

Budget Summary: Article 7

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

Article 7 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 \$17,352,013 for FY2011, which is unchanged from the current year budget and is \$553,000

below the Finance Committee's November Guideline;

- the Joint Town-CPS accounts, Items 37-41, recommended at \$15,209,782. This is 3.3% above the current budget and \$184,168 less than the estimates made last fall. The January bond sale was issued at an interest rate lower than expected, permitting a \$25,000 debt service budget reduction in

account 41A and a \$169,168 reduction in account 41B, excluded debt service. 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 the debt service account covering debt issued

Article 7 - The Proposed Town Government General Fund Budget for the year beginning July 1, 2010 General Fund appropriations

	Appropriations FY 2010	Proposed FY 2011	percent change
Operations (accounts 1-36)			
General Government	\$1,912,623	\$1,842,276	-3.7%
Finance & Admin	1,541,991	1,476,062	-4.3%
Police & Fire	7,182,985	7,071,442	-1.6%
Public Works	2,709,450	2,679,540	-1.1%
Library	1,771,235	1,701,379	-3.9%
Reserve Fund	225,000	225,000	0.0%
Salary Reserve	4,250 *	350,000	
Recreation & all other	703,979	690,814	-1.9%
subtotal- operations	\$16,051,513	\$16,036,513	-0.1%
Capital Outlays	1,300,500	1,315,500	1.2%
TOTAL subject to Guideline	\$17,352,013	\$17,352,013	0.0%
Town and School debt service (account #41):			
repayment within levy limit	3,150,000	3,175,000	0.8%
excluded from levy limit	3,973,397	3,864,782	-2.7%
TOTAL	\$7,123,397	\$7,039,782	-1.2%
Employee Benefits (Town and CPS):			
Group Insurance (acct. #37A)	4,152,600	4,465,000	7.5%
Retirement (pension funding, acct. #39)	2,500,000	2,750,000	10.0%
Medicare/social security (acct. #40)	545,000	580,000	6.4%
TOTAL	\$7,197,600	\$7,795,000	8.3%
Other Expenses (Town/CPS joint accounts)			
Workers & Unempl. Comp (acct. #38)	200,000	200,000	0.0%
Property & Liability Insr. (acct. #37B)	200,000	175,000	-12.5%
TOTAL, Article 7	\$32,073,010	\$32,561,795	1.5%

* NOTE: balance of FY10 salary reserve not yet transferred to operating accounts

for both town and CPS capital projects. 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 \$3,864,782 for principal and interest expense excluded from the levy limit by past votes of the electorate (refer to Excluded Debt, pages xx-xx). This is the net amount to be tax-supported after the proposed allocation of \$1,000,000 from the Elementary School Debt Stabilization Fund (Article 10). \$1,000,000 will be separately appropriated for excluded debt service under that article. Handling the FY11 appropriations in this manner will show that this portion of the FY11 debt service is not supported by property taxes and will not artificially raise the FY11 Levy Limit.

Town Government: Items 1-36

The proposed operating budget for the departments organized under the Town Manager is \$17,352,013. This is unchanged from the FY10 budget. As shown in the accompanying table, it is broken down into two main components: operations, down 0.1% to \$16,036,513; and capital outlay, up 1.2% to \$1,315,500.

Article 7 Overview

Article 7 shows only the General Fund portion of each budget account, as this is the portion to be voted by 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 & Fitness Center) for management services provided.

The Town Manager's Proposed Budget document, published January 26th and available on the Town website at concordma.gov, provides detailed discussion of each account. The Finance Committee has reviewed this document with the Town Manager and has conducted a public hearing (February 22) 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

Staff reductions are proposed for seasonal and part-time positions in several departments. There is one full-time position reduction, elimination of a deputy police chief position. A library custodian position is eliminated and replaced by an outside contracted service. Overall, the Town budget proposes a reduction in staffing equivalent to 3.33 full-time equivalent (FTE) positions, a reduction of 1.4% from 237.75 FTE's in the current budget.

Budget Changes

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

1A Town Manager

Elimination of \$12,000 budgeted to support specific programs of the Adult and Community Education Program: elimination of the Office Project Assistant (250 hours).

