

Budget Summary: Article 6

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

Article 6 consists of 41 separate appropriation accounts. Once voted, funds cannot be transferred between these accounts except by Town Meeting action. For Guideline purposes, these accounts are grouped into two categories:

- the Town Operating Budget, Items 1-36 is recommended at \$18,102,013 for

FY2012, which is an increase of \$750,000 or 4.3% from the current year budget and is at the Finance Committee's Guideline;

- the Joint Town-CPS accounts, Items 37-41, recommended at \$16,094,334. This is 5.8% above the current budget, with the principal increases occur-

ring in accounts 37, Group Insurance, and 41B, Excluded Debt. The Joint Town-CPS group of accounts includes employee group insurance, the Town's annual required payment to the employee (non-teacher) pension fund, property and liability insurance covering the Town and CPS, and

Article 6 - The Proposed Town Government General Fund Budget for the year beginning July 1, 2011 General Fund appropriations

	Appropriations FY 2011	Proposed FY 2012	percent change
Operations (accounts 1-36)			
General Government	\$1,869,801	\$1,892,847	1.2%
Finance & Admin	1,494,676	1,530,344	2.4%
Police & Fire	7,250,740	7,360,575	1.5%
Public Works	2,715,054	2,759,489	1.6%
Library	1,726,924	1,761,924	2.0%
Reserve Fund	225,000	225,000	0.0%
Salary Reserve	57,064 *	470,000	
Recreation & all other	697,254	716,834	2.8%
subtotal- operations	\$16,036,513	\$16,717,013	4.2%
Capital Outlays	1,315,500	1,385,000	5.3%
TOTAL subject to Guideline	\$17,352,013	\$18,102,013	4.3%
Town and School debt service (account #41):			
repayment within levy limit	3,175,000	3,275,000	3.1%
excluded from levy limit	3,864,782	4,174,334	8.0%
TOTAL	\$7,039,782	\$7,449,334	5.8%
Employee Benefits (Town and CPS):			
Group Insurance (acct. #37A)	4,465,000	4,800,000	7.5%
Retirement (pension funding, acct. #39)	2,750,000	2,860,000	4.0%
Medicare/social security (acct. #40)	580,000	610,000	5.2%
TOTAL	\$7,795,000	\$8,270,000	6.1%
Other Expenses (Town/CPS joint accounts)			
Workers & Unempl. Comp (acct. #38)	200,000	200,000	0.0%
Property & Liability Insr. (acct. #37B)	175,000	175,000	0.0%
TOTAL, Article 6	\$32,561,795	\$34,196,347	5.0%

* NOTE: balance of FY11 salary reserve not yet transferred to operating accounts

Continued

the debt service account covering debt issued for both Town and CPS capital projects, both debt service within the levy limit and debt service on bonds voted by the Town electorate to be paid from tax levies above the levy limit. Management of these accounts is strengthened by consolidating the Town government and Concord Public Schools components rather than budgeting them separately between Town and school appropriations. Elsewhere in this Report, these accounts are allocated to show the overall education and non-education shares of Town spending plans.

Item 41, Debt Service, includes \$4,174,334 for principal and interest expense excluded from the levy limit by past votes of the electorate (refer to Excluded Debt, pages 33, 34). This is the net amount to be tax-supported after the proposed allocation of \$700,000 from the Elementary School Debt Stabilization Fund (Article 26). \$700,000 will be separately appropriated for excluded debt service under that article.

Town Government: Items 1-36

The proposed operating budget for the departments organized under the Town Manager is \$18,102,013. As shown in the accompanying table, it is broken down into two main components: operations, up 4.2% to \$16,717,013; and capital outlay, up 5.3% to \$1,385,000

Article 6 Overview

Article 6 shows only the General Fund portion of each budget account, as this is the portion to be voted by the Town Meeting. Many budget accounts include resources

from other funds, typically involving allocations from the Town's enterprise operations (water, sewer, light, solid waste, swim and fitness center) for management services provided.

The Town Manager's Proposed Budget document, published Jan. 25 and available on the Town website, concordma.gov, provides detailed discussion of each account. The Finance Committee has reviewed this document with the Town Manager and conducted a public hearing Feb. 28 on the submitted plan. The Finance Committee recommends the adoption of the Town Government budget as proposed by the Town Manager.

Highlights of the proposed budget are summarized as follows.

Staffing changes in the Town Manager's Proposed Budget

- For FY12, the main **tax-supported** proposed staffing changes are as follows.

- In the Elections Account, it is proposed that the FY12 staffing level be decreased by 0.31 full-time equivalent (FTE) due to the expectation that there will be two elections instead of the three elections budgeted for in FY11.

- Funds are proposed in the Natural Resources budget so that conservation crew hours can be increased by 400 hours (0.19 FTE). In addition, an Intern position (0.24 FTE) is budgeted.

