

Budget Summary: Article 8

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

Article 8 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, which is \$320,000 below the Finance Committee's November Guideline and

an increase of less than 1% over the current budget;

- the Joint Town-Concord Public Schools (CPS) accounts, Items 37-41, recommended at \$14,720,997, including 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

for both Town and CPS capital projects.

Item 41, Debt Service, includes \$3,973,397 for principal and interest expense excluded from the levy limit by past votes of the electorate (refer to Excluded Debt, page 33).

Town Government: Items 1-36

The proposed operating budget for

Article 8 - The Proposed Town Government General Fund Budget for the year beginning July 1, 2009 General Fund appropriations

	Appropriations FY 2009	Proposed FY 2010	percent change
Operations (accounts 1-42)			
General Government	\$1,941,800	\$1,887,677	-2.8%
Finance & Admin	1,511,599	1,523,705	0.8%
Police & Fire	6,926,405	6,978,398	0.8%
Public Works	2,635,354	2,668,601	1.3%
Library	1,759,465	1,771,235	0.7%
Reserve Fund	225,000	225,000	0.0%
Salary Reserve	50,486 *	300,000	
Recreation & all other	673,904	696,897	3.4%
subtotal- operations	\$15,724,013	\$16,051,513	2.1%
Capital Outlays	1,466,000	1,300,500	-11.3%
TOTAL subject to Guideline	\$17,190,013	\$17,352,013	0.9%
Town and School debt service (account #41):			
repayment within levy limit	3,100,000	3,150,000	1.6%
excluded from levy limit	3,247,193	3,973,397	22.4%
TOTAL	\$6,347,193	\$7,123,397	12.2%
Employee Benefits (Town and CPS):			
Group Insurance (acct. #37A)	3,845,000	4,152,600	8.0%
Retirement (pension funding, acct. #39)	2,450,000	2,500,000	2.0%
Medicare/social security (acct. #40)	510,000	545,000	6.9%
TOTAL	\$6,805,000	\$7,197,600	5.8%
Other Expenses (Town/CPS joint accounts)			
Workers & Unempl. Comp (acct. #38)	200,000	200,000	0.0%
Property & Liability Insr. (acct. #37B)	225,000	200,000	-11.1%
TOTAL, Article 8	\$30,767,206	\$32,073,010	4.2%

* NOTE: balance of FY09 salary reserve not yet transferred to operating accounts

the departments organized under the Town Manager is \$17,352,013. This is an increase of 0.9%. As shown in the accompanying table, it is broken down into two main components: operations, up 2.1% to \$16,051,513; and capital outlay, down 11.3% to \$1,300,500.

Article 8 overview

Article 8 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 & Fitness Center) for management services provided. The table on the following pages shows the total budget for each Town department and, in the far right column, the appropriation portion of the account appearing in Article 8.

The Town Manager's Proposed Budget document, published Jan 27 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 (Feb. 23) on the submitted plan. The Finance Committee concludes that the sum involved is appropriate and necessary for the tasks and objectives planned. The Board of Selectmen concurs.

Highlights of the Proposed Budget are summarized as follows.

Staffing changes

For FY10, there are no proposed tax-supported staffing changes for full or part-time staff, with some reductions in seasonal positions for several departments.

Budget Changes

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

1A Town Manager

For the second year, funding is proposed for special projects related to the Adult and Community Education Program (\$12,000). Due to budget constraints, however, the Youth Coordinator position (\$5,000) was cut from this budget.

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 FY09. The recommended level in FY10 is unchanged at \$135,000. The five-year Capital Outlay plan raises this funding target to \$260,000 by FY14. At some future point, this account may support a professional Facilities Manager staff position. An inter-departmental committee under the direction of the Assistant Town Manager manages the fund.

1C Human Resources

Formerly referred to as the Personnel Department, the Human Resources Department has been renamed and moved from the Finance group to the General Government group. Due to an increased workload, a new 18-hour per week Office Assistant position is proposed for the Human Resources Department, with the added cost of \$15,000 paid by charges to the enterprise funds.

2 Legal Services

The Legal Services account is proposed to be funded at \$250,000, a \$20,000 decrease from the current budget.

3A Elections

With no State or federal election planned for FY10, the proposal for the Elections account provides funding only for the annual Town election and one special Town election.