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 improvements. Since FY05 when the account was budgeted at \$40,000, the funding level has gradually been increased to \$135,000 in FY10. The recommended level in FY11 is \$150,000.

1C Human Resources

Reductions are proposed in Town-wide training and staff training accounts.

2 Legal Services

The proposed reduction of \$25,000 (10%) assumes that no major litigation matters will arise.

3A Elections

This budget is dependant on the number of federal, State, and local elections that are held in a given year. There are three scheduled elections during FY11, compared to two in the current budget year.

3B Registrars

Office assistant hours are proposed to be reduced, shifting more Town census tasks to the full-time staff.

4 Town Meeting and Reports

The current budget allows for a four-session Annual Town Meeting in April 2010 and also funds a one-day Special Town Meeting. The amount proposed in FY11 is unchanged.

5C Natural Resources Division, DPLM

The ranger seasonal position (\$5,000) is proposed to be eliminated.

5D Building Inspections Division, DPLM

Hours for the part-time plumbing and gas inspector and the electrical inspector are proposed to be reduced.

8A Finance Administration Division, Finance Department

For the past two years, the Finance Administration Division budget has carried funding to pay rent on office space at 30 Monument Square that is used by the Assessors Division. In April, the Assessors Division will relocate to the renovated Town building at 24 Court Lane, adjacent to Sleepy Hollow Cemetery; funding for the rental payment has been removed from the FY11 budget.

8D Assessing Division, Finance Department

Due to budget constraints, the amount recommended for contract services has been reduced by about \$29,000. The effect of this reduction will be to slow the pace of property re-inspections.

10 Town House

The proposed increase in this budget is a result of adding the utility and custodial services costs for the renovated 24 Court Lane Building at the Sleepy Hollow

Cemetery, being occupied by the Finance Department's Assessing Division.

11 Police Department

The proposed budget eliminates a deputy police chief position.

12 Fire Department

The proposed budget reduces the overtime budget by 10%. A five-year federal grant that added four new firefighters in May 2007 will be in its fourth year during FY11. The federal share of the cost declines each year. About \$40,000 is added to the Town's cost share for the budget year.

13 West Concord Fire Station Savings have been made possible in part due to the installation of a new high-efficiency boiler.

17B Engineering, CPW

A full-time engineering aide position is proposed to be cut to half-time.

17D Parks & Trees, CPW

Summer crew positions will be reduced from three to two (saving \$5,280); the amount allocated for planting shade trees is proposed to decrease from \$25,000 in FY10 to \$10,000 in FY11.

17E Cemetery, CPW

A cemetery specialist position will be left vacant for six months.

18 Snow Removal, CPW

The snow removal budget is proposed to be increased by \$40,000, to \$495,000, about half of the increase that would be needed to reach the 10-year average expense. This reduces the risk of facing a large deficit that, by law, must be financed in the following year.

19 Street Lights, CPW

The FY11 proposed budget of \$50,000 is \$14,120 below the amount budgeted in FY10. This reduction will require the elimination of a significant number of street lights and conversion to lower wattage and more energy efficient bulbs, while still maintaining safe and appropriately illuminated streets and intersections.

20 Public Works Equipment, CPW

The Public Works equipment budget of \$270,000 funds the Town's schedule of equipment replacement. This represents a decrease of \$8,000 from FY10.

21 Drainage, CPW

The FY11 level funding of \$205,000 for this program will provide for the design and construction of a drainage system replacement for Grant Street, construction of a drainage extension on Whittemore Street, and various drainage rehabilitations related to the roads program including projects at Sudbury Rd., Mildred Circle, and Sarah Way, as well as continuation of the Town-wide culvert inventory.

22 Sidewalk Management, CPW

The proposed FY11 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 provided for the borrowing of \$250,000 for sidewalk expansion.

23 Road Improvements

The Road Improvement Program is funded by three sources: the Town's General Fund appropriation, the Town's borrowing authorization, and the State's Chapter 90 grant. It is proposed in the FY11 budget that the Town provide \$90,000 in General Fund appropriation for related design and inspection services and \$700 thousand in a borrowing authorization (Article 22). The State Chapter 90 money is expected to be level funded at \$521,600.