- For the police department, funding is proposed for a full-time (1 FTE) lieutenant position, a post that was eliminated in FY11 due to budget cuts.

- The Public Works Engineering

Division is proposing that a part-time engineering aide position be reinstated as a full-time position. This request would result in an FTE increase of 0.5. Last year, the position was reduced from full-time to a part-time status, due to budget reductions.

- A cemetery specialist position, which in FY11 was decreased from full-time to part-time status, is proposed to be funded at the full-time level, which will result in an additional 0.5 FTE.

- With the opening of a newly renovated Fowler Branch Library, funding for a 20 hour-per-week branch librarian (0.5 FTE) has been added to provide staffing of at least two employees during operating hours.

Budget Changes

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

Account number and title

1A Town Manager

The Town Manager's operating budget represents a 5.7% increase from FY11. A main portion of the increase is a result of hiring a new Youth Services Coordinator, which has been funded by a gift of \$24,800 from the Community Chest. In addition, this budget provides \$5,000 in capital for projects to assist the Town in making public property accessible to the disabled.

1B Town-wide

Building Maintenance

This account was established with the FY05 budget in an effort to set up a central pool of funds with which to monitor building conditions, establish renovation priorities, and fund repairs and im-

provements. Since FY05 when the account was budgeted at \$40,000, the funding level has gradually been increased to \$150,000 in FY11.

The recommended level in FY12 is \$159,000 and the five-year Capital Outlay plan raises this funding target to \$225,000 by FY16. During FY11, the Town hired a full-time facilities manager to oversee the maintenance of Town-owned buildings. An interdepartmental committee under the direction of the Deputy Town Manager manages the fund.

1C Human Resources

Two years ago, the Personnel Department was renamed the Human Resources (HR) Department and moved from the Finance group to the General Government group. The Human Resources (HR) Department remains under the Town Manager's budgetary control. Staffing at the Human Resources Department includes an HR director, assistant HR director, HR Assistant, and a department clerk (reclassified from an office assistant position). In addition, the budget provides for 179 more hours of overtime for special projects. Other increases in the FY12 budget can be attributed to additional funds requested for town-wide training (\$7,733) and the employee recognition program (\$1,965).

2 Legal Services

The Legal Services account is proposed to be level funded at \$225,000. It is expected that this amount is sufficient to cover the FY12 legal costs for the Town.

3A Elections

The amount required to fund the elections account is dependant on the num-

ber of federal, State, and local elections that are held in a given year. In FY12, it is expected that there will be two elections: one annual Town election and one presidential primary. Each election costs the Town approximately \$12,000. State reimbursement is available for a portion of the presidential primary. If there were to be any additional elections, funding would be requested from the Reserve Fund.

3B Registrars

This proposed budget of \$10,673 provides resources to register voters, conduct the annual Town census, and certify nomination papers and petitions. In January 2012, Concord may need to have its precincts redistricted based on the 2010 federal census.

4 Town Meeting and Reports

The current budget allows for a four-session annual Town Meeting in April 2011 and also funds a one-day special Town Meeting. While there are no specific plans for a special meeting, it has been common in the past several years for one to take place. The amount proposed in FY12 is the same as that for FY11.

5A Planning Division, DPLM

The FY12 operating budget for the planning division is proposed to increase by 0.9% from that for FY11. In this budget, a modest amount is provided to support the Historic Districts Commission and the Historical Commission. A senior planner provides staff assistance to the Community Preservation Committee (CPA) and part of this salary is paid for by CPA funds.

5B Board of Appeals, DPLM

The FY12 budget is proposed to be level funded from that of FY11. The account provides for the salary of an administrative assistant, who coordi-

nates the activities of the Board of Appeals.

5C Natural Resources

Division, DPLM

The proposed Natural Resources (NR) budget represents a 4.6% increase in operating costs from that of the FY11 budget. In addition to the staff of a NR director, assistant NR director, and administrative assistant, the budget proposes funding of 1,400 hours (an increase from 1,000 in FY11) for a seasonal conservation crew and 500 hours for an intern. Funding is also proposed for the following capital projects: pond and stream management (\$5,000) and conservation restrictions database (\$10,000).

5D Building Inspections

Division, DPLM

Most of the allocation in this account goes toward funding the building inspections staff, which includes the full-time positions of building inspector, local inspector, assistant local inspector, administrative assistant, as well as the part-time positions of plumbing and gas inspector and electrical inspector. With the issuance of building permits in Dec. 2010 for the Alexan Development Project, the FY12 personnel budget may need to be augmented in order to provide for the inspections of 350 new Alexan residential units.

5E Health Division, DPLM

This budget is proposed to increase by 2.9% from that of FY11. This increase is a result of funding the Public Health position (which is currently vacant) at the midpoint of the salary range and increasing the hours of the Sealer of Weights and Measures from 215 to 220. As was the case last year, an amount of \$20,000 is recommended to fund the East Middlesex Mosquito Control Project for efforts to protect Concord residents and visitors from

Eastern Equine Encephalitis and West Nile Virus.