4 Town Meeting and Reports

The budget allows for a four-session Annual Town Meeting in April 2010 and also funds a one-day Special Town Meeting, a frequent occurrence in recent years.

5A Planning Division, DPLM

In addition to funding the work of the Planning Division staff, this account proposes funding for the preparation of the West Concord Master Plan (\$42,000).

5C Natural Resources Division, DPLM

This recommended budget provides for continued funding of the conservation crew (\$12,000) and one part-time ranger (\$4,992) to assist with conservation land management and natural resources education. In addition, there is funding for pond and stream management (\$5,000) and conservation restriction baseline documentation (\$20,000).

5D Building Inspections Division, DPLM

Although the number of building permits fell only slightly from 739 in calendar year 2007 to 711 in calendar year 2008, the amount of revenue generated from all permit fees was down from \$781,693 in CY07 to \$506,070 in CY08, a reflection of the reduced value of new construction.

5E Health Division, DPLM

The small increase in the budget of this Division is a result of added hours for the Sealer of Weights and Measures and the costs associated with the development and maintenance of a new permitting database.

8A Finance Administration Division, Finance Department

The appropriated amount for the Finance Administrative Division is proposed to decrease by 5.1% due in part to elimination of a summer intern position.

8B Treasurer-Collector, Finance Department

This account includes funding for Town House postage expenses (\$53,000) and banking service charges (\$68,700). The FY10 operating budget increases by 2.6% due

to expected increases in postage rates and banking service charges.

8D Assessing Division, Finance Department

Although FY11 is the next revaluation year, it is necessary to do a significant portion of the work in FY10 to prepare for it. The next recertification will involve expanding and accelerating the Town's reinspection cycle of all properties as well as special projects related to land valuation modeling and the valuation of tax-exempt properties.

9 Information Systems

The proposed funding level for the Town-wide Technology Fund is \$120,000. This fund has proven crucial in maintaining current technology throughout the Town departments as well as supporting the basic network infrastructure linking all town buildings and connecting more than 200 desktop computers to the web with a secure and reliable system. The Technology Administrator and the Finance Director jointly manage this fund.

11 Police Department

Total FY10 budgeted expenditures for the Police Department are proposed to decrease by 1.5%, with much of this reduction (\$64,000) in capital items. Funding is proposed for replacement of three police vehicles (\$87,000) and the upgrade and maintenance of public safety equipment (\$10,000).

12 Fire Department

Total FY10 budgeted expenditures for the Fire Department is proposed to decrease by 1.8%, with much of this reduction (\$69,000) in capital items. Although replacement overtime (\$416,995) remains

a large part of the budget, overtime expense was reduced by 20% from FY07 to FY08. The proposed FY10 overtime budget is just 3% above the FY08 spending level. The staffing goal is to have a minimum of eight firefighters on duty all the time and nine firefighters on duty about one-third of the time.

14 Police/Fire Station

This budget funds the operation of the Police and Fire Department headquarters on Walden St. As compared to FY09, the budget represents a 1.0% decrease in operating costs (excluding capital expenditures of \$50,000 in the current budget). An additional \$900,000 is being requested in Article 45 of the 2009 Annual Town Meeting, as a borrowing authorization, to renovate the Fire Department side of the building.

15 Emergency Management

In order to have an action plan in place in the event of an emergency, the FY10 budget proposes to continue to fund Concord's Emergency Management Agency at a level this year of \$12,810. The Fire Chief serves as the Emergency Management Director.

17B Engineering, CPW

The current year budget includes \$86,000 to fund repairs to the retaining wall at Rt. 62 and Damon Mill. Net of capital items, the Engineering Division's operating budget is proposed to be 0.7% less in FY10. The proposed budget funds groundwater and landfill monitoring at the Landfill (\$16,000) and Geographic Information System (GIS) software maintenance and training services (\$24,000).

17C Highway Maintenance,

CPW

This budget, with a crew of 14 employees, maintains the town's 107 miles of roads, 56 miles of sidewalks, and the storm-water drainage system including more than 50 miles of drain lines and 2,800 catch basins.

17D Parks & Trees, CPW

The Parks & Trees operating budget, with a crew of eight employees, maintains 50 acres of active recreation areas, two playgrounds, various passive recreation areas and traffic island, town building grounds, and playing fields including on school grounds. The proposed budget increase is in the supplies area with the budget for fertilizer going up by \$5,750 and field supplies by \$9,160.