The Public Works Department employs a pavement management index system to measure the condition of the Town's roads. The proportion of total road mileage with either no maintenance requirements or routine maintenance requirements has been moving steadily up and is presently at 90%.

25 Library

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. The proposed budget is a decrease of 3.9% from FY10. Much of the reduction is in the line item for books and materials, from \$150,000 in FY10 to \$105,000 in FY11. A one-time donation of \$50,000 by the Trustees of the Concord Public Library Corporation will make up the difference in the books and materials line item.

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. The budget proposes allocating a portion of the Recreation Director's salary cost to the Swim and Fitness Center also administered by the Director.

32 Visitors Center

The proposed reduction of this budget results from closing the Visitors' Center restrooms from Jan. 1 through March 15.

33 Town Employee Benefits

The proposed budget provides \$80,000 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). Based upon the accumulated liability and the age and service term of eligible employees, this account likely will need to be increased over the next several years to approximately \$100,000 annually.

35 Salary Reserve

The allocation in this account provides for the funding of collective bargaining agreements as well as the provision for a 2.0% adjustment to the salary schedules applicable to non-union employees effective July 1, 2009. 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.

37A Group Insurance

The budget anticipates a 7.5% increase in FY11 group insurance costs supported from the General Fund. As part of the 17-member Minuteman Nashoba Health Group, the Town is fully self-insured for active employee health coverage and the cost increase directly reflects actual claims experience.

The Town pays about 55% of active employee costs (62% of individual plan cost and 53% of family plan cost, on average), and 50% of retiree cost. State law sets a 50% floor for the municipal share of active employee cost. Retiree coverage was voted by the Town electorate in 1960 and there is no provision in the State law to reverse such a vote. Retiree coverage cost on a current outlay basis represents about 25% of the group health insurance budget.

39 Retirement

As a result of the sharp economic downturn in the financial markets during the fall of 2008, resources in the Concord Retirement System declined from \$85.7 million on June 30, 2008 to \$71.1 million Dec. 31, 2008, a drop in value of 17%. The market rebound in 2009 restored system assets to \$82.2 million at the end of 2009. Nevertheless, the next biennial actuarial valuation as of Jan. 1, 2010 will result in a significant extension of the funding schedule and a major increase in the required appropriation level. For FY11, the General Fund required appropriation, set by the State supervisory agency, is \$2.75 million, an increase of 10% from FY10.

Capital Outlay by Account - Town Government Budget, Article 7

Capital outlay - the investment in vehicles, equipment, buildings and various public infrastructure items financed from current revenue, not by the issuance of new debt - is a significant annual component of the Town Government budget. Differences in allocations from one year to the next account for much of the difference in the appropriation by account. This table highlights the differences between the FY10 adopted budget and the FY11 proposed budget, and identifies the main spending purposes for FY11.

