

# Observer reports

## Board of Assessors

The Board of Assessors is a five-member body appointed by the Town Manager, with the approval of the Board of Selectmen. It is responsible for matters related to property valuation for local tax purposes. The board is also responsible for acting upon abatement applications for property overvaluation and exemption applications filed by people who are elderly, have low incomes, are disabled veterans or are blind, and for the Community Preservation Fund. State law requires that properties be valued at their "full and fair cash value." Every three years, a full revaluation takes place and is certified by the state Department of Revenue (DOR). Interim year adjustments are made during each of the other two years, also subject to the review of the DOR. The next full triennial revaluation will be for the assessment date of Jan. 1, 2007 and will set property values for the FY08 tax year beginning July 1, 2007.

The FY07 budget contains \$100,000 to support the upcoming triennial revaluation and also the first phase of an accelerated town-wide interior inspection program. These funds are included in item 9D of the Town Manager's budget, Article 8.

There is one warrant article sponsored by the Board of Assessors at the 2006 Annual Town Meeting. State law allows cities and towns to double the state-set limits on certain statutory property tax exemptions. Approval of Article 14, Property Tax Exemption, by Town Meeting effectively doubles the amount of money that may be deducted from the tax bills of qualified applicants. The cost of the exemption increase is carried in the Overlay Account, which is an account not subject to Town Meeting appropriation. Since 2001, Town Meeting has voted affirmatively to take this action. The Finance Committee recommends affirmative action on Article 14. This article has been placed on the Consent Calendar.

## Board of Health

The five members of the Board of Health are appointed for three-year terms by the Town Manager. The Board promotes, enacts and enforces health rules and regulations in accordance with local bylaws and state law, and it is responsible for the overall stewardship of the public health of the town.

Staff support for the Board is provided by four employees in the Health Division who are responsible for enforcing local and state statutes and regulations affecting public health.

Their work includes:

- reviewing site plans for septic systems and issuing sanitation permits;
- inspecting restaurants, summer camps, beaches, and pools;
- responding to public health issues as they arise.

In addition, the Health Division provides staff support to the Lincoln and Carlisle Boards of Health on a contract basis.

The annual appropriation for operating the Health Division is contained in the Town Manager's budget (line 5E of Article 8). The FY07 budget recommendation will maintain current staff levels. It includes \$15,000 for an enhanced mosquito monitoring and control program to reduce the spread of mosquito-borne viruses such as Eastern Equine Encephalitis and West Nile Virus in Concord.

## Concord Free Public Library

The Concord Free Public Library reopened its doors to patrons on Feb. 22, 2005, after extensive renovations that put the entire building in compliance with the Americans With Disabilities Act. Funded almost entirely by private donations, the \$8,000,000 project also included installation of full air conditioning, a new heating system, a new electrical and wiring system, and a comprehensive sprinkler system. A new front entrance was constructed, as well as new bathrooms, elevators, and stairwells. New public spaces were created: a periodical reading room with skylights, a young adult center, a media room, and a larger special collections area with new furnishings. Wireless technology was installed. The library director and staff met the challenges of reopening the library with commendable spirit and energy.

A new website, [www.concordlibrary.org](http://www.concordlibrary.org), is a valuable portal to the many riches of the library. At this site, people can:

- learn hours of service and other helpful information
- reserve a museum pass
- access their account
- research books in the catalog and make interlibrary loan requests
- find out about events at the library
- ask a reference librarian a question (24 hours a day), and search electronic subscription databases from home
- roam the special collections archive
- see lists of books recommended for children and adolescents
- e-mail comments and suggestions to the library staff, and
- make a donation to the library

Also notable this year was the creation of a middle school youth advisory group, which engages in outreach to middle school teachers and youth leaders. Strategic planning for the future includes five main areas: collections, building and technology improvements, staff support, and patron outreach and service. Procedures for managing the art gallery are also under review.

The building is owned by the Library Corporation. Under the terms of a 1987 agreement, the Town is responsible for paying certain operating costs related to utilities, telephone, printing and office supplies. Funding for the library is included in item 29 of the Town Manager's budget, Article 8.

## Concord Housing Authority

The Concord Housing Authority (CHA) was formed in 1961. A state agency, it has five members: four elected and one appointed by the Governor. The appointed position had remained unfilled since 2002, until the appointment in Jan. 2006 of Michael Regan.