6 141 Keyes Road, DPLM

The FY12 proposed operating budget represents a 4.4% increase over that of FY11. This increase mainly reflects the additional cost anticipated to maintain the building's 16-year-old HVAC system.

7 Finance Committee

Funding for support of the Finance Committee is included in this budget, which represents no change in the costs from that of the FY11 budget.

8A Finance Administration Division, Finance Department

The Finance Administration Division budget is proposed to increase by 3.4% from that of FY11. The increase of approximately \$13,000 can be attributed to funding the assistant treasurer position at the mid-point as opposed to the minimum level of the salary range. This position, which is currently vacant, is expected to be filled by the spring, 2011. With the hiring of an assistant treasurer, the Finance Department will have a staff member who will oversee all aspects of Town payroll administration, manage active and retired employee benefits in conjunction with the Human Resources Office, and assist the deputy treasurer with various treasurer and collector activities.

8B Treasurer-Collector, Finance Department

This account includes funding for much of the Town's postage expenses (\$49,000) and banking service charges (\$78,500). The FY12 operating budget is proposed to be 1.4% greater than the previous year and this increase is a result of an expectation that banking service fees will go up by \$3,900.

8C Town Accountant, Finance Department

The FY12 budget is proposed to be 0.5% less than that for FY11. Included in the budget is \$50,000 to cover the cost of the Town's annual external audit and this audit fee is same as in FY11.

8D Assessing Division, Finance Department

The increase of 2.5% is attributed to additional resources for appraisal services (\$2,500), professional services (\$1,000), and postage (\$4,000). It should be noted that last April the assessing division moved into its newly renovated office at the Town-owned 24 Court Lane building, adjacent to the Sleep Hollow Cemetery.

8E Town Clerk, Finance Department

The Town Clerk budget is proposed to rise by 1.2% from FY11. Part of this increase is a result of the budgeting of 283 additional hours for the Office Assistant position.

9 Information Systems

The Town's Information Systems Division is currently undergoing a comprehensive review to assist the Town Manager in determining the appropriate organizational model and technology structure that the Town should use going forward. This review is expected to be completed before the start of FY12. To accommodate possible information technology changes, the FY12 proposed budget increases resources for the Town-wide Technology Fund by \$13,000 to \$141,000.

10 Town House

The FY12 proposed operating budget is a 0.4% decrease from that of FY11. This budget include costs for maintaining and clean-

ing the Town House and the newly renovated assessing division office space at 24 Court Lane.

11 Police Department

Total FY12 operating expenditures for the Police Department are proposed to rise by 1.9%, with much of the increase (\$56,448) a result of providing resources for a lieutenant position, a post that was not funded in FY11 due to budget cuts. In addition, funding is proposed for the replacement of three police cruisers (\$87,000), upgrade and maintenance of public safety equipment (\$15,000), acquisition of bullet-proof vests (\$31,000), replacement of Automated External Defibrillators (\$9,000), and radio rebanding as required by new FCC regulations (\$3,000).

12 Fire Department

Total FY12 operating expenditures for the Fire Department are proposed to rise by 0.3%. Funding is provided for the upgrade and maintenance of public safety equipment (\$20,000), purchase of a gear washer/dryer (\$8,000), replacement of Automated External Defibrillators (\$8,000), pumper repairs (\$35,000), and radio upgrades (\$5,000).

13 West Concord Fire Station

This budget is to fund the operations of the West Concord Fire Station, 1201 Main St.. As compared to FY11, the FY12 budget is proposed to have an 11.5% decrease in operating costs. The reduced budget is possible in part due to savings in natural gas expenses from the installation of a new high-efficiency boiler, partially funded by a Sawyer Trust Fund allocation.

14 Police/Fire Station

This budget is to fund the opera-

tions of the Police and Fire Department headquarters, 209 Walden St. There are no significant proposed changes in operating costs from FY11 to FY12. The Fire Department side of the Police and Fire Station is undergoing renovations that should be completed in the spring, 2011.

Emergency Management

In order to have an action plan in place in the event of an emergency, the Town is proposing to continue to fund Concord's Emergency Management Agency at \$12,810. The Fire Chief serves as the emergency management director.

Dog Officer

The Town contracts with a private vendor to provide dog control services. This account is proposed to be increased by 3% from the level allocated in FY11.

17A Public Works Administration, CPW

With no significant proposed change in the budget from FY11 to FY12, proposed increases in purchased services and supplies have been offset by a decrease in the number of overtime hours budgeted.

17B Engineering, CPW

The Engineering Division's operating budget is proposed to be 3.1% more in FY12 than in FY11. In FY12, funding is proposed for groundwater and landfill monitoring at the landfill (\$16,000), Geographic Information Services (GIS) software maintenance and training services (\$20,000), traffic signal improvements (\$10,000), and federally mandated street sign replacement (\$70,000).