Acct #	Title	Budget		Proposed		Change		FY11 Items
		FY10	FY11	FY10	FY11			
1A	Town Manager	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 0	\$ 0	ADA improvements
1B	Town-wide Building Maintenance	135,000	150,000	135,000	150,000	15,000	15,000	Capital maintenance of town buildings
5A	Planning Administration	42,000	0	42,000	0	(42,000)	(42,000)	
5C	Natural Resources	25,000	35,000	25,000	35,000	10,000	10,000	Pond mgmt., Cons. restriction database, vehicle
6	141 Keyes Road	12,000	5,000	12,000	5,000	(7,000)	(7,000)	Routine building repairs
8A	Finance Administration	0	0	0	0	0	0	
9	Information Systems	120,000	128,000	120,000	128,000	8,000	8,000	Technology fund, town departments
10	Town House	10,000	10,000	10,000	10,000	0	0	Routine building repairs
11	Police Department	104,000	161,500	104,000	161,500	57,500	57,500	Vehicle & equipment replacements
12	Fire Department	33,000	45,000	33,000	45,000	12,000	12,000	Vehicle & equipment replacements
13	West Concord Fire Station	13,500	8,500	13,500	8,500	(5,000)	(5,000)	Routine building repairs
14	Police/Fire Station	25,500	10,000	25,500	10,000	(15,500)	(15,500)	Routine building repairs
17B	Engineering	40,000	40,000	40,000	40,000	0	0	GIS system, traffic control devices
17C	Highway Maintenance	15,000	15,000	15,000	15,000	0	0	Guardrail replacement, routine equipment
17D	Parks & Trees	30,000	15,000	30,000	15,000	(15,000)	(15,000)	Tree replacement, routine equipment
20	Public Works Equipment	278,000	270,000	278,000	270,000	(8,000)	(8,000)	Public Works major equipment replacement
21	Drainage Program	205,000	205,000	205,000	205,000	0	0	Drainage & culvert repairs
22	Sidewalk Maintenance	100,000	100,000	100,000	100,000	0	0	Sidewalk repairs
23	133/135 Keyes Road	5,000	5,000	5,000	5,000	0	0	Routine building repairs
24	Library	10,000	10,000	10,000	10,000	0	0	Computer equipment replacement
27	Harvey Wheeler Community Ctr.	5,000	5,000	5,000	5,000	0	0	Routine building repairs
31	Visitors Center Restroom	2,500	2,500	2,500	2,500	0	0	Routine building repairs
36	Road Improvements	85,000	90,000	85,000	90,000	5,000	5,000	Road project engineering
TOTAL		\$ 1,300,500	\$ 1,315,500	\$ 1,300,500	\$ 1,315,500	\$ 15,000	\$ 15,000	

Article 7 - Town Budget

(Budget = all funds; Appropriation = General Fund only)

Item No.	Department	FY10 Budget	FY11 proposed Budget	% Change	FY11 proposed Appropriation
General Government					
1A	Town Manager	\$ 576,195	\$ 550,541	-4.5%	\$ 286,423
1B	Town-wide building maintenance	135,000	150,000	11.1%	150,000
1C	Human Resources	243,130	242,271	-0.4%	152,539
2	Legal Services	250,000	225,000	-10.0%	225,000
3A	Elections	23,706	37,232	57.1%	33,524
3B	Registrars	12,694	10,805	-14.9%	8,328
4	Town Meeting/Reports	77,800	77,800	0.0%	77,800
5A	Planning	335,764	293,325	-12.6%	230,669
5B	Board of Appeals	46,026	46,026	0.0%	46,026
5C	Natural Resources	236,715	245,623	3.8%	202,013
5E	Inspections	355,133	336,585	-5.2%	336,585
5F	Health	295,894	292,674	-1.1%	225,881
6	141 Keyes Road Building	71,454	62,488	-12.5%	62,488
		\$ 2,659,511	\$ 2,570,370	-3.4%	\$ 2,037,276
Finance and Administration					
7	Finance Committee	\$ 3,100	\$ 3,100	0.0%	\$ 3,100
8A	Finance Administration	436,419	386,788	-11.4%	233,611
8B	Treasurer-Collector	424,576	426,121	0.4%	239,952
8C	Town Accountant	334,333	333,796	-0.2%	125,752
8D	Assessors	381,937	355,655	-6.9%	355,655
8E	Town Clerk	202,016	199,497	-1.2%	196,497
9	Information Systems	377,811	389,246	3.0%	357,089
10	Town House	109,525	125,514	14.6%	102,406
		\$ 2,269,717	\$ 2,219,717	-2.2%	\$ 1,614,062
Public Safety					
11	Police Department	\$ 3,815,508	\$ 3,776,691	-1.0%	\$ 3,702,146
12	Fire Department	3,398,503	3,360,225	-1.1%	3,322,820
13	West Concord Station	47,594	40,443	-15.0%	40,443
14	Police/Fire Station	215,545	200,072	-7.2%	200,072
15	Emergency Prep.	12,810	12,810	0.0%	12,810
16	Dog Officer	18,151	18,151	0.0%	18,151
		\$ 7,508,111	\$ 7,408,392	-1.3%	\$ 7,296,442
Public Works & Facilities					
17A	Administration	\$ 310,924	\$ 310,909	0.0%	\$ 151,695
17B	Engineering	582,761	556,985	-4.4%	286,218
17C	Highway Maintenance	1,123,486	1,116,487	-0.6%	1,084,327
17D	Parks and Trees	647,779	629,350	-2.8%	538,740
17E	Cemetery	232,631	210,064	-9.7%	59,520
18	Snow Removal	455,000	495,000	8.8%	495,000