The CHA's first rental units, Everett Gardens, for senior citizens, were constructed in 1964 with funding from federal, state, town, and private sources.

The CHA maintains 46 units of family housing throughout Concord, and 88 units for senior citizens and disabled residents. All units are rented and payments are based on income. The CHA administration also sponsors 85 Federal Section 8 rental vouchers used by families in Concord and nearby towns. The CHA also administers eight units in a residence on Thoreau St. that is managed by the Toward Independent Living organization.

The spring of 2005 saw the occupancy of the Commonwealth Ave. house that Town volunteers had helped to renovate. Continuing upgrade projects at Everett Gardens were performed during the year with the aid of State funding.

In September, Steven Hay, CHA director for nine years, resigned to take a position with the Fitchburg Housing Authority. The CHA chose to hire the services of the Lexington Housing Authority on a one-year contract to manage, assess and maintain the properties. This is a somewhat common practice, as in similar circumstances other communities' housing authorities have chosen to partner for services until they are prepared to hire a dedicated full-time director.

In a continuing effort to maintain Concord's commitment to affordable housing, the CHA organized a number of coordination meetings with Concord affordable housing groups.

As a result of these meetings, an application for Community Preservation Act funding was submitted by the CHA to the Community Preservation Committee to construct two duplex homes on the Ammendolia land purchased by the Town in 2004. These funds will be considered as part of Article 28 on the 2006 Annual Town Meeting Warrant. The Finance Committee recommends affirmative action on Article 28.

## Concord Municipal Light Plant

### Overview of CMLP

The Concord Municipal Light Plant (CMLP), 107 years old, is one of 40 municipally owned electric utilities within Massachusetts. Audited financial reports of CMLP are filed with the Massachusetts Department of Telecommunications and Energy on a calendar-year basis. CMLP's municipal ownership is important to Concord residents because it provides the Town with stable rates and better service at a lower cost than neighboring towns.

CMLP is a Town department overseen by the Concord Municipal Light Board. The Town Manager serves as the general manager of CMLP, hires the Superintendent and all staff, and appoints the Light Board members. The Light Board provides citizen oversight and

is the rate-setting body. CMLP's financial results for the previous calendar year are included in the Town's financial statements for the Town's June 30 fiscal year.

CMLP purchases power from outside suppliers and sells it to approximately 7,300 residential, commercial, and industrial customers and public agencies in Town. CMLP's supplier since 2002 is Constellation Energy Commodities Group, formerly Constellation Power Source, under a seven-year contract at very favorable rates. The cost of purchased power represents about 70% of the total CMLP operating expense.

CMLP operates and maintains all buildings and infrastructure within the Town borders having to do with delivering electricity: headquarters, substations, transformers, wires and cables, for example. CMLP also operates a fiber optic communication system for controlling its own equipment and for internet, video, and telephone connections among Town and school buildings. Coordinating with other Town departments, and as required by Town Bylaws, CMLP is installing conduit for underground wiring to replace older above-ground facilities.

CMLP is structured as an Enterprise Fund. It is entirely self-supporting and requires no tax money. CMLP makes an annual transfer to the General Fund as a Payment in Lieu of Taxes (PILOT, see Warrant Article 18). This payment is based on the same formula as used to calculate the tax for investor owned utilities in the state, and is based on net plant value times the commercial tax rate. Although the formula would have produced a lower payment in the last few years due to the tax rate declining more than the net plant value increased, the PILOT has been held level at \$340,000.

Capital expenses may be bonded by the issuance of Town bonds, which are supported by the Town's credit rating and backed by the Town, but are dependent on CMLP revenues for interest and debt retirement payments. CMLP maintains its own budget and set of accounts. There is a separate Finance Committee public hearing for this and all other enterprise funds prior to Town Meeting.

#### Overview of 2005

*Financial Results:* Sales for 2005 were 179,474 MWH, compared to 174,592 MWH in 2004. This is an increase of about 2.8 percent. Revenues increased from \$15,602,127 in 2004 to \$16,679,861 in 2005.