18 Snow Removal, CPW

The snow removal budget is proposed to be funded at \$455,000. For comparison, the 10-year average of actual net winter annual maintenance expenditures is \$500,391 and this year's expense to date (the end of March) is about \$777,000. Commodity prices are having an effect on this account with the price for road salt increasing 30% just this year. If the actual expenditure exceeds the budgeted amount, the Town is allowed by State statute to make up the difference in the following year's budget. The FY10 Guidelines of the Finance Committee have allowed for this winter's cost overrun.

19 Streetlights, CPW

Due to the elimination of several hundred streetlights, the FY10 proposed budget of \$64,500 is about \$24,000 below the amount spent in FY02.

20 Public Works Equipment, CPW

This Public Works Equipment budget of \$278,000 funds the Town's scheduled equipment replacement, planned over a 10-year horizon and updated annually. In FY10, vehicles that are scheduled to be replaced include a 10-ton multiple-use dump truck, a street sweeper, and 1.25-ton dump truck.

21 Drainage, CPW

The FY10 funding of \$205,000 for this program will provide for the design of the Spencer Brook and Westford Rd. culvert replacements, completion of the Mill Brook culvert rehabilitation project, reconstruction of the failing 30-inch Wheeler Road culvert, drainage improvements, on Plainfield Rd., Academy Lane, Middle St. and Whittemore St, as well as an inventory review of all culverts in the Town. This budget was reduced in FY09 to make room for the Damon Mill retaining wall repairs cited above (account 17B)

22 Sidewalk Management

The recommendation for FY10 is to budget \$100,000 to maintain the Town's existing sidewalks.

Although this appropriated budget provides no funding for sidewalk expansion, Article 31 of the 2009 Annual Town Meeting requests that the Town Meeting authorize a borrowing of \$250,000 for sidewalk expansion.

24 Library

The Concord Free Public Library Corporation owns the Main Library and the Fowler Branch buildings and is responsible for maintenance

and capital improvements of the buildings and grounds; the Town covers the operating costs. In FY10, the budget is proposed to be \$1.79 million, an increase of 0.7% from FY09. The organizational chart for the Library is slightly altered with a new Assistant Library Director position proposed to be added and a vacant Public Services Coordinator position proposed to be eliminated. Total full-time equivalent positions, 25.7, remain at the FY09 level. The budget includes \$150,000 for purchase of books and materials, unchanged from the current year.

25 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 programs.

26 Hunt Recreation Center

Due to lower than anticipated utility expenses and janitorial supply costs, the FY10 proposed operating budget for the Hunt Recreation Center is 8.3% less than the FY09 budget. The current year budget includes \$48,000 for the resurfacing of the Emerson track, after almost 12 years of use.

27 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 individu-

als. The proposal is for operating costs to increase by 3.8% due in large part to the need to allocate adequate funds for HVAC and fire equipment maintenance.

28 Council on Aging (COA)

The FY10 budget for the Council on Aging is proposed to rise by 1.6%, but tax support will replace \$5,000 of gift funding to support the volunteer coordinator position. Requested funding to make the outreach coordinator position full time is not included in the proposed budget. A State Formula Grant provides \$25,000 annually to support COA staffing. While this funding has not yet been cut, it is at risk.

31 Visitors Center

The annual operating budget to maintain the Visitors Center is proposed to be \$31,207 in FY10. These resources will be used for daily cleaning of the restrooms, minor repair and maintenance of the building and a payment of \$2,500 to the Chamber of Commerce for provision of information services staffing.

32 Town Employee Benefits

The proposed budget provides \$60,000 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 li-

ability 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.

33 Reserve Fund

As budgets are reduced 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.

34 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.

36 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 FY10 budget that the Town provide \$85,000 in General Fund appropriation for related design and inspection services and

\$1.4 million in borrowing authorizations (Articles 29, 31, 32, and 33). The State Chapter 90 money is expected to be level funded at \$525,100.

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 just routine maintenance requirements has been moving steadily up.

37A Group Insurance

The budget anticipates an 8.0% increase in FY10 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. Plan rates are projected to rise an average of 6%; the balance of this account will be set aside to begin the accumulation of assets to meet unfunded post-retirement health benefit obligations, as required by new governmental accounting standards.

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.

38 Unemployment & Workers Compensation

An amount of \$100,000 is allocated 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 far in excess of our actual historical costs).

