

Section I

Financial Summary

Section I Highlights**1: Overview**

- Proposed appropriations are as follows (see page 8):
 - Town Government: \$22,014,013
 - Concord Public Schools: \$35,660,111
 - Concord-Carlisle Regional School District: \$17,035,005
- Town Credit Rating: Moody's Aaa (see page 2)
- FY15 Free Cash estimate \$11,057,869 (see page 3)

2: Property Taxes

- Property Taxes fund 86% of the FY17 proposed budget (see page 10)
- FY17 Property Tax Levy is projected to increase by 3.0% over FY16 (see page 10)
- FY17 Unused Levy Limit is projected to be \$3,208,579 (see page 11)
- The FY16 Tax Rate is \$13.92 per \$1,000 assessed valuation (see page 12)
- A tax bill for the median valued home of \$798,000 is projected to increase by \$333, from \$11,108 in FY16 to \$11,441 in FY17 (see page 14)

3: Resources

- 86% of the budgeted resources come from property taxes. State Aid 4.3%, Other Receipts 3.9%, Motor Vehicle Excise 2.8%, Interfund Transfers 1.9%, and Stabilization Funds 1.1% make up the remainder of the resources for FY17 (see page 16)
- Moderate Increases are projected for State Aid and Uses of Money & Property (see page 17).

4: Other Resources

- Other Resources provides information on Stabilization Funds, CPA Funds, the Parking Meter Fund, and other funds that support the goals of the Town (see page 20)

5: Expenses

- Total proposed expenses are budgeted at \$98,445,665, a 2.20% increase from FY16 (see page 29)
- Town, CPS, & CCRSD Operating Budgets are proposed to be \$74,709,129 (see page 26)
- Joint accounts (Insurance, Retirement, Social Security, Medicare) are proposed to be \$14,312,000 (see page 28)
- Other obligations (Minuteman Tech., Debt Exclusions) are proposed to be \$8,192,536 (see page 29)
- Unappropriated accounts (State Assessments, Snow Deficits, Overlay) are proposed to be \$1,232,000 (see page 29)

6: Capital Outlay

- Capital outlay expenditures from Town departments is proposed to be \$1,800,000 (see page 42)
- \$3,900,000 is proposed in borrowing for capital purposes, 56% of which is proposed for Road Improvements (\$1,350,000) and Land Acquisition (\$830,000) (see page 43).
- The FY17 capital plan proposes an increase of \$27,500 for building improvements via the following accounts: Facilities Management, 37 Knox Trail, Public Safety Building, and Harvey Wheeler Community Center (see pages 47-49)

7: Debt

- For FY17, Tax Supported Debt Service is \$6,766,877 (see pages 58-59)
- Debt Service within the levy limit \$2,759,050 (see pages 58-59)
- Excluded Debt Service is \$4,007,827. A majority of the excluded debt service is for new Elementary Schools (see pages 58-59)

8: Unfunded Liabilities

- As of FY15, the total major General Fund Liabilities totaled \$80,612,272. Of this amount, \$41,730,401 was for debt, \$13,165,799 for pension, and \$25,716,072 for OPEB (see page 74).
- As of the 1/1/15 actuarial valuation, the employee pension system has been funded at 81% with an unfunded accrued liability of \$29,735,000 (see page 77)
- As of 6/30/15 Concord has a projected Funded Ratio of 24.8% for OPEB. The projected Unfunded Actuarial Accrued Liability (UAAL) at the most recent valuation report, June 30, 2014, is \$26,875,241 (see page 74)

9: Long Range Forecast

- (See pages 80-83)

Section Overview:

This Budget Summary contains charts, schedules, and narratives that describe the Budget and the Town's Finances in general. The level of detail used in this summary section aims to allow the reader to grasp the "big picture" relating to the Town's recent-past, present, and near-future.

The sub-sections found in this summary are:

- Overview** **1 to 9**
- Property Taxes** **10 to 15**
- Resources** **16 to 19**
- Other Resources** **20 to 25**
- Expenses** **26 to 41**
- Capital Outlay** **42 to 53**
- Debt** **54 to 73**
- Unfunded Liabilities** **74 to 79**
- Financial Projection** **80 to 84**

The Town Manager's Budget

The Town Manager's Proposed FY17 Budget totals:

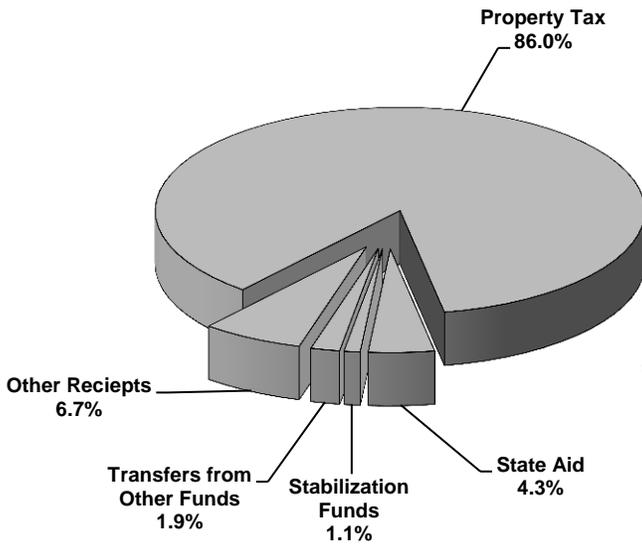
\$98,445,665

This level of appropriation is at the Finance Committee's FY17 Budget Guidelines.

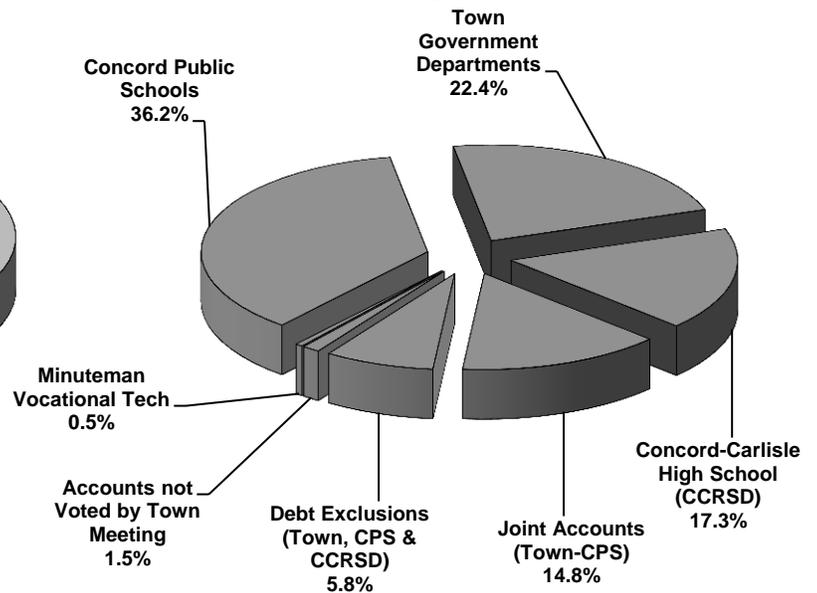
*See page 142 for more on the Finance Committee.

*See page 294 for the Finance Committee Guidelines.

FY17 General Fund Resources
Totaling \$98,445,665



FY17 General Fund Expenses
Totaling \$98,445,665



Fiscal Balance:

This FY17 Proposed Budget represents a balanced budget. Both budgeted resources and expenses equal \$98,445,665. All amounts are shown at the Finance Committee's Budget Guidelines issued November 30, 2015.

Budget Level and Credit Rating:

The information depicted below shows the overall financial health of the Town over the last decade.

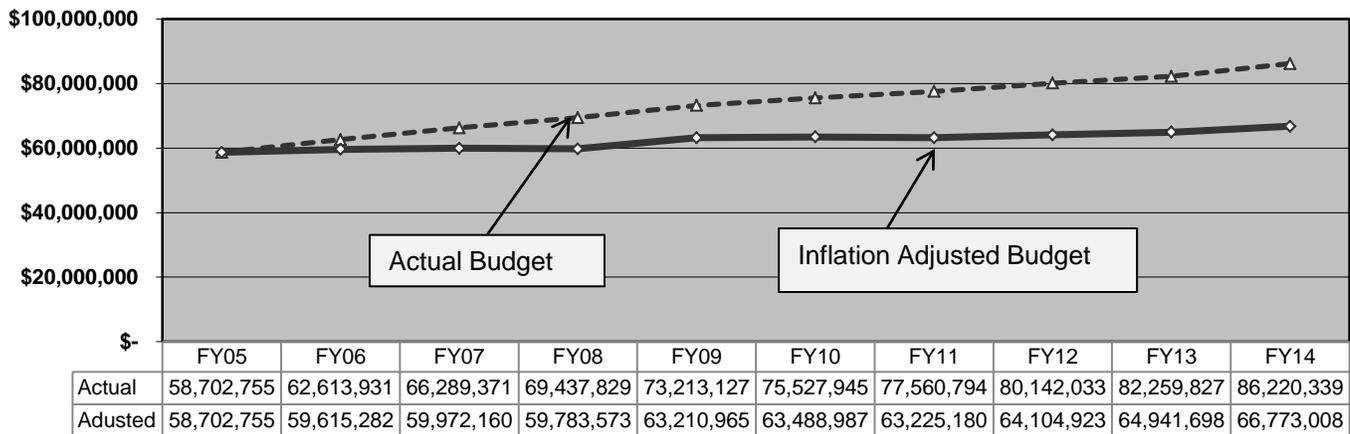
The first graph represents the total Town budget in terms of actual and adjusted dollar amounts. The line on the top is the actual amount budgeted and the line on the bottom is the amount adjusted for inflation.

The chart on the lower half of the page provides information about the credit rating earned by the Town.

Fiscal Stability

In spite of the economic turmoil during the last several years, the Town Government has maintained its fiscal stability. The budget in real terms (adjusted for inflation) is fairly level. In addition, Moody's Investors Service has continued to reaffirm the Town's Aaa credit rating, the highest possible rating category.

Financial History: Actual vs. Adjusted Town Appropriations - FY05 to FY14
(in year 2005 dollars)



Discussion: The Town's budget has remained very stable when adjusted for inflation. This means that tax dollars are largely being spent to maintain a level of service, rather than to expand the size of Town Government.

*Values (adjusted for inflation) based on the Bureau of Economic Analysis' Table 1.1.9. Implicit Price Deflator for Gross Domestic Product, 2005-2014 (Annual), State and Local governments, viewed: 11/23/2015.

Town Credit Rating History

Concord's credit rating is a measure of the Town's overall fiscal health. Since November 1987, the Town has earned a Aaa credit rating from Moody's Investors Service. This is the highest possible rating category and is a testament to the Town's strong financial management. As a result of the Aaa rating, the Town can borrow funds at more favorable interest rates.

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
The Town's Credit Rating (Moody's)	Aaa							

The opposite page provides information about the General Fund balance. Data for FY14 and FY15 are actual amounts and for FY16 and FY17 are projections. The FY14 and FY15 column is derived from the "Schedule A" report filed with the Massachusetts Department of Revenue.



SECTION I: Financial Summary

Overview

General Fund Balance Analysis	FY14	FY15	FY16	FY17
"Schedule A" basis of reporting	Actual	Actual	Budgeted	Proposed
Revenues				
Taxes	\$78,163,998	\$81,849,440	\$85,776,499	\$89,114,387
Charges for Services	\$1,533,171	\$1,484,033	\$1,170,000	\$1,170,000
Licenses, Permits, and Fees	\$1,334,120	\$1,099,041	\$1,090,000	\$990,000
Revenues from Other Governments	\$4,265,387	\$4,198,576	\$4,362,640	\$4,365,000
Miscellaneous Revenues	<u>\$529,972</u>	<u>\$297,827</u>	<u>\$338,200</u>	<u>\$346,400</u>
Current Revenues	\$85,826,648	\$88,928,917	\$92,737,339	\$95,985,787
Expenditures				
Salary and Wages	-\$40,039,126	-\$41,588,756	-\$43,449,940	-\$45,255,816
Expenditures	-\$27,350,967	-\$28,340,539	-\$31,954,934	-\$32,560,021
Capital Outlay	-\$1,607,833	-\$1,391,990	-\$2,309,000	-\$1,800,000
Debt Service	-\$6,969,666	-\$7,440,662	-\$7,925,500	-\$7,737,828
Unclassified	<u>-\$8,397,415</u>	<u>-\$8,527,436</u>	<u>-\$9,532,843</u>	<u>-\$9,692,000</u>
Current Expenses	-\$84,365,007	-\$87,289,383	-\$95,172,217	-\$97,045,665
Net Revenues / Expenditures	\$1,461,641	\$1,639,534	-\$2,434,878	-\$1,059,878
Other Financing Sources (Uses)				
Transfer from Other Funds	\$2,044,593	\$2,095,171	\$3,584,878	\$2,459,878
Transfers to Other Funds	-\$2,560,415	-\$2,525,087	-\$1,150,000	-\$1,400,000
Other Financing Uses	<u>\$0</u>	<u>-\$3,428,068</u>	<u>\$0</u>	<u>\$0</u>
	-\$515,822	-\$3,857,984	\$2,434,878	\$1,059,878
Total Excess (Deficiency)	\$945,819	-\$2,218,450	\$0	\$0
Fund Balance (Beginning of Year)	\$21,190,366	\$22,136,185	\$19,917,735	\$19,917,735
Fund Balance (End of Year)	\$22,136,185	\$19,917,735	\$19,917,735	\$19,917,735
Fund Balance Analysis				
Designated for Thoreau Debt Service	\$4,657,702	\$819,755	N/A	N/A
Reserved for Expenditures	\$850,000	\$1,575,000	N/A	N/A
Reserved for Encumbrances	\$3,558,404	\$4,217,430	N/A	N/A
Snow and Ice Deficit	-\$285,362	-\$310,771	N/A	N/A
Unreserved Fund Balance	<u>\$13,355,445</u>	<u>\$13,616,309</u>	<u>N/A</u>	<u>N/A</u>
	\$22,136,189	\$19,917,723	N/A	N/A
Free Cash Analysis				
Unreserved Fund Balance	\$13,355,445	\$13,616,309	N/A	N/A
Minus: Receivables	-\$698,212	-\$648,207	N/A	N/A
Minus: Deferred Revenue	-\$1,461,123	-\$1,795,789	N/A	N/A
Minus: Miscellaneous	<u>-\$111,193</u>	<u>-\$114,444</u>	<u>N/A</u>	<u>N/A</u>
Certified Free Cash	\$11,084,917	\$11,057,869	N/A	N/A

Fund Balance:

With the implementation of Governmental Accounting Standards Board (GASB) Statement No. 54, the Town's Fund Balance as presented in the audited Financial Statements is separated based on the availability of the funds into the following categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Availability of Fund Balance

Fund Balance is the amount remaining after subtracting all the items that are owed (liabilities) from all the items that are owned (assets). Nevertheless, portions of the Fund Balance have various restrictions on their use. Accordingly, Fund Balance is divided into categories depending the availability of these funds.

Fund Balance

An accounting distinction is made between the portions of fund equity that are spendable and nonspendable. These are broken up into five categories:

1. **Nonspendable fund balance** – includes amounts that are not in a spendable form or are required to be maintained intact. Examples are inventory or permanent funds (e.g., funds in which the corpus cannot be spent).
2. **Restricted fund balance** – includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include funds which have a restriction through debt covenants, grantors, contributors, or laws or regulation from other governments. The grant from the Massachusetts School Building Authority (MSBA) to mitigate the debt service cost of the Thoreau School is placed in this category.
3. **Committed fund balance** – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the Concord Town Meeting. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally. Examples are the School Construction Stabilization Funds and Special Revenue Funds such as the Solid Waste Fund.
4. **Assigned fund balance** – comprises amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the governing body, the Concord Town Meeting, or by an official or body to which the governing body delegates the authority, the Concord Town Manager. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. For the general fund, this amount includes funds encumbered as authorized by the Town Manager or his designee for a specific purpose.
5. **Unassigned fund balance** – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Fund Balance by Category (as of June 30, 2015)

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable			
Permanent funds	\$ -	\$ 4,929,898	\$ 4,929,898
Total Nonspendable	-	4,929,898	4,929,898
Restricted			
School debt service	819,755	-	819,755
Pension fund	9,471,897	-	9,471,897
Community Preservation	-	1,827,741	1,827,741
Parking	-	174,138	174,138
Cemetery	-	398,484	398,484
PEG Access	-	277,171	277,171
Receipts Reserved for Appropriation	-	780,558	780,558
53 G Review	-	28,651	28,651
Miscellaneous Grants and Contributions	-	67,201	67,201
School Lunch	-	165,144	165,144
Gifts	-	1,359,411	1,359,411
Recreation	-	768,495	768,495
Other Revolving	-	455,920	455,920
Federal Grants	-	33,395	33,395
State Grants	-	572,898	572,898
Solid Waste	-	229,873	229,873
Sawyer Gift Fund	-	211,421	211,421
Capital project funds	-	1,486,384	1,486,384
Permanent funds	-	842,846	842,846
Total Restricted	10,291,652	9,679,731	19,971,383
Committed			
School capital	963,252	-	963,252
School debt	1,912	-	1,912
High school debt	3,535,766	-	3,535,766
Emergency response	805,790	-	805,790
Insurance	1,647,747	-	1,647,747
CPS Bus Replacements	600,000	-	600,000
White Pond Management	25,000	-	25,000
Other	2,971	-	2,971
Total Committed	7,582,438	-	7,582,438
Assigned			
For encumbrances			
General government	1,511,416	-	1,511,416
Public safety	240,000	-	240,000
Education	325,347	-	325,347
Public works	1,402,284	-	1,402,284
Health and human services	157,073	-	157,073
Culture and recreation	328,949	-	328,949
Employee benefits	252,361	-	252,361
For next year's expenditures	950,000	-	950,000
Total Assigned	5,167,430	-	5,167,430
Unassigned	12,366,243	(99,827)	12,266,416
Total Fund Balance	\$ 35,407,763	\$ 14,509,802	\$ 49,917,565

Free Cash:

The narrative and chart below present information about Free Cash, the undesignated Fund Balance available to be appropriated by Town Meeting. The Finance Committee has set a policy to keep the used Free Cash balance at or above 5% of the total ensuing Town budget.

Strong Reserves

The Town's Free Cash exceeds the minimum amount of 5% of the next year's budget. As a result of this policy and other sound management practices, Moody's Investors Service has affirmed Concord's Aaa credit rating on the Town's outstanding debt, as of May 8, 2015.

Free Cash

All municipal governments should maintain reserves which can be used for special purposes or in case of emergencies. Credit rating agencies look at the reserves as a measure to determine whether a city or town is being managed well. As a policy, the Finance Committee has stated that the reserves should be at least 5% of the next year's total Town budget. In recent years, the Finance Committee has sought to maintain a 10% level.

These reserves are officially the Undesignated General Fund Balance, commonly referred to a "Free Cash". They represent the amount of fund balance which the Town has not currently designated for any specific purpose. Each year, the State examines the Town's balance sheet and certifies the amount that the Town has in available reserves or Free Cash. All or part of this amount can be appropriated in the next fiscal year, if the Town Meeting chooses to do so.

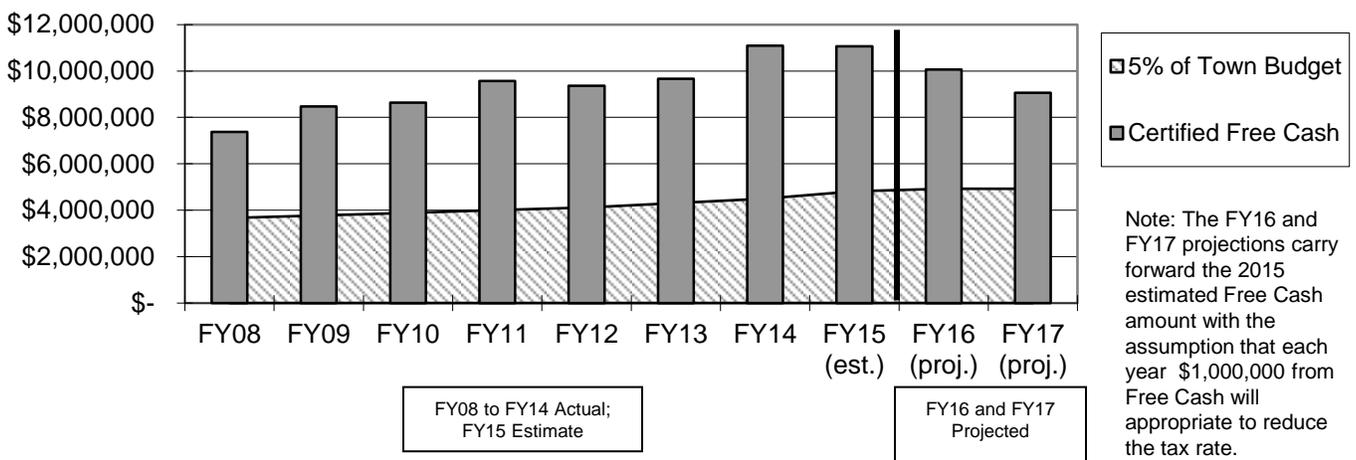
As shown on the previous page, Free Cash is calculated by taking the Town's fund balance at year-end and subtracting those items which are designated for other purposes.

Over the past decade, Free Cash has generally increased from year-to-year as a result of the Town conservatively estimating revenues (i.e., the Town usually collects more revenue than budgeted), and effectively controlling expenses (i.e., the Town spends less money than budgeted).

The chart below shows the annual amount of certified Free Cash identified by the bars and the floor representing 5% of the next year's Town budget identified by the shaded area.

Free Cash at June 30, 2015 is estimated at \$11.1 million, although it has not yet been certified (as of 1/19/16).

Certified Free Cash (Actual for FY08 to FY14, Estimated for FY15 and Projected for FY16 to FY17)



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Uses of Free Cash:

As appropriated by Town Meeting, the Town's available reserves has been used for various purposes which include decreasing the tax levy and establishing stabilization funds.

Prudent Uses

Over the years, the Finance Committee has proposed and the Town Meeting has adopted, modest allocations of Free Cash in an effort to retain Free Cash at levels which are fiscally prudent.

Town Meeting has appropriated Free Cash for various purposes. An appropriation is routinely approved to reduce the annual property tax levy. For FY17, \$1,000,000 is proposed for this purpose.

In addition, Town Meeting has voted to apply a portion of the Free Cash reserves to create stabilization funds to offset prospective rises in property taxes due to the increased debt service to pay for the construction of public school buildings. At the 2008 Annual Town Meeting, an amount of \$2.5 million was allocated from Free Cash to lower the tax levy impact of debt service payments for the Alcott, Thoreau, and Willard Elementary School Bonds.

At the Special Town Meeting on November 7, 2011, Concord citizens voted to establish a \$2 million stabilization fund from Free Cash to be used to offset future property tax increases resulting from additional debt service associated with the cost for construction of the new Concord-Carlisle High School. Further allocations to this fund were made in the three ensuing years.

It should be noted that the projections for FY16 and FY17 do not take into account likely increases in Free Cash due to the conservative estimation of revenues and expenditures: estimated revenues may be lower than the actual amounts received and budgeted expenditures may not be entirely used. According, the downward trend for projected free cash in FY16 and FY17 do not reflect the positive results from operations for those years.

Availability of Free Cash for Appropriation			Use of Free Cash for Appropriation					
Certification Year (As of June 30th)	Free Cash Available for Appropriation	Percent of Next Year's Budget (from cert. date)	Fiscal Year	Appropriated to Reduce the Tax Levy	Appropriated for Debt Stabilization	Appropriation from Free Cash	Appropriated for Willard School Borrowing	Total Free Cash Use
2005	4,880,193	7.8%	2007	500,000				500,000
2006	5,730,609	8.6%	2008	500,000				500,000
2007	8,003,063	11.5%	2009	600,000	2,500,000			3,100,000
2008	7,371,061	10.0%	2010	600,000			440,000	1,040,000
2009	8,471,337	11.2%	2011	600,000		34,430		634,430
2010	8,635,340	11.1%	2012	850,000		24,822		874,822
2011	9,567,656	11.9%	2013	850,000	2,000,000			2,850,000
2012	9,357,662	11.3%	2014	850,000	750,000			1,600,000
2013	9,664,489	11.2%	2015	850,000	750,000			1,600,000
2014	11,084,916	12.3%	2016	950,000	750,000	\$ 625,000 (1)		2,325,000
				proposed				
2015	11,057,869 (2)	11.5%	2017	1,000,000				1,000,000

Note: Free Cash is certified by the State as of each June 30th. Once this is done, certified free cash becomes available for Town Meeting appropriation.

(1) CPS Busses (\$600,000; 2015 Town Meeting, Article 24; White Pond Management (\$25,000, 2015 Town Meeting, Article 29)

(2) As of the printing of this book, Free Cash is an estimate and has not yet been certified by the State.

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Budget - All Accounts , FY13 - FY16 and FY17 Adopted Finance Committee Guideline

Line #		FY13 Budget	FY14 Budget	FY15 Budget	FY16 Budget	FY17 Guideline	Dollar Change	Percent Change	Percent of Total
Town Government									
1	personal services	\$ 13,937,691	\$ 14,494,368	\$ 15,181,707	\$ 15,721,241	\$ 16,468,178	746,937	4.75%	16.73%
2	O & M	3,126,322	3,234,645	3,332,306	3,458,772	3,470,835	12,063	0.35%	3.53%
3	capital outlay	1,435,000	1,520,000	1,625,000	1,709,000	1,800,000	91,000	5.32%	1.83%
4	Reserve Fund	225,000	225,000	225,000	225,000	225,000	0	0.00%	0.23%
5	Total General Fund	\$ 18,724,013	\$ 19,474,013	\$ 20,364,013	\$ 21,114,013	\$ 21,964,013	\$ 850,000	4.03%	22.31%
	Emergency Services Stabilization Fund			200,000	100,000	50,000	(50,000)		0.05%
	Total Town Government			\$ 20,564,013	\$ 21,214,013	\$ 22,014,013	800,000	3.77%	
6	Concord Public Schools	\$ 29,755,538	\$ 31,140,538	\$ 32,440,538	\$ 34,542,735	\$ 35,660,111	\$ 1,117,376	3.23%	36.22%
7	Concord-Carlisle RSD	\$ 15,066,221	\$ 15,356,221	\$ 15,856,221	\$ 16,556,221	\$ 17,035,005	\$ 478,784	2.89%	17.30%
9	Total Operating Budgets	\$ 63,545,772	\$ 65,970,772	\$ 68,860,772	\$ 72,312,969	\$ 74,709,129	\$ 2,396,160	3.31%	75.89%
JOINT TOWN & CPS ACCOUNTS									
9	Group Insurance	\$ 4,650,000	\$ 4,650,000	\$ 4,650,000	\$ 4,650,000	\$ 4,650,000	\$ 0	0.00%	4.72%
9a	OPEB Trust	400,000	650,000	900,000	1,150,000	1,400,000	250,000	21.74%	1.42%
10	Retirement	2,945,000	3,035,000	3,125,000	3,220,000	3,317,000	97,000	3.01%	3.37%
11	Debt Service	3,300,000	3,400,000	3,500,000	3,605,000	3,730,000	125,000	3.47%	3.79%
11a	Refunding savings, required levy				114,217	0	(114,217)		0.00%
12	Social Security/Medicare	625,000	640,000	685,000	740,000	765,000	25,000	3.38%	0.78%
13	Other Fixed & Mandated	375,000	400,000	425,000	425,000	450,000	25,000	5.88%	0.46%
14	subtotal	\$ 12,295,000	\$ 12,775,000	\$ 13,285,000	\$ 13,904,217	\$ 14,312,000	\$ 407,783	2.93%	14.54%
15	Minuteman Voc Tech	\$ 437,910	\$ 227,033	\$ 191,689	\$ 407,041	\$ 500,000	\$ 92,959	22.84%	0.51%
16	High School Debt Exclusion	254,128	1,551,843	1,858,841	3,514,429	3,684,708	170,279	4.85%	3.74%
17	Town Debt Exclusion	4,719,471	4,624,457	4,495,632	4,206,283	4,007,828	(198,455)	-4.72%	4.07%
	subtotal	\$ 5,411,509	\$ 6,403,333	\$ 6,546,162	\$ 8,127,753	\$ 8,192,536	\$ 64,783	0.80%	8.32%
	Appropriations from Free Cash				625,000	0	(625,000)		0.00%
18	TOWN MEETING VOTE	\$ 81,252,281	\$ 85,149,105	\$ 88,691,934	\$ 94,969,939	\$ 97,213,665	\$ 2,243,726	2.36%	98.75%
19	State assessments	\$ 468,736	\$ 429,403	\$ 511,384	\$ 497,843	\$ 510,000	\$ 12,157	2.44%	0.52%
20	Snow/ice & other deficits	0	101,951	285,362	310,772	172,000	(138,772)	-44.65%	0.17%
21	Overlay	538,810	539,880	555,513	543,663	550,000	6,337	1.17%	0.56%
22	subtotal	\$ 1,007,546	\$ 1,071,234	\$ 1,352,259	\$ 1,352,278	\$ 1,232,000	\$ (120,278)	-8.89%	1.25%
23	TOTAL BUDGET PLAN	\$ 82,259,827	\$ 86,220,339	\$ 90,044,193	\$ 96,322,217	\$ 98,445,665	\$ 2,123,448	2.20%	

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

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		FY17 Guideline					Change from FY16 Budget		
		FY13 Budget	FY14 Budget	FY15 Budget	FY16 Budget	FY17 Guideline	Dollar Change	Percent Change	Percent of Total
24	state aid	\$ 3,717,120	\$ 3,792,628	\$ 4,147,519	\$ 4,272,640	\$ 4,275,000	\$ 2,360	0.06%	4.34%
25	motor vehicle excise tax	2,225,000	2,400,000	2,600,000	2,850,000	2,750,000	(100,000)	-3.51%	2.79%
26	investment earnings	175,000	125,000	100,000	100,000	150,000	50,000	50.00%	0.15%
27	other local revenue	2,899,400	3,094,400	3,436,400	3,723,200	3,691,400	(31,800)	-0.85%	3.75%
28	Appropriations financed from:								
29	Elem. Debt Stabilization Fund	475,000	\$ 735,000	\$ 0	\$ 0	\$ 0	\$ 0		
30	CCHS Debt Stabilization Fund		230,000	500,000	1,500,000	1,000,000	(500,000)	-33.33%	1.02%
31	Emergency Services Stab. Fund			200,000	100,000	50,000	(50,000)	-50.00%	0.05%
32	Free Cash				625,000	0	(625,000)		
33	Transfers to General Fund:								
34	from CMLP (Light Fund)	385,000	\$ 447,800	\$ 458,650	\$ 472,400	\$ 465,500	\$ (6,900)	-1.46%	0.47%
35	Thoreau School MSBA grant	409,878	409,878	409,878	409,878	409,878	0	0.00%	0.42%
36	"free cash" transfer	850,000	850,000	850,000	950,000	1,000,000	50,000	5.26%	1.02%
37	subtotal	\$ 11,136,398	\$ 12,084,706	\$ 12,702,447	\$ 15,003,118	\$ 13,791,778	\$ (1,211,340)	-8.07%	14.01%
Property Tax:									
38	property tax base	\$ 65,851,372	\$ 68,113,587	\$ 71,061,652	\$ 74,224,261	\$ 77,471,229	\$ 3,246,968	4.37%	78.69%
39	new growth	1,183,336	1,220,624	835,499	1,284,004	900,000	(384,004)	-29.91%	0.91%
40	total within the Levy Limit	\$ 67,034,708	\$ 69,334,211	\$ 71,897,151	\$ 75,508,265	\$ 78,371,229	\$ 2,862,964	3.79%	79.61%
41	debt service excluded from Levy Limit	4,088,721	4,801,422	5,444,595	5,810,834	6,282,658	471,824	8.12%	6.38%
42	total property tax	\$ 71,123,429	\$ 74,135,633	\$ 77,341,746	\$ 81,319,099	\$ 84,653,887	\$ 3,334,788	4.10%	85.99%
TOTAL RESOURCES		\$ 82,259,827	\$ 86,220,339	\$ 90,044,193	\$ 96,322,217	\$ 98,445,665	\$ 2,123,448	2.20%	

SECTION I: Financial Summary

Property Taxes

Property Taxes:

The total projected property tax levy for FY17 is:

\$84,653,887

This represents 86.0% of the total resources supporting the FY17 budget.