17C Highway Maintenance, CPW

This operating budget is proposed to have no significant change in funding level for FY12. An increase in supplies has been offset by a substantial \$18,200 reduction in catch-basin cleaning services. In the future, catch-basin cleaning will be handled in-house using equipment purchased with funding from the CPW Equipment budget. The required 2 to 3 year cycle of catch basin cleaning will be maintained.

17D Parks and Trees, CPW

The FY12 Parks & Trees Department operating budget is proposed to be 1.6% above the funding level budgeted in FY11. This budget increases the number of summer crew positions from two to four while decreasing the hours for seasonal help from 2280 to 1648 hours. In addition, \$20,000 is allocated for public shade trees, \$20,000 for turf improvements, and \$5,000 for small equipment.

17E Cemetery, CPW

The Cemetery Fund supports the cemetery division by providing resources for 65% of all operating expenditures and 100% of all capital improvements. The FY12 operating budget is proposed to be increased by 13% due to the funding of a full-time cemetery specialist. In FY11, this position was budgeted as a part-time position.

18 Snow Removal, CPW

The snow removal budget is proposed to be funded at \$513,000, an increase of \$18,000 from that of FY11. The amount budgeted for road salt is funded at \$205,090 in FY12. If the actual FY12 expenditure exceeds the budgeted amount, the Town is allowed by State statute to add the difference to the fol-

lowing year's tax levy. The FY12 budget plan anticipated a \$160,000 overrun of the \$495,000 current year appropriation (See account #102). Final results may place the current deficit slightly higher, but not sufficiently different as to require modifying the overall financial plan being presented to the Town Meeting.

19 Street Lights, CPW

The FY12 proposed budget of \$50,560 is essentially level-funded from that of FY11.

20 Public Works Equipment, CPW

The Public Works Equipment budget of \$210,000 funds the Town's well-planned schedule of equipment replacement. This represents a decrease of \$60,000 from FY11. In FY12, vehicles that are scheduled to be purchased include a pickup truck, 5-ton dump truck, catch-basin cleaner, lift-gate truck, and 1-ton roller.

21 Drainage, CPW

The FY12 funding includes \$105,000 for drainage improvements, \$100,000 for culvert improvements, and \$10,000 for compliance with the new 2011 Merrimac Watershed National Pollutant Discharge Elimination System (NPDES) MS4 Permit.

22 Sidewalk Management, CPW

The proposed FY12 budget calls for level funding for maintenance of the Town's existing sidewalks program at \$100,000. Although this appropriated budget allocates no funding for sidewalk expansion, Article 31 of the 2009 Annual Town Meeting provides for the borrowing of \$250,000 for sidewalk expansion.

Continued

23 Road Improvements, CPW
The proposed total FY12 budget represents a 3.7% increase in funding from that of FY11, which includes \$90,000 from the General Fund, \$538,000 from State Aid Chapter 90 funds, and \$750,000 from the Roads Program borrowing.

24 133 and 135 Keyes Road, CPW
A proposed 4.6% decrease is proposed in the operating budget for FY12. The account funds the custodian's wages and utilities for the two buildings and the associated garage.

25 Library
As set forth in a long-standing agreement, the Trustees of the Concord Free Public Library Corporation, which owns the Main library and the Fowler Branch, are responsible for maintenance and capital improvements of the buildings and grounds; the Town covers the operating costs. In March of 2011, the Fowler Branch is to reopen to the public after being closed for renovations. In FY12, the total budget is proposed to be \$1.78 million, an increase of \$35,005 from FY11. Most of the increase is proposed to be used for increased staff and custodial services at the Fowler Branch.

26 Recreation Administration
With the exception of the Recreation Director's position, the expenses of the Recreation Department are paid for by fees collected from individual recreation programs. In this way, the Recreation Department has

flexibility in providing programs at a level that meets the demand of the community. The resources for this budget are comprised a General Fund portion (\$88,644) and a Beede Swim and Fitness Center portion (\$10,808).

27 Hunt Recreation Center
It is proposed that the FY12 operating budget for the Hunt Recreation Center be increased by 7.0% from the FY11 budgeted level. This increase is due primarily to the added operating cost for maintaining the Rideout Playground restroom facilities.

28 Harvey Wheeler Community Center
The Harvey Wheeler Community Center continues to be a great resource for the Town in providing space for the Council on Aging office and Recreation Department programs, as well as a meeting area for Town departments, not-for-profit groups, and private individuals. The proposal provides for operating costs to increase by 0.8%.

29 Council on Aging
The FY12 budget for the Council on Aging is proposed to increase by 1.7%. The increase in funding allows the Town to provide needed services to Concord seniors. In addition, a State Formula Grant and a Concord-Carlisle Community Chest gift provide full or partial funding for several COA positions.