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

This account handles both Town and Concord Public School employee matters.

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%. It is expected that the next biennial actuarial valuation Jan. 1, 2010 will result in a significant extension of the funding schedule without a major increase in the required appropriation level. For FY10, the General Fund required appropriation is \$2.5 million, an increase of 2% from FY09.

41 Debt Service

This budget is up \$776,204 from the current year, of which \$726,204 is for debt service on Excluded Debt. This is debt that had been authorized both by Town Meeting vote and by a Town-wide ballot vote providing that the principal and interest repayment is paid from property taxation without being subject to the Proposition 2 ½ levy limit. The major portion of this cost is for the three elementary school projects as well as the Town's share of various projects at the Concord-Carlisle High School.

Capital Outlay by Account - Town Government Budget, Article 8

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 FY09 adopted budget and the FY10 proposed budget, and identifies the main spending purposes for FY10.

Acct #	Title	Budget FY09	Proposed FY10	Change	FY10 Items
1A	Town Manager	\$ 5,000	\$ 5,000	\$ 0	ADA improvements
1B	Town-wide Building Maintenance	135,000	135,000	0	Maintenance of town buildings
3A	Elections	7,000	0	(7,000)	
5A	Planning Administration	0	42,000	42,000	West Concord planning study
5C	Natural Resources	5,000	25,000	20,000	Pond management, CR database
6	141 Keyes Road	5,000	12,000	7,000	Routine building repairs, storage shed
8A	Finance Administration	10,000	0	(10,000)	
9	Information Systems	122,000	120,000	(2,000)	Technology fund, town departments
10	Town House	10,000	10,000	0	Routine building repairs
11	Police Department	168,000	104,000	(64,000)	Vehicle & equipment replacements
12	Fire Department	102,000	33,000	(69,000)	Vehicle & equipment replacements
13	West Concord Fire Station	8,000	13,500	5,500	Routine bldg repairs, exterior preservation
14	Police/Fire Station	75,000	25,500	(49,500)	Repairs, furnishings, cell block monitor
17B	Engineering	143,000	40,000	(103,000)	GIS system, traffic control devices
17C	Highway Maintenance	15,000	15,000	0	Guardrail replacement, routine equipment
17D	Parks & Trees	30,000	30,000	0	Tree replacement, routine equipment
20	Public Works Equipment	278,000	278,000	0	Public Works major equipment replacement
21	Drainage Program	105,000	205,000	100,000	Drainage & culvert repairs
22	Sidewalk Maintenance	90,000	100,000	10,000	Sidewalk repairs
23	133/135 Keyes Road	5,000	5,000	0	Routine building repairs
24	Library	10,000	10,000	0	Computer equipment replacement
25	Recreation	48,000	0	(48,000)	
27	Harvey Wheeler Community Ctr.	5,000	5,000	0	Routine building repairs
31	Visitors Center Restroom	0	2,500	2,500	Routine building repairs
36	Road Improvements	85,000	85,000	0	Road project engineering
	TOTAL	\$ 1,466,000	\$ 1,300,500	\$ (165,500)	

Article 8 - Town Budget
(Budget = all funds; Appropriation = General Fund only)

