

Section II Budget Summary

SECTION II: Budget Summary

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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 II-1 to II-9
- Property Taxes II-10 to II-15
- Resources II-16 to II-19
- Expenses II-20 to II-35
- Capital Outlay II-36 to II-47
- Debt II-48 to II-67
- Unfunded Liabilities II-68 to II-73

The Town Manager's Budget

The Town Manager's Proposed FY16 Budget totals:

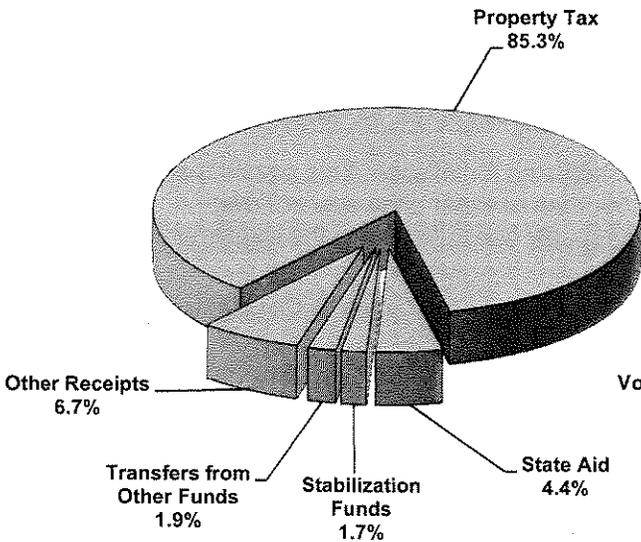
\$94,858,701

This level of appropriation is at the Finance Committee's FY16 Budget Guidelines.

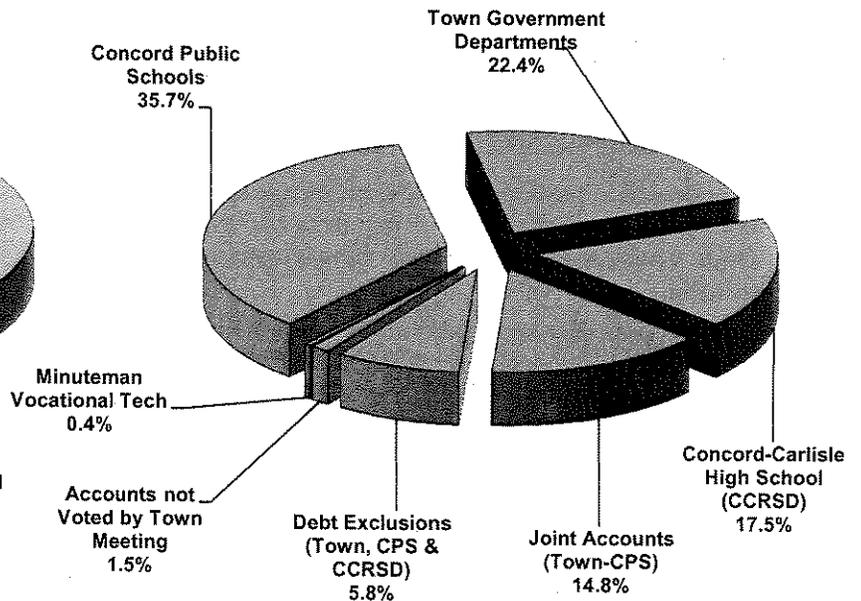
*See page III-47 for more on the Finance Committee.

*See page VI-5 for the Finance Committee Guidelines.

FY16 General Fund Resources
Totaling \$94,858,701



FY16 General Fund Expenses
Totaling \$94,858,701



Fiscal Balance:

This FY16 Proposed Budget represents a balanced budget. Both budgeted resources and expenses equal \$94,858,701. All amounts are shown at the Finance Committee's Budget Guidelines issued November 30, 2014.

Budget Level and Credit Rating:

The information depicted below shows the overall financial health of the Town over the last decade through FY13.