32 Visitors Center
The FY12 operating cost to maintain the visitors center is proposed to be \$22,854, a 13.2% decrease from FY11. This decrease is due primarily to a reduction in the overtime cleaning account. In FY12, cleaning services will be

performed by a cleaning service during the week and a custodian during the weekend.

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

34 Reserve Fund
As budgets remain tight due to the economic situation and there are fewer resources available to cover unexpected events, the Reserve Fund appropriation becomes a crucial part of the budgeting process. By statute, this fund is to be used to meet "extraordinary or unforeseen expenditures" as approved by the Finance Committee. A funding level of \$225,000 is proposed for this purpose, unchanged from FY11.

35 Salary Reserve
The allocation in this account makes resources available for the funding of collective bargaining agreements. In addition, the account provides for a market adjustment to the pay scales, and a step and merit adjustment to the salary schedules applicable to non-union employees effective July 1, 2011. Transfers from this account to the individual departmental operating accounts are reported to the Finance Committee and Board of

Selectmen in accordance with the vote of Town Meeting adopting the budget article. This account is proposed to be funded at \$470,000 in order also to provide resources for such compensation adjustments for union and non-union staff.

37A Group Insurance

Group insurance costs continue to increase. The budget anticipates a 7.5% increase in FY12 group insurance costs supported by the General Fund. As part of the 17-member Minuteman Nashoba Health Group, the Town is self-insured for employee health coverage and the cost increase directly reflects actual claims experience. Proposed funding in this account is also allocated to partially meet the General Fund's Other Post-Employment Benefits (OPEB) liability with an initial allocation of \$150,000. The OPEB annual liability attributable to the Town's enterprise fund operations (water, sewer, light, and swim and fitness center) is already

being fully funded.

38 Unemployment & Workers Compensation

An amount of \$100,000 is proposed for the Unemployment Compensation account. The Town pays only for actual claimants, not as a percent of payroll (since the minimum available "experience rating" percentage would be in excess of our actual historical costs).

In addition, an amount of \$100,000 is proposed for Worker's Compensation costs; this amount funds a stop-loss reinsurance policy covering wage and other claims and the payment of miscellaneous medical expenses resulting from employee injury on the job.

Coverage of unemployment and workers compensation applies to both Town and Concord Public School employees.

39 Retirement

Following the sharp economic downturn in the financial markets during the fall of 2008, assets of the Concord Retirement System have recovered much of their value. Still, at the most recent biennial actuarial valuation as of Jan. 1, 2010, the Revised Funding Schedule for projected full funding status has been extended to FY21, an increase of nine years from the actuarial projections made two years earlier. The plan uses a 7.75% discount rate.

In FY12, the General Fund appropriation is required to be \$2.86 million, an increase of 4% from FY11. The retirement system is a defined benefit plan that provides a pension benefit based upon the highest three-year average annual pay and years of service.



FY12 Budget Summary: Education

Budget Highlights Articles 8, 9 and 10

The school committees of the Concord Public Schools (CPS) and Concord-Carlisle Regional School District (CCRSD) approved FY12 budget requests as shown in the accompanying table.

The CPS (grades K-8) operating budget (Article 8) adopted by the School Committee is within the Finance Committee guideline. The CPS operating budget request for FY12 is \$28,474,200, which represents a 2.8% increase or \$775,000 above the current FY11 budget level. Budget increases in recent years have been: FY10, +1.8%, FY11, no change. Reductions in Special Education expenses, careful use of resources, and attention to cost controls have enabled CPS to continue to stay within proposed budgets while maintaining the quality of the elementary school program.

The CCRSD budget request (Ar-

icle 9) for FY12 is \$23,981,012 an increase of 2.05% or \$482,585 from the current FY11 budget level. This total includes debt service, the assessed cost of which has been excluded from the property tax levy limit by past votes in both Concord and Carlisle. The proposed operating budget of \$23,233,274 is an increase of \$859,092, or +3.84%.

Concord's assessment share for the CCRSD operating budget is \$14,766,221 representing an increase of 5.43% or \$760,000. This is within the Finance Committee guideline. Concord's share of the CCRSD debt assessment is \$322,941, resulting in a total FY12 assessment of \$15,089,162 to be appropriated under Article 9. The percentage increase of Concord's assessment is greater than the high school budget increase due to two factors: 1) an assumption of lower state aid, and 2) an increase in the proportion of the student popula-

tion that is from Concord as of the Oct. 1, 2010 enrollment date, as discussed below.

CPS enrollment at Oct 1, 2010 was 1,918 students, up 59 students from the prior year and up 4.5% from four years earlier. CPS experienced an unexpected increase in Kindergarten students. Projected enrollment over the next five years is expected to remain stable; however, planned residential development may affect future enrollment numbers.