Item No.	Department	FY09 Budget	FY10 proposed Budget	% Change	FY10 proposed Appropriation
General Government					
1A	Town Manager	\$ 475,722	\$ 472,031	-0.8%	\$ 301,977
1B	Town-wide building maint.	135,000	135,000	0.0%	135,000
1C	Human Resources	223,177	239,905	7.5%	155,952
2	Legal Services	270,000	250,000	-7.4%	250,000
3A	Elections	49,003	23,706	-51.6%	23,706
3B	Registrars	13,267	12,694	-4.3%	10,062
4	Town Meeting/Reports	77,800	77,800	0.0%	77,800
5A	Planning	292,606	333,690	14.0%	271,652
5B	Board of Appeals	45,143	45,149	0.0%	45,149
5C	Natural Resources	229,277	233,207	1.7%	191,141
5E	Inspections	348,563	349,511	0.3%	349,511
5F	Health	286,935	291,083	1.4%	223,732
6	141 Keyes Road Building	63,993	70,995	10.9%	70,995
		\$ 2,510,486	\$ 2,534,771	1.0%	\$ 2,106,677
Finance and Administration					
7	Finance Committee	\$ 1,275	\$ 3,100	143.1%	\$ 3,100
8A	Finance Administration	438,359	423,645	-3.4%	258,545
8B	Treasurer-Collector	408,828	419,471	2.6%	240,255
8C	Town Accountant	314,042	330,066	5.1%	124,638
8D	Assessors	371,513	377,787	1.7%	377,787
8E	Town Clerk	201,083	206,434	2.7%	206,434
9	Information Systems	387,359	382,252	-1.3%	349,089
10	Town House	108,702	108,657	0.0%	93,857
		\$ 2,231,161	\$ 2,251,412	0.9%	\$ 1,653,705
Public Safety					
11	Police Department	\$ 3,739,934	\$ 3,681,142	-1.6%	\$ 3,610,385
12	Fire Department	3,391,417	3,329,011	-1.8%	3,250,394
13	West Concord Station	42,071	47,594	13.1%	47,594
14	Police/Fire Station	266,514	215,064	-19.3%	215,064
15	Emergency Prep.	15,810	12,810	-19.0%	12,810
16	Dog Officer	17,626	18,151	3.0%	18,151
		\$ 7,473,372	\$ 7,303,772	-2.3%	\$ 7,154,398
Public Works & Facilities					
17A	Administration	\$ 300,146	\$ 305,319	1.7%	\$ 146,060
17B	Engineering	679,522	572,995	-15.7%	304,373
17C	Highway Maintenance	1,106,950	1,108,429	0.1%	1,083,487
17D	Parks and Trees	599,693	637,435	6.3%	544,733
17E	Cemetery	223,933	230,440	2.9%	66,653
18	Snow Removal	452,000	455,000	0.7%	455,000

Item No.	Department	FY09 Budget	FY10 proposed Budget	% Change	FY10 proposed Appropriation
19	Street Lighting	63,000	64,500	2.4%	64,120
20	DPW Equipment	278,000	278,000	0.0%	278,000
21	Drainage Program	105,000	205,000	95.2%	205,000
22	Sidewalk Management	90,000	100,000	11.1%	100,000
23	133/135 Keyes Road Bldg.	167,436	165,371	-1.2%	94,175
		\$ 4,065,680	\$ 4,122,489	1.4%	\$ 3,341,601
Human Services					
24	Library	\$ 1,783,465	\$ 1,795,235	0.7%	\$ 1,781,235
25	Recreation	1,412,196	1,419,967	0.6%	94,731
26	Hunt Recreation Ctr.	163,418	105,208	-35.6%	75,508
27	Harvey Wheeler Ctr.	126,847	131,456	3.6%	131,456
28	Council on Aging	260,004	264,184	1.6%	229,177
29	Veterans Services	30,335	31,668	4.4%	31,668
30	Ceremonies & Celeb.	23,865	23,650	-0.9%	23,650
31	Visitors Center restroom	28,414	31,207	9.8%	31,207
		\$ 3,828,544	\$ 3,802,575	-0.7%	\$ 2,398,632
Unclassified					
32	Employee Benefits	\$ 72,000	\$ 72,000	0.0%	\$ 72,000
33	Reserve Fund	225,000	225,000	0.0%	225,000
34	Salary Reserve	50,486 *	300,000		300,000
35	Land Fund	0	15,000		15,000
36	Road Improvements	1,310,144	2,010,144	53.4%	85,000
		\$ 1,657,630	\$ 2,622,144	58.2%	\$ 697,000
subtotal, accts 1-36		\$ 21,766,873	\$ 22,637,163	4.0%	\$ 17,352,013
Joint (Town-CPS)					
37A	Group Insurance	\$ 4,225,000	\$ 4,514,000	6.8%	\$ 4,152,600
37B	Property & Liability	410,000	385,000	-6.1%	200,000
38	Unempl/ Workers Comp	200,000	200,000	0.0%	200,000
39	Retirement	2,765,428	2,838,767	2.7%	2,500,000
40	Social Security & Medicare	681,000	710,000	4.3%	545,000
41	Debt Service - within limit	3,100,000	3,150,000	1.6%	3,150,000
	Debt Service - debt exclusion	3,247,193	3,973,397	22.4%	3,973,397
		\$ 14,628,621	\$ 15,771,164	7.8%	\$ 14,720,997
Total		\$36,395,494	\$38,408,327	5.5%	\$32,073,010

