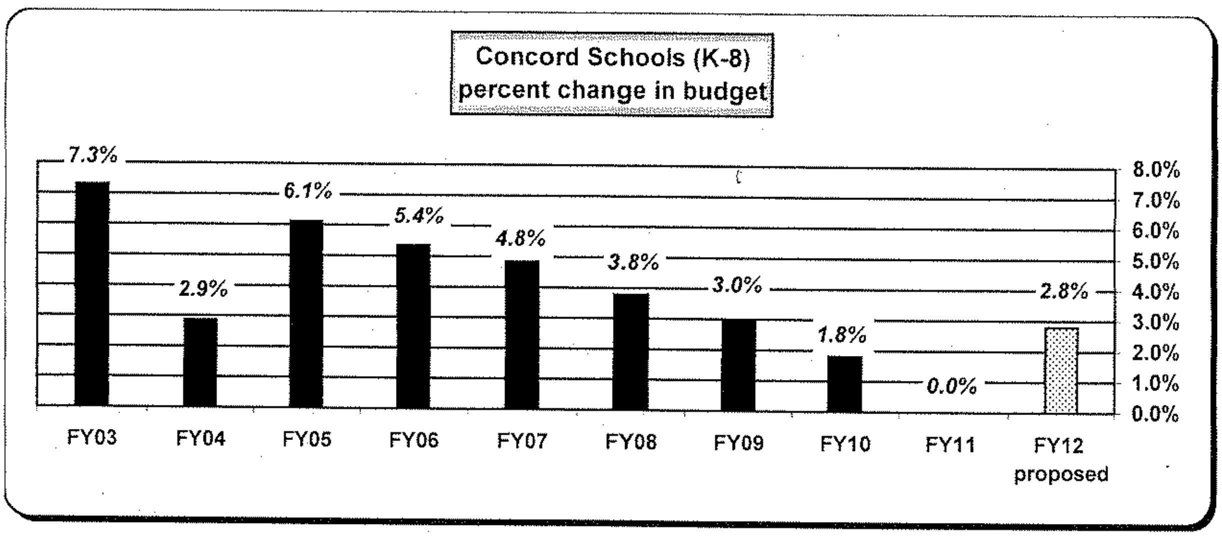
Line #		FY07 Budget	FY08 Budget	FY09 Budget	FY10 Budget	FY11 Budget	FY12 Guideline	Percent change	Percent of total
	Town Government								
1	personal services	$ 11,335,704	$ 11,876,664	$ 12,390,155	$ 12,713,627				
2	O & M	2,841,710	2,940,310	3,108,858	3,112,886				
3	capital outlay	1,271,000	1,356,000	1,466,000	1,300,500				
4	Reserve Fund	200,000	225,000	225,000	225,000				
5	**Total**	$ 15,648,414	$ 16,397,974	$ 17,190,013	$ 17,352,013	$ 17,352,013	$ 18,102,013	4.32%	22.58%
6	**Concord Public Schools**	$ 25,460,285	$ 26,423,840	$ 27,206,200	$ 27,699,200	$ 27,699,200	$ 28,474,200	2.80%	35.52%
7	**Concord-Carlisle RSD**	$ 11,858,857	$ 12,191,417	$ 12,803,885	$ 13,442,936	$ 14,006,221	$ 14,766,221	5.43%	18.42%
9	**Total Operating Budgets**	$ 52,967,556	$ 55,013,231	$ 57,200,098	$ 58,494,149	$ 59,057,434	$ 61,342,434	3.87%	76.53%
9	Group Insurance	$ 3,195,000	$ 3,600,000	$ 3,845,000	$ 4,152,600	$ 4,465,000	$ 4,650,000	4.14%	5.80%
9a	OPEB Trust						150,000		0.19%
10	Retirement	2,310,000	2,380,000	2,450,000	2,500,000	2,750,000	2,860,000	4.00%	3.57%
11	Debt Service	2,750,000	2,909,750	3,100,000	3,150,000	3,175,000	3,275,000	3.15%	4.09%
12	Social Security/Medicare	508,000	522,000	510,000	545,000	580,000	610,000	5.17%	0.76%
13	Other Fixed & Mandated	425,000	425,000	425,000	400,000	375,000	375,000	0.00%	0.47%
14	**subtotal**	$ 9,188,000	$ 9,836,750	$ 10,330,000	$ 10,747,600	$ 11,345,000	$ 11,920,000	5.07%	14.87%
15	Minuteman Voc Tech	$ 502,317	$ 604,702	$ 486,660	$ 637,601	$ 590,682	$ 532,851	-9.79%	0.66%
16	High School Debt Exclusion	477,889	476,557	684,143	539,239	582,444	322,941	-44.55%	0.40%
17	Town Debt Exclusion	2,219,677	2,550,432	3,247,193	3,973,397	4,864,782	4,874,334	0.20%	6.08%
		$ 3,199,883	$ 3,631,691	$ 4,417,996	$ 5,150,237	$ 6,037,908	$ 5,730,126	-5.10%	7.15%
	Free Cash appropriations					$ 34,430	$		
18	**TOWN MEETING VOTE**	$ 65,355,439	$ 68,481,672	$ 71,948,094	$ 74,391,986	$ 76,474,772	$ 78,992,560	3.29%	98.55%
19	State assessments	$ 368,084	$ 367,696	$ 382,563	$ 389,372	$ 441,741	$ 452,785	2.50%	0.56%
20	Snow/Ice & other deficits	111,857	0	358,915	239,730	99,199	160,000	61.29%	0.20%
21	Overlay	453,991	588,461	523,555	506,857	545,082	550,000	0.90%	0.69%
22	**subtotal**	$ 933,932	$ 956,157	$ 1,265,033	$ 1,135,959	$ 1,086,022	$ 1,162,785	7.07%	1.45%
23	**TOTAL BUDGET PLAN**	$ 66,289,371	$ 69,437,829	$ 73,213,127	$ 75,527,945	$ 77,560,794	$ 80,155,345	3.35%	