It also represents an increase of 4.10% over the FY16 tax levy of \$81,319,099.

This, however, *does not* mean that the property tax rate will increase by 4.10%, as \$900,000 of the increase is due to projected New Growth (see chart on page 11 for a further break-out of the components of the total levy).

The resulting impact on the property tax rate is projected at:

+ 2.99%

Property Tax Highlights

The FY17 property tax levy is projected to increase by 2.99% over the FY16 levy.

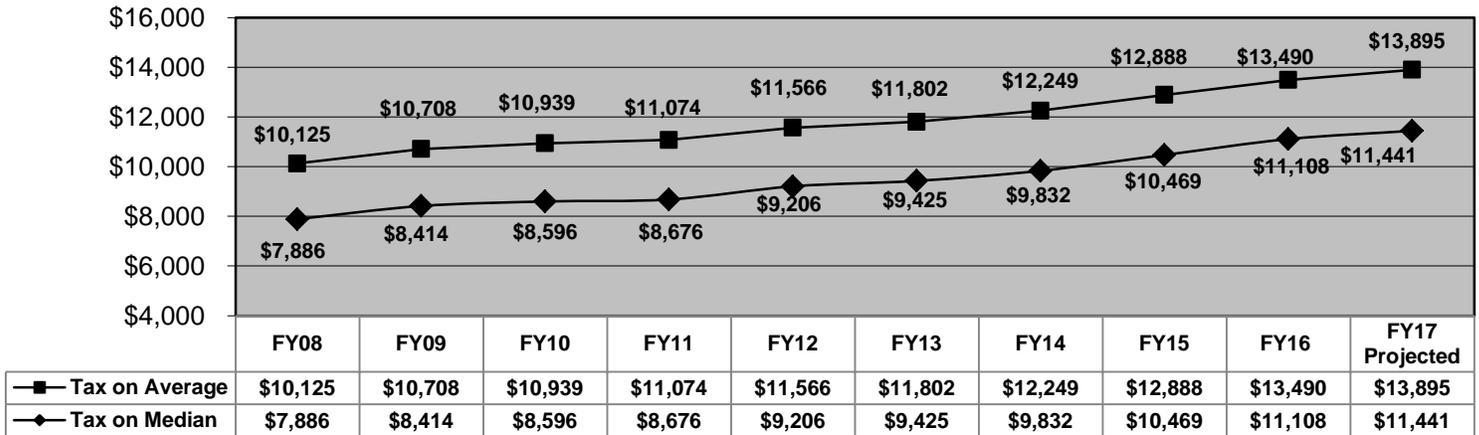
The effects of this increase can be understood in the following ways:

- The median single family residential tax bill for FY17 is projected to increase by \$333 from \$11,108 in FY16 to \$11,441 in FY17 (based on a median assessed value of \$798,000).

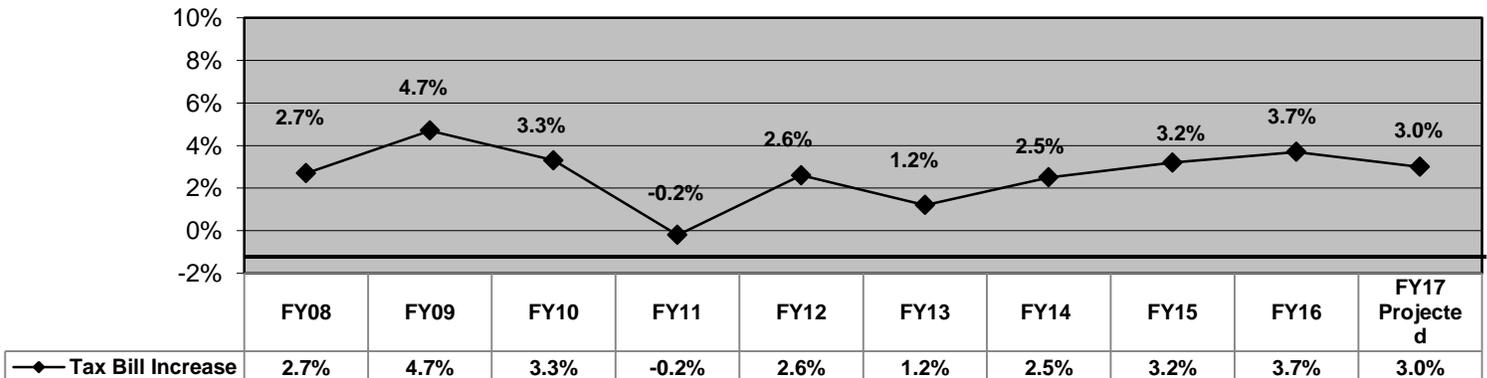
Or...

- The tax bill per \$100,000 of assessed value will increase by \$41, from \$1,392 in FY16 to an estimated \$1,433 in FY17.

Average and Median Tax Bills on Single Family Parcels



Average Tax Revenue Increases (Borne by Existing Taxpayers)



Property Tax Details:

In the area below, there is information that details how the Levy Limit has been calculated (for the proposed budget, as well as for the current and previous fiscal year budgets).

For FY17, the first number shown is the FY16 Levy Limit of \$78,712,008. As authorized by Prop 2½, the FY16 Levy Limit is multiplied by 2.5% to get \$1,967,800. The levy projected from new building construction (New Growth) is estimated to be \$900,000, the sum of these numbers is the new FY17 Levy Limit of \$80,679,808. After adding the levy for payment due on excluded debt of \$6,282,658, the maximum allowable levy equals \$87,862,466.

With the proposed FY17 level of spending requiring a tax levy of \$84,653,887, the result is a levy under the limit and an unused tax levy capacity projected at \$3,208,579.

Proposition 2½

Since 1982, Massachusetts Law has limited property tax increases by municipalities. The law restricts municipalities from increasing their property tax levy limit by more than 2½% each year, and is thus known as Proposition 2½.

It should be noted that property tax revenues resulting from “new growth” do not count towards the limit. This is because Proposition 2½ is intended to limit tax increases on existing taxpayers, while allowing the municipality to expand its services to meet additional needs posed by new growth.

Property Tax Levy Limit Calculation

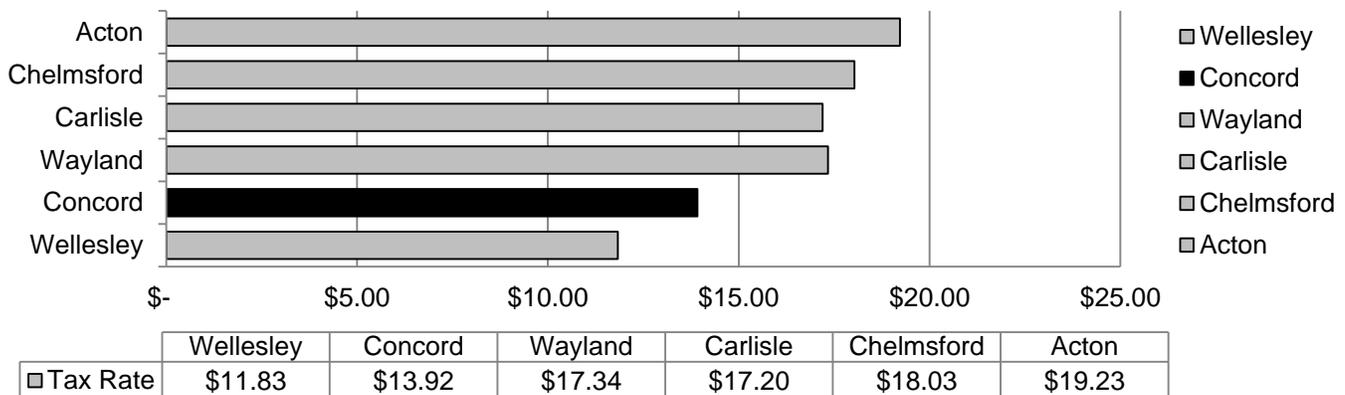
	FY15 Actual	FY16 Actual	FY17 Projected
Previous Levy Limit	\$ 72,879,506	\$ 75,539,516	\$ 78,712,008
New Growth Adjustment	2,462		
Plus 2.5%	<u>1,822,049</u>	<u>1,888,488</u>	<u>1,967,800</u>
Subtotal	74,704,017	77,428,004	80,679,808
New Growth	835,499	1,284,004	900,000
Levy Limit	75,539,516	78,712,008	81,579,808
Excluded Debt Levy	<u>5,444,595</u>	<u>5,810,834</u>	<u>6,282,658</u>
Maximum Allowable Levy	\$ 80,984,111	\$ 84,522,842	\$ 87,862,466
Tax Levy	\$ 77,341,746	\$ 81,319,099	\$ 84,653,887
Unused Levy Limit	\$ 3,642,365	\$ 3,203,743	\$ 3,208,579

	FY16 Tax Rates		FY16 Unused Levy Capacity	
	Residential	Commercial	Amount	% of Limit
Acton	\$ 19.23	\$ 19.23	\$ 999,192	1.32%
Andover	14.82	25.99	1,603,771	1.28%
Bedford	15.28	33.50	1,917,996	3.20%
Brookline	10.42	16.99	1,465,716	0.74%
Carlisle	17.20	17.20	2,163,652	8.97%
Chelmsford	18.03	18.03	322,678	0.38%
Concord	13.92	13.92	3,203,743	4.07%
Danvers	14.20	21.37	107,860	0.15%
Lexington	14.60	28.40	18,897	0.01%
Lincoln	13.99	18.39	15,164	0.06%
Needham	11.54	23.02	12,672	0.01%
Newton	11.38	21.94	23,526	0.01%
Sudbury	17.80	25.11	320,332	0.43%
Wayland	17.34	17.34	10,137,828	15.81%
Wellesley	11.83	11.83	100,271	0.01%
Westford	16.30	16.50	8,132	0.01%
Winchester	11.68	11.02	12,168	0.02%

The table presented above provides data on the FY16 tax rates and unused levy capacity for neighboring municipalities. A lower tax rate makes the relative property tax burden less and a higher unused levy capacity shows that the municipality is not taxing at the maximum amount as determined by Proposition 2 ½.

Source: Massachusetts Department of Revenue, Division of Local Services, 12/21/2015

Comparable Municipalities with Uniform Tax Rate



The chart presented above shows the FY16 tax rates of neighboring communities that have a uniform tax rate (e.g., a tax rate that is the same for residential, commercial and industrial property).

Property Tax Rate

Assessment Date	Fiscal Year	Median single family parcel value	Tax rate	Tax Bill	Average single family value	Tax Bill	Total Tax Levy	New Growth Levy	impact on existing taxpayers	
									Net Levy	% over prior total levy
Jan. 1, 2006	2007	\$718,550	10.56	\$7,588	\$922,372	\$9,740	\$56,065,720	\$894,270	\$55,171,450	+3.6%
Jan. 1, 2007	2008	735,650	10.72	7,886	944,487	10,125	58,946,453	1,368,514	57,577,939	+2.7%
Jan. 1, 2008	2009	707,100	11.90	8,414	899,866	10,708	62,648,641	947,751	61,700,890	+4.7%
Jan. 1, 2009	2010	656,700	13.09	8,596	835,697	10,939	65,797,569	1,068,881	64,728,688	+3.3%
Jan. 1, 2010	2011	657,750	13.19	8,676	839,569	11,074	66,545,397	817,300	65,728,097	(0.1)%
Jan. 1, 2011	2012	677,900	13.58	9,206	851,674	11,566	69,122,997	863,585	68,259,412	+2.6%
Jan. 1, 2012	2013	669,850	14.07	9,425	838,804	11,802	71,123,429	1,183,336	69,940,093	+1.2%
Jan. 1, 2013	2014	680,400	14.45	9,832	847,681	12,249	74,135,633	1,220,624	72,915,009	+2.5%
Jan. 1, 2014	2015	732,600	14.29	10,469	901,857	12,888	77,341,746	835,499	76,506,247	+3.2%
current year	Jan. 1, 2015	\$798,000	\$13.92	\$11,108	\$969,130	\$13,490	\$81,319,099	\$1,284,004	\$80,035,095	+3.5%
projected	Jan. 1, 2016			\$11,441		\$13,895	\$84,653,887	\$900,000	\$83,753,887	+3.0%

notes: (a) valuation certification year, Mass. Dept. of Revenue on-site review

Operating overrides and debt exclusion levy impact

Fiscal Year	Voted Operating Override levy	% incr. in levy	Debt Exclusion Levy	Change from prior year	Total change in tax levy
2007	\$657,538	1.23%	\$2,702,361	\$215,818	\$2,792,633
2008	none		3,026,989	324,628	2,880,733
2009	none		3,982,522	955,533	3,702,188
2010	none		4,512,636	530,114	3,148,928
2011	none		4,015,430	(497,206) *	747,828
2012	none		4,069,862	54,432 *	2,577,600
2013	none		4,088,721	18,859 *	2,000,432
2014	none		4,801,422	712,701 *	3,012,204
2015	none		5,444,595	643,173 *	3,206,113
Budget	2016	none	\$5,810,834	\$366,239 *	\$3,977,353
adopted guideline	2017	none	\$6,282,258	\$471,424 *	\$3,334,788

* FY11 is net of \$1,000,000 appropriated from the Debt Stabilization Fund and \$431,796 Thoreau MSBA grant allocation.
 FY12 is net of \$700,000 appropriated from the Debt Stabilization Fund and \$427,413 Thoreau MSBA grant allocation.
 FY13 is net of \$475,000 appropriated from the Debt Stabilization Fund and \$409,878 Thoreau MSBA grant allocation.
 FY14 is net of \$965,000 appropriated from Debt Stabilization Funds (Elementary and High School) and \$409,878 Thoreau MSBA grant allocation.
 FY15 is net of \$500,000 appropriated from Debt Stabilization Funds (High School) and \$409,878 Thoreau MSBA grant allocation.
 FY16 Adopted budget is net of \$1,500,000 appropriated from Debt Stabilization Funds (High School) and \$409,878 Thoreau MSBA grant allocation.
 FY17 projection is net of \$1,000,000 proposed from Debt Stabilization Funds (High School) and \$409,878 Thoreau MSBA grant allocation (final).

SECTION I: Financial Summary

Property Taxes

Assessed Valuation, Levy Limit, Tax Levy and Rates: FY1980-2016

Fiscal Year	Total Assessed Value	Absolute Levy Limit	Annual Levy Limit	Actual Levy		Uniform Tax Rate	Actual Tax Rates			Unused Levy Limit		
				Within Limit	Debt Exclusion		Residential	Open Space	Commercial	CIP" ratio	\$	as % of Limit
1980	\$371,034,400			\$13,060,411		\$35.20						
1981	\$383,133,677			\$15,248,720		\$39.80					\$536,405	3.43%
1982	\$644,119,237	\$16,102,981	\$15,629,937	\$15,093,532		\$23.43	23.60	20.06	23.43	100.0	\$871,027	5.37%
1983	\$651,122,529	\$16,278,063	\$16,214,000	\$15,342,973		\$23.56	23.66	19.99	23.78	100.9		
1984	\$784,563,443	\$19,614,086	\$17,006,633	\$15,465,780		\$19.71	19.25	16.36	22.63	114.8	\$1,540,853	9.06%
1985	\$801,293,191	\$20,032,330	\$17,780,870	\$15,648,020		\$19.53	19.13	16.26	22.00	112.6	\$2,132,850	12.00%
1986	\$822,949,238	\$20,573,731	\$18,605,674	\$16,125,650		\$19.59	19.25	16.36	21.71	110.8	\$2,480,024	13.33%
1987	\$1,464,903,743	\$36,622,594	\$19,600,366	\$17,296,129		\$11.81	11.47	9.75	13.95	118.1	\$2,304,237	11.76%
1988	\$1,510,487,280	\$37,762,182	\$20,651,135	\$18,392,726		\$12.18	11.89	10.11	14.04	115.3	\$2,258,409	10.94%
1989	\$1,547,164,362	\$38,679,109	\$21,574,623	\$19,908,672		\$12.87	12.61	10.72	14.60	113.4	\$1,665,951	7.72%
1990	\$2,188,108,438	\$54,702,711	\$22,609,017	\$21,603,000		\$9.87	9.72	8.27	10.82	109.6	\$1,006,017	4.45%
1991	\$2,185,289,176	\$54,632,229	\$23,486,987	\$23,083,329		\$10.56	10.21	8.68	12.87	121.9	\$403,658	1.72%
1992	\$1,863,767,794	\$46,594,195	\$24,325,878	\$24,324,345		\$13.05	12.62	10.73	15.91	121.9	\$1,533	0.01%
1993	\$1,831,121,461	\$45,778,037	\$25,229,582	\$24,770,829		\$13.53	13.27	11.28	15.57	115.1	\$458,753	1.82%
1994	\$1,842,884,146	\$46,072,104	\$26,148,398	\$25,639,506	\$435,498	\$14.15	13.98	11.89	15.57	110.0	\$508,892	1.95%
1995	\$1,853,888,132	\$46,347,203	\$27,110,678	\$26,562,285	\$504,753	\$14.60	14.49	12.32	15.62	107.0	\$548,393	2.02%
1996	\$2,246,615,332	\$56,165,383	\$28,513,798	\$27,531,054	\$279,059	\$12.40	12.42	10.56	12.40	100.0	\$982,744	3.45%
1997	\$2,273,535,628	\$56,838,391	\$29,574,375	\$28,652,539	\$544,685	\$12.84	12.86	10.93	12.84	100.0	\$921,836	3.12%
1998	\$2,288,809,124	\$57,220,228	\$30,582,585	\$29,804,080	\$545,529	\$13.26					\$778,505	2.55%
1999	\$2,704,003,171	\$67,600,079	\$32,061,277	\$31,406,074	\$772,688	\$11.90					\$655,203	2.04%
2000	\$2,742,122,055	\$68,553,051	\$33,421,403	\$32,453,928	\$725,749	\$12.10					\$967,475	2.89%
2001	\$2,783,643,972	\$69,591,099	\$34,827,754	\$34,225,525	\$681,370	\$12.54					\$602,229	1.73%
2002	\$3,974,434,046	\$99,360,851	\$38,958,156	\$38,226,458	\$842,228	\$9.83					\$731,698	1.88%
2003	\$4,408,301,807	\$110,207,545	\$42,171,555	\$41,782,825	\$713,204	\$9.64					\$388,730	0.92%
2004	\$4,411,852,520	\$110,296,313	\$45,336,664	\$45,161,214	\$1,560,304	\$10.59					\$175,450	0.39%
2005	\$5,117,100,515	\$127,927,513	\$48,886,984	\$48,293,261	\$1,854,324	\$9.80					\$593,723	1.21%
2006	\$5,207,535,371	\$130,188,384	\$51,679,906	\$50,786,544	\$2,486,543	\$10.23					\$893,362	1.73%
2007	\$5,309,253,831	\$132,731,346	\$54,523,353	\$53,363,359	\$2,702,361	\$10.56					\$1,159,994	2.13%
2008	\$5,498,736,316	\$137,468,408	\$57,254,951	\$55,919,464	\$3,026,989	\$10.72					\$1,335,487	2.33%
2009	\$5,264,591,702	\$131,614,793	\$59,634,076	\$58,717,305	\$3,931,336	\$11.90					\$916,771	1.54%
2010	\$5,026,552,229	\$125,663,806	\$62,197,127	\$61,284,932	\$4,512,636	\$13.09					\$912,195	1.47%
2011	\$5,045,140,030	\$126,128,501	\$64,569,355	\$62,529,967	\$4,015,430	\$13.19					\$2,039,388	3.16%
2012	\$5,090,058,629	\$127,251,466	\$67,047,174	\$65,053,133	\$4,069,863	\$13.58					\$1,994,041	2.97%
2013	\$5,054,970,094	\$126,374,252	\$69,911,104	\$67,034,708	\$4,088,721	\$14.07					\$2,876,396	4.11%
2014	\$5,130,493,662	\$128,262,342	\$72,879,506	\$69,334,221	\$4,801,422	\$14.45					\$3,545,285	4.86%
2015	\$5,412,298,562	\$135,307,464	\$75,539,516	\$71,897,151	\$5,444,595	\$14.29					\$3,642,365	4.82%
2016	\$5,841,889,295	\$146,047,232	\$78,712,008	\$75,508,265	\$5,810,834	\$13.92					\$3,203,743	4.07%

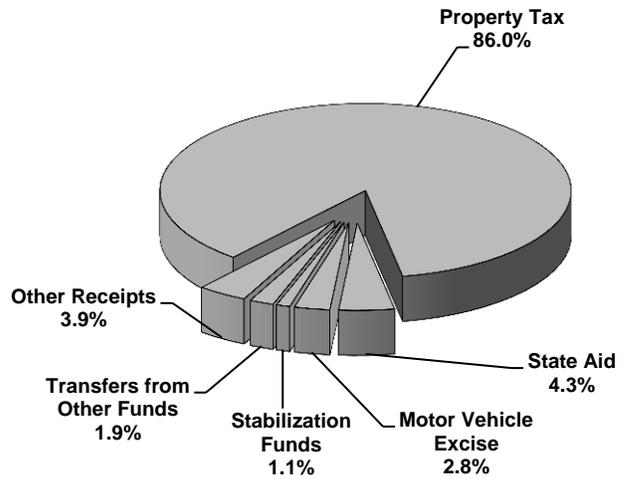
Financial Resources:

The General Fund budget is financed with funds generated from property taxes, local motor vehicle excise taxes, state aid, transfers from other local sources, investment earnings on temporarily available cash balances, and other local fees and charges.

The Resources section contains the following:

- Resource Category Descriptions 16
- Resource Detail (Revenue Detail) 17 to 19

FY17 General Fund Resources
Totaling \$98,445,665



Property Tax – Property taxes constitute about 86% of the total annual resources of the Town budget and may be levied only up to a calculated levy limit (which is certified by the state Department of Revenue). This limit can only increase by 2.5% from the previous year’s levy limit. However, taxes generated from “new growth”, the increased property values resulting from new construction and change of property use, is added to the annual limit. In addition, any override or debt exclusion amount approved by a majority vote of the electorate is added to the annual levy limit (Page 18, Section I).

State Aid – The types of funds provided to Concord by the state government are listed in the Resource Detail – General Fund schedule (Page 17 Section A).

Motor Vehicle Excise Tax – These resources are raised from a tax on each individual vehicle garaged in the Town, according to a schedule of depreciated value set by statute and administered by the State Registry of Motor Vehicles (page 17, Section B, Line 11).

Stabilization Funds – With a two-thirds affirmative vote, the Town Meeting can place funds into a Stabilization Fund and use resources from a Stabilization Fund. Stabilization Funds are often used to smooth over a sharp temporary rise in annual expenditures that could result, for example, from the increase in debt service from constructing a new school (Page 18, section H, Lines 62-64).

Transfers from Other Funds -- The Annual Town Meeting authorizes the Concord Municipal Light Plant to pay a PILOT (Payment in Lieu of Taxes) each year, as well as appropriating the use of Free Cash to reduce the property tax levy. Additional funds are available from the Thoreau School MSBA grant (Page 18, Section H, Lines 58-59).

Other– A detail of these resources can be found in the Resource Detail – General Fund Schedule (Pages 17 through 18, Sections B, C, D, E, F, and G).

SECTION I: Financial Summary

Resources

RESOURCE DETAIL - GENERAL FUND with FY17 FORECAST

	ACTUAL FY2012	ACTUAL FY2013	ACTUAL FY2014	Budget FY2015	ACTUAL FY2015	FY2016 Budget Est Oct. 2015 rev.	Projected FY2017 (Nov. 30, 2015)
A. State Aid:							
1. Abatements:							
Veterans, blind & surviving spouses	31,273	30,775	36,970	30,775	36,113	37,000	
Police Career Incentive ("Quinn")	0	0	0		0		
2. Elderly Persons Abatements	8,534	6,024	6,024	6,024	4,518	4,488	
3. School Aid (Ch.70)	1,998,997	2,075,197	2,125,993	2,573,232	2,573,232	2,705,857	
4. Charter School tuition reimbursement	26,492	13,915	17,703	49,214	15,370	3,243	
5. State-Owned Land	589,606	589,796	601,459	424,522	424,522	424,522	
6. Unrestricted General Government Aid	910,291	981,239	1,004,433	1,032,288	1,032,288	1,069,450	
7. Supplemental unrestricted aid	70,948						
8. Veterans Benefits	5,687	1,591	14,141	31,464	28,086	28,080	
9. Total State Aid	\$3,641,828	\$3,698,537	\$3,806,723	\$4,147,519	\$4,114,129	\$4,272,640	\$4,275,000
B. Local Excise Taxes:							
11. Motor Vehicle Excise	2,338,458	2,529,694	2,730,604	2,600,000	2,866,492	2,850,000	2,750,000
12. Hotel/Motel Room Excise	277,593	262,590	277,694	275,000	297,886	290,000	350,000
13. Meals Excise	290,004	296,839	311,555	300,000	333,073	325,000	325,000
14. Jet Fuel Excise	445,559	392,272	370,248	375,000	328,986	250,000	250,000
15. Farm Animal & Machinery	603	1,420	1,433	1,000	0	0	0
16. Total Local Excise	\$3,352,217	\$3,482,815	\$3,691,534	\$3,551,000	\$3,826,437	\$3,715,000	\$3,675,000
C. Fines and Forfeitures:							
17. Tax Penalties & Interest	121,819	108,530	127,975	100,000	107,274	100,000	100,000
18. Tax Title Interest	55,592	75,271	114,379	50,000	210,912	50,000	50,000
19. Tax Deferral Interest			21,820	0	37,930	0	0
20. Court Fines	113,915	93,419	101,728	90,000	85,447	90,000	90,000
21. Total Fines & Forfeitures	\$291,326	\$277,220	\$344,082	\$240,000	\$441,563	\$240,000	\$240,000
D. Uses of Money & Property:							
22. Rental - Nextel tower	20,000	20,000	20,000	20,000	20,000	20,000	20,000
23. Rental - other wireless towers	180,157	193,148	239,697	215,000	178,955	180,000	180,000
24. Rental - Ripley Building	19,744	20,258	21,588	20,000	19,262	20,000	20,000
25. Rental - Harvey Wheeler	13,548	15,698	23,547	18,000	29,763	13,000	20,000
26. Rental - Marshall farm	9,675	10,747	11,715	12,000	12,897	13,000	14,000
27. Rental - McGrath Farm	402	405	4,652	5,000	16,800	16,800	17,000
28. Rental - miscellaneous	196,510	151,078	86,296	400	8,510	400	400
29. Investment Earnings	\$440,036	\$411,334	\$408,897	100,000	82,554	100,000	150,000
30. Total Uses of Money & Prop.				\$390,400	\$368,741	\$363,200	\$421,400
E. Licenses & Permits:							
31. Building Permits	577,624	526,205	847,659	500,000	620,248	700,000	600,000
32. Concord Mews building permits	297,173						
33. Other Health & Inspections	252,318	277,085	321,441	275,000	296,513	300,000	300,000
34. Alcoholic Beverage	74,850	71,725	81,225	75,000	82,600	80,000	80,000
35. Miscellaneous	10,469	10,095	45,035	10,000	41,487	10,000	10,000
36. Total Licenses & Permits	\$1,212,434	\$885,110	\$1,295,360	\$860,000	\$1,040,848	\$1,090,000	\$990,000