Item No.	Department	FY10 Budget	FY11 proposed Budget	% Change	FY11 proposed Appropriation
19	Street Lighting	64,500	50,540	-21.6%	50,000
20	DPW Equipment	278,000	270,000	-2.9%	270,000
21	Drainage Program	205,000	205,000	0.0%	205,000
22	Sidewalk Management	100,000	100,000	0.0%	100,000
23	Road Improvements	606,630	611,600	0.8%	90,000
24	133/135 Keyes Road Bldg.	166,324	156,240	-6.1%	89,040
		\$ 4,773,035	\$ 4,712,175	-1.3%	\$ 3,419,540
Human Services					
25	Library	\$ 1,798,544	\$ 1,728,688	-3.9%	\$ 1,711,379
26	Recreation	1,427,907	1,422,853	-0.4%	86,940
27	Hunt Recreation Ctr.	100,981	99,903	-1.1%	75,173
28	Harvey Wheeler Ctr.	132,381	132,144	-0.2%	132,144
29	Council on Aging	266,593	269,541	1.1%	234,534
30	Veterans Services	31,668	30,222	-4.6%	30,222
31	Ceremonies & Celeb.	23,650	23,483	-0.7%	23,483
32	Visitors Center	31,375	25,818	-17.7%	25,818
		\$ 3,813,099	\$ 3,732,652	-2.1%	\$ 2,319,693
Unclassified					
33	Employee Benefits	\$ 72,000	\$ 90,000	25.0%	\$ 90,000
34	Reserve Fund	225,000	225,000	0.0%	225,000
35	Salary Reserve	4,250 *	350,000		350,000
36	Land Fund	15,000	0		0
		\$ 316,250	\$ 665,000	110.3%	\$ 665,000

* balance of original approp. of \$300,000 not yet transferred as of 3/29/10 to other accounts

	FY10 Budget	FY11 proposed Budget	% Change	FY11 proposed Appropriation	
subtotal, accts 1-36	\$ 21,339,723	\$ 21,308,306	-0.1%	\$ 17,352,013	
Joint (Town-CPS)					
37A	Group Insurance	\$ 4,514,000	\$ 4,924,000	9.1%	\$ 4,465,000
37B	Property & Liability	385,000	355,000	-7.8%	175,000
38	Unempl/ Workers Comp	200,000	200,000	0.0%	200,000
39	Retirement	2,838,767	3,112,000	9.6%	2,750,000
40	Social Security & Medicare	700,000	728,000	4.0%	580,000
41	Debt Service - within limit	3,150,000	3,175,000	0.8%	3,175,000
	Debt Service - debt exclusion	3,973,397	4,864,782	22.4%	3,864,782
		\$ 15,761,164	\$ 17,358,782	10.1%	\$ 15,209,782
Total	\$37,100,887	\$38,667,088	4.2%	\$32,561,795	

FY11 Budget Summary: Education

Budget Highlights, Articles 8 and 9

The school committees of the Concord Public Schools (CPS) and Concord-Carlisle Regional School District (CCRSD) approved FY11 Budget requests as shown in the accompanying table.

The CPS (grades K-8) operating budget (Article 8) adopted by the School Committee is within Finance Committee guideline. The CPS operating budget request for FY11 is \$27,699,200, which represents no change in funding from the current FY10 budget level. Reductions in Special Education expenses, attrition, careful use of resources and attention to cost controls has enabled CPS to stay within the proposed budget.

The CCRSD budget request (Article 9 Item 1) for FY11 is \$23,498,427, an increase of 5.1% over FY10. Concord's FY11 assessment share for the CCRSD operating budget is \$ 14,006,221 representing an increase of \$563,285

or 4.2%. Concord's share of CCRSD's debt assessment is \$582,444, resulting in a total FY11 assessment of \$14,588,665 to be appropriated under Article 9, Item 1 of the Warrant.