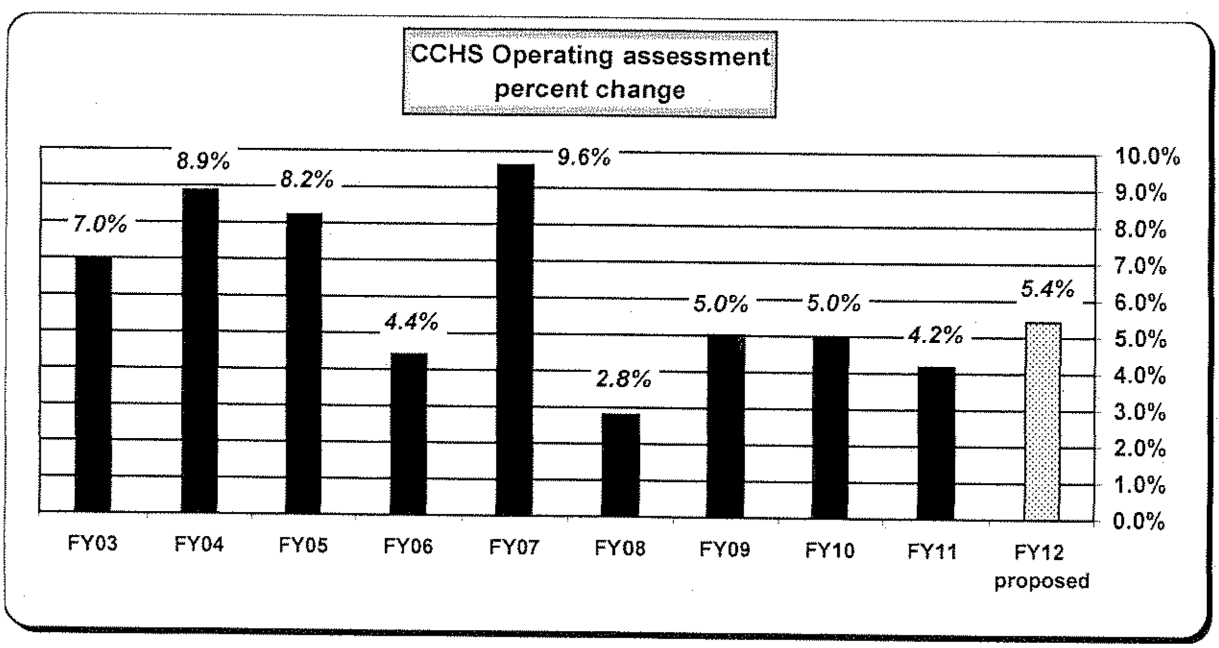
"Concord-Carlisle RSD" is Concord's share of the assessable portion of the High School budget.
"Other Fixed & Mandated" includes: Property & Liability Insurance, Unemployment and Worker's Compensation.