SECTION I: Financial Summary

Resources

RESOURCE DETAIL - GENERAL FUND with FY17 FORECAST

	ACTUAL FY2012	ACTUAL FY2013	ACTUAL FY2014	Budget FY2015	ACTUAL FY2015	FY2016 Budget Est Oct. 2015 rev.	Projected FY2017 (Nov. 30, 2015)
F. Departmental Fees:							
37. Town Clerk	108,702	113,734	116,589	100,000	109,791	100,000	100,000
38. Planning	22,614	20,098	14,616	5,000	24,299	5,000	5,000
39. Collector-Treasurer	44,329	51,875	70,653	40,000	108,497	50,000	50,000
40. Fire - Ambulance	557,097	500,510	591,633	650,000	668,222	700,000	700,000
41. Public Safety	79,505	93,996	89,892	80,000	78,192	80,000	80,000
42. Library - Late Fines	45,707	50,327	46,746	45,000	43,482	45,000	45,000
43. School Department -misc	13,501	8,966	42,976	0	69,777	40,000	40,000
44. Kindergarten tuition	84,332	87,365	96,242	80,000	109,082	100,000	100,000
45. Medicaid reimbursements	52,628	13,212	34,769	20,000	28,306	30,000	30,000
46. Miscellaneous	35,080	46,723	29,408	20,000	24,305	20,000	20,000
47. Total Departmental Fees	\$1,043,495	\$986,806	\$1,133,524	\$1,040,000	\$1,263,953	\$1,170,000	\$1,170,000
G. All Other Revenue:							
48. Payments in Lieu of Taxes (PILOT) (Fed. Govt., Housing Authority)	9,759	23,140	21,988	20,000	25,077	20,000	20,000
49. PILOT on sale of town land	1,082	0	0	0	0	0	0
50. Premium on Sale of Bonds & Notes	138,634	87,504	339,823	0	114,455	0	0
51. (41A) Redemptions	57,522	40,768	133,351	0	78,285	0	0
52. (61A) Rollback Tax	0	27,671	40,253	0	0	0	0
53. Supplemental tax on new construction	102,369	77,521	68,306	35,000	116,075	75,000	75,000
54. SREC - Willard School solar	22,496	8,890	10,845	0	15,021	0	0
55. Miscellaneous non-recurring	71,594	115,808	207,181	0	79,375	0	0
56. Total Other Revenue	\$403,456	\$381,302	\$821,747	\$55,000	\$428,288	\$95,000	\$95,000
57. TOTAL LOCAL (B-G)	\$6,742,964	\$6,424,587	\$7,695,144	\$6,136,400	\$7,369,630	\$6,673,200	6,591,400
H. Available Funds							
58. Municipal Light Plant (Electric Fund)	380,000	385,000	447,800	458,650	458,650	472,400	465,500
59. Thoreau School MSBA grant	427,412	409,878	409,878	409,878	409,878	409,878	409,878
60. Free Cash appropriated to reduce tax rate	850,000	850,000	850,000	850,000	850,000	950,000	1,000,000
61. Free Cash appropriated for expenditures	46,822	0	0	0	0	625,000	0
62. Elementary School Debt Stabilization Fund	700,000	475,000	735,000	0	0	0	0
63. High School Debt Stabilization Fund			230,000	500,000	500,000	1,500,000	1,000,000
64. Emergency Services Stabilization Fund				200,000	200,000	100,000	50,000
65. TOTAL AVAILABLE FUNDS	\$2,404,234	\$2,119,878	\$2,672,678	\$2,418,528	\$2,418,528	\$4,057,278	\$2,925,378
I. Property Tax:							
66. Base	64,206,150	65,862,787	68,113,587	71,061,652	71,061,652	74,224,261	77,471,229
67. New Growth	863,585	1,183,336	1,220,624	835,499	835,499	1,284,004	900,000
68. Within levy limit	\$65,069,735	\$67,046,123	\$69,334,211	\$71,897,151	\$71,897,151	\$75,508,265	\$78,371,229

SECTION I: Financial Summary

Resources

RESOURCE DETAIL - GENERAL FUND with FY17 FORECAST

	ACTUAL FY2012	ACTUAL FY2013	ACTUAL FY2014	Budget FY2015	ACTUAL FY2015	FY2016 Budget Est Oct. 2015 rev.	Projected FY2017 (Nov. 30, 2015)
Debt Exclusion:							
69. Concord-Carlisle High School	322,941	184,870	(4,213)	(10,456)	(10,456)	196,161	189,624
70. New CCHS building		69,258	1,556,056	1,869,297	1,869,297	3,318,268	3,344,920
71. Harvey Wheeler CC renovations	116,994	114,039	110,837	107,389	107,389	103,694	0
72. Alcott School - Bond, Sept. '04 (\$7m), refunde	533,925	522,769	509,863	496,519	496,519	439,838	432,645
73. Alcott School - Ph 2 bond, Mar. '07 (\$2.35m)	228,633	217,283	211,132	204,980	204,980	198,829	191,140
74. Thoreau School - Bond, Sept. '06 (\$10m)	849,156	828,392	807,628	786,172	786,172	588,300	566,100
75. Thoreau School - Bond, Sept. '07 (\$6.8m)	602,705	588,000	573,769	558,589	558,589	541,037	524,435
76. Thoreau school - Bond, Mar. '09 (\$140k)	40,800	0	0	0	0	0	0
77. Willard School Design - Bond Spr. '08 (\$1.84n	226,631	221,183	215,734	210,285	210,285	204,363	198,026
78. Willard School - Bond, Mar. '09 (\$11.9m)	1,008,191	995,601	979,864	955,980	955,980	937,245	918,510
79. Willard School - Bond, Jan. '10(\$12.9m)	1,044,016	1,027,089	1,013,547	1,000,005	1,000,005	986,463	971,228
80. Phase 1, WPAT State Loan	101,678	101,565	101,450	101,332	101,332	101,212	101,089
81. Willard constr. - Bond, June '11 (\$400k est)	109,438	103,550	100,633	74,381	74,381	105,282	104,655
82. Thoreau advance refunding, May '15							
83. CCHS new issue - Spring 2016							
84. subtotal, debt exclusion	\$5,185,108	\$4,973,599	\$6,176,300	\$6,354,473	\$6,354,473	\$7,720,712	\$7,692,536
less:							
85. Elementary School Debt Stabilization	(\$700,000)	(\$475,000)	(\$735,000)	(409,878)	(409,878)	(409,878)	(409,878)
86. Thoreau School MSBA grant	(\$427,412)	(\$409,878)	(\$409,878)	(500,000)	(500,000)	(1,500,000)	(1,000,000)
87. High School Debt Stabilization			(\$230,000)				
88. Net debt exclusion	\$4,057,696	\$4,088,721	\$4,801,422	\$5,444,595	\$5,444,595	\$5,810,834	\$6,282,658
89. TOTAL PROPERTY TAX	\$69,127,431	\$71,134,844	\$74,135,633	\$77,341,746	\$77,341,746	\$81,319,099	\$84,653,887
GRAND TOTAL							
90. GENERAL FUND RESOURCES	\$81,916,457	\$83,377,846	\$88,310,178	\$90,044,193	\$91,244,233	\$96,322,217	\$98,445,665
Increase over prior year	4.20%	1.78%	5.92%	1.96%	3.32%	5.57%	2.20%

FY12-16 increase over prior year actual; FY17 increase over FY16 revised estimate

FY2017 PROJECTED TAX LEVY INCREASE

	Base	Debt Exclusion	New Growth	percent	amount
				2.41%	\$1,962,964
				0.58%	\$471,824
				2.99%	\$2,434,788
				1.11%	900,000
				4.10%	\$3,334,788

"FY2017 Base" minus "FY2016 Within levy limit" change in excluded debt tax levy
Change in Levy from current taxpayers
 Projected "New Growth" for FY2017
Change in Total Levy

Overview:

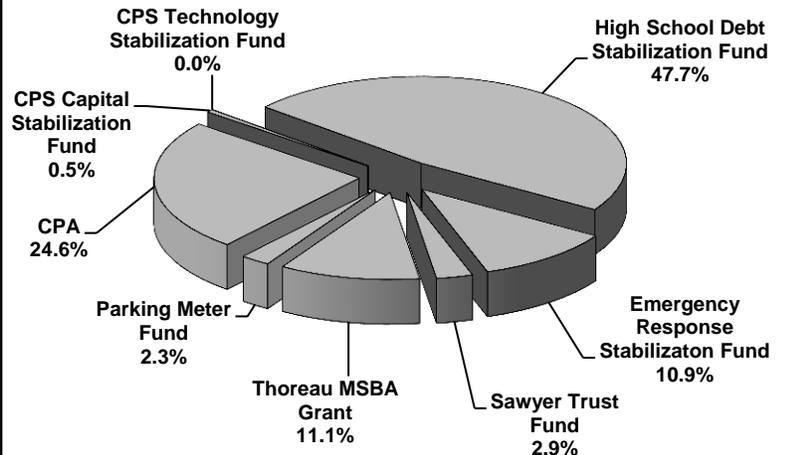
To augment current General Fund revenues and earmark funds for future expenditures, the Town has established several stabilization funds, the Sawyer Trust Fund, and an escrow account with funds from the Thoreau School MSBA Grant.

With the adoption of the Community Preservation Act in 2004, the Town places a 1.5% surcharge on all real estate tax bills with an exemption for qualified low and moderate income owner-occupied residents, and an exemption for the first \$100,000 of taxable value of residential real property. When funds are available, the State matches the amount raised by the Town's 1.5% surcharge.

The Parking Meter Fund was established in 1975 to use revenues from parking meters and parking violation fines for the purchase and maintain parking meters and regulate and enforce parking activities.

Available Resources (as of June 30, 2015)

\$4.3 million from Stabilization Funds
 \$1.8 million for CPA Projects
 \$1.2 for Other Activities



Other Resources

Stabilization Funds (which can be used with a two-thirds positive vote of Town Meeting)

- Elementary School Debt Stabilization Fund – As of June 30, 2015, the fund has \$1,912 remaining from the \$2.9 million earmarked to mitigate increases in debt service cost due to Elementary School Construction.
- Concord Public Schools Capital Needs Stabilization Fund – As of June 30, 2015, the fund has an unencumbered total of \$38,252 with \$925,000 designated for developing a new school transportation facility.
- Concord Public Schools Technology Stabilization Fund – As of June 30, 2015, the fund has a remaining balance of \$691. In 2014, \$75,000 was used for replacement of computers in school classrooms.
- High School Debt Stabilization Fund – As of June 30, 2015, the fund has a total of \$3,535,766 to off-set the debt service cost associated with the construction of the new Concord-Carlisle Regional High School.
- Emergency Response Stabilization Fund – As of June 30, 2015, the fund has \$805,790 to be used to mitigate the impact of the Concord Mews development in West Concord on public safety services.

Sawyer Trust Fund -- For use at the discretion of the Town Manager, the \$1.7 million Sawyer Trust gift has a balance of \$211,421 as of June 30, 2015 for energy conservation initiatives in Town-owned buildings.

Thoreau School Massachusetts School Building Authority (MSBA) Grant Escrow – As of June 30, 2015, the fund has a balance of \$819,755 which is to be used to off-set debt service costs in FY16 and FY17 of bonds issued to fund the construction of the Thoreau Elementary School.

Community Preservation Act Funds – As of June 30, 2015, the amount available to fund Community Preservation Act (CPA) projects is \$1,824,227. These funds can be appropriated by Town Meeting for the purposes of funding community housing, historic preservation, open space, and recreation projects, as well as covering associated administration costs. By statute, the Town must designate at least 10% of annual revenues of the Community Preservation Fund either to be appropriated to or reserved for future spending for each of three categories: community housing, historic preservation, and open space purposes.

Parking Meter Revolving Fund – With revenues derived from the collection of parking meter deposits and the payment of parking violation fines, the Parking Meter Fund has a balance of \$174,137 as of June 30, 2015. This fund is replenished continually with revenue from meter collections and violation payments and in FY15 revenues totaled \$312,459. With the authorization of the Police Chief, FY15 expenditures equaled \$298,552.

Stabilization, Trust, and Escrow Funds as of June 30, 2015*Concord Public Schools Capital Needs Stabilization Fund*

This fund was established at the 2006 Annual Town Meeting with the net proceeds (\$487,956) from the sale of town land at Strawberry Hill Road to fund the Burke land purchase (Old Bedford Road, at Ripley). Subsequent additions totaling \$360,000 were made by the 2010 Town Meeting (\$260,000) and the 2011 Town Meeting (\$100,000) from unexpended CPS appropriations encumbered by the School Committee at June 30, 2009 and June 30, 2010 respectively. To date, \$115,296 of interest, dividends and recorded gains has been added to the fund. \$950,000 was appropriated from this Fund by Article 24 of the 2015 Annual Town Meeting.

Concord Public Schools Technology Stabilization Fund

This fund was established by vote at the 2010 Annual Town Meeting and added to at the 2011 Annual Town Meeting, from unexpended CPS appropriations encumbered by the School Committee at June 30, 2009 (\$25,000) and June 30, 2010 (\$50,000) respectively. To date, \$691 of interest has been added to the fund. \$75,000 was appropriated from this Fund by vote of Article 11 of the 2014 Annual Town Meeting.

High School Debt Stabilization Fund

This fund was established by vote at the April 24, 2012 Special Town Meeting, funded by a \$2.0 million appropriation from Free Cash effective immediately upon the vote. Subsequent transfers from Free Cash have been voted at the 2013, 2014 and 2015 annual town meetings (\$750,000 each year). Interest recorded to date and added to the fund totals \$15,766 and \$730,000 has been drawn from the fund through June 30, 2015. \$1.5 million was appropriated from the fund by Article 29 of the 2015 Annual Town Meeting to be applied to FY16 debt service costs.

Emergency Response Stabilization Fund

This fund was established by vote at the 2012 Annual Town Meeting, funded by a \$1.0 million appropriation from Free Cash effective immediately upon the vote. The Free Cash appropriation was offset by the receipt of the same amount from the developer of Concord Mews as a required Mitigation Payment. In accordance with state law, the Mitigation Payment was recorded as General Fund revenue during FY12; the payment was not legally permitted to be applied and expended directly.

Interest recorded to date and added to the fund totals \$5,791. \$200,000 was drawn from the fund in FY15 and a further \$100,000 was appropriated by Article 38 of the 2015 Annual Town Meeting to be applied to FY16 Fire Department costs for ambulance services. Additionally, \$50,00 had been appropriated by Article 29 of the 2012 Town Meeting for application to emergency access to the Concord Mews site. This appropriation has not yet been acted upon or rescinded.

Sawyer Trust Fund

Special Town Meeting vote of Nov. 5, 2007 accepted this \$1.7 million gift and assigned the custody and investment of the fund to the Trustees of Town Donations. Interest, dividends and gains recorded to date and added to the fund total of \$253,601. To date, the Trustees have transferred \$1,787,815 to the town treasury at the request of the Town Manager. 64 separate projects have been undertaken for the improvement of energy and resource conservation in town government buildings and facilities. \$211,421 remains in the fund.

Thoreau School MSBA Grant Escrow

On June 7, 2010 the Town received a lump sum grant of \$6,336,666 from the MSBA for the state's share of the eligible cost of the new Thoreau School, following an audit of final project expenses. The previous September, three years after the new school had opened, the MSBA had agreed to accept the Thoreau School as a "moratorium project", one of three school buildings statewide that had been initiated and constructed while the prior school building assistance program had been suspended and the new one had not yet been put in place. The audit went back to FY2000 which included original design costs for what was subsequently constructed in FY04-06.

Requirements of the lump sum grant provide that scheduled draws be made to partially offset the property tax levy otherwise needed for debt service on \$16.9 million of bonds issued September 2006 and maturing serially to 2024. At the first bond call date of September 16, 2016, a condition of the MSBA grant required that the remainder of the grant at that time (approximately \$3.4 million) be used to call outstanding bonds in an equal principal amount. While the grant fund would then be extinguished, future debt service would correspondingly be reduced.

Taking advantage of current bond market rates, the Town decided not to wait for the September 2016 call date but rather to execute an advance refunding of \$4,440,000 of the bonds issued September 2006 on bonds originally issued September 2004. This issuance was sold in May 2015. Part of the escrow funding was the allocation of \$3,428,068.36 from the MSBA grant balance. The remaining balance of the grant will be applied to FY16 and FY17 debt service on Thoreau School construction bonds remaining outstanding from the 2006 and 2007 bond issuances.

SECTION I: Financial Summary

Other Resources

Status of Stabilization and Other Special Funds at June 30, 2015

Fund #	FUND TITLE	Legal Basis		Initial Funding		Cumulative				Balance at June 30, 2015
				Amount	Date	Additions (after original deposit)	Interest and Dividends	realized and unrealized gains	Funds used or encumbered	
86	Elementary School Debt Stabilization	Article 20 of 2008		\$2,500,000.00	7/1/08		\$257,410.66	\$154,501.24	\$2,910,000.00	\$1,911.90
85	Concord Public Schools Capital Needs	Article 32 of 2006		\$487,955.59	3/31/08	\$360,000.00	\$91,688.05	\$23,608.18	\$925,000.00	\$38,251.82
80	Concord Public Schools Technology	Article 25 of 2010		\$25,000.00	12/7/10	\$50,000.00	\$691.10		\$75,000.00	\$691.10
78	High School Debt	Art. 2, Apr. 24, 2012 Special Town Mtg.		\$2,000,000.00	6/29/12	\$2,250,000.00	\$15,765.63		\$730,000.00	\$3,535,765.63
79	Emergency Response	Article 29 of 2012		\$1,000,000.00	6/29/12	\$2,660,000.00	\$5,790.11		\$200,000.00	\$805,790.11
	SUBTOTAL: STABILIZATION FUNDS			\$6,012,955.59		\$2,660,000.00	\$371,345.55	\$178,109.42	\$4,840,000.00	\$4,382,410.56
Trustees	Sawyer Trust	Art. 4, Nov. 5, 2007 Special Town Mtg.		\$1,730,437.58	1/3/08	\$15,197.12	\$199,692.01	\$53,909.30	\$1,787,814.94	\$211,421.07
General Fund reserved	Thoreau School MSBA grant escrow (General Fund restricted fund balance)	*		\$6,336,666.00	6/7/10		\$341,258.68	\$122,586.67	\$5,516,910.53	\$819,755.47

* Grant reserved (initial funding less funds used)
shaded cells: General Fund revenue

GRAND TOTAL:
Stabilization, Trust and Escrow

\$5,413,587.10

NOTES

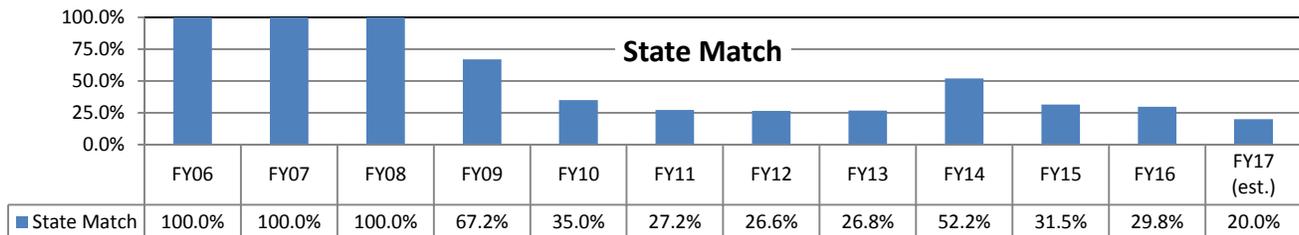
- (a) \$925,000 appropriated for the development of transportation infrastructure, Article 12 of the 2014 Annual Town Meeting
- (b) \$1,500,000 appropriated to be applied to FY16 debt service costs, Article 29 of the 2015 Annual Town Meeting
- (c) \$100,000 appropriated to be applied to FY16 Fire Department costs, Article 38 of the 2015 Annual Town Meeting
- (d) \$50,000 appropriated to be applied to Concord Mews emergency access from Forest Ridge Road; Article 29 of the 2012 Annual Town Meeting
- (e) \$3,428,068.36 applied in FY15 to the call of bonds outstanding for Thoreau School construction (issuances of 2006 and 2007); balance to be applied to FY16 and FY17 debt service.

Community Preservation Act Fund

The Community Preservation Act, M.G.L. c. 44B, allows Massachusetts cities and towns to raise monies through a surcharge of up to 3% of the real estate tax levy on real property. Concord adopted the Community Preservation Act at the 2004 Annual Town Meeting and ratified it at the polls in November 2004. Concord voters agreed to fund the CPA account through a 1.5% surcharge of all real estate property tax bills with two exemptions:

1. Residential property owned and occupied by any person who qualifies for moderate or low-income housing (earning less than 80% of Area Median Income), or low or moderate-income senior housing (earning less than 100% of the Area Median Income and are 60 years of age or older), and
2. The first \$100,000 of taxable value of residential real property.

Funds from the 1.5% surcharge are “matched” from revenues derived from a surcharge placed on all real estate transactions at the State's Registries of Deeds and placed in the CPA Trust Fund. From FY06 to FY08, there were enough funds in the CPA Trust Fund to provide Concord with a 100% match. However, as the number of participating municipalities increased (82 in FY06 to 156 in FY16), the State match percentage has decreased.



The chart below shows the annual revenues, expenditures, and fund balance for Concord's CPA account.

CPA Fund Balance (FY11 to FY15 Actual and FY16 to FY17 Projected)							
	FY11	FY12	Actual FY13	FY14	FY15	Budgeted FY16	Projected FY17
Beginning Fund Balance (@July 1st)	\$1,438,104	\$1,863,110	\$1,977,882	\$1,243,941	\$1,236,225	\$1,824,227	\$402,317
Surcharge Collection (Current Year)	\$856,426	\$891,970	\$921,209	\$964,992	\$1,016,090	\$1,056,000	\$1,098,000
Surcharge Collection (Prior Years)	\$4,319	\$333	\$7,056	\$4,794	\$3,051	\$0	\$0
State Match (of Prior Year net committed)	\$233,141	\$230,656	\$241,434	\$485,112	\$306,163	\$204,000	\$212,000
Earnings on Investment	\$6,708	\$6,470	\$3,664	\$2,340	\$0	\$0	\$0
Tax and Tax Title Penalty Interest	<u>\$5,731</u>	<u>\$5,050</u>	<u>\$4,927</u>	<u>\$5,834</u>	<u>\$8,880</u>	<u>\$0</u>	<u>\$0</u>
Total Fund Revenues	\$1,106,325	\$1,134,479	\$1,178,290	\$1,463,072	\$1,334,184	\$1,260,000	\$1,310,000
Expenditures	\$681,319	\$1,019,707	\$1,912,231	\$1,470,788	\$746,182	\$2,681,910	\$1,480,844
Ending Fund Balance (@ June 30th)	\$1,863,110	\$1,977,882	\$1,243,941	\$1,236,225	\$1,824,227	\$402,317	\$231,473

Parking Meter Fund

With the adoption of Article 65 of the 1975 Annual Town Meeting, the Town established in the Town Treasury a Parking Meter Fund to segregate revenues raised from the collection of parking meter deposits and the payment of parking violation fines. With the authorization of the Police Chief, these funds can be used to pay for costs incurred for the acquisition, installation, replacement, maintenance, and repair of parking meters and for the regulations and enforcement of parking and other traffic activities.

On page 25, there is a Statement of Revenues, Expenditures, and Fund Balance for the fiscal years 2007 to 2015. For this nine-year period, revenues averaged \$325,339 and expenditures averaged \$320,277. The fund balance ranged from a high of \$329,971 in FY12 to a low of \$160,230 in FY14 with the balance being \$174,137 as of June 30, 2015.

SECTION I: Financial Summary

Other Resources

Proposed FY17 CPA Projects (to be voted on at the 2016 Annual Town Meeting)

Project #	Name of Project	Suggested Category	Suggested Amount to Award	Notes
7-15	Regional Housing Services Program	Community Housing	17,500	
13-15	Affordable Housing Buy-Down	Community Housing	120,000	
CHR	Community Housing Reserve Fund	Community Housing	82,500	\$155,757 for Future Community Housing
2-15	Emerson Umbrella Window Restoration	Historic Preservation	138,250	
4-15	Sleepy Hollow Cemetery Improvements	Historic Preservation	225,000	
9-15	Wheeler Harrington House Preservation	Historic Preservation	40,000	
15-15	Main Entrance Steps Repair	Historic Preservation	12,000	With condition on Public Use of Building
11-15	Old Calf Pasture Habitat Restoration	Open Space	36,000	
1-15	Gowings Swamp Improvements	Open Space	14,100	For Removal of Invasive Species Only
5-15	Bruce Freeman Rail Trail Phase 2C	Open Space	62,500	Project Divided 50% Open Space, 50% Recreation
		Recreation	62,500	
12-15	White Pond Restoration Project	Open Space	124,500	Project Divided 75% Open Space, 25% Recreation
		Recreation	41,500	
16-15	USS Concord Bell 2015	Recreation	50,000	*Subject to HDC Review
3-15	Water Fountains for Playing Fields	Recreation	24,494	Reduced Amount
17-15	CCHS Fields Renovation - Phase III	Recreation	150,000	
6-15	Land Acquisition Project Fund	TBD	250,000	\$400,826 in Future Funds
ADM	Staff and Technical Support	Administration	30,000	
Total Requested:			1,480,844	
CPA Funds Available: \$1,705,317 (CPA funding, Open Space Reserve, Community Housing Reserve, Historic Preservation Reserve, and Land Acquisition Fund)				
10% Minimum Amount = \$131,074				

		Percentage of Recommended Funds (including Reserves)	Percentage of FY17 CPA Fund Revenues
Community Housing Recommendations	220,000	15%	15.8%
Historic Preservation Recommendations	415,250	28%	28.7%
Open Space Recommendations	237,100	16%	11.9%
Recreation Recommendations	328,494	22%	23.5%
Administration Recommendations	<u>280,000</u>	19%	20.1%
Current Recommendation Total:	\$1,480,844	100.0%	100.0%
Amount Available in all available CPA Accounts:	<u>\$1,481,234</u>		
Unallocated Existing Funds	\$390		
FY17 Estimated CPA Funds Revenue Available:	\$1,395,817		
Existing Funds in Open Space Reserve Account:	\$70,417		
Existing Funds in Historic Preservation Reserve Account:	<u>\$15,000</u>		
Total Funds Available for the 2016 Town Meeting:	\$1,481,234		

SECTION I: Financial Summary

Other Resources

CONCORD FINANCE DEPARTMENT
PARKING FUND
Statement for Revenues, Expenditures and Changes in Fund Balance
Fiscal Years 2007 to 2015

	Code	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
REVENUES:										
Meter collections		143,504	141,277	138,634	138,067	141,581	144,358	139,460	133,436	128,558
Meter violations		176,275	173,349	154,069	136,284	133,383	135,705	139,787	119,302	118,454
MBTA lot fees		22,003	24,504	30,532	30,666	32,293	34,367	35,999	38,483	42,631
Parking permits		5,358	6,886	7,747	8,090	9,071	9,825	14,639	16,668	22,815
Total revenues		<u>347,141</u>	<u>346,016</u>	<u>330,982</u>	<u>313,107</u>	<u>316,328</u>	<u>324,255</u>	<u>329,884</u>	<u>307,889</u>	<u>312,459</u>
EXPENDITURES:										
Personal services:										
Parking officer	5111	50,827	52,427	54,157	56,083	59,890	60,407	60,747	70,523	62,744
Hearing officer	5120	396	276	359	314	1,688	240	240	260	320
Overtime	5130	44,340	47,010	54,673	61,131	55,638	60,131	56,493	67,437	56,330
Benefits	various	2,313	2,341	2,403	2,451	2,482	2,551	2,551	3,380	2,815
Total personal services		<u>97,876</u>	<u>102,054</u>	<u>111,593</u>	<u>119,979</u>	<u>119,698</u>	<u>123,329</u>	<u>120,031</u>	<u>141,599</u>	<u>122,209</u>
Supplies & services:										
Electricity - traffic lights	5211, 5215	9,416	9,891	9,236	7,693	8,543	9,512	7,807	7,115	7,284
Equipment maintenance	5243	0	154	0	479	874	4,105	1,575	629	
Computer Equipment	5245	7,021	7,441	9,190	8,807	9,781	12,195	11,241	12,039	12,345
Traffic signal maintenance	5246	2,432	2,311	19,166	5,791	4,142	4,097	6,739	51,617	3,834
Vehicular Maintenance	5251	0	226	700	507	0	1,672	90	461	205
Street Painting Marking	5292	38,345	40,559	18,799	22,854	32,635	36,517	38,996	22,147	36,724
Other Property Related	5299	0	0	0	0	0	0	-	330	
Data processing - tickets	5303	13,946	14,382	14,300	12,936	12,349	12,819	10,577	10,359	10,882
Eng./Architect. Svs	5304	600	14,174	27,674	0	0	1,355	-	-	
Other Prof./Tech. Svs	5319	0	0	0	0	0	26,669	64,865	-	10,678
Postage	5342	1,603	2,043	1,459	1,376	1,200	1,443	2,297	1,015	957
Printing	5381	118	4,793	4,490	433	0	0	2,464	2,400	4,598
Advertising	5383	65	0	0	839	0	0	-	-	
Radar Service	5384	0	0	0	1,205	1,831	538	1,632	1,198	723
Gasoline	5411	1,619	4,950	2,079	1,997	2,027	2,542	3,039	2,681	2,226
Printed Forms	5423	0	0	724	834	4,664	860	1,626	1,490	1,104
Office Supplies	5429	0	0	47	0	0	0	-	-	30
Painting supplies	5434	1,018	1,859	1,382	2,075	1,550	1,248	797	1,119	1,469
Other vehicular supplies	5483	0	188	0	38	0	0	-	-	
Other equipment supplies	5484	1,266	710	653	1,221	962	1,732	961	2,091	2,053
Sign materials	5541	404	26	128	56	262	50	56	141	38
Traffic safety devices & signs	5551	245	931	5,488	0	4,830	2,320	2,147	4,459	3,245
Miscellaneous Signs	5553	0	0	0	8	109	0	-	-	628
Other Miscellaneous Supplies	5599	251	30	152	1,923	125	0	-	-	505
Intergovernmental assessmnt	5646	10,362	10,407	14,563	8,792	9,405	9,734	9,465	8,907	10,776
Total supplies & services		<u>88,710</u>	<u>115,074</u>	<u>130,228</u>	<u>79,864</u>	<u>95,290</u>	<u>129,409</u>	<u>166,372</u>	<u>130,196</u>	<u>110,301</u>
Capital outlay:										
Meters (additional & replace.)		0	0	0	0	0	0	-	-	
Coin counter/sorter		0	0	0	0	0	0	-	-	
Striping/Marking equipment		0	0	0	0	0	0	-	-	
Computer software		0	0	0	0	0	0	-	-	
Bicycle		0	0	0	0	0	0	-	-	
Radar units		0	0	0	0	0	0	-	-	
Speed Alert Trailer		0	0	0	0	0	0	-	-	
Handheld Tkt. Comp./Printer		0	0	0	0	0	0	-	-	
Traffic counters	5709	0	0	0	0	0	0	-	-	
Other Equipment Expense	5709	0	0	0	0	0	0	-	-	
Highway Improvements	5841	0	0	0	71,725	0	4,269	81,988	-	
Public Safety Equipment	5857	20,519	0	8,385	10,796	1,850	7,463	1,875	-	
Meter Replacement	5866	0	0	0	9,667	0	0	-	-	3,099
Vehicle	5871	0	0	0	0	0	0	37,725	-	
Public Safety Equip Replace	5877	0	0	0	0	0	0	-	1,495	
Computer Equipment Replace	5879	0	0	0	0	0	4,187	-	-	
MBTA Lot Drainage Improve.		0	0	0	0	0	0	-	-	
Replace. MBTA Lot Boxes		0	0	0	0	0	0	-	-	
Total capital outlay		<u>20,519</u>	<u>0</u>	<u>8,385</u>	<u>92,188</u>	<u>1,850</u>	<u>11,732</u>	<u>125,775</u>	<u>1,495</u>	<u>3,099</u>
Interfund transfers:										
Police - admin. & staffing		15,000	16,600	15,000	15,000	15,000	15,000	15,000	15,000	62,943
Treasurer - ticket collections		22,994	22,673	24,410	25,218	26,162	27,088	28,311	29,126	
Finance Administration		11,584	13,715	15,631	15,321	15,601	16,659	16,876	17,732	
Total interfund transfers		<u>49,578</u>	<u>52,988</u>	<u>55,041</u>	<u>55,539</u>	<u>56,763</u>	<u>58,747</u>	<u>60,187</u>	<u>61,858</u>	<u>62,943</u>
Total expenditures		<u>256,683</u>	<u>270,116</u>	<u>305,247</u>	<u>347,570</u>	<u>273,601</u>	<u>323,216</u>	<u>472,366</u>	<u>335,148</u>	<u>298,552</u>
Net of Revenues & Expenditures		90,458	75,900	25,735	(34,463)	42,727	1,038	(142,482)	(27,260) #	13,907
FUND BALANCE, JULY 1		128,575	219,034	294,933	320,669	286,206	328,933	329,971	187,489	160,230
FUND BALANCE, JUNE 30		<u>219,034</u>	<u>294,933</u>	<u>320,669</u>	<u>286,206</u>	<u>328,933</u>	<u>329,971</u>	<u>187,489</u>	<u>160,230</u>	<u>174,137</u>

SECTION I: Financial Summary

Expenses

Expenses – General Fund Budget:

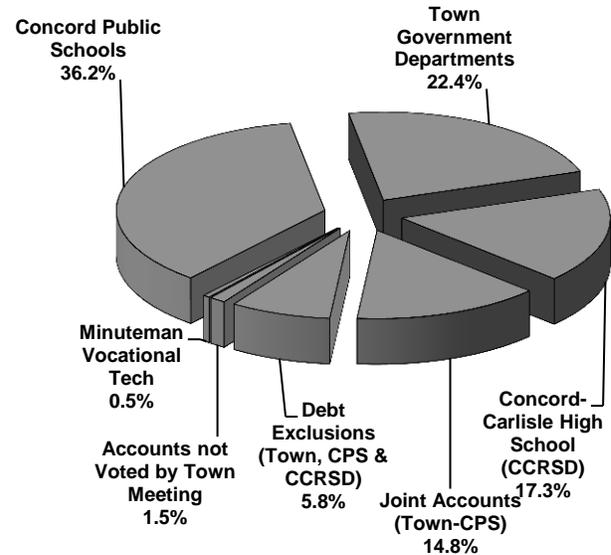
The General Fund budget is organized into 3 major organizational categories:

- Town Government;
- Concord Public Schools; and
- Concord-Carlisle Regional School District.