CPS enrollment at Oct. 1, 2009 was 1,802 students, down 57 students from the prior year and down 5.4% (102 students) from five years earlier. Projected enrollment over the next five years anticipates a 10% decline. Planned residential development in Concord may affect future enrollment numbers, however.

As of Oct. 1, 2009, enrollment at CCRSD was 1,245 students, compared to 1,268 on Oct. 1, 2008, which is a 1.8% decrease. Although the total number of students is less than last year, there has been a 6% increase in the enrollment numbers of Carlisle students compared to the prior year. This shift has contributed to a large increase in Carlisle's FY11 operating as-

essment (+15.8%) while mitigating the impact of the operating budget increase on Concord's assessment (+4.2%).

Minuteman Regional High School (Article 9, item 2)

Concord is one of 16 member communities of the Minuteman Regional High School District. The school provides a broad range of career and college preparation options to 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 Regional High School as of Oct. 1, 2009 is 23 Full Time Equivalent (FTE) students. Minuteman's proposed budget is a 7% decrease, and Concord's assessment (Article 9 part 2) of \$590,682 for FY11 Article 9, Item 2) is a corresponding decrease from \$637,601 for FY 10.

<i>Enrollment Data:</i>	<i>Concord Public (k-8)</i>			<i>CCHS</i>		
	<u>K-5</u>	<u>6-8</u>	<u>Total CPS</u>	<u>Concord</u>	<u>Carlisle</u>	<u>Total*</u>
Oct. 1, 2004	1260	644	1904	811	337	1242
Oct. 1, 2005	1235	600	1835	840	312	1244
Oct. 1, 2006	1228	581	1809	848	330	1257
Oct. 1, 2007	1233	606	1839	846	332	1259
Oct. 1, 2008	1233	626	1859	850	332	1268
Oct. 1, 2009	1181	621	1802	813	353	1245
Projected:						
Oct. 1, 2010	1147	631	1778	804	337	1220

* CCHS total includes non-resident students.

**Concord Finance Committee
FY11 Guideline
Proposed Education Budgets**

Concord Public Schools	Adopted FY10 Budget	Proposed FY11 Budget	\$ Change	% Change
Program Area				
Regular Education	\$ 14,602,150	\$ 14,918,391	\$ 316,241	2.17%
Special Education	6,771,767	6,461,261	(310,506)	-4.59%
Administrative Support	1,945,883	2,017,009	71,126	3.66%
Operations	4,275,505	4,212,739	(62,766)	-1.47%
Fixed Costs	103,895	89,800	(14,095)	-13.57%
Total	\$ 27,699,200	\$ 27,699,200	0	0.00%
Concord-Carlisle High School	Adopted FY10 Budget	Proposed FY11 Budget	\$ Change	% Change
Program Area				
Regular Education	\$ 9,449,090	\$ 10,059,606	\$ 610,516	6.46%
Special Education	5,732,897	5,653,106	(79,791)	-1.39%
Administrative Support	1,232,896	1,285,288	52,392	4.25%
Operations	2,557,519	2,814,177	256,658	10.04%
Fixed Costs	2,345,838	2,562,015	216,177	9.22%
Operations	\$ 21,318,240	\$ 22,374,192	\$ 1,055,952	4.95%
Debt Service:				
debt reimbursed by state aid	\$ 288,950	\$ 288,950		
debt exclusion assessed	749,881	835,285		
	\$ 1,038,831	\$ 1,124,235	\$ 85,404	8.2%
Total	\$ 22,357,071	\$ 23,498,427	\$ 1,141,356	5.11%
Financing Sources				
State aid	\$ 2,458,670	\$ 2,151,779	(306,891)	
District funds	454,408	425,000	(29,408)	
Assessments	\$ 19,443,993	\$ 20,921,648	\$ 1,477,655	7.60%
Concord assessment ratio				
without debt exclusion	71.91%	69.73%		
debt exclusion	\$ 13,442,936	\$ 14,006,221	\$ 563,285	4.19%
TOTAL	539,239	582,444	43,205	
	\$ 13,982,175	\$ 14,588,665	\$ 606,490	4.34%
Carlisle assessment ratio				
without debt exclusion	28.09%	30.27%		
debt exclusion	\$ 5,251,176	\$ 6,080,142	\$ 828,966	15.79%
TOTAL	210,642	252,841	42,199	
	\$ 5,461,818	\$ 6,332,983	\$ 871,166	15.95%