*Rate Increase:* There was no rate increase in 2005. In 2003, the Light Board approved using an estimated net surplus to fund a projected deficit in 2004, thus breaking even on a two-year basis, and deferring any rate increase. By the second quarter of 2004, it became clear that this approach was insufficient and a rate increase was approved. In June 2004 the Light Board approved a 4% rate increase effective July 1.

*Main Street Project:* The objective of the Main Street Underground Project is to replace old underground electric cables and conduit and also to install facilities that would allow telephone and cable TV wires to be placed underground. The conduit construction phase for the project was completed in 2003. New electric switchgear and cable from the substation to the railroad were completed in 2004. Electric cables from the railroad to the library were completed in spring 2005.

*Telecommunication Proposal:* In 2002, the Telecommunications Study Committee reporting to the Board of Selectmen, proposed investigation, and if appropriate, initiation,

of a municipally owned telecommunications network with which CMLP would offer cable television services to Concord customers. Authorization for this project was approved at two Town Meetings in 2003 and 2004. This approval does not require CMLP to act, but only authorizes it to do so if investigation indicates that it is a desirable and viable program. Other telecommunications services such as the Internet do not require such a vote.

*Preparing for the Future:* The supply contract with Constellation Energy that affords Concord a below-market-cost supply of electricity, ends in 2009. Increased fuel and transmission costs are driving up the market rate of electricity so that future rates may be substantially above CMLP's current contract rate. In response, CMLP has established a stabilization fund to buffer future cost increases and is pursuing alternative power generation sources.

#### **Warrant Articles for Town Meeting**

**Article 19, Light Plant Payment in Lieu of Taxes (PILOT),** authorizes a transfer of \$340,000 from the Operating Fund of the Light Plant to be used to reduce the tax levy for the fiscal year ending June 30, 2007. In addition to paying a portion of administrative costs it shares with the town, CMLP has paid the town a PILOT of \$340,000 for the last several years. The amount of the payment is based on the largest amount ever paid, or the tax rate times the net plant value as of June 30, whichever is greater. This approach adds stability to the Town's budgeting process.

**Article 20, Light Plant operating expenses,** authorizes the Town Manager to expend the income and cash generated by the Light Plant for the ensuing fiscal year without further appropriation. This is a routine article, normally placed on the Consent Calendar

## **Community Preservation Act**

**T**he Community Preservation Act (CPA) was enacted by the Commonwealth of Massachusetts in 2000 to help communities preserve open space and historic sites, and to create affordable housing and recreational facilities. The CPA enables cities and towns that accept it to adopt a surcharge up to three percent of their tax levy. Two exemptions are allowed: (1) the first \$100,000 of the value of each taxable parcel of residential real property and (2) property owned and occupied by persons who qualify for low income housing or moderate income senior housing.

In the same legislation, the Commonwealth established a Community Preservation Trust Fund, which accrues money from surcharges on recording and filing fees from the Registry of Deeds, as well as penalties and damages for violation of the act, and gifts made to further community preservation programs. These funds are disbursed annually to the cities and towns that have accepted the CPA according to a formula, the intent being to match the funds raised by each town's real estate tax surcharge.

Towns that accept the CPA are required to establish a Community Preservation Committee (CPC) to study the needs, possibilities and resources regarding community preservation. This Committee is directed to hold public hearings and then make recommendations to

Town Meeting for the acquisition, creation and preservation of open space; for the acquisition, preservation, rehabilitation and restoration of historic resources; for the acquisition, creation, preservation and support of community housing; and for the rehabilitation or restoration of open space, land for recreational use and community housing that is acquired or created by the CPA.

After receiving the recommendations, Town Meeting shall take such action and approve such appropriations from the Community Preservation Fund (the Fund), as it deems appropriate. Each year, not less than 10% of the annual revenues in the Fund are to be spent or set aside for open space, 10% for historic resources, and 10% for community housing. The remaining 70% can be allocated for any combination of the allowed uses, or for land for recreational use.

Concord's Town Meeting adopted the CPA in April 2004 by approving Articles 37 and 38, which specified a 1.5% surcharge on the property tax beginning in fiscal year 2005 (as of July 1, 2004) and established the Concord Community Preservation Committee. The CPA was subsequently accepted by voters at the Nov. 2004 election as a ballot question, as required by law. The Concord Town Meeting April 2005 modified the Community Preservation Act Bylaw to provide for staggered terms of members and to set a CPA exemption application deadline for 90 days following the issuance of the actual tax bill.