This section contains the following:

- Major Organizational Categories 26 to 27
- Joint Accounts 28
- Other Obligations 29
- Appropriations (Warrant) 30 to 32
- Town Gov. Budget Summary 33 to 41

FY17 General Fund Expenses **Totaling \$98,445,665**



Town Government (Page 8, line 5 – \$22,014,013 proposed for FY17)

This budget category relates to all sections of Town Government services that are under the direction and control of the Town Manager in accordance with the Town Charter, including general government, finance, public safety, public works, and human services. It should be noted that this number refers only to the amount appropriated by Town Meeting; it does not include resources transferred from other funds. For example, the Concord Municipal Light Plant (CMLP) uses various services of the Finance Department. The cost for these services is charged to the Light (CMLP) Fund. The budget presentation shows these other funding sources but they are not part of the General Fund appropriation.

Concord Public Schools (CPS - Page 8, line 6 - \$35,660,111 Finance Committee Guideline for FY17)

Summary information is found on pages 282-283. Separate School Department documents provide a more detailed analysis of the CPS budget, which is under the control and direction of the elected School Committee and the administrative direction of the School Superintendent.

Concord-Carlisle Regional School District (CCRSD - page 8, line 7 - \$17,035,005 Finance Committee Guideline for FY17 as Concord's share of the Districts operating budget)

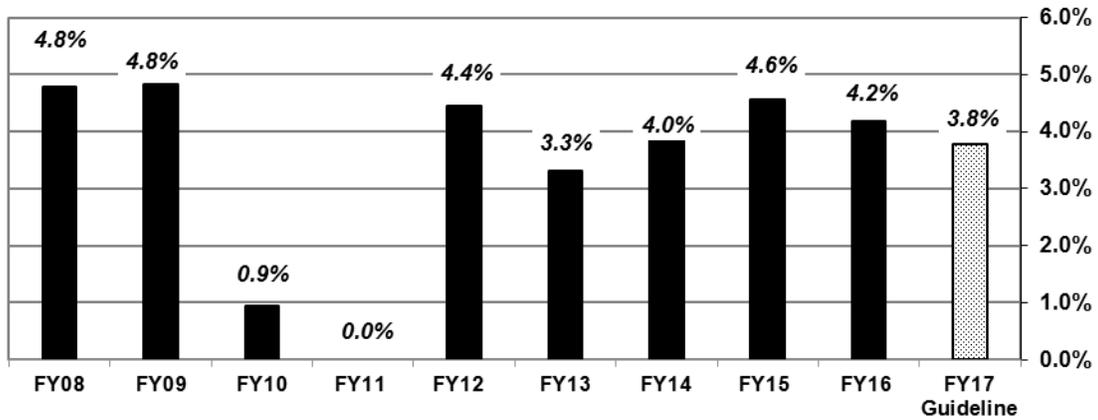
Since the Concord-Carlisle Regional School District (CCRSD) is a separate political subdivision but not a taxing authority, the Town budget includes an assessment payable to CCRSD based on Concord's share of the previous year's enrollment figures. That assessment amount is shown in this category. Summary information is found on pages 284-285. Separate budget documents of the CCRSD provide a more detailed analysis of the Regional School District's budget, which is under the control and direction of the elected School Committee and the administrative direction of the School Superintendent. The Joint Superintendency operates a consolidated administration managing both the CPS (grades K-8) and the CCRSD (grades 9-12).

Total of Above Operating Budgets:

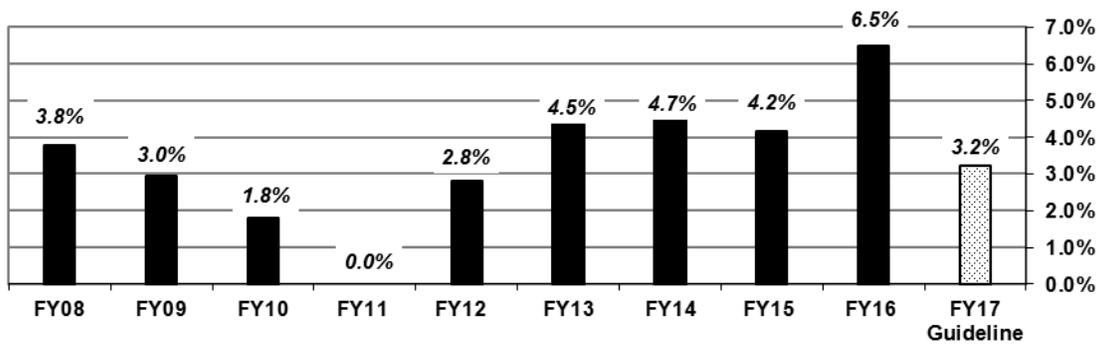
\$74,709,129 (page 8, line 8)

+ 3.31% increase from FY16

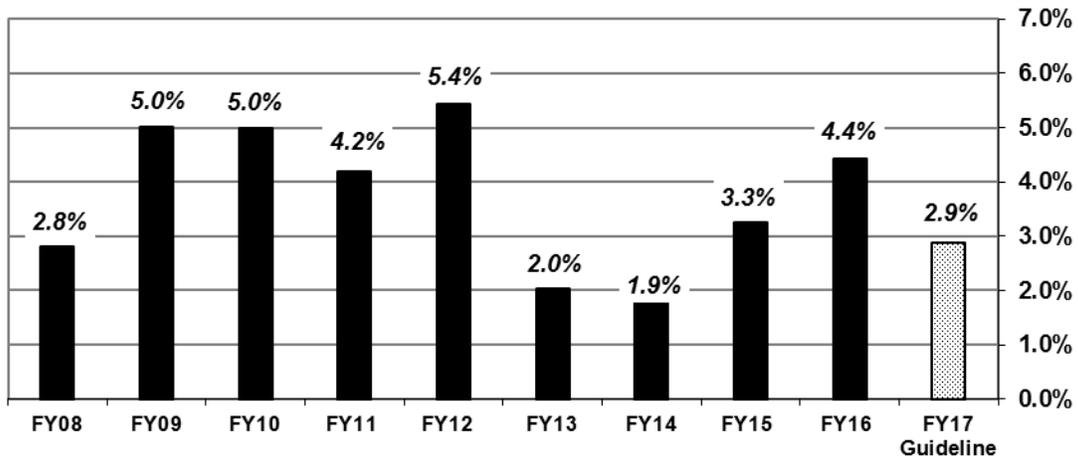
**Town Government operations
percent change in budget**



**Concord Schools (K-8)
percent change in budget**



**CCHS Operating assessment
percent change**



Joint Accounts

To take advantage of efficiencies and economies of scale, certain accounts of the Town Government and the Concord Public Schools are combined into joint accounts and administered by the Town Manager. The Concord-Carlisle Regional School District is not part of these joint accounts because it is a separate political subdivision.

The joint accounts are as follows:

Group Insurance (Page 8, line 9 - \$4,650,000, and line 9a - \$1,400,000)

Group Insurance refers to employee health, dental, and basic life insurance. This account covers the Town's contribution for Town Government and Concord Public School employees and retirees who are enrolled in these programs. The proposed budget also includes \$1,400,000 toward the Annual Net Other Post Employment Benefit (OPEB) obligation which has been estimated at approximately \$1.37 million in FY17.

Retirement (Page 8, line 10 - \$3,317,000)

This account contains the Town's portion of the annual funds transferred to the control of the contributory retirement system. With the exception of teachers, who are part of the State Teachers Retirement System, substantially all municipal employees who work at least 25 hours per week are covered by the Town's contributory retirement system operated in accordance with Chapter 32 of the Massachusetts General Laws.

Debt Service (Page 8, line 11 - \$3,730,000; financed within the levy limit)

The issuance of debt to finance capital expenditures for both the Town Government and the Concord Public Schools is authorized by the Concord Town Meeting (by two-thirds majority vote) and is issued through the Concord Town Treasurer's office. This account covers the portion of annual principal and interest owed on the borrowing that is financed within the property tax levy limit.

Social Security / Medicare (Page 8, line 12 - \$765,000)

All town and school employees hired after April 1, 1986 are subject to the 1.45% Medicare payroll tax. Employees who are not required to be members of the Town's retirement system (part-time employees working fewer than 25 hours per week and other non-permanent employees) are covered by Social Security and are subject to the 6.2% payroll tax. By federal law, the Town must match all employees' contributions and this account provides the matching funds.

Other Fixed & Mandated Items (Page 8, line 13 - \$450,000)

These items are made up of the following: Property & Liability Insurance for the Town Government (not including the School Department); and Unemployment & Workers Compensation for the Town Government and the Concord Public Schools (grades K-8).

Joint Account Subtotal:**\$14,312,000** (page 8, line 14)

+2.93% increase from FY16

Other Obligations

There are also several accounts which are either assessments to other political jurisdictions or payments of debt service authorized by the electorate to be funded outside the constraints of the levy limit ("excluded debt").

- Minuteman Voc Tech (Page 8, line 15 - \$500,000)

In a similar manner in which funds are transferred to the Concord-Carlisle Regional School District, the Town pays an assessment to the 16-town Minuteman Regional Vocational Technical School District calculated in part based on the number of Concord students enrolled in the prior year.

- High School Debt Exclusion (Page 8, line 16 - \$3,684,708)

As approved by a Proposition 2½ debt exclusion ballot vote of the Concord electorate, the amount to cover the principal and interest on debt issued by the Concord-Carlisle Regional School District and assessed to the Town of Concord is included in this account.

- Town Debt Exclusion (Page 8, line 17 - \$4,007,828)

This budget covers the debt service on bonds issued by the Town of Concord for major capital investments of the Town Government and the Concord Public Schools that have been voted by the electorate to be exempt from the property tax levy limit. Major components of this cost are principal and interest amounts due on borrowings made to finance the new Alcott (2004 and 2007 bonds), Thoreau (2006 and 2007 bonds), and Willard (2009 and 2010 bonds) elementary school buildings.

Other Obligations Subtotal **\$8,192,536**

Budget Subject to Town Meeting Vote: **\$97,213,665**

+2.36% increase from FY16

The total Town budget plan includes some items that are not subject to appropriation by Town Meeting:

- State Assessments (Page 8, line 19 - \$510,000)

By state law, these state charges are not subject to Town Meeting appropriation but must be financed within the property tax levy limit. The largest item is the assessment for the Massachusetts Bay Transit Authority which accounts for 81% of the FY17 budgeted amount.

- Snow/Ice & Other Deficits (Page 8, line 20 – \$172,000)

Because snow removal expense is unpredictable, state law permits deficit spending for this purpose as long as the current amount appropriated in the CPW Snow & Ice Removal account (account #18, page 201) is at least as much as the previous year's appropriation. This account provides for added room for a current year deficit which would be required to be added to the next year's tax levy, within the limit. The budget estimate is based upon an average of historical experience. It is subject to wide variation. Only the actual deficit of the current year ending June 30, 2016, if any, will be raised in the FY17 tax levy.

- Overlay (Page 8, line 21 – \$550,000)

The Overlay account is the amount added to the property tax levy in excess of the sum required to meet appropriations, state assessments, and permitted deficits. The Overlay is used to cover property tax abatements and exemptions granted in each tax year by the local Board of Assessors. The proposed amount is based upon historical experience and is added to the tax levy within the levy limit.

Total Budget Plan: **\$98,445,665**

+2.20% increase from FY16

SECTION I: Financial Summary

Expenses

Item No.	Department	Fiscal 2015 Expenses	Fiscal 2016 Appropriation	Fiscal 2017 Proposal
General Government \$2,825,910 is 7.2% of Total				
1	Town Manager's Office A. Town Manager B. Human Resources C. Facilities Management D. Resource Sustainability Fund E. Visitor's Center and Restroom F. 37 Knox Trail Subtotal	\$ 336,040 206,258 200,000 75,000 24,489 - 841,787	\$ 376,637 226,842 225,962 75,000 27,426 - 931,867	\$ 369,362 230,271 235,000 118,433 32,635 8,334 994,036
2	Legal Services	174,280	225,000	225,000
3	Elections and Registrars A. Elections B. Registrars Subtotal	25,714 4,646 30,360	52,164 8,103 60,267	34,815 7,967 42,782
4	Town Meeting and Reports	64,522	81,550	44,900
5	Planning A. Planning Administration B. Natural Resources C. Inspections D. Health Subtotal	323,485 228,506 401,364 283,497 1,236,852	452,128 211,537 441,573 299,701 1,404,939	460,857 228,799 461,727 297,156 1,448,539
6	141 Keyes Road	74,560	73,368	70,654
	Total General Government	\$ 2,422,362	\$ 2,776,991	\$ 2,825,910
Finance and Administration \$2,249,414 is 5.7% of Total				
7	Finance Committee	3,404	3,410	3,410
8	Finance A. Finance Administration B. Treasurer-Collector C. Town Accountant D. Assessors E. Town Clerk Subtotal	276,262 269,893 124,032 379,175 231,282 1,280,644	281,410 282,809 155,274 409,151 238,590 1,367,234	284,105 283,744 157,708 405,291 240,696 1,371,544
9	Information Systems	639,125	681,610	768,020
10	Town House	104,672	105,087	106,440
	Total Finance and Administration	\$ 2,027,843	\$ 2,157,341	\$ 2,249,414

SECTION I: Financial Summary

Expenses

Item No.	Department	Fiscal 2015 Expenses	Fiscal 2016 Appropriation	Fiscal 2017 Proposal
Public Safety				
\$8,900,701 is 22.7% of Total				
11	Police Department	4,156,906	4,241,558	4,244,504
12	Fire Department	3,833,878	4,279,385	4,299,821
13	West Concord Fire Station	35,692	60,062	40,289
14	Police-Fire Station	227,409	234,812	275,011
15	Emergency Management	12,216	22,810	15,077
16	Animal Control Officer	23,452	25,100	26,000
	Total Public Safety	\$ 8,289,552	\$ 8,863,728	\$ 8,900,701
Public Works and Facilities				
\$4,054,201 is 10.3% of Total				
17	Public Works			
	A. CPW Administration	181,338	184,968	184,155
	B. Engineering	374,537	389,847	383,244
	C. Highway Maintenance	1,277,325	1,298,187	1,288,605
	D. Parks and Trees	646,590	647,670	663,288
	E. Cemetery	61,336	68,114	66,684
	Subtotal	2,541,125	2,588,786	2,585,975
18	Snow and Ice Removal	868,268	570,000	597,500
19	Street Lighting	64,955	73,463	73,463
20	CPW Equipment	288,000	250,000	300,000
21	Drainage Program	205,000	205,000	205,000
22	Sidewalk Management	100,000	100,000	100,000
23	Road Improvements	90,000	90,000	90,000
24	133/135 Keyes Road	109,202	101,305	102,263
	Total Public Works and Facilities	\$ 4,266,550	\$ 3,978,554	\$ 4,054,201
Human Services				
\$2,838,078 is 7.2% of Total				
25	Library	1,978,038	2,034,562	2,081,963
26	A. Human Services	-	9,000	21,217
	B. Senior Services	310,949	336,889	343,870
	C. Recreation Services	104,356	50,000	73,175
27	Harvey Wheeler Community Ctr.	117,348	117,945	119,340
28	Hunt Recreation Ctr.	91,241	96,976	104,147
29	Veterans	67,581	60,889	69,990
30	Ceremonies and Celebrations	23,944	24,006	24,376
	Total Human Services	\$ 2,693,457	\$ 2,730,267	\$ 2,838,078

SECTION I: Financial Summary

Expenses

Item No.	Department	Fiscal 2015 Expenses	Fiscal 2016 Appropriation	Fiscal 2017 Proposal
Unclassified				
\$1,095,708 is 2.8% of Total				
31	Town Employee Benefits			
	A. Unused Sick Leave	90,000	90,000	90,000
	B. Public Safety Disability	157	2,500	2,500
	C. Employee Assistance Program	7,177	7,500	7,500
	Subtotal	97,334	100,000	100,000
32	Reserve Fund*	-	225,000	225,000
*Transfers totaling \$10,000 were made to other accounts in FY15				
33	Salary Reserve**	56,000	267,133	755,708
**Transfers totaling \$502,134 in FY15 and \$376,271 (to date) in FY16 were made to other accounts				
34	Land Fund	10,000	15,000	15,000
	Total Unclassified	\$ 163,334	\$ 607,133	\$ 1,095,708
TOWN GOVERNMENT SUBTOTAL (Accounts 1-34)		\$ 19,863,100	\$ 21,114,013	\$ 21,964,013
Joint (Town - CPS)				
\$17,319,828 is 44.1% of Total				
35	Insurance			
	A. Group Insurance	4,650,000	4,650,000	4,650,000
	B. OPEB	900,000	1,150,000	1,400,000
	C. Property/Liability	225,000	225,000	250,000
	Subtotal	5,775,000	6,025,000	6,300,000
36	Unemployment/Workers' Comp.			
	A. Unemployment Comp.	100,461	100,000	100,000
	B. Workers' Comp.	54,433	100,000	100,000
	Subtotal	154,894	200,000	200,000
37	Retirement	3,125,000	3,220,000	3,317,000
38	Social Security and Medicare	660,297	740,000	765,000
39	Debt Service			
	A. Long-Term Debt			
	Town Principal and Interest	2,539,919	2,551,988	2,751,725
	CPS Principal and Interest	906,030	940,113	883,375
	Subtotal	3,445,949	3,492,101	3,635,100
	Interest on Notes	-	72,899	54,900
	Other Debt Expense	8,567	40,000	40,000
	Subtotal Within Levy Limit	3,454,516	3,605,000	3,730,000
	B. Excluded Debt			
	Town Principal and Interest	208,721	204,906	101,089
	CPS Principal and Interest	3,787,529	4,115,594	3,906,739
	Less: Use of Stabilization Funds	(500,000)	(1,500,000)	(1,000,000)
	Subtotal Excluded Debt	3,496,250	2,820,500	3,007,828
	Debt Service Subtotal	6,950,766	6,425,500	6,737,828
	Total Joint (Town - CPS)	\$ 16,665,957	\$ 16,610,500	\$ 17,319,828
TOTAL APPROPRIATION (Accounts 1-39)		\$ 36,529,057	\$ 37,724,513	\$ 39,283,841

SECTION I: Financial Summary

Expenses

Town Government Operations (accounts 1-34)

Proposed Budget Changes

The Town Manager, in accordance with Finance Committee guidelines, is recommending a Town government General Fund appropriation at \$21,964,013 (the budgets of accounts 1-34 are collectively known as “the Town Government Budget”). The budget consists of several basic expense categories: personnel services; operations and maintenance (O&M); capital; and reserve (the reserve fund is overseen by the Finance Committee). The table below provides a summary of the Town government budget by these expense categories. It also presents the budget in further detail by functional area.

Town Government Operations - General Fund Appropriations

Accounts 1 - 34

By Expense Category

	FY16 Adopted	FY17 Proposed	FY16 to FY17	
			\$Δ	%Δ
Personnel Services	\$ 15,721,241	\$ 16,468,178	\$ 746,937	4.8%
O&M	3,458,772	3,470,835	12,063	0.3%
Capital	1,709,000	1,800,000	91,000	5.3%
Reserve	225,000	225,000	-	0.0%
Total (Accts. 1-34)	\$ 21,114,013	\$ 21,964,013	\$ 850,000	4.0%

By Functional Area

	FY16 Adopted	FY17 Proposed	FY16 to FY17	
			\$Δ	%Δ
General Government				
Personnel	\$ 1,688,676	\$ 1,838,282	\$ 149,606	8.9%
O&M	566,291	\$ 525,129	(41,162)	-7.3%
Capital	447,500	\$ 462,500	15,000	3.4%
Subtotal	\$ 2,702,467	\$ 2,825,910	\$ 123,443	4.6%
Finance & Administration				
Personnel	\$ 1,296,739	\$ 1,364,314	\$ 67,575	5.2%
O&M	623,185	\$ 670,100	46,915	7.5%
Capital	197,000	\$ 215,000	18,000	9.1%
Subtotal	\$ 2,116,924	\$ 2,249,414	\$ 132,490	6.3%
Public Safety				
Personnel	\$ 7,763,291	\$ 7,964,184	\$ 200,893	2.6%
O&M	667,925	\$ 681,518	13,593	2.0%
Capital	272,000	\$ 255,000	(17,000)	-6.3%
Subtotal	\$ 8,703,216	\$ 8,900,702	\$ 197,486	2.3%
Public Works				
Personnel	\$ 2,146,591	\$ 2,190,203	\$ 43,612	2.0%
O&M	1,000,721	\$ 1,016,497	15,776	1.6%
Capital	780,000	\$ 847,500	67,500	8.7%
Subtotal	\$ 3,927,312	\$ 4,054,200	\$ 126,888	3.2%
Human Services				
Personnel	\$ 2,082,540	\$ 2,255,487	\$ 172,947	8.3%
O&M	585,650	\$ 562,591	(23,059)	-3.9%
Capital	12,500	\$ 20,000	7,500	60.0%
Subtotal	\$ 2,680,690	\$ 2,838,078	\$ 157,388	5.9%
Unclassified				
Personnel	743,404	855,708	\$ 112,304	15.1%
O&M	15,000	15,000	\$ -	N/A
Reserve	225,000	225,000	-	0.0%
Subtotal	\$ 983,404	\$ 1,095,708	\$ 112,304	11.4%
Total	\$ 21,114,013	\$ 21,964,013	\$ 850,000	4.0%

Town Government Operations**Proposed Budget Changes****Staffing changes in the Town Manager's Proposed Budget:**

For FY17, the main **tax-supported** proposed staffing changes are as follows. Total FTE is 230.00

- Facilities Management is proposing additional limited status hours for the Town Electrician 0.02 FTE.
- The Resource Sustainability account is proposing to fund 0.50 FTE of the Energy Conservation Coordinator's salary. Previously this position was funded exclusively through the Concord Municipal Light Plant.
- The Visitors' Center proposes a slight decrease of limited status services (-0.09 FTE) in order to cover the annual expense of additional contracted cleaning services.
- For the building at 37 Knox Trail an addition of 0.02 FTE is proposed for Town Electrician hours.
- In the Elections account, it is proposed that the FY17 staffing level be increased by 1,023 hours for Election Officers and Technicians, due to the expectation that there will be 3 elections scheduled during FY17.
- Natural Resources is proposing an additional 100 hours for the Intern position.
- The Inspections Division is proposing increased hours for the part-time Inspector as well as 140 additional hours for Assistant Plumbing, Gas, and Electrical Inspectors, due to increased demand, a total increase of 0.28 FTE.
- The 141 Keyes Rd. facility proposes to switch to a part-time Custodian instead of contracting out 0.50 FTE.
- The Assessors Division is proposing 75 hours to cover the expense of the clerk for compiling minutes.
- The Information Systems account proposes to add a GIS Analyst/Technician, a net increase of 0.41 FTE.
- The Parks & Trees Division proposes a decrease of (-0.18 FTE) due to staff support for the Cemetery.
- The Cemetery Division is proposing a decrease of 1280 hours for Temporary workers and an addition of 695 hours of staff support from Parks & Trees, netting to a decrease of (-0.28 FTE).
- The Library is proposing an increase of 0.73 FTE to fund additional Library Assistants and substitute staffing.
- Senior Services is proposing 271 additional hours for the Outreach Coordinators, this nets to an increase of 0.13 FTE.
- The Recreation Services Division is proposing to fund the Recreation Director position from the General Fund which would add 0.25 FTE. Additionally, funds from the Beede and Recreation funds will support this position.

Budget Changes

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

Acct # - Account Title (Refer to Article 7 on the 2016 Town Meeting Warrant)**1A Town Manager**

The Town Manager's operating appropriation represents a 4.4% increase from FY16. The Town Manager's Office is staffed by the Town Manager, Assistant Town Manager, Public Information Officer, Executive Assistant to the Town Manager and an Administrative Assistant. There is a proposed addition of funding for Sister Cities (\$1,000), and the management of White Pond (\$20,000).

1B Human Resources

The Human Resources operating appropriation is proposed to increase by 1.0% in FY17 due to additional OT needed to complete the Human Resources Information Systems project.

1C Facilities Management

This account was established with the FY05 budget in an effort to set up a central pool of funds from which to monitor building conditions, establish renovation priorities, and fund repairs and improvements. Since FY05 when the account was first budgeted at \$40,000, the funding level has gradually been increased to the recommended level in FY17 of \$235,000. The five-year Capital Outlay plan raises this funding target to \$340,000 by FY21. In FY11, a Facilities Maintenance Supervisor was hired and this position is funded within the Facilities Management account. The Facilities Manager provides oversight for Town buildings, which will also be funded within the Facilities Management Account.

1D Resource Sustainability Fund

With this new account initiated in FY13 with funding of \$25,000, an amount of \$118,433 is proposed to be allocated in FY17 for resource sustainability and energy conservation projects. The additional funds will cover part of the salary for the Energy Conservation Coordinator.

1E Visitors Center

The FY16 operating appropriation for the Visitors Center is proposed to increase by 21.0% primarily due to additional cleaning services.

1F 37 Knox Trail

The FY17 appropriation for the 37 Knox Trail office building is new to FY17 and is proposed to cover the utility and capital costs associated with the building.

2 Legal Services

The Legal Services account is proposed to be level funded at \$225,000. It is expected that this amount is sufficient to cover the FY17 legal costs for the Town.

3A Elections

The amount required to fund the Elections account is dependent on the number of federal, state, and local elections that are held in a given year. In FY17, it is expected that there will be three elections. Each election costs the Town approximately \$12,000. Aside from the state and local elections, there will be a Presidential election as well.

3B Registrars

There are no significant proposed changes in the Registrar account. This account provides resources to register voters, conduct the Annual Town Census, and certify nomination papers and petitions.

4 Town Meeting and Reports

The current budget allows for a four-session Annual Town Meeting in April 2016. A Special Town Meeting is scheduled on February 4, 2016. It has been common in the past several years for one to take place, but funds are not budgeted for this purpose.

5A Planning Division, DPLM

Since the FY14 budget presentation, the Zoning Board of Appeals budget has been incorporated into the Planning Division budget. In addition, the Planning budget contains funding for the Historic Districts Commission and the Historical Commission. The FY17 operating appropriation for the Planning Division is proposed to decrease by 0.4%. Funding for the completion of the Long Range Plan and Zoning Bylaw Codification is covered in the capital plan and included in this account.