As of Oct 1, 2010 enrollment at CCRSD was 1,221 students compared with 1,245 students on Oct 1, 2009, a 2% decline. Although the total number of students is less than last year, there has been a shift with an increase in the number of Concord students. This shift has contributed to an increase in Concord's FY12 operating assessment (based on the Oct 1, 2010 student ratio) to

Enrollment Data:	Concord Public (k-8)			CCHS		
	K-5	6-8	Total CPS	Concord	Carlisle	Total*
Oct. 1, 2005	1260	644	1904	840	312	1244
Oct. 1, 2006	1235	600	1835	848	330	1257
Oct. 1, 2007	1228	581	1809	846	332	1259
Oct. 1, 2008	1233	606	1839	850	332	1268
Oct. 1, 2009	1233	626	1859	813	353	1245
Oct. 1, 2010	1304	614	1918	801	337	1221
Projected:						
Oct. 1, 2011	1321	630	1951	802	334	1211 *

* CCHS total includes non-resident students.

**Concord Finance Committee
FY12 Guideline
Proposed Education Budgets**

Concord Public Schools	Adopted FY11 Budget	Proposed FY12 Budget	\$ Change	% Change
Program Area				
Regular Education	\$ 14,918,391	\$ 15,370,755	\$ 452,364	3.03%
Special Education	6,461,261	6,672,579	211,318	3.27%
Administrative Support	2,017,009	2,034,647	17,638	0.87%
Operations	4,212,739	4,309,273	96,534	2.29%
Fixed Costs	89,800	86,946	(2,854)	-3.18%
Total	\$ 27,699,200	\$ 28,474,200	775,000	2.80%
Concord-Carlisle High School	Adopted FY11 Budget	Proposed FY12 Budget	\$ Change	% Change
Program Area				
Regular Education	\$ 10,059,604	\$ 10,458,821	\$ 399,217	3.97%
Special Education	5,653,107	5,525,903	(127,204)	-2.25%
Administrative Support	1,285,287	1,323,231	37,944	2.95%
Operations	2,814,179	2,936,312	122,133	4.34%
Fixed Costs	2,562,015	2,989,007	426,992	16.67%
Operations	\$ 22,374,192	\$ 23,233,274	\$ 859,082	3.84%
Debt Service:				
debt reimbursed by state aid	\$ 288,950	\$ 288,950		
debt exclusion assessed	835,285	458,788		
	\$ 1,124,235	\$ 747,738	\$ (376,497)	-33.5%
Total	\$ 23,498,427	\$ 23,981,012	\$ 482,585	2.05%
Financing Sources				
State aid	\$ 2,151,779	\$ 2,119,499	(32,280)	-1.50%
District funds	425,000	425,000	0	
Assessments	\$ 20,921,648	\$ 21,436,513	\$ 514,865	2.46%
Concord assessment ratio				
	69.73%	70.39%		
without debt exclusion	\$ 14,006,221	\$ 14,766,221	\$ 760,000	5.43%
debt exclusion	582,444	322,941	(259,503)	
TOTAL	\$ 14,588,665	\$ 15,089,162	\$ 500,497	3.43%
Carlisle assessment ratio				
	30.27%	29.61%		
without debt exclusion	\$ 6,080,142	\$ 6,211,504	\$ 131,362	2.16%
debt exclusion	252,841	135,847	(116,994)	
TOTAL	\$ 6,332,983	\$ 6,347,351	\$ 14,369	0.23%

Continued

70.39% of the operating budget vs. a 69.73% assessment share of the FY11 budget. While the overall CCHS enrollment is expected to be stable over the next five years, the trend toward a higher Concord student ratio is expected to continue.

Minuteman Career and Technical High School Budget Article 10

Concord is one of 16 members communities of the Minuteman Career and Technical High School District. The school provides a broad range of career and college preparation options for Concord students. The school is recognized as one of the most successful technical high schools in the nation, achieving both a reputation for solid academic preparation and a superior placement record for its graduates.

Concord's enrollment at Minuteman Career and Technical High School as of Oct 1, 2010 was 20 full time equivalent (FTE) students. Minuteman's proposed budget reflects the third year in a row of reduced expenditures and Concord's estimated assessment of \$532,851 for FY12 is down 9.8% from FY11. This reflects a decrease in enrollment from FY11.

Articles 27-30

These articles are: Concord Public Schools Renovations (27); Transfer of Funds to the Concord Public Schools Technology Stabilization Fund (28); Transfer of Funds to the Concord Public Schools Capital Needs Stabilization Funds (29); Transfer of Funds to the Concord-Carlisle Regional School District Technology Stabilization Fund (30).

Article 27 is an annual allocation of borrowing capacity for ongoing capital maintenance and improvements of the elementary school facilities. The \$825,000 requested this year is part of the Town Manager's five-year capital plan and the resulting debt service cost will be funded from the debt service appropriation (refer to item 41 of Article 6) and within the levy limit. Renovations and improvements at the Sanborn and Peabody sites include, boiler replacements and bathroom improvements; and at the Ripley site, replacement and improvements to the air conditioning system.