The CPC is authorized to accept proposals for projects to advance Concord's community preservation needs, and to make recommendations to Town Meeting for funding of these proposals. The committee was required by state statute to write a plan, which was completed in early summer 2005. The plan explained the CPA, the project application process and selection criteria, and included a community preservation needs assessment. During the development of the plan, the Committee received opinions and suggestions from Town boards, commissions, officials as well as citizens. Resources such as the recently completed Comprehensive Long Range Plan, the Open Space and Recreation Plan, and the Playground Study were also referenced. The CPC plan is available on the Town of Concord website, [www.concordnet.org](http://www.concordnet.org), at the Town libraries and at the planning department offices, 141 Keyes Road.

The CPC announced an Oct. 14, 2005 deadline for proposals and, over the summer and early fall of 2005, held several informational hearings seeking conceptual proposals and ideas for future funding. Once applications for funding were received, the CPC met with the various applicants to clarify different aspects of their applications. During Oct., Nov. and Dec. 2005, the CPC analyzed the proposals, held public hearings and focused on recommendations for funding. Dec. 10, 2005 the CPC approved its final recommendations for the Town Meeting 2006 Warrant.

This is the first year that the CPC has funds to recommend to Town Meeting for allocation to specific projects. A total of approximately \$2 million is available, consisting of surcharge revenue from FY05, state matching funds for FY05, and estimated revenues of the coming year, in accordance with procedural guidelines set forth by the state DOR. Thirteen applications were received requesting a total of \$2.3 million. The CPC is recommending 10 projects for a total of approximately \$1.8 million. The committee will also recommend

that \$30,000 be allocated to cover CPA-related administrative costs. Remaining funds will be reserved for future investment.

The Finance Committee recommends affirmative action on Article 28, Community Preservation Committee—Expenditure Recommendations.

## Personnel Board

The Personnel Board is appointed by the Board of Selectmen and oversees personnel policies for all non-union Town employees. In calendar year 2005, approximately 650 employees were on the Town payroll for some portion of the year, the majority of whom are part-time and/or seasonal employees. This number does not include employees of the Concord Public Schools under the jurisdiction of the school committee.

Responsibilities of the Board include compensation review, incentive plans, and job classification. The Board implements personnel bylaws, policies, and procedures. The Board has no jurisdiction over Town employees working under the authority of union collective bargaining agreements: public safety dispatchers, uniformed fire, uniformed police.

The Personnel Board has submitted three Articles to the Town Meeting for approval. Article 5 recommends ratification of classification actions by the Personnel Board during the previous 12 months. Article 6 recommends changes to the classification plan for Administrative, Clerical, Library and Laboring employees (ACL and LA). Article 7 recommends changes for managerial and professional employees (MP). Affirmative action on Articles 6 and 7 will raise the salary structures for their respective classification plans by 2.75%.

Annual increases for non-union employees are based entirely upon merit evaluation and are limited by the maximum pay level for their position grade. About one-third of the Town's managerial and professional staff are at the maximum of their grade. These employees will receive merit increases capped by the increase provided to the classification plans in Articles 6 and 7. Employees not at the top of their pay grades are expected to be eligible for merit pay increases averaging 5.5%. Funds for all Town employee salary increases are included in the Town Manager's budget under item 41 of Article 8, the Salary Reserve account.

# Planning Board

The Planning Board is responsible for investigating all petitions calling for a variation, modification, change, or extension of use under the Zoning Bylaw, and for reporting its recommendations to the Board of Appeals.

The Planning Board also conducts investigations concerning proposed amendments to the Zoning Bylaw that will be considered by Town Meeting voters, and presents its recommendations at Town Meeting. The board is also authorized to regulate the laying out and construction of roads.

The Planning Board held 20 public meetings and five public hearings in 2005, and in the process considered a 2-lot subdivision, a special permit, a repetitive petition to the Board of Appeals, an amendment to the Subdivision Rules and Regulations, and all zoning amendments to be considered by the 2005 Town Meeting. The Board also held a public meeting for consideration of a site plan approval, and a public informational discussion with residents interested in the Neighborhood Conservation Districts proposed in Town Meeting warrant articles 59 and 60.