* balance of original approp. of \$600,000 not yet transferred as of 3/31/09 to other accounts

FY10 Budget Summary: Education

Budget Highlights, Articles 9, 10, 11 and 12

The school committees of the Concord Public Schools (CPS) and Concord-Carlisle Regional School District (CCRS) approved FY10 Budget requests as shown in the accompanying table. The CPS operating budget request for FY10 is \$27,699,200, an increase of 1.81% over FY09. The CCRSD budget request for FY10 is \$22,494,531, an increase of 5.21% over FY09. Concord FY10 assessment for CCRSD is \$13,982,175, an increase of 3.66%. Enrollment ratios between Concord and Carlisle Oct. 1, 2008 remain almost unchanged from a year earlier. The enrollment ratio establishes how the assessment is shared between the two towns.

When the Finance Committee was preparing the FY10 guideline in the fall of 2008, there was concern about the estimates for certain revenue items such as State Aid, interest income and motor vehicle excise taxes. Given the uncertainty about economic conditions, the Finance Committee decided last November to set the guideline approximately \$937,000 below last fall's estimates of all FY10 budget revenues (with the tax levy assumed at the projected Levy Limit). Both school districts have worked closely with the Finance Committee to establish budgets at or near November's guideline level. Unfortunately, the outlook for FY10 revenues has deteriorated over the past several months. The

governor has announced State Aid cuts—both immediate and significantly deeper cuts for next year. Estimates for other Town revenues have been scaled back prudently. As a consequence, the guideline levels that were originally felt to be comfortably below the property tax levy limit in November are up against the projected FY10 property tax levy limit. The Finance Committee will continue to carefully monitor the outlook until Town Meeting.

The CPS K-8 operating budget (Article 9) adopted by the school committee is at the Finance Committee guideline. Reductions in special education expenses, attrition, careful use of resources and attention to cost controls has enabled CPS to contain certain structural cost increases and absorb an increase of 30 students from 1809 to 1839 within the 1.81% overall budget increase provided within the levy limit guideline.

The capital projects for CPS (Article 11) continue to focus on the middle school and administration buildings and are contained within the Town Manager's capital budget. This means that they are funded within the levy limit and will not require a vote at the polls. The performance of the new elementary school buildings has been good in terms of energy and maintenance costs.

The CCRSD School Committee adopted a high school operating

budget (Article 10, part 1) requiring that Concord contribute \$120,000 more than the Finance Committee Guideline of November 30th to meet an overall operating budget increase of 6.5%. This request from the School Committee reflects substantial efforts for cost control, as well prudent utilization of school resources to address increases in Special Education costs at the high school. There was a sudden unanticipated increase in special education cases during 2007-2008 that is still felt in the budget. About half, \$656,117, of the \$1,315,898 increase in the operating budget at the high school is related to special education costs. The district has used State circuit breaker reimbursements to help manage the increasing cost of the special education case load. Last year significant reductions in areas such as supplies and materials were also made to address this situation. The administration and the School Committee have worked hard to minimize the impact on the high school educational program. The Finance Committee has voted to support the CCRSD budget at the adopted level.

Article 12, is for the CCRSD capital budget of \$750,000. This article, a vote on acceptance of a debt authorization voted by the Regional School Committee, is contingent on approval of a ballot question at the March 31, 2009 election (and corresponding