Article 28 relates to transferring \$50,000 from available funds originally appropriated for the operation of the public schools of the Town for FY10 and encumbered that year for technology purposes, into the Concord Public Schools Technology Stabilization Fund that was created by vote of the 2010 Annual Town Meeting.

All stabilization funds must be approved by Town Meeting and a two-thirds vote is required both to place funds in and to draw funds out of a Stabilization Fund.

Article 30 would authorize the Concord-Carlisle Regional School District treasurer to transfer the sum of \$37,587 from the available funds encumbered by the District for technology purposes for FY10, into the Concord-Carlisle Regional School District Technology Stabilization Fund established by vote of the 2010 Annual Town Meeting.

Articles 28 and 30: the Finance Committee recognizes that:

- 1) significantly more technology is required to provide 21st century educational programs;
- 2) there is a need to regularly budget for technology replacement;
- 3) some technology projects are periodic and significant in size and scope.

Consequently, the stabilization fund mechanism can be used to smooth funding requirements over a period of years.

Article 29 relates to transferring \$100,000 from the available funds originally appropriated for the operation of the public schools of the Town for FY10 and encumbered that year for capital purposes, into the Concord Public Schools Capital Needs Stabilization Fund established by vote of the 2006 Annual Town Meeting. This Stabilization Fund had a balance of approximately \$815,000 at the end of February.

Concluding Comments

The Town of Concord's school operations are very well managed. The spirit of cooperation among the school administration, the school committees and the communities of Concord and Carlisle has been a major part of the success of our process. Yet with uncertain economic conditions at the State level and the tax implications of a capital project for a new regional high school scheduled to be presented and voted on later this year, the Finance Committee will continue to monitor all aspects of educational funding needs very closely.

Community Preservation Act

Historical background

The Community Preservation Act (CPA) was adopted by the Commonwealth in 2000 to help Massachusetts communities preserve open space and historic sites, and to create affordable housing and recreational facilities. Concord's Town Meeting adopted a 1.5% surcharge on property tax bills, affirmed by the voters at the polls in Nov. 2004. The surcharge on residential property is applied after excluding the first \$100,000 of taxable assessed value. The surcharge was first collected in FY05 (the tax year ending June 30, 2005).

Community Preservation funds are derived from both local and state sources. Through the FY07 surcharge year, State funds had represented a 100% match with Town surcharge revenues. State funds are disbursed once annually in October, as a match of the prior year's local surcharge. The State share is funded by a surcharge on Registry of Deeds fees on property transactions and mortgage refinancing, with fees deposited into the State Community Preservation Trust Fund. Registry fee income has dropped sharply over the past few years, from \$50 million in FY04 to \$26 million in FY10, as real estate sales activity has tailed off. Further, many municipalities have joined the program over the past several years—44 since Concord joined. As a consequence, the State matching percentage of the local surcharge collected in the prior fiscal year has fallen: Oct. 2008, 67%;

Oct. 2009, 35%; Oct. 2010, 27%. The budget forecast for the Oct. 2011 match is 24%.

CPA funds can be used only to acquire, create, and preserve open space and land for recreational purposes; to acquire, preserve, rehabilitate and restore historic resources and to acquire, create, preserve and support affordable housing. Under the law, a minimum of 10% of revenues must be appropriated or reserved each year for each of the three interests of open space, community housing and historic preservation.

In 2005, the Board of Selectmen established the Community Preservation Committee (CPC), which by law is charged with the task of "studying the needs, possibilities, and resources of the town regarding community preservation." The Committee prepares a Plan document that is updated annually. The Committee receives input from the Town's boards, commissions and officials, as well as information from other town planning documents, including the Comprehensive Long Range Plan. The Plan is available on the Town of Concord website www.concordma.gov, at the Town libraries, and at the Planning Department, 141 Keyes Rd.

Fund history

Through the 2010 Town Meeting, \$8,998,009 has been appropriated for CPA projects. These appropriations have been made in

the following categories:

<i>Community Housing</i>	\$2,607,150	29.0%
<i>Historic Preservation</i>	\$2,912,200	32.4%
<i>Open space</i>	\$1,577,072	17.5%
<i>Recreation</i>	\$1,751,587	19.5%
<i>Administration</i>	\$150,000	1.7%

Through Oct. 2010, \$3,122,630 has been received into the fund from State distributions. The fund receives its own interest earnings; through June 30, 2010, \$410,967 has been added to the fund from this source.

Recommendations for 2011 Town Meeting

The CPC proposes \$1,084,320 of project appropriations for eight specific projects as well as a CPA reserve for future Open Space projects, a CPA reserve for future Community Housing projects, an Open Space, Community Housing and Recreation Property Acquisition fund dedicated specifically for a Town of Concord reserve fund, and \$30,000 to cover CPC direct administrative costs. Most of the recommended projects will generate matching revenues derived from town, state, foundation and/or other private funds. Several are multi-year projects, initiated with CPA funding allocated in earlier years.