## Residential development

The Board considered one preliminary subdivision plan on Garfield Road that would result in providing adequate access for one additional building lot. Additionally, a total of 12 Approval Not Required (ANR) plans were submitted to the Board. Four of these plans created one additional building lot each. There were two affirmative recommendations to the Board of Appeals for special permits to allow an addition to and/or reconstruction of residential dwelling units that were within either the Flood Plain and/or the Wetlands Conservancy Districts.

## Commercial, institutional and other development

In 2005, a total of 17 site plans were filed with the Board, all but one of which required a recommendation to the Board of Appeals. Positive recommendations were made to the Board of Appeals for a special permit and site improvements at the Concord Oil property on Lowell Road; for a special permit to the Boynton Company to construct 60 condominium units and office space (under the combined industrial/business/residential use provision of the Bylaw); as well as several amendments to special permits.

## Zoning and Town Meeting actions

The Planning Board sponsored creation of the first West Concord historic district, the Church Street Historic District.

## Other Actions

The Board was also involved with the following:

- working with Concord residents interested in establishing Neighborhood Conservation Districts in various areas of Concord;
- working with the Community Preservation Committee in drafting a final plan;
- implementing recommendations of the Long Range Plan; and,
- supporting the efforts of the Friends of the Bruce Freeman Rail Trail to promote design and construction of the Trail.

## 2006 Annual Town Meeting Warrant Articles

The Board is considering three zoning bylaw amendments for the 2006 Annual Town Meeting. Article 34 will amend the Zoning Bylaw to add a definition of affordable housing. Articles 35 and 36 will add provisions to require construction of affordable housing in all combined business/residence developments and all combined industrial/business/residence developments, respectively.

## Property Tax Relief

The Tax Relief for Seniors Committee was appointed by the Board of Selectmen in Oct. 2005. The charge of the committee was to implement the key recommendations of the Property Tax Review Committee report from 2004: increase outreach to seniors, examine existing tools for tax relief such as the Residential Exemption and the tax exemption and tax deferral programs, consider establishing a private fund for taxpayer relief, suggest methods of expanding existing tax relief programs, recommend new or additional criteria for determining eligibility, and evaluate utility discounts.

This year, the Tax Relief for Seniors Committee (TRSC) considered the use of the Residential Exemption as a tax relief mechanism. After careful analysis and communication with other town committees, the Committee voted not to support the Residential Exemption in its current form. The major concern was that the Residential Exemption would not always provide relief where needed and would sometimes result in harmful tax increases. The Committee generally favors the funding mechanism used in the Residential Exemption, and is considering proposing legislation that would provide taxpayer relief using such a mechanism along with need-based criteria.

There are a number of property tax relief programs already available to qualifying citizens. One of these, known as Clause 41A, allows older citizens to defer all or part of their property tax bill, at an interest rate of 8%, if they meet certain eligibility criteria (see [www.concordnet.org](http://www.concordnet.org), Board of Assessors page, for detailed information about eligibility). State legislation enacted in Nov. 2005 allows cities and towns to set an alternative interest rate between 0% and 8%. Under Article 15 of the 2006 Annual Town Meeting Warrant, the Board of Selectmen is recommending an interest rate of 4% for the program. The Finance Committee unanimously recommends affirmative action on Article 15 also at an interest rate of 4%. This interest rate does not cover the costs of the deferral program, but would provide an incentive to qualified applicants to consider taking part.

Under Article 16, Tax Relief Options, the Board of Selectmen, is considering a home rule petition that would increase the number of older citizens eligible for tax deferrals by relaxing the Clause 41A tax deferral program qualifying criteria. For example, the petition might request authority from the State to change qualifying income limits, or allow out-of-pocket medical expenses to be excluded from the income calculation. As the details of this home rule petition are still being developed at this time, the Finance Committee will make a recommendation concerning Article 16 at Town Meeting.

The Finance Committee is somewhat concerned with the potential financial impact of the

tax deferral program, which will have a direct effect on the Town's Free Cash calculation annually certified by the state Department of Revenue. The cumulative amount of property taxes deferred must be treated as an unexpendable reserve from the General Fund's undesignated fund balance. Thus, a rising amount of tax deferrals automatically reduces the portion of the fund balance that is available as Free Cash for Town Meeting to use to support operating budgets. This year, the Finance Committee decided to reserve a portion of the June 30, 2005 certified Free Cash above its 5% policy level to offset future financial impacts such as those for the tax deferral program.