Financing the Budget Plan

		FY07 Budget	FY08 Budget	FY09 Budget	FY10 Budget	FY11 Budget	FY12 Guideline	Percent change	Percent of total
24	state aid	$ 4,122,776	$ 4,234,876	$ 4,477,986	$ 3,808,876	$ 3,657,671	$ 3,300,000	-9.78%	4.12%
25	motor vehicle excise tax	2,350,000	2,300,000	2,150,000	2,050,000	2,100,000	2,000,000	-4.76%	2.50%
26	investment earnings	900,000	1,000,000	750,000	270,000	300,000	300,000		0.37%
27	other local revenue	2,010,875	2,116,500	2,246,500	2,206,500	2,511,500	2,551,500	1.59%	3.18%
28	Appropriations financed from:								
29	Debt Stabilization Fund					1,000,000	700,000	-30.00%	0.87%
30	Free Cash					34,430			
31	transfers to General Fund:								
32	from CMLP (Light Fund)	340,000	340,000	340,000	355,000	380,000	380,000		0.47%
33	Thoreau School MSBA grant					431,796	427,413	-1.02%	0.53%
34	"free cash" transfer	500,000	500,000	600,000	1,040,000	600,000	850,000	41.67%	1.06%
35	**subtotal**	$ 10,223,651	$ 10,491,376	$ 10,564,486	$ 9,730,376	$ 11,015,397	$ 10,508,913	-4.60%	2.07%
	Property Tax:								
36	property tax base	$ 51,811,551	$ 54,550,950	$ 57,769,554	$ 60,216,052	$ 61,712,667	$ 64,976,570	5.29%	81.06%
37	override voted	657,538	0	0	0	0	0		
38	new growth	894,270	1,368,514	947,751	1,068,881	817,300	600,000	-26.59%	0.75%
39	**total within the Levy Limit**	$ 53,363,359	$ 55,919,464	$ 58,717,305	$ 61,284,933	$ 62,529,967	$ 65,576,570	4.87%	81.81%
40	debt exclusion	2,702,361	3,026,989	3,931,336	4,512,636	4,015,430	4,069,862	1.36%	5.08%
41	**total property tax**	$ 56,065,720	$ 58,946,453	$ 62,648,641	$ 65,797,569	$ 66,545,397	$ 69,646,432	4.66%	86.89%
	TOTAL RESOURCES	$ 66,289,371	$ 69,437,829	$ 73,213,127	$ 75,527,945	$ 77,560,794	$ 80,155,345	3.35%	


Town Government operations percent change in budget
5.3%
-0.1%
6.1%
6.5%
5.5%
4.8%
4.8%
0.9%
0.0%
4.3%
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
-1.0%
FY03
FY04
FY05
FY06
FY07
FY08
FY09
FY10
FY11
FY12 proposed


Concord Schools (K-8) percent change in budget
7.3%
2.9%
6.1%
5.4%
4.8%
3.8%
3.0%
1.8%
0.0%
2.8%
8.0%
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
FY03
FY04
FY05
FY06
FY07
FY08
FY09
FY10
FY11
FY12 proposed


CCHS Operating assessment percent change
7.0%
8.9%
8.2%
4.4%
9.6%
2.8%
5.0%
5.0%
4.2%
5.4%
10.0%
9.0%
8.0%
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
FY03
FY04
FY05
FY06
FY07
FY08
FY09
FY10
FY11
FY12 proposed