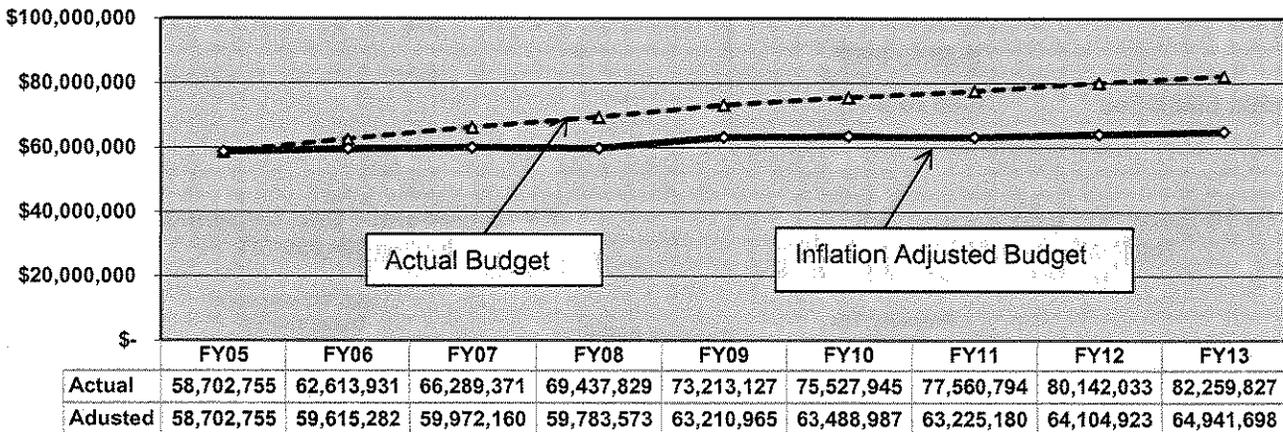
The first graph represents the total Town budget in terms of actual and adjusted dollar amounts. The line on the top is the actual amount budgeted and the line on the bottom is the amount adjusted for inflation.

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 Budget - FY05 to FY13
(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. In fact, the source of the increase over inflation is probably due to financing the investment in new schools.

*Values (adjusted for inflation) based on the Bureau of Economic Analysis' Table 1.1.9. Implicit Price Deflator for Gross Domestic Product, 2005-2013 (Annual), State and Local governments, viewed: 12/29/2014.

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 during the last two and a half decades.. As a result of the Aaa rating, the Town can borrow funds at more favorable interest rates.

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
The Town's Credit Rating (Moody's)	Aaa							

The opposite page provides information about the General Fund's Fund Balance. Data for FY13 and FY14 are actual amounts and for FY15 and FY16 are projections. The FY13 and FY14 column is derived from the "Schedule A" report filed with the Massachusetts Department of Revenue.

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Overview

<u>General Fund Balance Analysis</u>	FY13	FY14	FY15	FY16
"Schedule A" basis of reporting	Actual	Actual	Budgeted	Proposed
Revenues				
Taxes	\$74,774,350	\$78,163,998	\$81,162,746	\$84,688,223
Charges for Services	\$1,240,890	\$1,533,171	\$1,040,000	\$1,135,000
Licenses, Permits, and Fees	\$966,798	\$1,334,120	\$860,000	\$965,000
Revenues from Other Government	\$3,791,089	\$4,265,387	\$4,237,519	\$4,290,000
Miscellaneous Revenues	<u>\$290,838</u>	<u>\$529,972</u>	<u>\$325,400</u>	<u>\$398,200</u>
Current Revenues	\$81,063,965	\$85,826,648	\$87,625,665	\$91,476,423
Expenditures				
Salary and Wages	-\$38,398,955	-\$40,039,126	-\$41,106,126	-\$43,399,940
Expenditures	-\$25,857,889	-\$27,350,967	-\$29,021,051	-\$31,114,261
Capital Outlay	-\$1,286,659	-\$1,607,833	-\$1,625,000	-\$1,709,000
Debt Service	-\$7,416,985	-\$6,969,666	-\$7,995,632	-\$7,925,500
Unclassified	<u>-\$8,197,961</u>	<u>-\$8,397,415</u>	<u>-\$9,396,384</u>	<u>-\$9,560,000</u>
Current Expenses	-\$81,158,449	-\$84,365,007	-\$89,144,193	-\$93,708,701
Net Revenues / Expenditures	-\$94,484	\$1,461,641	-\$1,518,528	-\$2,232,278
Other Financing Sources (Uses)				
Transfer from Other Funds	\$1,901,739	\$2,044,593	\$2,418,528	\$3,382,278
Transfers to Other Funds	-\$1,600,492	-\$2,560,415	-\$900,000	-\$1,150,000
Other Financing Uses	\$0	\$0	\$0	\$0
	<u>\$301,247</u>	<u>-\$515,822</u>	<u>\$1,518,528</u>	<u>\$2,232,278</u>
Total Excess (Deficiency)	\$206,763	\$945,819	\$0	\$0
Fund Balance (Beginning of Year)	\$20,983,603	\$21,190,366	\$22,136,185	\$22,136,185
Fund Balance (End of Year)	\$21,190,366	\$22,136,185	\$22,136,185	\$22,136,185
Fund Balance Analysis				
Designated for Thoreau Debt Service	\$5,067,579	\$4,657,702	N/A	N/A
Reserved for Expenditures	\$850,000	\$850,000	N/A	N/A
Reserved for Encumbrances	\$3,777,414	\$3,558,404	N/A	N/A
Snow and Ice Deficit	-\$101,951	-\$285,362	N/A	N/A
Unreserved Fund Balance	<u>\$11,597,328</u>	<u>\$13,355,445</u>	<u>N/A</u>	<u>N/A</u>
	\$21,190,371	\$22,136,189	N/A	N/A
Free Cash Analysis				
Unreserved Fund Balance	\$11,597,328	\$13,355,445	N/A	N/A
Minus: Receivables	-\$695,291	-\$698,212	N/A	N/A
Minus: Deferred Revenue	-\$1,076,546	-\$1,461,123	N/A	N/A
Minus: Miscellaneous	<u>-\$161,002</u>	<u>-\$111,193</u>	<u>N/A</u>	<u>N/A</u>
Certified Free Cash	\$9,664,489	\$11,084,917	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 on the availability of these funds.