At the recommendation of the Tax Relief for Seniors Committee, the Board of Selectmen also voted to recommend that the Public Works Commission and the Concord Municipal Light Plant Board provide water and electricity discounts to qualified applicants. These entities, the rate setting authorities for electricity and water, respectively, will consider the Board of Selectmen's recommendations at their annual rate hearings in May 2006. No town meeting action will be required for such discounts.

## Public Works Commission

The five members of the Public Works Commission are appointed by the Town Manager for three-year terms. The Commission is responsible for policy direction and citizen oversight of Concord Public Works (CPW). This includes stewardship of the Town's public infrastructure (roads, sidewalks, drainage, and public shade trees), recreation areas, and water, sewer, and solid waste systems. The Commission is also responsible for setting the rates for water, sewer, and solid waste services. These services are self-funded through fees and are managed separately from the Town's General Fund.

The annual appropriation for operating CPW is contained in the Town Manager's budget (items 18 to 28 of Article 8). The Town Manager's recommended budget of \$3,054,267 for CPW represents a 3.4% increase over FY06. As proposed, the budget maintains or slightly increases funding for basic maintenance of Town roads, sidewalks, and drainage culverts and for equipment replacement. Highlights of the FY07 recommendations include:

- \$60,000 for GIS software improvements and new aerial photography enhancements. This is the second year of a three-year plan to enhance the Town's GIS system capabilities and applications.
- \$51,300 to crack-seal 20 miles of roadway, approximately one-fifth of the Town's 107 miles of roadways. This is part of a continuing maintenance program to crack-seal each of the Town's roads every five years.

- \$90,000 towards the maintenance of the Town's 55 miles of sidewalks.
- \$155,000 to provide major culvert repairs and to improve the drainage system in general.
- \$258,000 for the purchase of public works vehicles and heavy equipment as part of the Town's long-term schedule of equipment replacement.
- \$66,800 for the operation of approximately 1,440 street lights. (Operation is provided by the Concord Municipal Light Plant.)
- \$430,000 for snow and ice removal. Due to budget constraints, this amount is about \$25,000 less than the Town's budgetary goal, which is the average annual expense calculated over a 10-year period.
- \$505,000 for the preservation and maintenance of over 39 acres of active recreation areas in Concord, all the Town's public shade and park trees, and five traffic islands.
- \$10,000 for continuation of the continuing program to preserve and protect the ancient grave markers in the Town's oldest burying grounds and \$30,000 for improvements to the Cemetery Master Plan. These capital expenditures are met from Cemetery Fund revenues, not from tax support.

Articles 21 through 25 provide the annual authorizations for the Town Manager to expend the income and cash accumulated in the Sewer, Water, and Solid Waste enterprise and certain other special revenue funds. These are routine articles, normally placed on the Consent Calendar.

Article 26 proposes borrowing \$700,000 for major road improvements. When combined with Chapter 90 State aid estimated at \$421,000, and \$80,000 for engineering and design services provided in the Town Manager's Budget, Article 8, item 43, the Town will be able to improve approximately 11 miles of road in FY07.

Two additional articles on the Warrant fall under the responsibility of CPW and will require borrowing by the Town. The first, Article 29, proposes to borrow \$250,000 (to be matched by Community Preservation Funds) to rehabilitate the Warner's Pond Dam. The dam, which is located in West Concord, does not comply with dam safety regulations and is considered to be a disaster risk under severe flood conditions. The second, Article 39, proposes to borrow \$300,000 to rehabilitate the Mill Dam culvert at Main Street in Concord Center.

There have been many success stories for CPW this past year, in particular approval by the State Footprint Roads Committee for the 1.2 mile stretch of Route 62 Main Street connecting West Concord to the Acton line, and the elimination of the direct discharge of surface water drainage into Walden Pond. There is also a continuing effort to coordinate supplementary safety measures to comply with the Federal Rail Administration Horn Rule.