5B Natural Resources Division, DPLM

The proposed Natural Resources budget represents approximately a 1.0% decrease in the appropriation from that of the FY16 budget. This budget is proposed to provide \$5,000 for Pond and Stream Management.

5C Building Inspections Division, DPLM

Most of the allocation in this account goes toward funding the Building Inspections staff, which includes the full-time positions of Building Inspector, Local Inspectors (2.60 FTEs), and Administrative Assistant. Due to demand for services and associated staffing needs, the operating appropriation is proposed to increase 4.6%.

5D Health Division, DPLM

This budget represents a 0.7% decrease in the operating appropriation from that of FY16. As was the case last year, an amount of \$20,000 is recommended to fund the East Middlesex Mosquito Control Project for efforts to protect Concord residents and visitors from Eastern Equine Encephalitis and West Nile Virus. In addition, \$7,500 is proposed to fund the Healthy Communities Initiatives.

6 141 Keyes Road, DPLM

The FY17 proposed operating appropriation represents a 4.3% decrease from FY16 to provide funding for utility, maintenance, and custodial costs for the Victorian-era brick building at 141 Keyes Road.

7 Finance Committee

Funding for support of the Finance Committee is included in this budget, which represents no change to the costs from that of the FY16 budget.

8A Finance Administration Division, Finance Department

The Finance Administration Division operating appropriation is proposed to increase by 1.0% from that of FY16. The budget will provide funding for the Finance Director, Budget and Purchasing Administrator, Assistant Treasurer, Sr. Budget & Operations Analyst, and Finance Assistant.

8B Treasurer-Collector, Finance Department

The Treasurer-Collector operating appropriation is proposed to increase by 0.1% in FY17. This account includes funding for much of the Town's postage expenses (\$58,650) and banking service charges (\$89,500). The increase in this budget is primarily a result of higher banking expenses.

8C Town Accountant, Finance Department

The FY17 operating appropriation is proposed to increase by 0.7%. The proposed budget also includes \$65,000 to cover the cost of the Town's annual external audit.

8D Assessing Division, Finance Department

The Assessing proposed operating appropriation represents a 0.9% decrease from FY16. The Assessing Division is located at the Town-owned 24 Court Lane building, adjacent to the Sleepy Hollow Cemetery.

8E Town Clerk, Finance Department

The Town Clerk operating appropriation is proposed to rise by 0.9% from FY16. This budget provides funding for the Town Clerk, Assistant Town Clerk and Senior Department Clerk positions.

9 Information Systems

The Town's Information Systems (IS) Department underwent a comprehensive review in 2013 to assist the Town Manager in determining the appropriate organizational model and technology structure that the Town should use going forward. The Information Systems operating appropriation is proposed to increase by 13.6% in FY17. This increase is due to an additional GIS Analyst as well as the increased costs for the payroll and financial systems.

10 Town House

The FY17 proposed appropriation is reduced by 1.3% from that of FY16. This budget include costs for maintaining and cleaning the Town House and the Assessing Division office space at 24 Court Lane.

11 Police Department

The FY17 operating appropriation proposes a 0.1% decrease. However, there is about \$25,000 in additional funds proposed for Officer and Dispatch overtime.

12 Fire Department

There is a proposed 0.5% decrease in the Fire Department's FY17 operating appropriation. Of note, the Emergency Response Stabilization Fund will cover \$50,000 worth of operating expenses for this account, down from \$100,000 provided in the FY16 budget.

13 West Concord Fire Station

This budget funds the operations of the West Concord Fire Station located at 1201 Main Street. This account has a proposed 0.8% increase in the operating appropriation for FY17.

14 Police/Fire Station

This budget funds the operations of the Police and Fire Department headquarters at 209 Walden Street. The FY17 budget proposes a 16.0% increase in the operating appropriation. A majority of the additional funding will go toward the annual maintenance contract for the Dispatch communication system.

15 Emergency Management

With the funding for the Emergency Management Plan updated in FY16, there is a proposed decrease in the operating appropriation in FY17 of 33.9%.

16 Animal Control Officer

With the enactment of State legislation in 2012, each municipality was required as of October 31, 2012 to appoint an animal control officer. Concord contracted with a private vendor to provide all animal control services in compliance with the new requirements. The proposed FY17 budget has a slight increase to \$26,000.

17A Public Works Administration, CPW

The FY17 operating appropriation reflects a 0.4% decrease from that of FY16. Public Works Administration includes the CPW Director, Management Analyst, Administrative and Special Projects Coordinator, and an Administrative Assistant.

17B Engineering, CPW

The Engineering Division's operating appropriation is proposed to have a 0.3% decrease from FY16 to FY17. The Engineering Division has a Town Engineer, Assistant Town Engineer, 3 Assistant Public Works Engineers, GIS/IT Program Analyst, and an Administrative Assistant.

17C Highway Maintenance, CPW

The operating appropriation is proposed to decrease by 0.7% from FY16. This account includes catch-basin cleaning (\$17,900) and infrared patching of street openings (\$10,000).

17D Parks & Trees, CPW

The FY17 Parks & Trees operating appropriation is proposed to have a 0.3% decrease from FY16. Funding of \$7,460 is proposed for tree removal services.

17E Cemetery, CPW

The Cemetery Fund supports the Cemetery Division by providing resources for 65% of all operating expenditures and 100% of all capital improvements. The FY17 operating appropriation is a decrease of 2.1% due to savings from inter-divisional staffing between the Park & Tree and Cemetery accounts.

18 Snow Removal, CPW

The snow removal budget is proposed to be funded at \$597,500, an increase of \$27,500 from that of FY16. The amount budgeted for road salt is funded at \$232,380. If the actual FY16 expenditure exceeds the budgeted amount, the Town is allowed by State statute to add the difference to the following year's tax levy. The FY17 budget plan provides room for a \$172,000 overrun of the \$570,000 FY16 appropriation (See Account #103).

19 Street Lights, CPW

The FY17 proposed Street Light appropriation is \$73,463, the same as FY16.

20 Public Works Equipment, CPW

The Public Works Equipment budget of \$300,000 funds the Town's well-planned schedule of equipment replacement. This represents an increase of \$50,000 from FY16.

21 Drainage, CPW

The FY17 funding plan includes \$105,000 for drainage improvements, \$100,000 for culvert improvements.

22 Sidewalk Management, CPW

The proposed FY17 budget calls for level funding for maintenance of the Town's existing sidewalks program at \$100,000.

23 Road Improvements, CPW

The General Fund proposed funding for road improvements is \$90,000. With additional amounts of \$678,500 expected from the State (Chapter 90 Funds) and \$1,350,000 in borrowing, the total FY17 amount for road improvements is recommended to be \$2,118,500.

24 133 and 135 Keyes Road, CPW

For FY17, there is a proposed increase of 1.0% in the operating appropriation due to additional funds for building maintenance.

25 Library

As set forth in a long-standing agreement, the Trustees of the Concord Free Public Library Corporation, which owns the Main library and the Fowler Branch, are responsible for maintenance and capital improvements of the buildings and grounds; the Town covers the operating costs. For FY17 operations, the Library operating appropriation is proposed to have an increase of 2.1% from FY16 to FY17. The proposed budget allows for funding of the Sr. Administrative Assistant, and \$5,000 for substitute staffing.

26A Human Services

Human Services covers the staffing costs for the Community Services Coordinator, and the Youth Services Coordinator. The FY17 budget of \$79,821 covers those salaries as well as office supplies. The General Fund contribution to the salary of the Community Services is proposed to increase from \$9,000 to \$21,217 in FY17.

26B Senior Services

The FY17 operating appropriation for Senior Services is proposed to increase by 2.1%. The increase is due in part to moderate raises for limited status employees.

26C Recreation Services

The FY17 operating appropriation for Recreation Services is proposed to increase by 46.4% due to an increase in General Fund support for the Recreation Director's salary.

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 individuals. For FY17 there is a proposed 1.0% decrease in the operating appropriation due to a slight reduction in utility expenses.

28 Hunt Recreation Center

It is proposed that the FY17 operating appropriation for the Hunt Recreation Center increase by 7.4% from the FY16 budgeted level. The increase is due to increased building maintenance.

29 Veterans Services

The FY17 proposed operating appropriation represents a 15.0% increase from that of FY16. This increase is a result of the predicted rise in veterans' benefits costs from \$35,000 to \$45,000 to accommodate additional beneficiaries as well as additional hours for the Veterans' Services Agent.

30 Ceremonies and Celebrations

The FY17 proposed operating appropriation represents a 1.5% increase from FY16.

31 Town Employee Benefits

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

32 Reserve Fund

As budgets remain tight due to the economic situation and there are fewer resources available to cover unexpected events, the Reserve Fund appropriation becomes a crucial part of the budgeting process. By statute, this fund is to be used to meet "extraordinary or unforeseen expenditures" as approved by the Finance Committee. A funding level of \$225,000 is proposed for this purpose, unchanged from FY16.

33 Salary Reserve

The allocation in this account makes resources available for the funding of collective bargaining agreements. In addition, the account provides for a market adjustment to the pay scales and a step and merit adjustment to the salary schedules applicable to non-union employees effective July 1, 2016. Transfers from this account to the individual departmental operating accounts are reported to the Finance Committee and Select Board in accordance with the vote of Town Meeting adopting the budget article. This account is proposed to be funded at \$755,708 in order also to provide resources for such compensation adjustments for union and non-union staff.

34 Land Fund

The budget is level funded at \$15,000 for FY17 which is used for the acquisition of land.

35A Group Insurance

The budget anticipates no increase in the appropriation required for FY17 group insurance costs supported by the General Fund. As part of the 17-member Minuteman Nashoba Health Group, the Town is self-insured for employee health coverage and the cost directly reflects actual claims experience.

35B Other Post-Employment Benefits (OPEB)

With the FY13 budget, Other Post-Employment Benefits (OPEB) has been separated into its own line item due to the increasing importance of recognizing and funding this liability. The OPEB liability primarily consists of the present value of the Town's portion of future retiree health care cost. That is, in addition to the amount allocated to pay for the current health care cost of retirees, there is also a liability for the future health care cost for Town Government and Concord Public School retirees. This liability is referred to as the Town Government's Annual Net OPEB Obligation (NOO).

In FY17, the General Fund share of the NOO is projected to be about \$1.37 million. In an effort to fund this liability and continue the effort to catch up on past unfunded liability, it is proposed that the Town budget \$1,400,000 for this purpose, an increase of \$250,000.

35C Property & Liability Insurance

This account funds property insurance coverage for all Town-owned buildings and contents, vehicles, boilers and machinery; liability coverage for Town officials; and special risk coverage for police and fire personnel. Insurance policies cover the Concord Public Schools, the Concord-Carlisle Regional High School, 51 Walden Street (Friends of the Performing Arts in Concord - "FOPAC"), the Emerson Building ("Emerson Umbrella"), and all properties of Town departments including assets of the Town enterprises (Light, Water, Sewer, Beede Pool). For FY17, General Fund support is increased by \$25,000, to \$250,000,

36 Unemployment & Workers Compensation

An amount of \$100,000 is proposed for the Unemployment Compensation account. The Town pays only for actual claimants, not as a percent of payroll (since the minimum available "experience rating" percentage would be in excess of our actual historical costs). In addition, an amount of \$100,000 is proposed for Worker's Compensation costs; this amount funds a stop-loss reinsurance policy covering wage and other claims and the payment of miscellaneous medical expenses resulting from employee injury on the job. Coverage of unemployment and workers compensation applies to both Town and Concord Public School employees.

37 Retirement

Following the sharp economic downturn in the financial markets during the fall of 2008, assets of the Concord Retirement System have recovered from their previous peak reached in October 2007. At the most recent biennial actuarial valuation as of January 1, 2015, the revised Funding Schedule had been maintained to reach full funding status by the year 2030.

In FY17, the General Fund appropriation is projected at \$3,317,000, an increase of 3.0% from FY16 and consistent with the funding schedule. The retirement system is a "Defined Benefit" plan that provides a pension benefit based upon the highest three-year average annual covered pay and years of service (highest five years for members on and after April 2, 2012).

38 Social Security & Medicare

The General Fund cost for the Town's share of Medicare coverage is increased 4.9%, to \$640,000, reflecting both a higher payroll tax base and a higher proportion of covered payroll as employees of the Town and CPS hired prior to April 1986 retire or leave Town service. Social Security coverage applies to those Town and School employees not members of the Town's retirement system. The General Fund cost is projected to be \$125,000.

39 Debt Service

This item includes the appropriation for Town and CPS debt service within the levy limit and outside the levy limit (excluded debt). Most of the excluded debt is to cover the cost of construction of the three new elementary schools. For debt service, the FY17 budget proposes allocating \$6,737,828, which includes \$3,730,000 for debt service within the levy limit and \$4,007,828 for excluded debt. The excluded debt is net of the amount proposed to be contributed by the Stabilization Funds. The excluded debt to pay for the construction of the new high school is budgeted as part of the assessment from the Concord-Carlisle Regional School District.

SECTION I: Financial Summary

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Definition

Capital Expenditure: The use of funds to acquire or enhance productive assets, such as structures, land, and equipment (including related plans, designs, and studies), which have a life expectancy of at least 2 years and a cost of at least \$5,000, and procured with the intention of increasing service capacity or efficiency.

The Capital Section includes the following:

- Capital Overview 42
- FY17 Capital Plan 43
- FY17–21 Capital Outlay Plan 44 to 46
- FY17 Capital by Account 47 to 49
- FY17 Capital Summary 50 to 53

Capital Improvement Plan

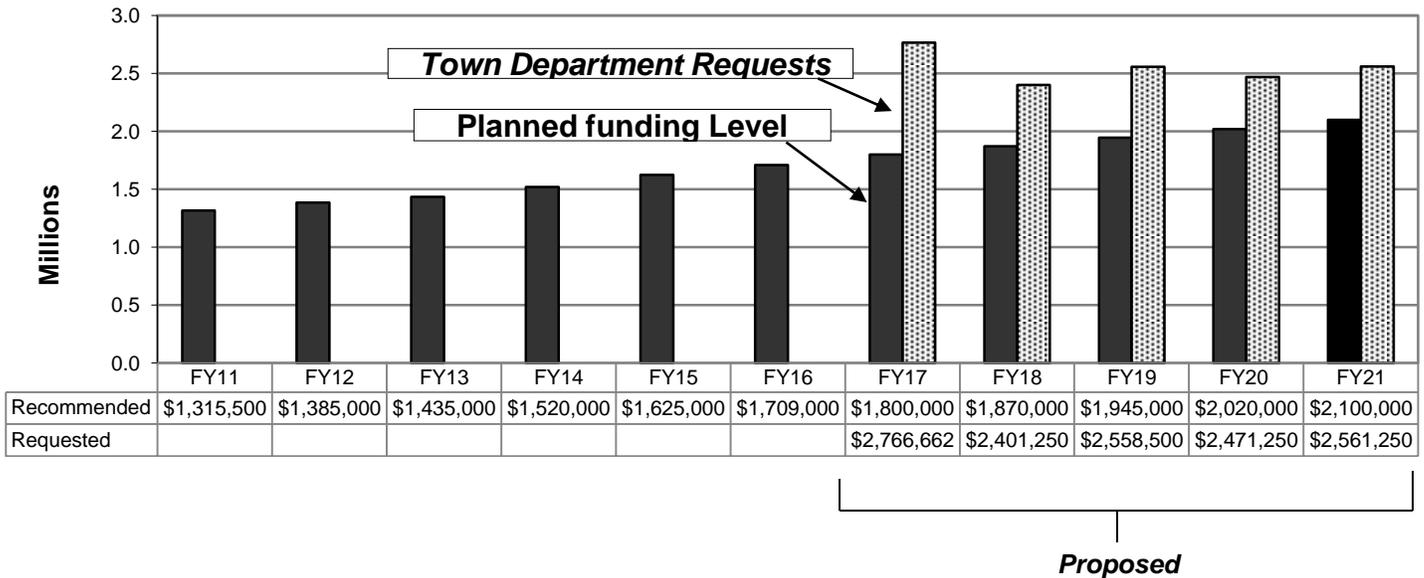
Capital Outlay Expenditures Supported Within the Levy Limit (Town Government accounts):

\$1,800,000

Capital Expenditures Within the Levy Limit Supported via FY17 Debt Authorizations:

\$3,900,000

**Town Government Departments
Capital Outlay Expenditures within the Levy Limit**



Capital Improvement Program FY17 – FY21

FY17 General Fund Budget Component

1. Borrowing authorizations submitted to the 2016 Annual Town Meeting

- *General Fund only*
- *Future tax-supported debt service to be funded within the Levy Limit*

Warrant Article	Description	Recommended New Borrowing Authorization
ART 12	Concord Public School Renovations	\$870,000
ART 21	Emerson Track Resurfacing	\$100,000
ART 22	Harvey Wheeler Roof Repair	\$150,000
ART 22	Hunt Gym Renovations	\$50,000
ART 23	Land Acquisition	\$830,000
ART 24	Engine #3 Refurbishment (2010) Pumper	\$150,000
ART 25	Cemetery Roads Improvements	\$150,000
ART 26	Road and Parking Lot Reconstruction	\$1,350,000
ART 55	Rail Trail Design – Phase 2B	<u>\$250,000</u>
Total		\$3,900,000

The debt service for these borrowings will be supported by the allocation of funds in future years to the Debt Service account (#39). These authorizations are not proposed to be subject to a Proposition 2½ Debt Exclusion vote.

2. Capital Outlay - expenditures for capital purposes funded from current resources

Town Government Departments (accounts #1-34):	\$ 1,800,000
Concord Public Schools:	\$ 1,004,618

Capital Financing Policy

General Fund – within the Levy Limit

Target: 7% to 8% of the total budget net of excluded debt levy

- Total Guideline Budget appropriation proposed at **\$98,445,665**
 less \$7,692,536 excluded debt = \$90,753,129 net
- 7% to 8% target range equals **\$6,352,719 to \$7,260,250**
- **FY17 Proposed Budget for capital expenditure financing:**

Debt service budget (“within levy limit” portion)	\$3,730,000
Capital outlay, Town Departments	1,800,000
Capital outlay, Concord Public Schools	1,004,618
Total	\$6,534,618

Capital financing as percent of Proposed Total Budget, net of excluded debt levy: **7.20%**

**Capital Outlay and Special Project Accounts
(General Fund only)**

Acct #	Category	Budget FY16	Dept. Request FY17	Town Mgr Proposed FY17	\$ Change FY16 Budget to FY17 Proposed
1A	Town Manager				
	Redesign of Town Website	-	15,000		
	ADA Compliance	5,000	10,000	5,000	-
	Total - account #1A	5,000	25,000	5,000	-
1C	Facilities Management				
	Building Improv - Townwide Fund	220,000	400,000	235,000	15,000
	Total - account #1C	220,000	400,000	235,000	15,000
1D	Resource Sustainability Fund				
	Resource Efficiency	75,000	225,000	75,000	-
	Total - account #1D	75,000	225,000	75,000	-
1E	Information/Visitors Center:				
	Building Improv - Info Center	2,500	5,000	2,500	-
	Total - account #1E	2,500	5,000	2,500	-
1F	37 Knox Trail				
	Building Improv - 37 Knox Trail	-	10,000	5,000	5,000
	Total - account #1F	-	10,000	5,000	5,000
3A	Elections				
	Voting Machines	35,000	-	-	(35,000)
	Total - account #3A	35,000	-	-	(35,000)
5A	Planning Department				
	Zoning Bylaw recodification	35,000	65,000	65,000	30,000
	Long Range Plan	60,000	40,000	40,000	(20,000)
	Total - account #5A	95,000	105,000	105,000	10,000
5B	Natural Resources				
	Pond & stream management	5,000	15,000	5,000	-
	Vehicle Replacement	-	25,000	20,000	20,000
	Agricultural fields improvements	-	10,000	-	-
	Total - account #5B	5,000	50,000	25,000	20,000
6	141 Keyes Road Building				
	Building Improv - 141 Keyes Road	10,000	10,000	10,000	-
	Total - account #6	10,000	10,000	10,000	-
9	Information Systems				
	Town-wide Technology Fund	182,000	325,000	200,000	18,000
	Telephone System (via Internet)	-	-	-	-
	Total - account #9	182,000	325,000	200,000	18,000
10	Town House				
	Building Improv - Town House	15,000	15,000	15,000	-
	Total - account #10	15,000	15,000	15,000	-
11	Police Department				
	Police Vehicles	105,000	140,000	140,000	35,000
	Public Safety Equipment	20,000	20,000	20,000	-
	EMD Card System		40,712	-	-
	Bulletproof Vest Replacement		25,000	-	-
	Night Vision Devices		13,200	-	-
	AED Replacement	-	-	-	-
	Computer Upgrade	5,000	5,000	-	(5,000)
	Ballistic Helmets		7,000	-	-
	Rifle Sight Upgrade	-	5,500	-	-
	Rifle Lights		6,000	-	-
	Card Access System		-	-	-
	Taser Equipment		-	-	-
	911 Replay System	13,000	-	-	(13,000)
	Office Copiers	10,000	-	-	(10,000)
	Total - account #11	153,000	262,412	160,000	7,000

Capital Outlay and Special Project Accounts (General Fund only)					
Acct #	Category	Budget FY16	Dept. Request FY17	Town Mgr Proposed FY17	\$ Change FY16 Budget to FY17 Proposed
12	Fire Department				
	Miscellaneous Equipment	20,000	25,000	25,000	5,000
	Vehicle Replacement (Shift Cmd)	20,000	-	-	(20,000)
	Vehicle Replacement (Deputy)	-	45,000	25,000	-
	Upgrade Community AED's	10,000	-	-	(10,000)
	Turnout Gear Replacement	15,000	15,000	15,000	-
	SCBA	-	5,000	-	-
	Supply Hose Replacement	9,000	-	-	(9,000)
	EMS Equipment	-	-	-	-
	Total - account #12	74,000	90,000	65,000	(9,000)
13	West Concord Fire Station				
	Building Improv - W. Concord	10,000	10,000	10,000	-
	Exhaust System Upgrade	20,000	-	-	(20,000)
	Total - account #13	30,000	10,000	10,000	(20,000)
14	Police/Fire Station (Walden Street)				
	Office Design/Renovation	-	-	-	-
	Card Access System	-	30,000	-	-
	Building Improv - Walden St	15,000	20,000	20,000	5,000
	Total - account #14	15,000	50,000	20,000	5,000
17B	Engineering				
	GIS System	20,000	20,000	20,000	-
	Traffic Control Devices	10,000	20,000	10,000	-
	Drainage Improvements	25,000	25,000	25,000	-
	NPDES Permit Compliance	10,000	10,000	10,000	-
	Street Sign Replacement	20,000	20,000	20,000	-
	Total - account #17B	85,000	95,000	85,000	-
17C	Highway Maintenance				
	Guardrail Replacement	10,000	20,000	10,000	-
	Small Equipment	5,000	7,500	5,000	-
	Total - account #17C	15,000	27,500	15,000	-
17D	Parks & Trees				
	Public Shade Trees	20,000	25,000	22,500	2,500
	Turf Improv./Park Rehab.	-	100,000	15,000	15,000
	Small Equipment	5,000	7,500	5,000	-
	Total - account #17D	25,000	132,500	42,500	17,500
20	Public Works Equipment				
	Vehicles and Heavy Equipment	250,000	348,000	300,000	50,000
	Total - account #20	250,000	348,000	300,000	50,000
21	Drainage				
	Drainage Improvements	105,000	105,000	105,000	-
	Culvert Improvement	100,000	100,000	100,000	-
	Total - account #21	205,000	205,000	205,000	-
22	Sidewalks				
	Sidewalks - Maintenance	100,000	125,000	100,000	-
	Total - account #22	100,000	125,000	100,000	-
23	Road Improvements				
	Road Reconstruction	90,000	95,000	90,000	-
	Total - account #23	90,000	95,000	90,000	-
24	133/135 Keyes Road building:				
	Building Improv - 133/135 Keyes	10,000	16,250	10,000	-
	Rolling Storage Shelves	-	-	-	-
	Total - account #24	10,000	16,250	10,000	-

**Capital Outlay and Special Project Accounts
(General Fund only)**

Acct #	Category	Budget FY16	Dept. Request FY17	Town Mgr Proposed FY17	\$ Change FY16 Budget to FY17 Proposed
25	Library				
	Computer Equipment	5,000	10,000	10,000	5,000
	Total - account #25	5,000	10,000	10,000	5,000
26A	Human Services				
	Vehicle	-	14,000	-	-
	Total - account #26A	-	14,000	-	-
26C	Hunt Recreation Center				
	105 Everett ADA Ramp		5,000		
	Hunt Gym Improvements		49,000	-	
	Hunt Gym Trim Painting		40,000	-	
	Total - account #26B	-	94,000	-	-
26E	Harvey Wheeler Building:				
	HWCC Exterior Trim Painting		12,000		
	Building Improv - Harvey Wheeler	7,500	10,000	10,000	2,500
	Total - account #26E	7,500	22,000	10,000	2,500
	TOTAL	\$ 1,709,000	\$ 2,766,662	\$ 1,800,000	\$ 91,000

Capital Outlay and Special Projects Accounts General Fund Recommended Items

Highlights

The following are recommendations for the capital outlay and special projects items:

Acct # - Account Title

1A Town Manager

To be able to comply with the Americans with Disabilities Act, the Town provides money in this account for improvements to Town-owned buildings. In FY17, it is proposed that the funding level is \$5,000, the same as in FY16.

1C Facilities Management

This account was established with the FY05 budget in an effort to set up a central pool of funds from which to monitor building conditions, establish renovation priorities, and fund repairs and improvements. Since FY05 when the account was first budgeted at \$40,000, the funding level has gradually been increased to the recommended level in FY17 of \$235,000. The five-year Capital Outlay plan raises this funding target to \$340,000 by FY21. For FY17, this account will fund the Facilities Manager and the Facilities Maintenance Supervisor.

1D Resource Sustainability

Being established in FY13, the purpose of this new account is to provide supplemental funding for town-wide energy efficiency projects and improvements. In FY17, it is proposed that this account be funded at \$75,000.

1E Visitors Center

For routine building repairs, a budget of \$2,500 is being proposed.

1F 37 Knox Trail

Acquired by the Town in FY15, \$5,000 is proposed for routine building improvements in FY17.

5A Planning

For FY17 the completion of the partial funding of two major projects is proposed including \$65,000 for zoning bylaw recodification and \$40,000 for the long range plan. The projected cost of each project is \$100,000.

5B Natural Resources Division, DPLM

Funding of \$5,000 is being proposed for pond and stream management. \$20,000 is proposed for a new vehicle which would assist in ranger patrols and conservation work.

6 141 Keyes Road, DPLM

For routine building repairs, a budget of \$10,000 is being proposed.

9 Information Systems

The proposed funding level for the Town-wide Technology Fund is \$200,000. This fund is crucial in maintaining current technology throughout the Town departments. In addition, funds go toward supporting the basic network infrastructure linking all town buildings and connecting more than 250 desktop computers to the network with a secure and reliable system.

10 Town House

For routine building repairs, a budget of \$15,000 is being proposed.

Capital Outlay and Special Projects Accounts General Fund Recommended Items

11 Police Department

Funding is being proposed for the replacement of four police cruisers (\$140,000), and the upgrade and maintenance of public safety equipment (\$20,000).

12 Fire Department

For the Fire Department, \$25,000 in funding is being proposed for miscellaneous equipment, \$25,000 for the replacement of Car 2 (2008) and \$15,000 for turnout gear.

13 West Concord Fire Station

For routine building repairs, a budget of \$10,000 is proposed.

14 Police/Fire Station

For routine building repairs, a budget of \$20,000 is being proposed. This amount is split equally between the Police Department and the Fire Department.

17B Engineering, CPW

The following items are being proposed for the Engineering Division: \$20,000 for continued enhancements of the Town's Geographic Information System (GIS), \$10,000 for the upgrade of traffic control devices for the Town's street intersections, \$10,000 for NPDES permit compliance, \$25,000 for sustainable drainage improvements and \$20,000 for the federal/state mandated street sign replacement.

17C Highway Maintenance, CPW

For the Highway Maintenance account, it is proposed that \$10,000 be allocated for guardrail replacement, and \$5,000 for small equipment.

17D Parks & Trees, CPW

A total of \$132,500 was requested by the Department for the following items: public shade trees (\$25,000), turf improvement / park rehabilitation (\$100,000), and small equipment (\$7,500). Due to budget constraints, only \$22,500 is proposed for shade trees, \$15,000 for turf improvements and \$5,000 for small equipment.

20 Public Works Equipment, CPW

The proposed Public Works Equipment budget of \$300,000 funds the Town's well-planned schedule of equipment replacement. This represents an increase of \$50,000 from FY16.

21 Drainage, CPW

The FY17 level funding of \$205,000 is proposed to be used for drainage and culvert improvements.

22 Sidewalk Management, CPW

The proposed FY17 budget calls for level funding for the maintenance of the Town's existing sidewalks program at \$100,000.

23 Road Improvements, CPW

The General Fund proposed funding for road improvements is \$90,000. With additional amounts of \$678,500 expected from the State (Chapter 90 Funds) and \$1,350,000 in borrowing, the total FY17 recommended amount for road improvements is \$2,118,500.

**Capital Outlay and Special Projects Accounts
General Fund Recommended Items****24 133 and 135 Keyes Road, CPW**

For routine building repairs, a budget of \$10,000 is being proposed.

25 Library

The FY17 CIP proposes to provide the Library with \$10,000 for public-access computer equipment replacement.

26B Harvey Wheeler Community Center

For routine building repairs, a budget of \$10,000 is being proposed.

26C Hunt Recreation Center

The Recreation Department requested \$94,000 for building improvements at the Hunt Gym and 105 Everett Street. Article 22 of the 2016 Annual Town Meeting proposes \$50,000 for Hunt Gym renovations.

SECTION I: Financial Summary

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Debt:

At the end of FY15 (June 30, 2015), the Town of Concord's outstanding tax-supported long-term debt is **\$41,730,401**.

This total represents 0.77% of assessed value, or \$2,362 of debt per capita.