Articles 24, 25, 26 and 27

These articles are: Concord Public School Renovations (24); Concord Public Schools Technology Stabilization Fund Creation and Funding (25); Transfer of Funds to Concord Public Schools Capital Needs Stabilization Fund (26); and Concord Carlisle Regional School District Technology Stabilization Fund Creation and Funding (27).

Article 24 is an annual allocation of borrowing capacity for ongoing capital maintenance and improvements of the elementary school facilities. The \$600,000 requested this year is part of the Town Manager's five-year capital plan and the resulting debt service cost will be funded within the levy limit.

Articles 25 and 27 are related to the creation of new Technology Stabilization funds for both CPS, and CCRSD. 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; and 3) some technology projects are significant in size and scope; and, consequently the sta-

bilization fund mechanism can be used to smooth spending. Although the proposed amounts are modest, this initiative represents a step toward developing a comprehensive approach. Stabilization funds must be approved by Town Meeting and a two-thirds vote is required both to place funds into and draw funds out of a Stabilization Fund. The CPS Capital Needs Stabilization Fund was originally created by the 2006 Annual Town Meeting with a portion of the proceeds from the sale of the Strawberry Hill Rd. property. Article 26 will transfer an additional \$260,000 to the existing Fund which presently has a balance of approximately \$530,000.

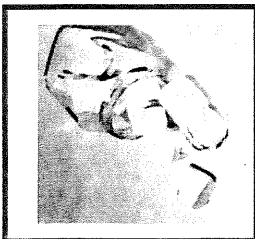
Articles 28 and 29

Both regional high school districts (Concord-Carlisle and Minuteman) have been invited by the Massachusetts School Building Authority (MSBA) to participate in a feasibility study phase for planning of the long-term physical plant improvements at the schools. The communities must authorize the funding of this initial phase of feasibility study and schematic design services. MSBA requires that each

community authorize full funding including the portion that may be reimbursed by the Authority. The actual future cost to Concord will be based on the assessment ratio applicable to each year applied to the annual debt service cost and will be reduced by any MSBA reimbursements. Both schools have been recognized for their excellent programming, and the need for upgrade of their facilities is a significant matter for public decision. The Finance Committee is recommending affirmative action on both Articles.

Concluding Comments

Due to the uncertain economic conditions at the State level, the Finance Committee will continue to monitor all aspects of educational funding needs very closely, particularly the level of state aid resulting from current deliberations on the state's FY11 budget. The spirit of cooperation between the school administration, the school committees and the communities of Concord and Carlisle has been a major part of the success of our process to this point.



Community Preservation Act

Historical Background

The Community Preservation Act (CPA) was adopted by the Commonwealth in 2000 to help Massachusetts communities pre-serve open space and historic sites, and to create affordable housing and recreational facilities. Concord's Town Meeting adopted the State enabling legislation in 2004, voting to assess a 1.5% surcharge, which was affirmed by the voters at the polls in November 2004. 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 re-financing, with fees deposited into the State Community Preservation Trust Fund. Registry fee income has dropped sharply over the past few years as real estate activity has fallen. Further, many municipalities have joined the program over the past several years, 43 since Concord did so. In October, 2008, the state match of the local surcharge collected in the prior fiscal year was just 67%; the October 2009 state match was 35%, and the Town budget forecasts the October 2010 state match at 25%.

CPA funds can only be used to ac-

quire, 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 comments 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.concord-ma.gov, at the Town libraries, and at the Planning Department, 141 Keyes Rd.