## Recreation Commission

The Recreation Commission is appointed by the Town Manager and is responsible for the policy direction of the Recreation Department. Programs operated by the Department are intended to meet the year-round recreational interests of the community. Major services include childcare programs, summer activities, sports activities, and starting this year, the debut of the Community Swim and Fitness Center.

The Community Swim and Fitness Center is a gift of C.C. Pools, Inc., and is located on the campus of the Concord-Carlisle Regional High School. C.C. Pools is a private not-for-profit corporation set up by Concordians to raise money for building the facility with the intention of donating it to the Town. This effort began with a \$3.5 million donation from the Alfred Sawyer Trust for "civic improvements" made about 10 years ago.

The facility is a 34,000 square foot building with four pools, spectator seating, and two 1,600 square foot rooms for fitness, and was constructed at a total cost of \$10 million. To date, C.C. Pools is somewhat shy of its ultimate fundraising goal and has secured a 10-year loan guaranteed by the US Department of Agriculture for the balance to finance construction. Because the Town cannot accept a building encumbered by a mortgage, C.C. Pools will lease the building to the Town at no charge while it continues fundraising.

With the passage of Article 30 in the Concord Town Meeting 2005, the Town authorized the creation of a new Swim and Fitness Center Enterprise Fund for operating the facility. An enterprise fund is the nearest thing to a business that a Town can legally operate. It provides an accounting structure within which the fees earned by the enterprise are credited to the fund and the expenses are paid by the fund. It also enables the enterprise to depreciate its assets and to build up capital reserves for major maintenance and renewal. In short, it provides the Town a way to operate the enterprise in a self-funding way, without depending on tax support.

Concord successfully operates three other enterprise funds: the Water Fund, the Sewer Fund, and the Municipal Light Plant. Together, these represent businesses with revenues of about \$20 million per year and assets of about \$62.7 million (after depreciation). These funds do not depend on tax revenues for their operations, and their capital maintenance and renewal needs are provided entirely from revenues according to long-term capital plans.

The 2005 Town Meeting also supported the opening of the facility in two other ways. Article 31 authorized \$515,000 for the purchase of fitness equipment, office equipment, and furniture that was not part of the original

building. Item 32 of the Town Manager's FY06 budget provided \$100,000 for start-up operating costs, in advance of revenues. This was the only legal way that the Town could hire staff to start selling memberships, to prepare for the initial opening, and to begin operations. Once the Enterprise Fund begins to operate in the black, it is expected that this \$100,000 will be returned to the Town's General Fund over a period of a few years.

The Town has responded enthusiastically to the opening of the Swim and Fitness Center as initial subscriptions have far exceeded the expectations enumerated in the enterprise's initial business plan, allowing the facility to open on a strong financial footing.

The Recreation Department also organizes and supports several community events including the July 4 Picnic in the Park, Minuteman Classic July 4 Road Race, West Concord Family Festival Parade, and the Concord Carlisle Community Chest Triathlon. During 2005, the Recreation Department served over 8,000 participants. In addition to its own programming, the Department works with other sports organizations in Concord to provide and coordinate field space.

In calendar year 2005, program revenue was \$1,512,659. Recreation programs operate on a user fee basis. Administrative costs and the maintenance costs for the Hunt Gym are included in item 30 of the Town Manager's Budget, Article 8.

The Department offers scholarships primarily for summer camp and school-age childcare. In 2005, \$100,000 of scholarship aid was provided for the summer camps and \$30,000 for school year programs. Scholarship support was donated by a number of community organizations, businesses and individuals, including the Concord Carlisle Community Chest, the Lions Club, and the DiGiovanni Family Trust managed by the Trustees of Town Donations.

The Concord Open Golf Tournament was held this summer for the fourth time at the Concord Country Club. The DiGiovanni family and Welch's sponsored the event, which netted over \$30,000 for the Scholarship Fund. The Shamrock Ball held in March also supported the Scholarship Fund.

#### **2006 Town Meeting Recreation-related articles**

**Article 27** of the 2006 Town Meeting seeks no new taxpayer support for the Swim and Fitness Center, but is rather an annual authorization required under Massachusetts law to enact the Community Pool Enterprise Fund budget. The Finance Committee recommends affirmative action on this article.