The Debt Section includes the following:

- Debt Overview 54
- FY17-21 Debt Authorization 55 to 56
- Potential Future Debt Projects 57
- Debt Service Projection 58 to 59
- Historical Debt & Charts 60 to 62
- Debt Service Projection Chart 63
- Excluded Debt Detail 64 to 69
- Excluded Debt Service Charts 70 to 71
- Authorized and Unissued Debt 72 to 73

Rapid Debt Repayment

The Town aims for a rapid debt repayment schedule for tax-supported debt, with a goal (for "within the levy limit" debt) of 60% repayment within 5 years and 90% repayment within 10 years.

This policy serves the following purposes:

- To hold down the amount expended in the form of interest costs;
 - To provide new capacity for debt issuance on a regular basis and thereby enable newly recognized capital needs to be addressed annually;
 - To maintain the Town's credit rating of Aaa, which reduces the cost of borrowing.
- See page 270 for details on the Town's annual Debt Service account.**

Outstanding Principal and Percent of Debt to be retired for debt issued as of June 30, 2015

Paid Down Percentage Starting on June 30, 2015	Tax-Supported Debt				Enterprise and Other Debt		Total Debt	
	Within Limit		Excluded		Outstanding Principal	%	Outstanding Principal	%
	Outstanding Principal	%	Outstanding Principal	%				
On 6/30/15	\$11,580,000		\$30,150,401		\$20,866,325		\$62,596,726	
In 5 years	\$1,295,000	89%	\$16,369,251	46%	\$10,777,899	48%	\$28,442,150	55%
In 10 Years	\$0	100%	\$5,048,806	83%	\$2,656,694	87%	\$7,705,500	88%
In 15 Years	\$0	100%	\$0	100%	\$0	100%	\$0	100%
In 20 Years	\$0	100%	\$0	100%	\$0	100%	\$0	100%

Note: The Town's excluded tax-supported debt is primarily associated with the construction of the three Elementary Schools. Excluded debt associated with the construction of the new High School is assessed to the Town separately by the Concord-Carlisle Regional School District and is budgeted separately .

GENERAL OBLIGATION DEBT POLICIES

1. As a general policy, the threshold for an item for debt financing shall be an expenditure of at least \$100,000 and a useful life in excess of 5 years.
2. The term of long-term debt shall not exceed the expected useful life of the capital asset being financed, and in general it shall not exceed 20 years.
3. A rapid debt repayment schedule shall be maintained, with a goal of 60% principal repayment within 5 years and 90% repayment within 10 years, for tax-supported non-excluded debt.
4. Debt supported outside the levy limit—that is, through a debt exclusion—may be above the 7-8% allocation limit, and may be structured for a longer repayment schedule; such debt shall be reserved for large capital improvements, generally those costing over \$1 million and bonded for 10 years or more.
5. For all debt exclusion proposals, the impact on property tax rates shall be calculated prior to the vote.
6. All debt of the Town shall be issued as general obligation debt. As a policy, debt for enterprises may be paid for from fee revenue rather than through taxes.

SECTION I: Financial Summary

Debt

**FY17-21 Capital Program
DEBT AUTHORIZATION PLAN**

	PROPOSED					FY17-21 Total
	adopted FY2016 2015	warrant FY2017 2016	FY2018 2017	FY2019 2018	plan FY2020 2019	
Fiscal Year of Planned Long-term Debt Issuance Annual Town Meeting Year						
General Fund - Financing within Levy Limit	\$5,100,000	\$3,900,000	\$5,400,000	\$3,600,000	\$4,900,000	\$3,900,000
<i>Town Manager</i>						
37 Knox Trail renovations, site work	200,000					\$0
Town House Interior Renovations (incl. elevator)	700,000					\$0
Renovation/Construction/acquisition of office space			2,100,000	725,000	1,150,000	\$3,975,000
Land acquisition for municipal purposes				300,000		\$300,000
School Transportation Facility	950,000					\$0
<i>Planning</i>						
Land Acquisition, open space		830,000	265,000	250,000	250,000	\$1,920,000
Trail Improvements				75,000		\$75,000
Warner's Pond Improvements					500,000	\$500,000
Rail Trail Design - Phase 2B		250,000				\$250,000
Parking Management Plan, Phase 1	250,000					\$0
Pedestrian Bridge Over Assebet River in W. Concord					800,000	\$800,000
<i>Public Safety</i>						
Engine #3 Refurbishment (2008)		150,000				\$150,000
Engine #4 Refurbishment (2010) Pumper				150,000		\$150,000
Engine #5 Replacement (1989) Brush Truck					350,000	\$350,000
Engine #6 Replacement (2006) Brush and Utility Vehicle					200,000	\$200,000
Engine #7 Replacement (1990) Pumper and equipment	550,000					\$0
Engine #8 Replacement (1988)			575,000			\$575,000
Ambulance #1 Replacement (2008)			260,000			\$260,000
Ambulance #2 Replacement (2011)					275,000	\$275,000
<i>Public Works</i>						
Road and Parking lot Reconstruction	1,200,000	1,350,000	1,350,000	1,200,000	1,200,000	\$6,300,000
Sidewalk extensions - phase 2					500,000	\$500,000
Cemetery Roads Improvements		150,000				\$150,000
<i>Human Services</i>						
Rideout Master Plan improvements, Emerson Field improvements	600,000					\$0
Harvey Wheeler Roof Repair		150,000				\$150,000
Harvey Wheeler Parking Lot					100,000	\$100,000
Hunt Gym renovations		50,000				\$50,000
Emerson Track resurfacing		100,000				\$100,000
Subtotal - Town Projects	4,450,000	3,030,000	4,550,000	2,700,000	3,950,000	\$17,130,000

Projected Amount Available for Authorization

**FY17-21 Capital Program
DEBT AUTHORIZATION**

Fiscal Year of Issuance Annual Town Meeting Year	PROPOSED						FY17-21 Total
	adopted			warrant			
	FY2016 2015	FY2017 2016	FY2018 2017	FY2019 2018	FY2020 2019	FY2021 2020	
CMS Middle School feasibility assessment study		175,000					\$175,000
Peabody		39,500		2,110,000	1,070,000		\$3,219,500
Sanborn	545,000	454,000		3,305,000	400,000	1,400,000	\$5,559,000
Alcott		20,000	135,000	150,000		195,000	\$500,000
Thoreau	40,000	210,000	75,000	140,000	95,000		\$520,000
Willard		54,000	40,000	350,000			\$444,000
Ripley Administration Building	65,000	90,000	600,000	1,290,000	250,000		\$2,230,000
Gross subtotal, CPS buildings	650,000	1,042,500	850,000	7,345,000	1,815,000	1,595,000	\$12,647,500
less: Unfunded		(172,500)		(6,445,000)	(865,000)	(595,000)	(\$8,077,500)
Subtotal - School Projects allocation	\$650,000	\$870,000	\$850,000	\$900,000	\$950,000	\$1,000,000	\$4,570,000
General Fund Projected Total debt supported within levy limit	\$5,100,000	\$3,900,000	\$5,400,000	\$3,600,000	\$4,900,000	\$3,900,000	\$21,700,000

General Fund - Financing subject to Debt Exclusion Ballot

Keyes Road Campus - Site Reconstruction		20,000,000					\$20,000,000
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Water Enterprise Fund

Reservoir Improvements	\$980,000						980,000
Nagog Pond - Intake design	\$1,400,000						1,400,000
Keyes Road site & covered storage				\$500,000			500,000
Nagog filtration plant	\$6,585,000						6,585,000
Land Acquisition	\$800,000						800,000

Sewer Enterprise Fund

Keyes Road site & covered storage				\$100,000			100,000
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Enterprise Funds Projected Total	\$0	\$9,765,000	\$0	\$0	\$600,000	\$0	\$10,365,000
GRAND TOTAL	\$5,100,000	\$13,665,000	\$5,400,000	\$3,600,000	\$25,500,000	\$3,900,000	\$52,065,000

Potential Debt Exclusion projects

In addition to the General Fund portion of the Five-Year debt plan shown on the preceding pages, to be financed within the property tax levy limit, there are projects under active consideration or emerging in long-range planning which would need to be considered for funding subject to debt exclusion ballot approval – where the property tax levy to cover debt service would be apart from and in addition to the Levy Limit.

Tax-supported Debt Principal forecast without new debt exclusions

Projecting the Town’s tax-supported outstanding debt position over the next five years indicates a drop of about \$8 million, primarily the result of principal payments on the elementary school construction bonds. This projection suggests some room for new debt exclusions without adverse impact on the Town’s credit rating.

Outstanding as of June 30, 2015	New Issues Planned through FY21	Projected Maturing through 6/30/21	Projected Outstanding as of June 30, 2021	<i>*Note: Date for Town of Concord only. Not inclusive of assessed share of CCRSD debt.</i>
\$41,730,402	FY16: \$6,035,000 FY17-21: \$21,700,000	\$35,705,554	\$33,759,848	

I. Near-Term Projects: 1 to 5-year period. FY17-21

1. Concord Middle School

Investment will be needed to extend the useful life of the Peabody and Sanborn buildings. A \$6 million Peabody/Sanborn renovation project could be presented to Town Meeting as soon as the 2017 Annual Town Meeting, to fund the most urgent needs of the Concord Middle School buildings, extending the useful life of the existing buildings for an additional 15-20 year period. The specific purposes might include:

	Peabody	Sanborn	Total
HVAC systems	\$650,000	\$1,025,000	\$1,675,000
Domestic Water Piping replacement	\$350,000	\$550,000	\$900,000
Sanborn Boiler replacement		\$575,000	\$575,000
Classroom partitions, Peabody	\$450,000	\$1,500,000	\$450,000
	\$2,350,000	\$3,650,000	\$6,000,000

2. Keyes Road Municipal Complex, Public Works and Planning Departments

Article 30 of the 2014 Town Meeting Warrant voted \$150,000 for a feasibility study regarding the future use of the Keyes Road site, one of the few possible locations for additional town office space and an intensely utilized site for public works equipment maintenance and storage. A complete reconstruction of town facilities could involve an investment of \$15-20 million, based on the cost of facilities recently constructed in neighboring communities.

3. School Transportation Facility

The 2016 Warrant includes a proposed debt authorization of \$1,950,000 as a debt exclusion to provide the balance of financing for a \$4.1 million project to construct a new school bus depot and maintenance facility on 6 acres at the W.R. Grace parcel acquired in August 2015.

II. Intermediate Term Projects: 6 to 10-year period, FY22-26

1. West Concord Fire Station

This project would involve expansion of the building’s capacity for staff and equipment , possibly involving some acquisition of surrounding land. A \$5 million price-tag is the present rough estimate of what this project might cost.

Debt Service Schedule

for debt issued through June 30, 2015

Fiscal Year	Total Annual Debt Service		Total Principal Outstanding at June 30th	Tax Supported Annual Debt Service								
				Town (within levy limit)		Town (outside levy limit)		School (within levy limit)		School (outside levy limit)		
				Principal M atured	Interest Payment	Principal M atured	Interest Payment	Principal M atured	Interest Payment	Principal M atured	Interest Payment	
2015			62,596,726									
2016	8,643,760	1,901,041	53,952,966	2,305,000	246,988	180,895	24,067	850,000	90,113	3,020,000	984,377	
2017	7,618,568	1,659,905	46,334,398	1,905,000	183,675	82,529	18,560	605,000	65,375	3,000,000	906,738	
2018	6,718,674	1,447,043	39,615,724	1,630,000	129,500	84,196	16,767	445,000	48,550	2,550,000	819,088	
2019	5,804,085	1,246,562	33,811,639	1,140,000	80,575	85,897	14,939	300,000	36,500	2,355,000	736,775	
2020	5,369,490	1,070,682	28,442,150	810,000	45,375	87,632	13,073	295,000	26,600	2,335,000	658,388	
2021	4,845,749	908,764	23,596,401	425,000	23,250	89,403	11,170	165,000	17,700	2,310,000	580,288	
2022	4,486,061	755,074	19,110,340	290,000	9,850	91,209	9,229	165,000	11,100	2,290,000	499,738	
2023	4,017,753	613,619	15,092,587	100,000	3,000	93,052	7,248	150,000	4,500	2,110,000	417,928	
2024	3,697,381	488,968	11,395,206	0	0	94,932	5,227	0	0	2,085,000	342,834	
2025	3,689,704	368,903	7,705,502	0	0	96,850	3,165	0	0	2,060,000	265,845	
2026	3,302,637	255,376	4,402,865	0	0	98,806	1,062	0	0	1,675,000	193,844	
2027	2,427,865	157,381	1,975,000	0	0	0	0	0	0	1,300,000	135,688	
2028	1,300,000	81,344	675,000	0	0	0	0	0	0	1,300,000	81,344	
2029	675,000	27,000	0	0	0	0	0	0	0	675,000	27,000	
total	62,596,726	10,981,662		8,605,000	722,213	1,085,401	124,507	2,975,000	300,438	29,065,000	6,649,875	

Interest expense as % of total debt service, FY16: **18.0%**

Interest expense as % of total debt service to final maturity: **14.9%** as of July 1, 2015

Projected as of June 30, 2015:

Debt Retirement - all 5 yrs | 10 yrs
54.6% | **87.7%**

Debt Retirement - tax supported only 5 yrs | 10 yrs
57.7% | **87.9%**

SECTION I: Financial Summary

Debt

Revenue Supported Annual Debt Service								<i>subtotals</i>		
<i>Water</i>		<i>Sewer</i>		<i>Betterment (WPAT loans)</i>		<i>Light (including Telecom)</i>		Tax-supported		
Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	<i>within Limit</i>	<i>Excluded</i>	Revenue- supported
								0	0	0
520,000	136,681	686,432	159,483	288,933	31,644	792,500	227,688	3,492,101	4,209,339	2,843,361
420,000	115,706	597,016	143,430	291,523	28,908	717,500	197,513	2,759,050	4,007,827	2,511,596
420,000	101,388	607,814	129,946	294,164	26,116	687,500	175,688	2,253,050	3,470,051	2,442,616
345,000	86,213	618,831	116,229	296,857	23,268	662,500	152,063	1,557,075	3,192,611	2,300,961
345,000	75,050	617,570	102,459	229,288	20,362	650,000	129,375	1,176,975	3,094,093	2,169,104
345,000	63,450	629,036	88,633	232,310	17,398	650,000	106,875	630,950	2,990,861	2,132,702
235,000	51,850	640,734	74,558	224,118	14,374	550,000	84,375	475,950	2,890,176	1,875,009
235,000	43,050	602,668	60,979	227,033	11,289	500,000	65,625	257,500	2,628,228	1,745,644
235,000	34,250	614,843	47,891	167,606	8,141	500,000	50,625	0	2,527,993	1,658,356
235,000	25,300	627,265	34,538	170,589	4,930	500,000	35,125	0	2,425,860	1,632,747
235,000	16,275	639,936	20,916	153,895	1,654	500,000	21,625	0	1,968,712	1,589,301
175,000	7,175	652,865	7,018	0	0	300,000	7,500	0	1,435,688	1,149,558
0	0	0	0	0	0	0	0	0	1,381,344	0
0	0	0	0	0	0	0	0	0	702,000	0
3,745,000	756,388	7,535,010	986,080	2,576,316	188,084	7,010,000	1,254,077	12,602,651	36,924,783	24,050,955

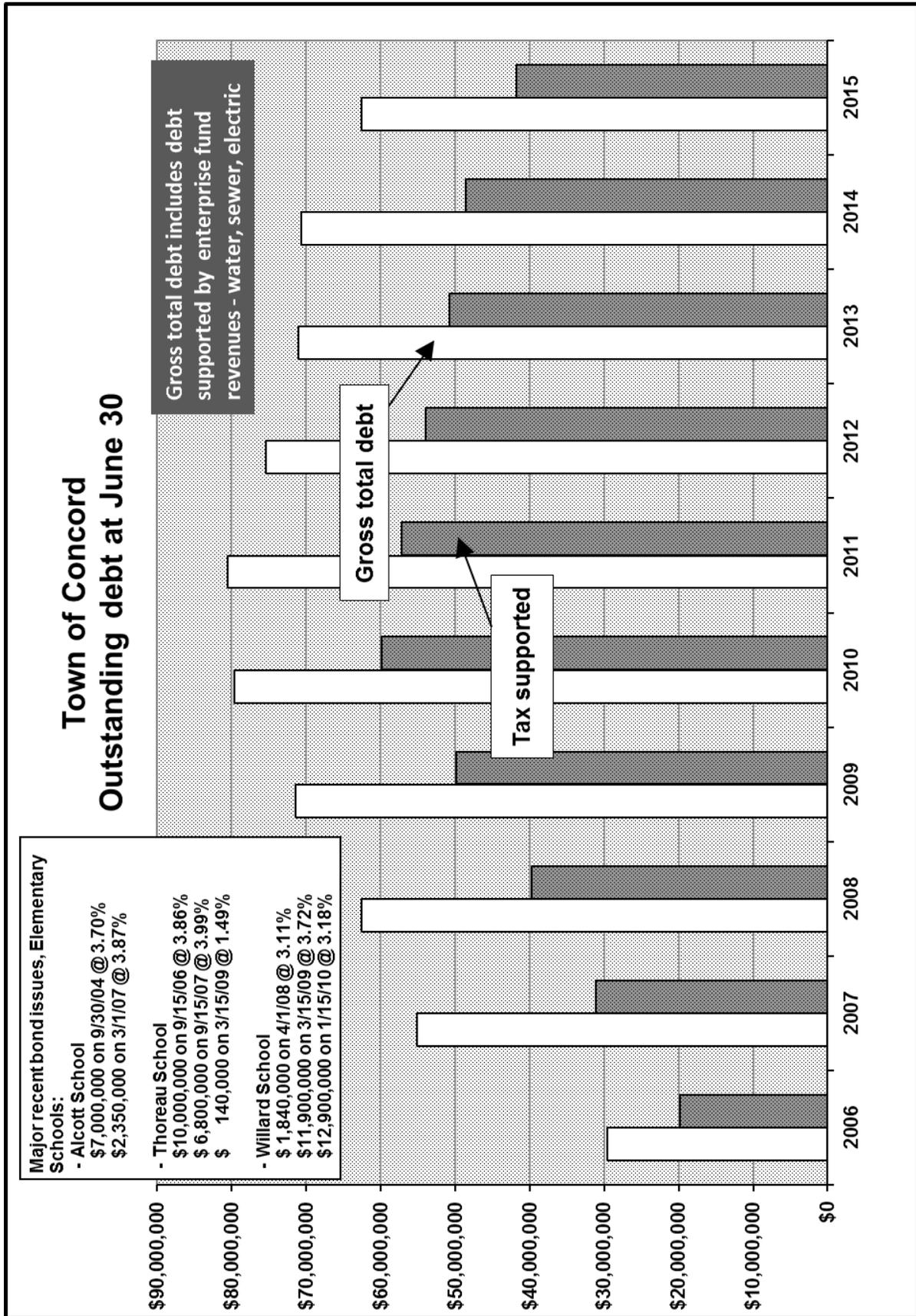
TOWN OF CONCORD, LONG-TERM DEBT STATISTICS

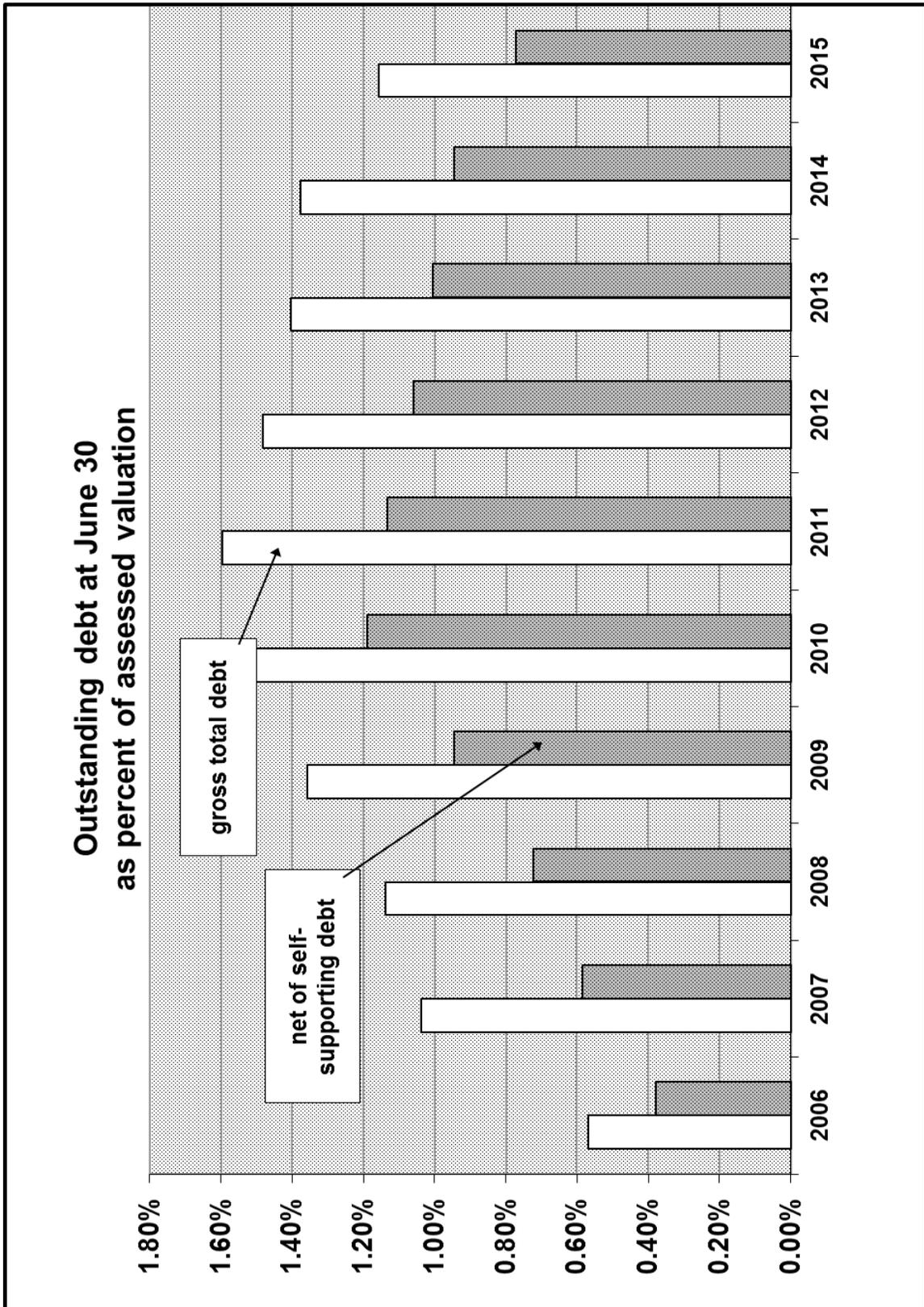
Direct Debt - June 30, 2006 to June 30, 2015

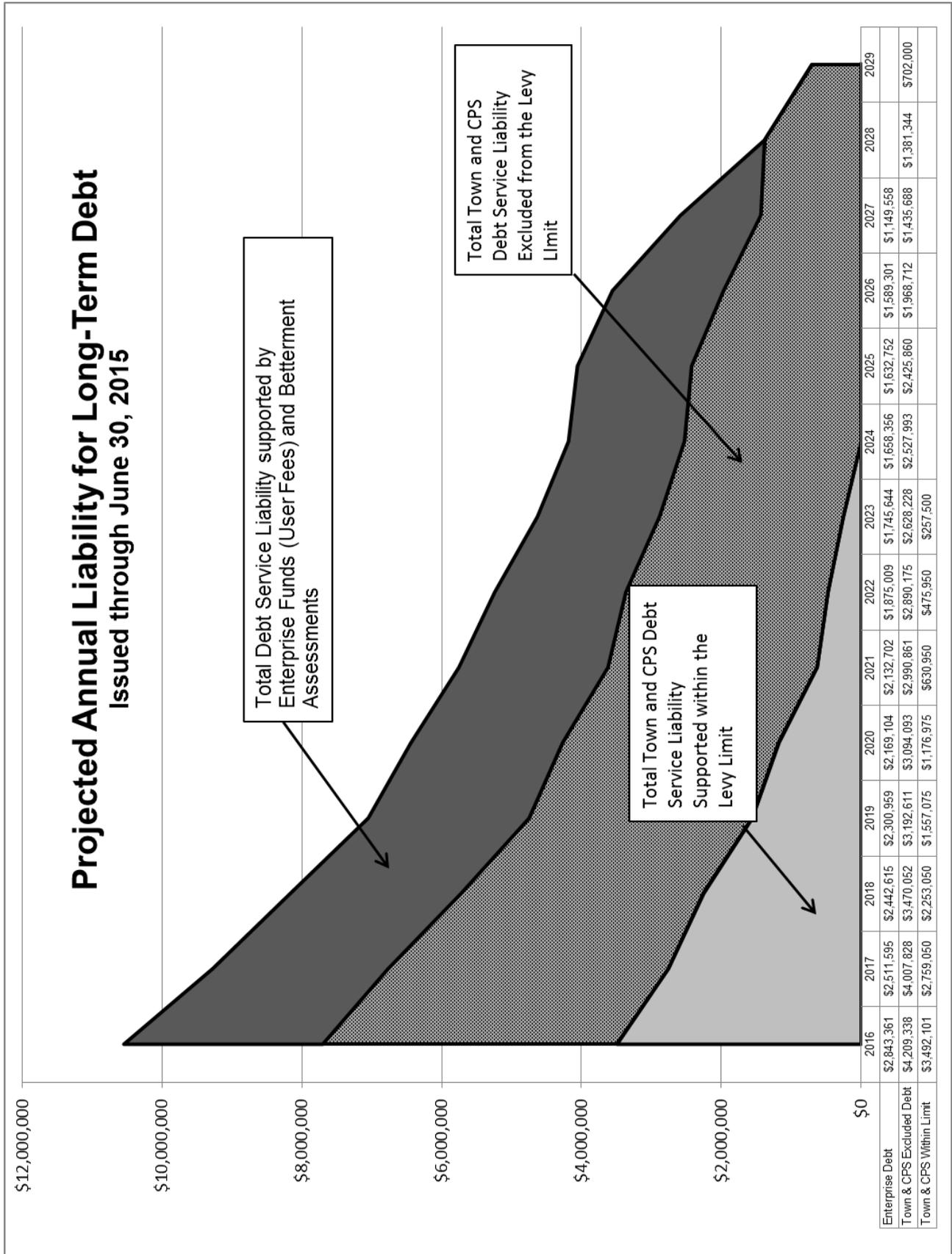
@ June 30	Assessed Value	Outstanding Long-term Debt		Population decennial census	per capita income decennial census	% of Assessed value		Debt per capita		Debt per capita as % of per capita income	
		Gross	Net			gross debt	net debt	gross debt	net debt	gross debt	net debt
2006	\$5,207,535,371	\$29,542,533	\$19,758,290	16,993	\$51,477	0.57%	0.38%	\$1,739	\$1,163	3.38%	2.26%
2007	\$5,309,253,833	\$55,091,156	\$31,052,480	16,993	\$51,477	1.04%	0.58%	\$3,242	\$1,827	6.30%	3.55%
2008	\$5,498,736,316	\$62,606,176	\$39,739,546	16,993	\$51,477	1.14%	0.72%	\$3,684	\$2,339	7.16%	4.54%
2009	\$5,264,591,702	\$71,479,238	\$49,853,220	16,993	\$51,477	1.36%	0.95%	\$4,206	\$2,934	8.17%	5.70%
2010	\$5,026,552,229	\$79,599,890	\$59,831,473	16,993	\$51,477	1.58%	1.19%	\$4,684	\$3,521	9.10%	6.84%
2011	\$5,045,140,030	\$80,557,680	\$57,138,277	17,668	\$67,374	1.60%	1.13%	\$4,560	\$3,234	6.77%	4.80%
2012	\$5,090,058,629	\$75,393,732	\$53,893,601	17,668	\$67,374	1.48%	1.06%	\$4,267	\$3,050	6.33%	4.53%
2013	\$5,054,970,094	\$70,984,036	\$50,782,417	17,668	\$67,374	1.40%	1.00%	\$4,018	\$2,874	5.96%	4.27%
2014	\$5,130,493,662	\$70,598,766	\$48,544,694	17,668	\$67,374	1.38%	0.95%	\$3,996	\$2,748	5.93%	4.08%
2015	\$5,412,298,562	\$62,596,727	\$41,730,402	17,668	\$67,374	1.16%	0.77%	\$3,543	\$2,362	5.26%	3.51%

"Net debt" is tax-supported, net of self-supporting debt issued for the water, sewer and electric funds.

EQV and Debt: The Town's Equalized Valuation (EQV) is set by the state biennially. The value set at Jan. 1, 2014 is \$5,540,602,300. This EQV is used in various state formulas for FY15 and FY16. By state law (MGL c. 44, § 10), the Town's debt limit is capped at 5% of its EQV. The Town's gross outstanding debt as of June 30, 2015 is 1.13% of EQV.