Fund Balance

An accounting distinction is made between the portions of fund equity that 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 cost of the construction of new schools 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 included 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.

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	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance (as of June 30, 2014)			
Nonspendable			
Permanent Funds	-	5,613,555	5,613,555
Restricted			
MSBA Grant - Thoreau School	4,657,702	-	4,657,702
Capital Project Funds	-	2,029,726	2,029,726
Cemetery Fund	-	369,806	369,806
Community Preservation Fund	-	1,236,225	1,236,225
Expendable Trust Funds	-	105,733	105,733
Federal Grants	-	30,481	30,481
Gifts	-	1,425,734	1,425,734
Land Acquisition	-	2	2
Miscellaneous Grants and Contributions	-	75,189	75,189
Other Revolving Funds	-	497,139	497,139
Parking Fund	-	160,230	160,230
Pension Reserve Fund	-	8,915,051	8,915,051
Receipts Reserved	-	607,524	607,524
Recreation Revolving Fund	-	602,342	602,342
Sawyer Trust Fund	-	214,874	214,874
School Lunch	-	121,806	121,806
Section 53G	-	17,302	17,302
Solid Waste Fund	-	184,189	184,189
State Grants	-	84,590	84,590
Subtotal	4,657,702	16,677,943	21,335,645
Committed			
CPS Capital Stabilization Fund	961,329	-	961,329
CPS Technology Stabilization Fund	75,543	-	75,543
Elementary School Debt Stabilization Fund	1,908	-	1,908
Emergency Response Debt Stabilization Fund	1,004,094	-	1,004,094
High School Debt Stabilization Fund	3,279,669	-	3,279,669
Insurance Reserve	1,662,603	-	1,662,603
Other Stabilization Funds	2,266	-	2,266
Subtotal	6,987,412	-	6,987,412
Assigned			
Encumbrances	3,558,403	-	3,558,403
Free Cash Voted to Support Next Budget	850,000	-	850,000
Subtotal	4,408,403	-	4,408,403
Unassigned	12,314,090		12,314,090
Total Fund Balance	28,367,607	22,291,498	50,659,105

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 June 2014.

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.

These reserves are officially the Undesignated General Fund Balance, a portion of which is commonly referred to as "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 books 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.