**Article 28** will consider expenditures of Community Preservation Fund revenues that will support various recreation uses, including the reconstruction of the Warner's Pond Dam, the replacement of the Emerson Playground Tot Lot, and design funds for the Bruce Freeman Rail Trail. The Finance Committee recommends affirmative action on this article as printed in the Warrant.

**Article 53** seeks \$75,000 in borrowing for replacement of the Hunt Gymnasium roof. The Finance Committee recommends affirmative action on this article.

# School Building Committee

**T**he School Building Committee (SBC) is a nine-member committee that has overseen the design and construction of the new Alcott and Thoreau schools. The SBC includes a member of the school committee, a former selectman, a former public school teacher, several architects and others with substantial construction experience.

Alcott construction took place from Oct. 2002 through Aug. 2004. Staff and students moved into the new building Sept. 2004. The old school building on Laurel St. was retained and maintained as a temporary home for Thoreau School during construction.

Thoreau construction began with the demolition of the original school on Prairie St. during the fall of 2004. The 1994 portion of the building was retained and has been incorporated into the design and construction of the new school. Construction began in Nov. 2004 and is nearing completion as this report is written. The school will be ready for occupancy by Sept. 2006.

## Alcott School Construction

There are a number of items related to the new Alcott that continued to receive attention from the SBC, the architectural firm Symmes, Maini, McKee and Associates (SMMA), and school and town personnel. Some were minor items typical of any construction project, but a serious concern was the heating and ventilation system in the new school. Parts of the building—especially the second floor classrooms—are uncomfortably hot when exterior temperatures rise above 85 degrees. To remedy the problem, the SBC consulted with heating and cooling specialists and reviewed a range of mechanical and passive cooling options ranging from installation of rooftop cupolas and ceiling fans to air conditioning. After considering the relative cost and benefits of each option, the SBC recommended installation of a mechanical air cooling system in the new Alcott building. The estimated cost is \$350,000 to be financed from the construction contingency on the project.

Another issue has been planning for Phase 2 of the Alcott project: the demolition of the old school building, followed by landscape work, and development of a playground and playing fields. This work is expected to commence during the summer of 2006 after the Thoreau School moves back into its new space. The \$2.3 million estimate for Phase 2 was included in the original \$16,695,000 construction estimate under Article 60 of the 2002 Town Meeting.

## Thoreau School construction

The Thoreau project has proceeded on time and on budget, although due to increases in labor and materials, contingency funds will be almost totally used by the end of the project. Every effort was made to ensure that the 1994 wing was incorporated into the new construction in terms of classroom quality, education technology and aesthetics.

One of the lessons learned from the Alcott project that will affect Thoreau was the insufficient cooling capacity of the passive ventilation system. Therefore the SBC and the school committee have recommended installation of a mechanical air cooling system at Thoreau as well. Article 40 on the 2006 warrant seeks borrowing authorization of

\$350,000 to cover the cost. If Article 40 is approved, this alteration would be made at Thoreau during the summer of 2007.

#### **Related information on State reimbursement for school construction**

During the course of the Alcott and Thoreau project there were a number of changes in the availability of state funding to assist towns with school construction. Alcott was covered by a set of interim Department of Education regulations, but Thoreau will be reviewed by the new Massachusetts School Building Authority (MSBA) created in 2004.

- Alcott status: Alcott is eligible for state reimbursement of approximately \$6.7 million. Concord expects to receive this funding after the final audit takes place during the spring of 2006. The Town will not have to wait for completion of Phase 2 in order to receive the State grant. In Sept. 2004, the Town permanently financed \$7 million of the Alcott Phase 1 cost as a 20-year bond at an interest rate of 3.7%. Short-term notes of \$7.2 million remain outstanding, payable September 30, 2006. Most of this short-term debt will be covered by the expected state grant, with any remaining balance to be issued as a long-term Town bond.
- Thoreau status: Reimbursement will be sought under the new MSBA regulations. As part of a review of all school building needs statewide, as required by statute, the MSBA collected baseline data on the Thoreau project in Dec. 2005. The MSBA regulations are expected to be issued in July 2006 and Thoreau will be eligible to submit an application for partial reimbursement of project costs in July 2007. If reimbursement monies were to be available, the actual percentage of costs covered would be in the vicinity of 25%. However, due to the shortage of state monies available for school building projects, Concord may not receive any reimbursement for the Thoreau project.