Excluded Debt

Projected to June 30, 2016	Principal		FY17 Debt Service			Amortized Premium
	Initial Issuance	Remaining Balance	Remaining Percent	Principal	Interest	
<u>Outstanding Town-Issued Excluded Debt</u>						
Wastewater Management (Phase 1) <i>Nov. 2005 (2.00% - WPAT Loan)</i>	\$1,638,290	\$904,507	55.2%	\$82,529	\$18,560	\$1,325
Alcott School <i>Mar. 2007 (3.91%), May 2015 (1.40%; refunding)</i>	\$9,365,000	\$4,080,000	43.5%	\$503,000	\$120,785	\$285
Thoreau School <i>Sept. 2006 (3.86%), Sept 2007 (3.99%) May 2015 (1.40%; refunding)</i>	\$16,940,000	\$8,755,000	51.7%	\$1,007,000	\$188,190	\$703
Willard School <i>Apr. 2008 (3.11%), Mar. 2009 (3.72%), Jan. 2010 (3.09%)</i>	\$27,025,000	\$16,685,000	61.6%	\$1,490,000	\$597,764	\$1,730
Town Excluded Debt - Total	\$54,968,290	\$30,424,507	55.3%	\$3,082,529	\$925,299	\$4,043
MSBA Grant				(\$409,878)		
Net Town Exempt Excluded Debt	\$54,968,290	\$30,424,507	55.3%	\$2,672,651	\$925,299	\$4,043
<u>Outstanding CCRSD-Issued Exempt Debt</u>						
Existing High School					\$257,606	
New High School (\$32.5 million issued June 2013, 3.00%)					\$2,280,986	
New High School Bond (\$30 million issued in March 2015, 2.87%)					\$2,299,500	
Projected Bond Issuance (spring 2016)					\$208,000	
Less: Credits					(\$40,375)	
Total Assessable					\$5,005,717	
Concord Share @ 73.61%					\$3,684,708	
Less: Stabilization fund appropriation					(\$1,000,000)	
Net CCRSD Excluded Debt					\$2,684,708	
Net Levy for the Total Town and CCRSD Exempt Debt					\$6,282,658	

Details of Town-Issued Excluded Debt Cost

Alcott School Construction

The Massachusetts School Building Authority paid a lump-sum grant to the Town on September 25, 2006, in the amount of \$7,175,997 (about 43% of total project expenses). The grant was used to redeem short-term project notes that came due September 30, 2006. The Town received the maximum grant for which it was eligible, based upon a per square foot maximum allowable cost of \$173, a building constructed area of 78,011 square feet, and a nominal 50% state grant (the percentage applies to allowable costs, not gross actual costs).

As approved by the 2002 Annual Town Meeting (Article 60) and at subsequent town-wide vote in June 2002, a \$2.35 million bond was issued on March 1, 2007 at an interest cost of 3.91%. A similarly approved bond in September 2004 at 3.70% was refunded at 1.4% in May 2015

The total Alcott debt expense in the FY17 budget is \$623,785 (0.74% of the projected tax levy).

\$2.35 million Bond issued March 2007:

Principal	\$ 155,000
Interest	<u>36,140</u>
	\$ 191,140 (net of \$285 amortized premium)

\$3.3 million Bond issued May 2015 (refunding of Bond issued September 2004):

Principal	\$ 348,000
Interest	<u>84,645</u>
	\$ 432,645

The total Alcott project cost was about \$16.8 million. The new school opened in September 2004.

Thoreau School Construction

Authorization to issue bonds to fund the construction of the Thoreau School was approved by the 2004 Town Meeting (Article 27) and town-wide ballot vote in June of 2004. A \$10 million bond issued in 2006 at an interest cost of 3.86% was advance refunded at 1.4% in May 2015. An additional \$6.8 million bond was issued September 2007 at 3.99% with a final maturity on September 2025.

\$10 million Bond issued September 2006 (last payment due to refunding in May 2015):

Principal	\$ 555,000
Interest	<u>11,100</u>
	\$ 566,100

\$6.8 million Bond issued September 2007:

Principal	\$ 380,000
Interest	<u>144,435</u>
	\$ 524,435 (net of \$703 amortized premium)

\$1.2 million Bond issued May 2015 (refunding of Bond issued September 2006):

Principal	\$ 72,000
Interest	<u>32,655</u>
	\$ 104,655

For FY17, the total tax-supported Thoreau debt expense is \$1,195,190 which is reduced by a \$409,878 allocation from the MSBA project grant for a net amount of \$785,311 (0.93% of the projected tax levy).

The total Thoreau project cost was \$16.8 million. The new school opened in September 2006.

Willard School Design and Construction

An amount of \$1,840,000 was authorized by the 2006 Annual Town Meeting and by a subsequent debt exclusion ballot vote in June 2006 for the design of a new Willard Elementary School. Additionally, at the Special Town Meeting of November 5, 2007 and the ballot vote of November 14, 2007, \$30.025 million was authorized for construction of the new Willard School.

A 10-year bond in the principal sum of \$1,840,000 was issued April 1, 2008 at an interest cost of 3.11%, with a final maturity on April 1, 2018. A 19-year bond in the principal sum of \$11,900,000 was issued March 15, 2009 at an interest cost of 3.72%. A 19-year bond in the principal sum of \$12,900,000 was issued January 15, 2010 at an interest cost of 3.18%. A 4-year bond in the principal sum of \$375,000 was issued May 17, 2011 at an interest cost of 1.06% and fully paid off in FY15.

The total Willard debt expense provided in the FY17 budget is \$2,087,764 (2.47% of the projected tax levy).

\$1.84 million Bond issued April 2008:

Principal	\$ 185,000
Interest	<u>13,026</u>
	\$ 198,026 (net of \$243 amortized premium)

\$11.9 million Bond issued March 2009:

Principal	\$ 625,000
Interest	<u>293,510</u>
	\$ 918,510 (net of \$240 amortized premium)

\$12.9 million Bond issued January 2010:

Principal	\$ 680,000
Interest	<u>291,228</u>
	\$ 971,228 (net of \$1,247 amortized premium)

The new school opened September 2009. The final construction cost was about \$27.2 million, significantly under the authorized allocation of \$30,025,000. Article 58 of the 2011 Town Meeting Warrant rescinded the unused borrowing authorization.

The Willard School project has not yet been selected by the MSBA for a possible state grant. The Town is permitted to renew its application annually.

Wastewater Management, Phase 1

A \$4,190,000 debt authorization was voted at the 2004 Town Meeting and the debt for this sewer extension project was approved by ballot on June 8, 2004. This debt is secured through the Water Pollution Abatement Trust (WPAT), Commonwealth of Massachusetts, at a subsidized interest rate of 2%. The long-term loan was executed in November 2005. The budgeted cost for FY16 is the tenth year of a twenty-year payment schedule, with the final maturity on July 15, 2025. The General Fund and Betterment funded shares for FY17 are:

General Fund (39.1%)	\$ 101,089
Betterment funded (60.9%)	\$ 157,450

Town-Issued Excluded Debt Budgetary Offsets

MSBA Grant

The new Thoreau School opened in September 2006. Subsequently, the Massachusetts School Building Authority (MSBA) notified the Town that the Thoreau School project would be eligible as a “moratorium project”, having been constructed during a period when the state was not accepting school building assistance applications and before the legislature enacted the statute creating the new MSBA. An audit of the project expenses incurred from the initial design work in 2000 to final completion in 2006 was completed in the spring of 2010 and a grant of \$6,336,666 (40% of eligible costs) was received in June 2010. Since the Town had already issued the long-term debt, regulations of the Massachusetts Department of Revenue require that any MSBA grant be escrowed by the Town and be allocated proportionately to future debt service costs over the life of the bonds. Accordingly, \$409,878 is budgeted to offset the FY17 debt service cost. The available balance of the grant was applied to finance the major part of an advance refunding of the 2006 bonds in May 2015.

Elementary School Debt Stabilization Fund

The 2008 Annual Town Meeting voted to transfer \$2,500,000 from Free Cash (the unreserved General Fund balance) to create a Stabilization Fund for the purpose of reducing the tax impact of future debt service costs of the Alcott, Thoreau and Willard School bonds. Funds were accordingly transferred on July 1, 2008. A two-thirds vote of Town Meeting is required to put monies into a Stabilization Fund or to take monies out. Town Meeting has authorized the disbursements from this Fund to lessen the property tax impact by adopting the following articles: Article 10 of the 2010 Annual Town Meeting Warrant for \$1,000,000; Article 26 of the 2011 Town Meeting Warrant for \$700,000; Article 15 of the 2012 Town Meeting Warrant for \$475,000; and Article 18 of the 2013 Town Meeting for \$735,000.

Under state law, Stabilization Funds carry broader investment authority than general operating funds in the treasury. Interest earnings remain with the Fund. Until October 2014, this stabilization fund was invested in a short-term bond fund account with the Massachusetts Municipal Depository Trust (MMDT). The MMDT is the state pooled cash fund open solely to municipalities, regional districts and state government entities, established by state law with the State Treasurer as the sole trustee and managed under contract to the State Treasurer by Fidelity Investments.

As of June 30, 2015, the status of the Elementary School Debt Stabilization Fund is:

	Original balance (July 1, 2008)	\$ 2,500,000
	Earned to date	257,411
	Realized gains	154,501
Less	Allocated by Town Meeting	<u>- 2,910,000</u>
	Balance at 6/30/2015	\$1,912

Details of CCRSD-Issued Excluded Debt Cost

Existing High School

A long-term bond for renovations of the existing High School was issued December 2007. The FY17 Concord assessment of the debt service is:

Principal	\$ 245,000
Interest	<u>12,606</u>
Total	\$ 257,606 (net of \$1,894 amortized premium)
Concord Assessment (73.61%)	\$ 189,624

New High School

The following is a categorization of the cost for the construction of the new Concord-Carlisle High School. Concord's actual assessment of the cost each year is determined by the annual enrollment proportion of Concord students.

	Project Funding Agreement <u>2nd Amendment (July 24, 2014)</u>
CCRSD	\$ 65,782,775
MSBA Grant	<u>26,795,749</u>
Total Project Cost	\$ 92,578,524

To date, permanent financing of \$62.5 million has been issued by the Regional School District. Concord's FY17 assessed share of the debt service for long-term bonds issued to date is as follows:

Date of Bond Issue	<u>June 4, 2013</u>	<u>March 15, 2015</u>	
Amount Issued	\$32,500,000	\$30,000,000	
Interest Rate (TIC)	3.00%	2.87%	
Final Maturity	2038	2038	
FY17 debt service:			<u>Total</u>
Principal	\$1,350,000	\$1,350,000	\$2,700,000
Interest	930,987	949,500	<u>1,880,487</u>
			\$4,580,487
		Less reserve from FY16 assessment	(40,375)
		Net assessable, FY17	\$4,540,112
		Concord share @ 73.61%	\$3,341,976

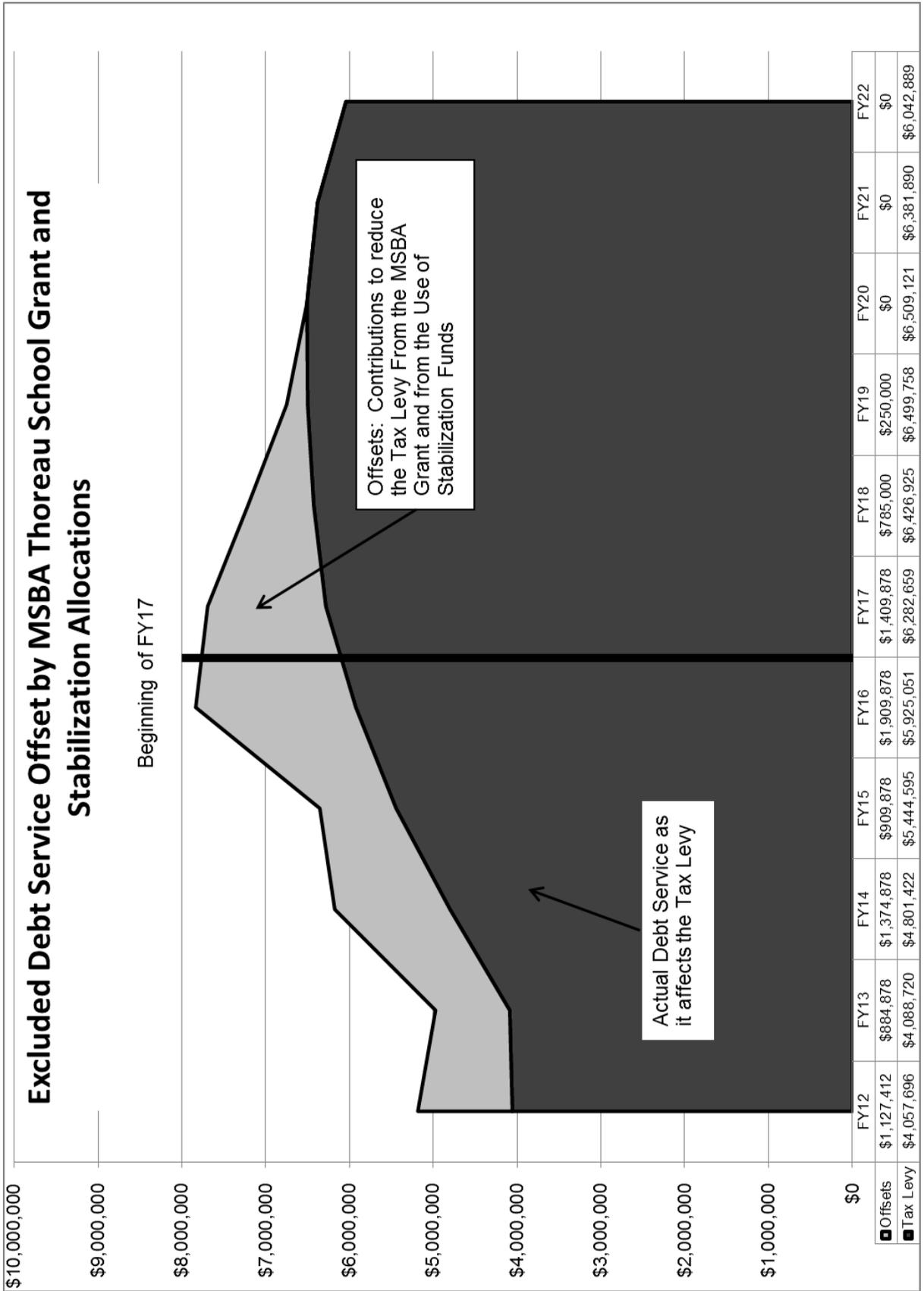
A \$2.0 million short-term note matures on March 16, 2016 and the District plans on February 19, 2016 to issue a 22-year bond in the sum of \$2.5 million. The proceeds of the bond will redeem the note and will fund almost all of the remaining expected local share. A final debt issuance will be executed after the project audit is completed by MSBA and final numbers are known.

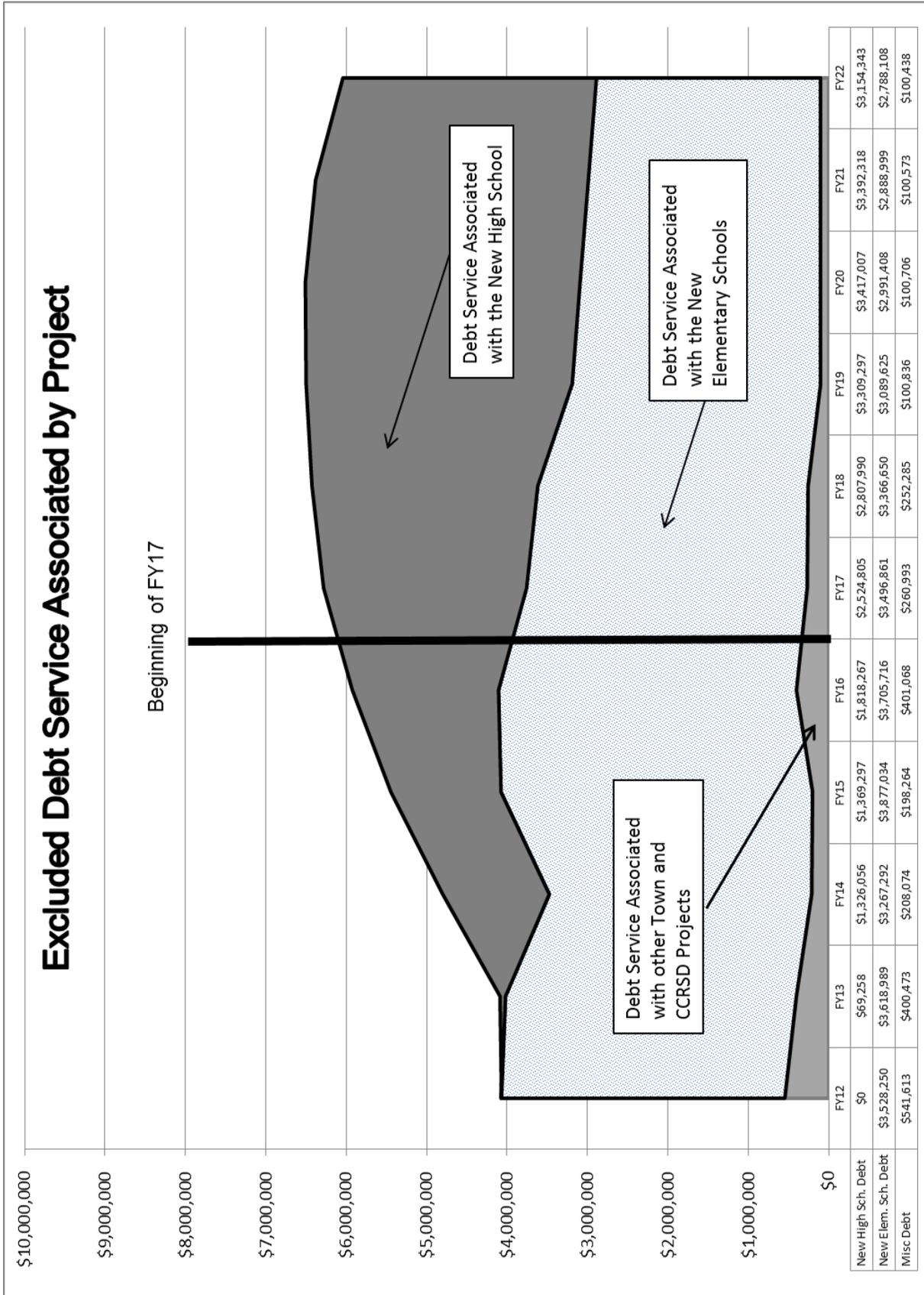
The Town's budget includes an estimated assessed share of \$147,220 for the FY17 debt service on this pending issue. The total FY17 Concord assessment is therefore projected a \$3,489,196 or 4.12% of the projected levy. However, Article 7 of the Town Meeting Warrant proposes to allocate \$1,000,000 from the Town's High School Debt Stabilization Fund reducing the FY17 impact to 2.94% of the projected levy.

Excluded debt tax levy
(FY09 to FY15 Actual, FY16 Budgeted, and FY17 to FY30 Projected)

Fiscal year	Elementary Schools Construction					High School Construction					Other Debt			Summation of Excluded Debt			
	Alcott	Thoreau	Willard	Stabilization Fund	MSBA Thoreau grant	Total CPS Excluded Debt	CCHS New building (1)	NESDEC (2) Enrollment (Oct. 2015)	Concord's Share of CCHS Debt	Stabilization Fund	Total CCHS Excluded Debt	Town	CCHS	Gross Excluded Debt	Offsets (Grants & Stab. Funds)	Adjustments	Net Excluded Debt
FY09 Actual	\$812,599	\$1,570,663	\$693,403			\$2,966,665						\$330,714	\$684,143	\$3,981,522			\$3,981,522
FY10	\$811,335	\$1,578,640	\$1,359,333			\$3,749,308						\$224,089	\$539,239	\$4,512,636		\$100,000 (3)	\$4,612,636
FY11	\$779,408	\$1,540,065	\$2,323,683	(\$1,000,000)	(\$431,796)	\$3,211,370						\$221,616	\$582,444	\$5,447,226	(\$1,431,796)	(\$8,639) (4)	\$4,006,791
FY12	\$762,558	\$1,492,661	\$2,400,443	(\$700,000)	(\$427,412)	\$3,528,250						\$218,672	\$322,941	\$5,197,275	(\$1,127,412)	(\$12,167) (5)	\$4,067,696
FY13	\$740,052	\$1,416,392	\$2,347,423	(\$475,000)	(\$409,878)	\$3,618,989	\$96,500	71.77%	\$69,258	(\$230,000)	\$69,258	\$215,603	\$184,870	\$4,973,598	(\$884,878)		\$4,088,720
FY14	\$720,995	\$1,381,397	\$2,308,778	(\$735,000)	(\$409,878)	\$3,267,292	\$2,135,973	72.85%	\$1,556,056		\$1,326,056	\$212,287	(\$4,213)	\$6,176,300	(\$1,374,878)		\$4,801,422
FY15	\$701,499	\$1,344,761	\$2,240,652		(\$409,878)	\$3,877,034	\$2,557,178	73.10%	\$1,869,297	(\$500,000)	\$1,369,297	\$208,720	(\$10,456)	\$6,354,473	(\$909,878)		\$5,444,595
FY16 Budgeted	\$682,442	\$1,305,061	\$2,128,091		(\$409,878)	\$3,705,716	\$4,501,787	73.71%	\$3,318,267	(\$1,500,000)	\$1,818,267	\$204,906	\$196,162	\$7,834,929	(\$1,909,878)		\$5,925,051
FY17 Projected	\$623,785	\$1,195,190	\$2,087,764		(\$409,878)	\$3,496,861	\$4,788,486	73.61%	\$3,524,805	(\$1,000,000)	\$2,524,805	\$101,089	\$159,904	\$7,692,536	(\$1,409,878)		\$6,282,659
FY18	\$603,253	\$729,439	\$2,033,958			\$3,366,650	\$4,835,788	74.30%	\$3,582,990	(\$785,000)	\$2,807,990	\$100,863	\$151,422	\$7,211,925	(\$785,000)		\$6,426,925
FY19	\$586,181	\$688,846	\$1,813,598			\$3,089,625	\$4,728,706	75.27%	\$3,559,297	(\$250,000)	\$3,309,297	\$100,836		\$6,749,758	(\$250,000)		\$6,499,758
FY20	\$567,169	\$652,811	\$1,771,428			\$2,991,408	\$4,602,030	74.25%	\$3,417,007		\$3,417,007	\$100,706		\$6,509,121			\$6,509,121
FY21	\$543,923	\$615,818	\$1,729,258			\$2,888,999	\$4,475,353	75.80%	\$3,392,318		\$3,392,318	\$100,573		\$6,381,890			\$6,381,890
FY22	\$525,319	\$578,823	\$1,683,966			\$2,788,108	\$4,098,678	76.96%	\$3,154,343		\$3,154,343	\$100,438		\$6,042,889			\$6,042,889
FY23	\$347,850	\$541,652	\$1,636,981			\$2,526,483	\$4,003,731	76.95%	\$3,060,871		\$3,060,871	\$100,300		\$5,707,654			\$5,707,654
FY24	\$333,205	\$503,324	\$1,589,995			\$2,426,524	\$3,908,786	76.96%	\$3,008,202		\$3,008,202	\$100,159		\$5,534,885			\$5,534,885
FY25	\$318,710	\$465,362	\$1,540,602			\$2,324,674	\$3,819,736	76.94%	\$2,938,905		\$2,938,905	\$100,015		\$5,363,594			\$5,363,594
FY26		\$382,456	\$1,485,363			\$1,867,819	\$3,724,789	76.92%	\$2,865,108		\$2,865,108	\$99,869		\$4,832,796			\$4,832,796
FY27		\$1,435,298	\$1,435,298			\$1,435,298	\$3,652,173	76.96%	\$2,810,712		\$2,810,712			\$4,246,010			\$4,246,010
FY28		\$1,381,092	\$1,381,092			\$1,381,092	\$3,579,555	76.46%	\$2,736,928		\$2,736,928			\$4,118,020			\$4,118,020
FY29		\$701,885	\$701,885			\$701,885	\$3,506,937	76.46%	\$2,681,404		\$2,681,404			\$3,383,289			\$3,383,289
FY30							\$3,431,962	76.46%	\$2,624,078		\$2,624,078			\$2,624,078			\$2,624,078

- NOTES:
1. The Excluded Debt Service for the new High School extends to FY38.
 2. CCRSD Assessment is based on the November 2015 NESDEC projection of the student enrollment ratio between Concord and Carlisle. The enrollment projection applies to years FY17 to FY26.
 3. An amount of \$100,000 was allocated to paydown a Willard Note.
 4. An amount of \$8,639 was provided from Willard BAN interest.
 5. An amount of \$12,167 was provided from the Willard Bond Issuance (June 2011).





SECTION I: Financial Summary

Debt

Authorized and Unissued Debt @ June 30, 2015

debt category	Town Meeting Vote	Purpose	Debt Amount Authorized & Unissued	Code	Bond or Note Issuance and other comment	Future bond issue and rescission		TOTAL (equals column J)
						Expected future issue	Expected to rescind	
Betterment	Art. 42, 2009	Septic Betterment Loan (Title 5)	1,477,826	18-455-455-0316	Interim Note dated 3/1/15, due 12/31/16	1,477,826		1,477,826
enterprise	Art. 28, 2012	Light Plant expansion	500,000	62-460-460-344	\$3.9M Bond issued 6/12/14	0	500,000	500,000
enterprise	Art. 36, 2012	Land Acquisition (WR Grace)	200,000	62-460-460-345	\$800K bond issued 5/21/15	0	400,000	400,000
			200,000	60-440-440-345				
enterprise	Art. 48, 2013	Telecommunications	900,000	73-0-0-350	\$100K Bond issued 6/12/14	400,000	500,000	900,000
					\$400K Note issued 5/21/15 due 5/20/16			
within limit	Art. 30, 2014	Keyes Road public works facilities design	150,000	30-426-426-357		150,000		150,000
within limit	Art. 31, 2014	141 Keyes Road renovations (Planning dept)	600,000	30-197-197-358		600,000		600,000
within limit	Art. 32, 2014	Ambulance equipment	75,000	30-220-220-359	funded from gifts	0	75,000	75,000
within limit	Art. 33, 2014	West Concord infrastructure improvements	100,000	30-410-410-360		100,000		100,000
within limit	Art. 34, 2014	Public Safety Bldg security improvements	85,000	30-215-215-361		85,000		85,000
within limit	Art. 34, 2014	Harvey Wheeler Bldg improvements	65,000	30-546-546-362	\$275,000 bond issued 5/21/15	0	65,000	65,000
within limit	Art. 23, 2015	Concord Public Schools renovations	650,000	30-300-300-365		650,000		650,000
within limit	Art. 24, 2015	Concord Public Schools - Bus Depot	950,000	30-122-123-366		950,000		950,000
within limit	Art. 42, 2015	Road Improvements - 2016 Program	1,200,000	30-429-429-367		1,200,000		1,200,000
within limit	Art. 52, 2015	Rideout & Emerson Playground improvements	600,000	30-122-123-368		600,000		600,000
within limit	Art. 53, 2015	Parking Management Plan Implementation	250,000	30-180-175-369		250,000		250,000
within limit	Art. 54, 2015	Town House Interior Improvements	700,000	30-122-123-370		700,000		700,000
within limits	Art. 55, 2015	37 Knox Trail renovations and site work	200,000	30-122-123-371		200,000		200,000
within limits	Art. 57, 2015	Fire Engine Replacement	550,000	30-220-220-372		550,000		550,000
			<u>\$ 9,452,826</u>			<u>7,912,826</u>	<u>1,540,000</u>	<u>9,452,826</u>

Detail: Authorized & Unissued by Funding Source

Tax Supported to be issued	\$ 6,175,000	less \$140,000 to be rescinded
Betterments	1,477,826	
Light Fund (#62)	700,000	to be rescinded
Telecom Fund (#73)	900,000	\$400K Note outstanding
Sewer Fund (#60)	200,000	to be rescinded
	<u>\$ 9,452,826</u>	

SECTION I: Financial Summary

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SECTION I: Financial Summary

Liabilities

Major Liabilities

The Major Liabilities are a result of the following:

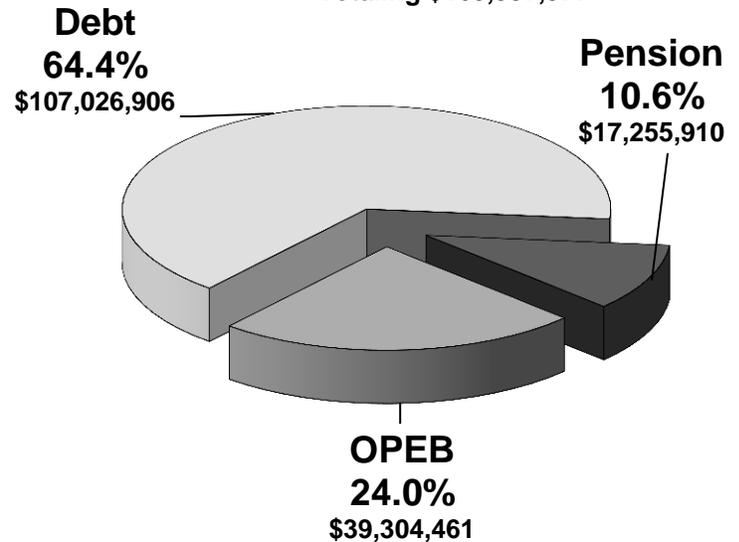
- Debt from the issuance of bonds;
- Pensions; and
- Other Post Employment Benefits (OPEB).

This section contains the following:

• Major Liabilities	74
• Reason for Presenting Major Liabilities	75
• Debt	76
• Pensions	77
• OPEB	78

Major Liabilities at June 30, 2015

(with CCRSD Overlapping Debt)
Totaling \$163,587,577



Major Liabilities (with CCRSD overlapping liability) as of June 30, 2015

<u>FY15 Liabilities</u>	<u>Debt</u>	<u>Pension</u>	<u>OPEB</u>	<u>Total</u>
General Fund	\$41,730,401	\$13,165,799	\$25,716,072	\$80,612,272
Enterprise and Other	<u>\$20,866,325</u>	<u>\$2,346,129</u>	<u>\$1,159,169</u>	<u>\$24,371,623</u>
Total Direct Town Liabilities	\$62,596,726	\$15,511,928	\$26,875,241	\$104,983,895
CCRSD Assessment @73.1%	<u>\$44,430,180</u>	<u>\$1,743,982</u>	<u>\$12,429,520</u>	<u>\$58,603,682</u>
Total	<u>\$107,026,906</u>	<u>\$15,511,928</u>	<u>\$39,304,761</u>	<u>\$163,587,577</u>

Major Liabilities

Major outstanding liabilities are commitments that the Town has made and is required to pay in future periods. There are three categories of major outstanding liabilities: Debt, Pension, and OPEB. Each liability is to be paid from one of three sources: (1) General Fund resources; (2) Enterprise or Other Fund resources which are primarily generated from customer rates and fees; or (3) the assessment to the Town of the separate political entity, the Concord-Carlisle Regional School District (CCRSD); at June 03, 2015, the Town is responsible for 73.1% of all CCRSD expenses and liabilities, the assessment ratio as determined by Concord and Carlisle student enrollment in grades 9-12. This ratio changes each year

Debt: Debt-funded projects have a useful life of many years and costs are appropriately distributed over these years. General Fund and Enterprise & Other Fund debt is guaranteed by the full faith and credit of the Town.