Recommendations for 2010 Town Meeting

The CPC is proposing \$1,106,100 million of project appropriations, funded from projected revenues of \$1,093,000 as well as about \$13,000 of undesignated fund balance. Through the 2009 Town Meeting, \$7,891,909 has been appropriated for CPA projects. These appropriations have been made in the following categories:

<i>Community housing</i>	\$2,107,150	26.7%
<i>Historic preservation</i>	\$2,467,200	31.3%
<i>Open space</i>	\$1,467,559	18.6%
<i>Recreation</i>	\$1,730,000	21.9%
<i>Administration</i>	\$ 120,000	1.5%

Through Oct. 2009, \$2,899,489 has been received into the fund from State distributions. The fund receives its own interest earnings; through June 30, 2009, \$400,486 has been added to the fund through management of the fund's cash.

At the 2010 Town Meeting, the CPC recommends appropriations for five projects, a reserve for future open space projects, and \$30,000 to cover CPC direct administrative costs. The recommended projects will generate matching revenues derived from town, State, foundation and/or other private funds. Several are multi-year projects, combining funds from earlier years.

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 CPA project.

Article 34: The CPC recommends the following appropriations totaling \$1,046,100:

- a) \$500,000: Concord Housing Authority, for renovations

Continued

to the Peter Bulkeley Terrace building, converting the existing congregate living facility into 30 studio and one-bedroom units for senior and disabled adults (to be combined with \$500,000 approved last year);

b) \$375,000: Concord Public Library Corporation, for the renovation of the Fowler branch library;

c) \$87,925: Reserve for undesignated open space proposals, to be voted at

subsequent Town Meetings for specific purposes within this category;

d) \$43,175: Town of Concord, Warner's Pond Watershed Management Plan;

e) \$25,000: Concord Scout House, for Historic Structures Report;

f) \$30,000: Community Preservation Committee administrative expenses.

The Finance Committee recommends affirmative action on Article 34.

Article 35: This Article involves the preservation of the Caesar Robbins House and its relocation from Bedford St. to a Town-owned parcel near the North Bridge. The CPC recommends that \$60,000 be appropriated for the purpose of assisting with the relocation of this historic residential structure
The Finance Committee recommends affirmative action on Article 35.

Community Preservation Fund *financial status*

	Actual			Revised Estimate	Estimated
	FY07	FY08	FY09	FY10	FY11
Fund Resources					
1.5% surcharge collections	\$ 737,386	\$ 778,840	\$ 821,432	\$850,000	\$875,500
State match of surcharge committed	697,795 ^a	738,132 ^a	525,033 ^a	286,445 ^a	212,500 ^a
Earnings on available cash balance	152,660	135,428	43,537	10,000	5,000
Other financing sources	0	46,526	0	0	
TOTAL FUND REVENUE	\$1,587,841	\$1,698,926	\$1,390,002	\$ 1,146,445	\$ 1,093,000
Fund Disbursements	415,694	2,792,996	1,809,578	2,629,700	1,088,000
Beginning cash balance	\$2,063,995	\$3,236,142	\$2,142,072	\$ 1,722,496	\$239,241
Ending cash balance	\$3,236,142	\$2,142,072	\$1,722,496	\$239,241	\$ 244,241

Notes

(a) State match is based upon the net levied surcharge of the prior fiscal year, paid in October. The amount shown in the FY10 column was received October 2009, a 35% match of FY09 surcharge. FY11 assumes a 25% match.

APPROPRIATIONS (by Fund Year):	FY07	FY08	FY09	FY10	Proposed FY11
Housing	\$705,414	\$232,003	\$233,858	\$483,107	\$486,145
Historic Preservation	\$374,000	\$647,062	\$647,500	\$456,700	\$445,000
Open Space	\$425,000	\$151,896	\$558,084	\$125,193	\$109,513
Recreation	\$50,000	\$542,000	\$0	\$100,000	\$21,587
Administration	\$33,427	\$30,000	\$30,000	\$30,000	\$30,000
TOTAL	\$1,587,841	\$1,602,961	\$1,469,441	\$1,195,000	\$1,092,245
10% of surcharge and state match:	\$143,518	\$151,697	\$137,647	\$113,645	\$108,800

(minimum amount that must be allocated to Housing, Historic Preservation, Open Space)

2010 Annual Town Meeting:

Available for appropriation:	Uncommitted balance of June 30, 2009	\$13,855
	plus estimated Fund Revenue of FY11	\$1,093,000
		<u>\$1,106,855</u>