Continued

For each project recommended by the CPC, Town Meeting may affirm, reject, or reduce the recommended funding level. State law does not allow Town Meeting to increase the recommended funding level of any recommendation made by the Community Preservation Committee.

Article 41

The CPC recommends the following appropriations totaling \$974,320, of which \$929,094 is to be funded from FY12 estimated fund revenues and \$45,286 is to be funded from the available undesignated fund balance of June 30, 2010:

- A) \$64,403: Town of Concord, for the preparation of a watershed management plan for White Pond;
- B) \$80,000: Town of Concord, for an Open Space, Community Housing and Recreation Property Acquisition reserve fund (specific use being subject to a future town meeting vote);
- C) \$300,000: Drinking Gourd Project, for the preservation and restoration of the Caesar Robbins House, a continuation of the project initiated last year with funding for the relocation of the structure;

D) \$75,000: Concord Housing Development Corporation, for pre-development costs associated with the proposed Junction Village affordable housing development in West Concord.

E) \$158,600 – Louisa May Alcott Memorial Association, for restoration and preservation of the Concord School Philosophy, a ca. 1880 structure located just behind Orchard House;

F) \$95,000: Town of Concord, for restoration and reconstruction of the Heywood Meadow stone walls along Lexington Road and removal of invasive species at the Mill Brook border;

G) \$100,000: Concord Scout House, for restoration and preservation work on the ca. 1870s structure located on Walden St.

H) \$16,000: Town of Concord, for participation in a pilot program Regional Housing Services Office with the neighboring towns of Lincoln, Sudbury and Weston, serving to meet the administrative and monitoring needs of the Town's existing affordable housing stock and to further regional affordable housing goals;

I) \$30,000: Community Preservation Committee (CPC) administration;

J) \$35,517: CPA Open Space Reserve Fund, to be specifically allocated by future vote of Town Meeting;

K) \$20,000: CPA Community Housing Reserve Fund, to be specifically allocated by future vote of Town Meeting.

Article 42

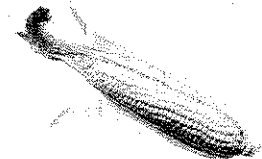
The CPC recommends the following appropriations totaling \$110,000, of which \$85,484 will be funded from Open Space Reserves previously voted and \$24,516 will be funded from FY12 estimated fund revenue.

Land acquisition

6A Harrington Avenue: \$60,000 toward the purchase price and \$50,000 for the restoration of the property, including slope stabilization, erosion control, site clean-up and related improvements.

The recommendations of the CPC under Articles 41 and 42 will leave \$145,940 of FY12 estimated fund revenue unallocated and therefore available for use in future years subject to CPC recommendations and Town Meeting action.

The Finance Committee recommends affirmative action on Articles 41 and 42.



	Actual			Revised Estimate	
	FY08	FY09	FY10	FY11	Estimated FY12
Fund Resources					
1.5% surcharge collections	\$ 778,840	\$ 821,432	\$ 856,067	\$865,000	\$890,950
State match of surcharge committed	738,132 ^a	525,033 ^a	286,445 ^a	233,141 ^a	207,600 ^a
Earnings on available cash balance	135,428	43,537	10,481	5,000	1,000
Other financing sources	46,526	0	0	0	0
TOTAL FUND REVENUE	\$1,698,926	\$1,390,002	\$1,152,993	\$ 1,103,141	\$ 1,099,550
Fund Disbursements					
Beginning cash balance	2,792,996	1,808,948	1,438,015	2,260,457	1,094,821
Ending cash balance	\$3,236,142	\$2,142,072	\$1,723,126	\$ 1,438,104	\$280,788
	\$2,142,072	\$1,723,126	\$1,438,104	\$280,788	\$ 285,517

Notes

(a) State match is based upon the net levied surcharge of the prior fiscal year, paid in October. The amount shown in the FY11 column was received October 2010, a 27% match of FY10 surcharge. FY12 assumes a 24% match.

	Proposed				
	FY08	FY09	FY10	FY11	FY12
APPROPRIATIONS (by Fund Year):					
Housing	\$232,003	\$233,858	\$483,107	\$500,000	\$111,000
Historic Preservation	\$647,062	\$647,500	\$456,700	\$445,000	\$628,600
Open Space	\$151,896	\$558,084	\$125,193	\$131,100	\$202,519
Recreation	\$542,000	\$0	\$100,000	\$0	\$32,201
Unspecified - reserved					\$80,000
Administration	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
TOTAL	\$1,602,961	\$1,469,441	\$1,195,000	\$1,106,100	\$1,084,320
10% of surcharge and state match:	\$151,697	\$134,646	\$114,251	\$109,814	\$109,855
<i>(minimum amount that must be allocated to Housing, Historic Preservation, Open Space)</i>					