Pension: The Concord Retirement Board administers a defined benefit contributory retirement plan for substantially all municipal employees of the Town, Concord Public Schools, Concord-Carlisle Regional School District, and Concord Housing Authority, who work at least 25 hours per week and who are not covered by the State Teachers Retirement System. All aspects of the system are defined by state law.

OPEB: Other Post-Employment Benefits (OPEB) is the amount that the Town has committed to fund the employer-portion of health care and other benefits for retirees, spouses, or eligible survivors. To comply with new accounting standards, the Town began reporting this liability on the Financial Statements in FY09 and started transferring funds into the OPEB Trust Fund in FY10.

Liabilities and Credit Rating:

Liabilities, the future obligations that a municipality owes to an outside entity, need to be managed carefully. It often easier for a city or town to push off costs into the future or to not fully fund the obligations that have been made. If these liabilities become too large, they can crowd out other expenditures. Accordingly, credit rating agencies are placing greater emphasis on how municipalities manage their liabilities in determining their credit worthiness.

Benefits of a Good Credit Rating

The Town has made a concerted effort to earn and maintain a “Aaa” credit rating from Moody’s Investors Service. This is the highest possible rating and allows the Town to issue long-term bonds to fund its capital expenditures at the lowest possible interest rate, which decreases the cost of borrowing and benefits the taxpayer.

Moody’s Investors Service Methodology

In October 2013, Moody’s Investors Service revised its methodology of how it quantitatively sets the credit rating on bonds issued by cities and towns. To determine the credit worthiness of a municipality, Moody’s has identified the following four broad rating factors (and has assigned weights to each factor):

1. Economy / Tax Base (30%) – The ability of the underlying economy and the tax base to generate financial resources,
2. Finances (30%) – The local government’s fiscal position and available reserves to meet existing and future obligations,
3. Management (20%) – The legal (structural) and practical (political) framework to meet the financial responsibilities, and
4. Debt / Pensions (20%) – The municipality’s liability level as it affects the ability of the city or town to meet future obligations.

Town Credit Rating History

Moody’s Investors Service has examined the Town’s fiscal health using the four factors specified above. Since November 1987, Moody’s has assigned the Town an “Aaa” bond rating, the highest possible municipal rating category.

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
The Town’s Credit Rating (Moody’s)	Aaa							

Importance of Managing Liabilities

Various recent news reports have highlighted the difficulty that some municipalities have had in managing these major liabilities, especially those associated with pensions and OPEB. In fact, a few municipalities around the nation have had to declare bankruptcy, partly due to large unfunded pension obligations.

Due to the increasing importance of managing debt and pension obligations, Moody’s increased the weight of the Debt / Pension factor from 10% to 20% as of October 2013. Currently, Other Post-Employment Benefits (OPEB) obligations are not part of the rating methodology. Nevertheless, for transparency purpose, this section of the budget book provides information about the Town’s OPEB liability.

SECTION I: Financial Summary

Liabilities

Debt Liability:

Since 2002, the Town has undertaken to replace three elementary schools and its regional high school with new buildings, an investment of more than \$125 million. Tax-supported outstanding debt, including \$44.4 million as the Town’s share of CCRSD debt, has increased to \$86,160,581 at June 30, 2015. With the inclusion of enterprise debt which is paid from user fees, the total is \$107,026,906.

Rapid Debt Repayment Policy

The Town aims for a rapid debt repayment schedule for tax-supported debt, with a goal (for “within the levy limit” debt) of 60% repayment within 5 years and 90% repayment within 10 years. This policy allows the Town to properly manage this liability and maintain available debt capacity. Excluded debt and borrowing for enterprise projects generally have a longer payback period.

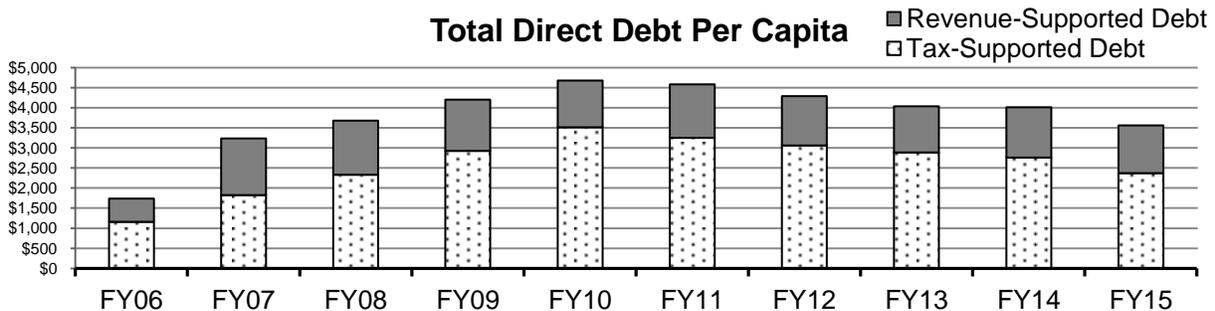
Direct Debt

The Town of Concord borrows money to pay for various capital projects, including the construction of new schools, the purchase of fire apparatus, and the renovation of public buildings and facilities. All borrowed funds are guaranteed by the full faith and credit of the Town, borrowing for enterprise-related projects is expected to be repaid from enterprise user fees rather than from tax-supported resources. Furthermore, some tax-supported debt-funded projects are voted by the electorate as being outside the Proposition 2 ½ tax levy limit constraints referred to as “debt exclusions”).

The chart below shows the amount of outstanding principal by category. For tax-supported debt repaid within the levy limit, the Town follows a rapid principal repayment policy; as of June 30, 2015, 89% of the borrowed principal will be repaid within 5 years and all will be repaid within 10 years. Tax-supported excluded debt has a longer repayment schedule, since almost all of this debt is for the construction of new school buildings which have a long useful life and the cost should be amortized over a longer time. A similar generational matching policy is applied to enterprise debt, employed for relatively long-lasting capital projects. This chart does not show the overlapping debt that the Town is responsible for as a result of the CCRSD assessment.

Outstanding Principal and Percent of Direct Debt to be retired for debt issued as of June 30, 2015								
Paid Down Percentage from June 30, 2015	Tax-Supported Debt				Enterprise and Other Debt		Total Debt	
	Within Limit		Excluded		Outstanding Principal	%	Outstanding Principal	%
	Outstanding Principal	%	Outstanding Principal	%				
On 6/30/15	\$11,580,000		\$30,150,401		\$20,866,325		\$62,596,726	
In 5 years	\$1,295,000	89%	\$16,369,251	46%	\$10,777,899	48%	\$28,442,150	55%
In 10 Years	\$0	100%	\$5,048,806	83%	\$2,656,694	87%	\$7,705,500	88%
In 15 Years	\$0	100%	\$0	100%	\$0	100%	\$0	100%

The graph below shows Direct Debt per capita. With the construction of the new elementary schools, the tax-supported debt began to increase starting in FY06. Debt associated with the Town’s assessment from CCRSD for the new high school is not included. (Source data is found on page 56)



SECTION I: Financial Summary

Liabilities

Pension Liability:

As of the January 1, 2015 actuarial valuation, the Concord Contributory Retirement System's has a estimated Unfunded Liability was \$29,735,292. In FY16, the Town's annual funding to meet current obligations and to pay down this liability is \$4.45 million, of which \$3.3 million is the General Fund share. See pages 264 – 267, Section III.

Pension Funding Policy

The Town's Funding Schedule for the Concord Contributory Retirement System projects full funding status by fiscal year 2030. To achieve this goal, the General Fund appropriation is projected to increase by 3% annually. A discount rate of 7.25% is assumed in the actuarial analysis for the January 1, 2015 valuation.

Pension

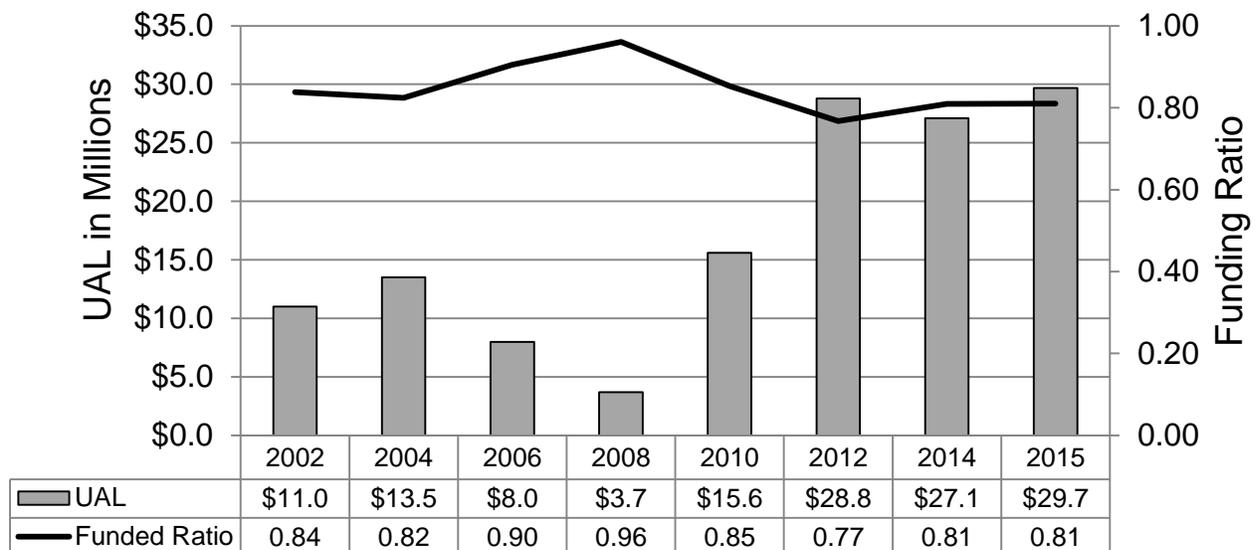
The Concord Contributory Retirement System operates under M.G.L. Chapter 32 to provide retirement benefits to substantially all municipal employees (with the exception of teachers who are covered by the State Teachers Retirement System) who work at least 25 hours per week. *(For a more detailed description of the Retirement Plan, refer to pages 264 - 267.)*

The amount of the Pension Liability, or Unfunded Accrued Liability (UAL) is the difference between the amount that owed to current and future retirees, or Actuarial Accrued Liability (AAL), and the amount that has been set aside to cover this liability, or Actuarial Value of Assets (AVA). The AAL generally increases over time as salaries increase, while the AVA can fluctuate depending on market conditions. The Town's policy is to completely fund this liability by fiscal year 2030.

As of January 1, 2015, the Town's Actuarial Accrued Liability is estimated at \$156,552,131 and the Actuarial Value of Assets \$126,817,000, which results in an Unfunded Accrued Liability of \$29,735,292. The funding status (AVA / AAL) is 81%.

Pension Funding Progress

(as of January 1st)



SECTION I: Financial Summary

Liabilities

OPEB Liability:

As of the most recent actuarial study for a valuation date of June 30, 2014, the Unfunded Actuarial Accrued Liability (UAAL) was \$26,875,241. OPEB Trust Fund assets were \$6,577,046 at that date (at market value) and the funded ratio was 19.7%. The funding schedule is a closed 30-year period beginning with FY09.

OPEB Funding Policy

The Town's policy to fund the OPEB obligation is two-fold. First, the OPEB liability as it is associated with covered enterprise employees is fully funded (about 11% of the total liability). Second, the amount appropriated for the costs associated with other covered Town Government employees has been increased gradually by \$250,000 annually, a process that attains the annual required contribution level in FY17.

Other Post-Employment Benefits (OPEB)

Other Post-Employment Benefits (OPEB) consists of health care and other benefits for retirees, spouses, and survivors. *(For a more detailed description of OPEB, refer to pages 258 - 259.)*

As determine by an actuarial study, the OPEB liability, known as the Unfunded Actuarial Accrued Liability (UAAL) is the difference between the amount needed to fund present and future benefits, or the Actuarial Accrued Liability (AAL) and the amount set aside to fund this obligation, or the Actuarial Value of Assets (AVA). Consistent with the applicable accounting standards, the OPEB Trust AVA is always measured at market value.

Many Massachusetts cities and towns are beginning to fund the OPEB liability. There are two metrics useful in determining how municipalities are progressing. First, the Funded Ratio (or AVA divided by the AAL) measures the percentage of the AAL that is funded. As of June 30, 2014, Concord's Funded Ratio is 19.7%. Second, the UAAL per Capita measures this obligation as it relates to the population of the municipality.

The table below provides the most recent available audited information from Concord and neighboring communities about the OPEB liability. As shown, Concord's Funded Ratio ranks well (i.e., a higher funding ratio is better) in comparison with the other municipalities and the Unfunded Actuarial Accrued Liability Per Capital is the lowest.

Town	2013		AAL	AVA	UAAL	Ratio	UAAL
	Population	Date					Per Capita
Acton	22,891	12/31/14	\$21,694,152	\$1,772,069	\$19,922,083	8.17%	\$870
Andover	34,477	06/30/13	\$145,915,338	\$1,101,668	\$144,813,670	0.76%	\$4,200
Bedford	13,975	06/30/14	\$40,975,065	\$4,083,974	\$36,891,091	9.97%	\$2,640
Brookline	59,128	06/30/12	\$202,733,897	\$12,766,296	\$189,967,601	6.30%	\$3,213
Concord	19,285	06/30/14	\$33,452,285	\$6,577,045	\$26,875,240	19.66%	\$1,394
Lexington	32,650	06/30/13	\$131,406,069	\$3,069,273	\$128,336,796	2.34%	\$3,931
Needham	29,736	06/30/13	\$62,345,026	\$15,496,964	\$46,848,062	24.86%	\$1,575
Newton	87,971	06/30/15	\$703,630,000	\$2,118,738	\$701,511,262	0.30%	\$7,974
Plymouth	57,826	12/31/12	\$492,791,214	\$612,214	\$492,179,000	0.12%	\$8,511
Scituate	18,297	07/01/12	\$65,117,566	\$0	\$65,117,566	0.00%	\$3,559
Sudbury	18,367	06/30/12	\$34,276,192	\$128,700	\$34,147,492	0.38%	\$1,859
Wayland	13,444	12/31/14	\$30,087,993	\$12,305,046	\$17,782,947	40.90%	\$1,323
Wellesley	29,090	06/30/14	\$111,075,197	\$32,806,387	\$78,268,810	29.54%	\$2,691
Weston	11,853	07/01/12	\$79,889,296	\$3,510,050	\$76,379,246	4.39%	\$6,444
Winchester	22,079	06/30/13	\$60,106,276	\$751,874	\$59,354,402	1.25%	\$2,688

SECTION I: Financial Summary

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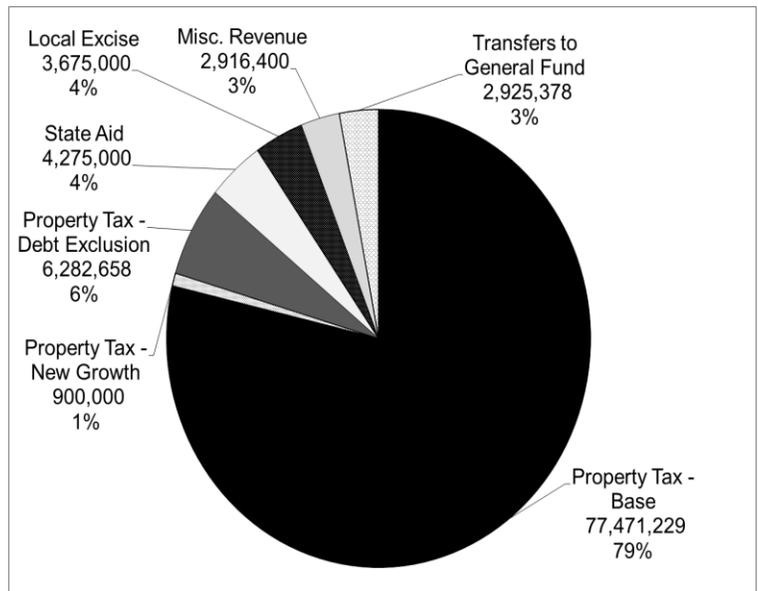
Five-Year Projection

With the adoption of Article 3 of the Special Town Meeting held on November 7, 2011, the Finance Committee was asked to develop a five-year projection of the property taxes likely to be levied on Town residents. This is the fifth year that the analysis has been conducted and the projection is for the period from FY18 through FY22.

This section contains the following:

- Overview 80
- Expenditure Assumptions 81
- Revenue Assumptions 82
- Projection 83

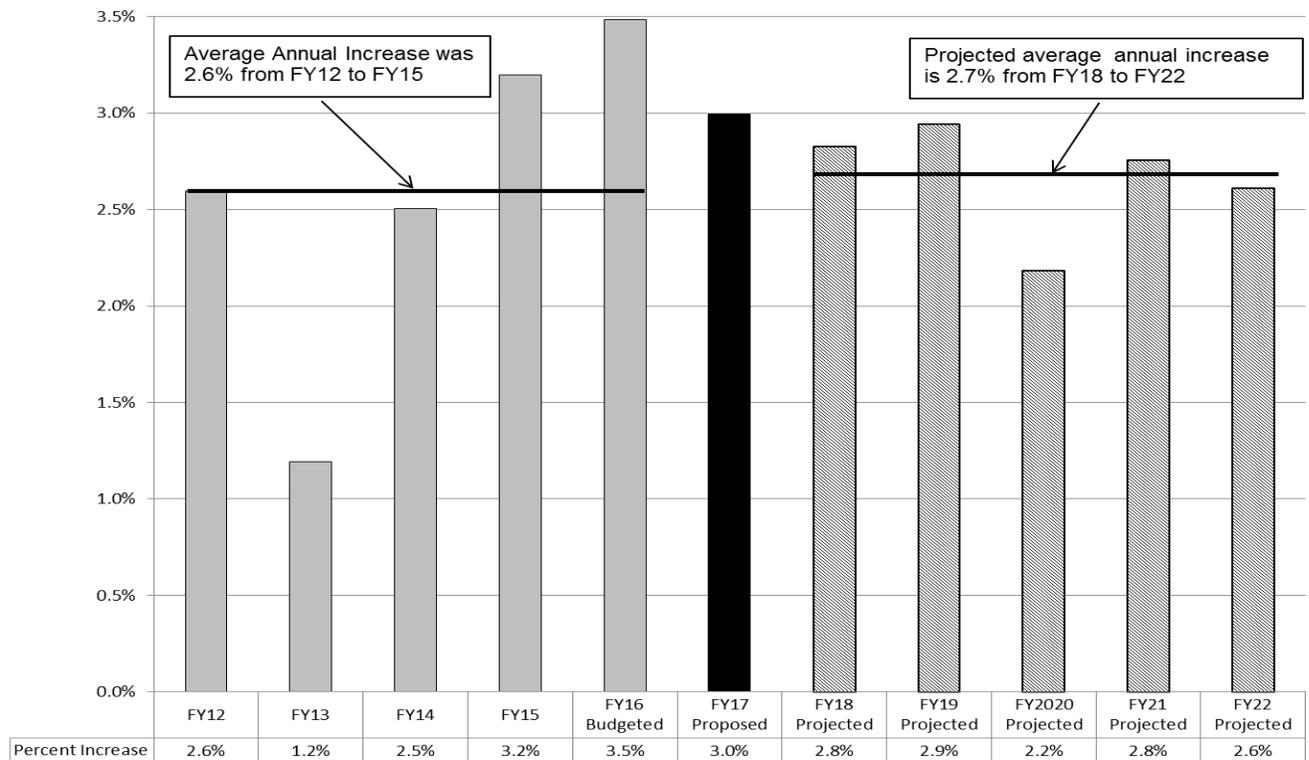
FY17 Sources of Revenues



Projection of Property Tax Increase

An analysis by the Concord Finance Committee projects that the property taxes owed by existing taxpayers would increase in aggregate under a most likely scenario by 2.6% per year. Assumption about the expected expenditures and revenues for this scenario is presented on the following pages.

Property Tax Increase for Existing Taxpayers



SECTION I: Financial Summary

Projection

Expenditure Assumptions:

Under the “most likely” scenario, the percent increase for the Total Budget Plan will increase by 2.8% in FY18, 3.1% in FY19, 2.7% in FY20, 3.5% in FY21, and 3.4% in FY22. It should be noted that the Total Operating Budget is projected to increase at a greater rate. However, due to saving from decreased costs associated with the debt service for the elementary schools and high school, there is a decrease in the Town-CPS Debt Exclusion and the CCRSD Debt Exclusion Assessment, so the effect on the Total Budget Plan is less.

Different Scenarios

The Finance Committee has developed three scenarios depending on projected spending levels. The assumptions presented below reflect the “most likely” scenario.

It should be noted that the model does not make a provision for any new borrowing that might be approved as excluded debt at the ballot

Assumptions of the Expenditure Increases in Major Budgetary Accounts

	Change from FY17 to FY18		Change from FY18 to FY19		Change from FY19 to FY20		Change from FY20 to FY21		Change from FY21 to FY22	
	Amount	%								
Town	\$732,317	3.3%	\$756,678	3.3%	\$781,850	3.3%	\$807,859	3.3%	\$834,733	3.3%
CPS	\$1,212,444	3.4%	\$1,253,667	3.4%	\$1,296,292	3.4%	\$1,340,365	3.4%	\$1,385,938	3.4%
CCRSD	<u>\$861,619</u>	5.1%	<u>\$1,001,467</u>	5.6%	<u>\$370,476</u>	2.0%	<u>\$1,047,139</u>	5.4%	\$985,060	4.8%
Total Operating Budget	\$2,806,379	3.8%	\$3,011,812	3.9%	\$2,448,617	3.0%	\$3,195,363	3.9%	\$3,205,730	3.7%
Group Insurance	\$232,500	5.0%	\$244,125	5.0%	\$256,331	5.0%	\$269,148	5.0%	\$282,605	5.0%
OPEB Trust	\$70,000	5.0%	\$73,500	5.0%	\$77,175	5.0%	\$81,034	5.0%	\$85,085	5.0%
Retirement	\$99,510	3.0%	\$102,495	3.0%	\$105,570	3.0%	\$108,737	3.0%	\$111,999	3.0%
Debt Service	\$130,000	3.5%	\$140,000	3.6%	\$135,000	3.4%	\$145,000	3.5%	\$150,000	3.5%
Minuteman Tech	\$25,000	5.0%	\$25,000	4.8%	\$25,000	4.5%	\$25,000	4.3%	\$25,000	4.2%
CCRSD Debt Exclusion	(\$70,785)	-1.9%	(\$218,715)	-6.1%	(\$135,611)	-4.0%	(\$23,427)	-0.7%	(\$81,829)	-2.5%
Town Debt Exclusion	(\$540,315)	-13.5%	(\$277,053)	-8.0%	(\$98,346)	-3.1%	(\$103,059)	-3.3%	(\$100,507)	-3.4%
	\$48,940	2.0%	\$49,919	2.0%	\$50,917	2.0%	\$51,936	2.0%	\$52,974	2.0%
Total Budget Plan	\$2,801,229	2.8%	\$3,151,084	3.1%	\$2,864,653	2.7%	\$3,749,732	3.5%	\$3,731,058	3.4%

SECTION I: Financial Summary

Projection

Revenue Assumptions:

Under the “most likely” scenario, most non-property revenue items are not projected to increase. The Property Tax Base (including the levy within the Proposition 2 ½ limit and the levy for excluded debt) is projected to increase by 3.1% in FY18, 3.4% in FY19, 3.0% in FY20, 3.8% in FY21, and 3.7% in FY22.

Different Scenarios

The Finance Committee has developed three scenarios depending on projected spending levels. The assumptions presented below reflect the “most likely” scenario.

Assumptions of the Revenue Increases needed to fund Project Expenditures

	Change from FY17 to FY18		Change from FY18 to FY19		Change from FY19 to FY20		Change from FY20 to FY21		Change from FY21 to FY22	
	Amount	%								
State Aid	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Local Excise Taxes	\$91,875	2.5%	\$94,172	2.5%	\$96,526	2.5%	\$98,939	2.5%	\$101,413	2.5%
Fines & Forfeitures	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Misc Income	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Licenses & Permits	\$9,900	1.0%	\$9,999	1.0%	\$10,099	1.0%	\$10,200	1.0%	\$10,302	1.0%
Fees	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
All other	\$30,000	31.6%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Free Cash	\$12,469	1.2%	\$31,511	3.1%	\$28,647	2.7%	\$37,497	3.5%	\$37,311	3.4%
CMLP PILOT	(\$9,310)	-2.0%	(\$9,124)	-2.0%	(\$8,941)	-2.0%	(\$8,762)	-2.0%	(\$8,587)	-2.0%
Em. Svs Stab. Fund	(\$50,000)	N/A	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Property Taxes										
Base (1)	\$2,666,295	3.1%	\$3,005,526	3.4%	\$2,718,943	3.0%	\$3,592,090	3.8%	\$3,570,457	3.7%
New Growth	\$50,000	5.6%	\$19,000	2.0%	\$19,380	2.0%	\$19,768	2.0%	\$20,163	2.0%
Total Resource Plan	\$2,801,229	2.8%	\$3,151,084	3.1%	\$2,864,653	2.7%	\$3,749,732	3.5%	\$3,731,058	3.4%

(1) Property Tax Base included the taxes levied within the Prop 2 1/2 limit as well as those levied as excluded debt.

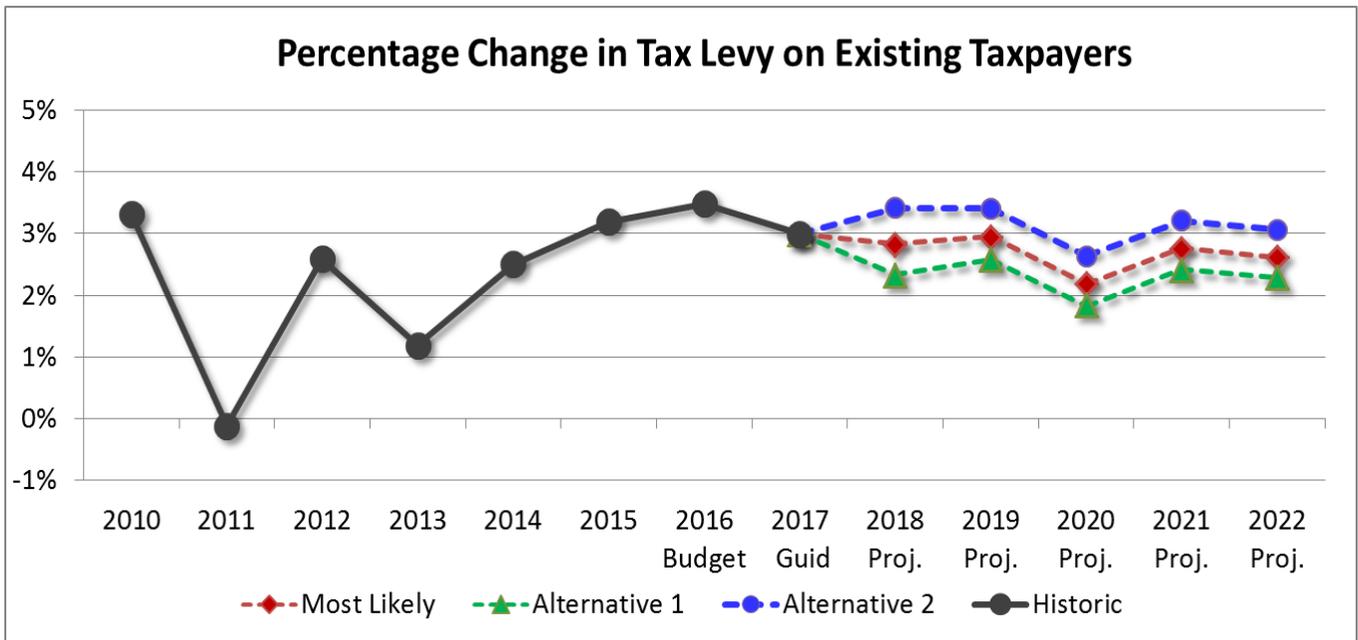
Scenario Analysis

The graph shown below presents the percentage change in Total Tax Levy given three scenarios: most likely scenario, alternative 1, and alternative 2.

Most Likely Scenario (the middle line): Given the assumption shown on the previous two pages, the Most Likely Scenario is the probable percentage increase in the total tax levy by year from FY18 to FY22.

Alternative 1 (the lower line): This scenario projects lower expenditures. For example, in FY18, Town Government Operations are projected to increase by 2.8%, CPS Operations by 2.9%, and the CCRSD Assessment by 4.5%.

Alternative 2 (the upper line): This scenario projects higher expenditures. For example, in FY18, Town Government Operations are projected to increase by 3.8%, CPS Operations by 3.9%, and the CCRSD Assessment by 5.6%.



Assesed Value	FY16	FY17 (est.)	FY18 (est.)	FY19 (est.)	FY20 (est.)	FY21 (est.)	FY22 (est.)
\$100,000	\$1,392	\$1,433	\$1,473	\$1,517	\$1,550	\$1,592	\$1,634
\$250,000	\$3,480	\$3,583	\$3,684	\$3,793	\$3,876	\$3,982	\$4,086
\$500,000	\$6,960	\$7,167	\$7,370	\$7,587	\$7,753	\$7,966	\$8,174
\$750,000	\$10,440	\$10,752	\$11,055	\$11,381	\$11,629	\$11,950	\$12,262
\$1,000,000	\$13,920	\$14,336	\$14,741	\$15,175	\$15,506	\$15,933	\$16,349
\$1,500,000	\$20,880	\$21,504	\$22,112	\$22,763	\$23,260	\$23,900	\$24,524
\$2,000,000	\$27,840	\$28,673	\$29,482	\$30,350	\$31,013	\$31,867	\$32,699

Note: It is assumed that there is no change in property values from those set as of January 1, 2015.

SECTION I: Financial Summary

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