**Concord Finance Committee
FY10 Guideline
Proposed Education Budgets**

Concord Public Schools	Adopted FY09 Budget	Proposed FY10 Budget	\$ Change	% Change
Program Area				
Regular Education	\$ 14,232,016	\$ 14,602,150	\$ 370,134	2.60%
Special Education	6,791,240	6,771,767	(19,473)	-0.29%
Administrative Support	1,875,704	1,945,883	70,179	3.74%
Operations	4,201,225	4,275,505	74,280	1.77%
Fixed Costs	106,015	103,895	(2,120)	-2.00%
Total	\$ 27,206,200	\$ 27,699,200	493,000	1.81%
Concord-Carlisle High School	Adopted FY09 Budget	Proposed FY10 Budget	\$ Change	% Change
Program Area				
Regular Education	\$ 9,439,858	\$ 9,859,188	\$ 419,330	4.44%
Special Education	4,823,799	5,479,916	656,117	13.60%
Administrative Support	1,198,646	1,240,835	42,189	3.52%
Operations	2,614,311	2,646,895	32,584	1.25%
Fixed Costs	2,063,188	2,228,866	165,678	8.03%
Operations	\$ 20,139,802	\$ 21,455,700	\$ 1,315,898	6.53%
Debt Service:				
debt reimbursed by state aid	\$ 288,950	\$ 288,950		
debt exclusion assessed	952,580	749,881		
	\$ 1,241,530	\$ 1,038,831	\$ (202,699)	-16.3%
Total	\$ 21,381,332	\$ 22,494,531	\$ 1,113,199	5.21%
Financing Sources				
State aid	\$ 2,398,082	\$ 2,661,478		
District funds	202,927	389,060	\$ 186,133	
Assessments	\$ 18,780,323	\$ 19,443,993	\$ 663,670	3.53%
Concord assessment ratio				
without debt exclusion	71.82%	71.91%		
debt exclusion	\$ 12,803,885	\$ 13,442,936	\$ 639,051	4.99%
TOTAL	684,143	539,239	(144,904)	
	\$ 13,488,028	\$ 13,982,175	\$ 494,147	3.66%
Carlisle assessment ratio				
without debt exclusion	28.18%	28.09%		
debt exclusion	\$ 5,023,858	\$ 5,251,176	\$ 227,318	4.52%
TOTAL	268,437	210,642	(57,795)	
	\$ 5,292,295	\$ 5,461,818	\$ 169,524	3.20%

approval by the Carlisle voters at their scheduled May 12th election). At the Town Meeting, approval of the article requires only a simple majority, as Concord is voting only on accepting its assessed share of debt to be issued by the regional school district. Capital spending under this article is split equally among three areas, one-third for building maintenance items, one-third for classroom area fire detection improvements, and one-third for a planning study to develop a comprehensive program for long-term maintenance and improvement of the existing building. Although previous studies of the high school have been done, they have focused on renovation and reconstruction options. This planning project will develop a detailed approach for major capital maintenance projects which will be necessary to continue to use the buildings if they are not renovated or replaced in the near term. The replacement cost of the high school is in the range of \$100 million; spending \$250,000 to plan for the next 5-15 years of use of the current building seems to the Finance Committee to be a sound allocation of resources and represents a small fraction of the potential replacement value.

Enrollment at Concord Carlisle High School (CCHS)

Enrollment at CCHS has increased by nine students to 1,268 as of Oct. 1, 2008. This is a 10-year high. There are over 250 more students at the high school now than on Oct. 1, 1999. A slight decrease is projected for next year, FY10. Enrollment percentages calculated

annually Oct. 1st determine the assessments for Concord and Carlisle for the following fiscal year. The Concord percentage for the past several years has been:

FY08 ratio	71.99%
FY09 ratio	71.82%
FY10 ratio	71.91%

Over the next few years, Concord's enrollment share is projected to drop slightly, but it should be noted that projections of future enrollments are prone to significant change. For the past few years, the Concord-Carlisle shares have been quite stable.

Minuteman Regional High School

Concord is one of 16 members of the Minuteman Regional 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 for college and a superior placement record for its graduates.

Concord's enrollment at Minuteman Regional High School as of Oct. 1, 2008 is 24 Full Time Equivalent (FTE) students this year, a significant increase from 20 the previous year. Concord's assessment (Article 10 part 2) increases to \$637,601 in FY10 from \$486,660 in FY09. As recently as FY08, Concord's assessment was \$604,702 when Concord had just

over 27 students at Minuteman. Each year's assessment is related to these relative changes in enrollment. The assessment estimate may change slightly by the start of Town Meeting. The overall Minuteman budget proposal for FY10 shows a modest 1.8% increase.

Concluding comment

A risk to the budget plans for all the school districts is the assumption that FY10 State Aid will not be reduced below the levels the governor proposed in his budget released in January. This is the Finance Committee's present assumption and it also underlies the budget assumptions of the Concord-Carlisle and Minuteman Regional School Committees. The possibility exists, however, that local governments could be faced with a second and equally sizeable State Aid reduction—either for FY10 budgeting, or for the following year. The Finance Committee will continue to monitor this situation. The spirit of transparency and cooperation between the Concord Finance Committee, the school committees, and with the Finance Committee colleagues in Carlisle has been a big part of the process and a central reason for the successful navigation to this point. This commitment should continue to help meet the additional challenges anticipated for FY10 and the years ahead.