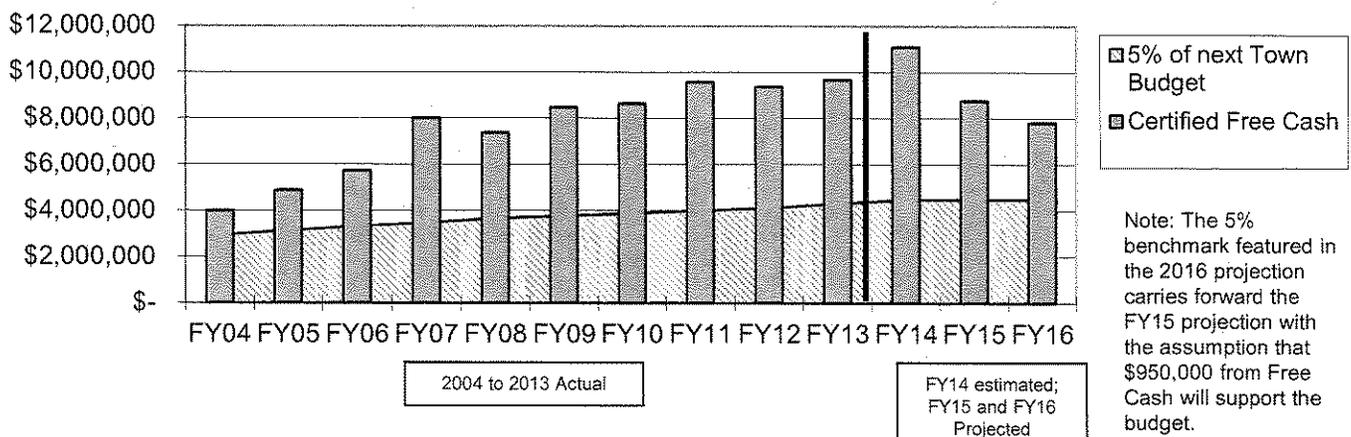
As shown on the previous page, Free Cash is calculated by taking the Town's fund balance at year-end and subtracting those items which have not yet been converted to cash (page II-3).

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 appropriated by Town Meeting).

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, 2014 is estimated at \$11.1 million, although not yet certified.

Certified Free Cash (Actual from 2004 to 2013 and estimated FY14, projected FY15 and FY16)



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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 often approved to reduce the annual property tax levy. For FY16, \$950,000 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 of 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 \$2.0 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 have been made from Free Cash to this Stabilization Fund in subsequent years.

It should be noted that the projections for the Free Cash balance at June 30, 2015 and June 30, 2016 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. Accordingly, the downward trend for projected free cash shown in the chart of page II-6 does not reflect the possibility of positive results from operations for those years.

Using Free Cash

Certification Date	Free Cash Available for Appropriation	Fiscal Year	Percent of Next Year's Budget (from cert. date)	Appropriated to Reduce the Tax Levy	Appropriated for Debt Stabilization	Appropriation from Free Cash	Appropriated for Willard School Borrowing	Total Free Cash Use
6/30/2004	3,994,445	2006	6.8%	500,000				500,000
6/30/2005	4,880,193	2007	7.8%	500,000				500,000
6/30/2006	5,730,609	2008	8.6%	500,000				500,000
6/30/2007	8,003,063	2009	11.5%	600,000	2,500,000			3,100,000
6/30/2008	7,371,061	2010	10.0%	600,000			440,000	1,040,000
6/30/2009	8,471,337	2011	11.2%	600,000		34,430		634,430
6/30/2010	8,635,340	2012	11.1%	850,000		24,822		874,822
6/30/2011	9,567,656	2013	11.9%	850,000	2,000,000			2,850,000
6/30/2012	9,357,662	2014	11.3%	850,000	750,000			1,600,000
6/30/2013	9,664,489	2015	11.2%	850,000	750,000			1,600,000
6/30/2014	11,084,917	2016	12.3%	<i>proposed</i> 950,000*	750,000*	625,000*		2,325,000

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.

* \$600,000 - Article 24, CPS buses; \$25,000 - Article 56 - White Pond; \$750,000 - Article 29, H.S. debt Stabilization Fund; \$950,000 - Article 39 - FY16 budget support

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Budget - All Accounts FY16 Adopted Guideline

Line #		FY12 Budget	FY13 Budget	FY14 Budget	FY15 Budget	FY16 Guideline <small>(Nov. 20, 2014)</small>	Dollar Change	Percent Change	Percent of Total
Town Government									
1	personal services	\$ 13,599,845	\$ 13,937,691	\$ 14,494,368	\$ 15,181,707	15,891,775	710,068	4.68%	16.75%
2	O & M	2,914,168	3,126,322	3,234,645	3,332,306	3,449,372	117,066	3.51%	3.64%
3	capital outlay	1,385,000	1,435,000	1,520,000	1,625,000	1,547,866	(77,134)	-4.75%	1.63%
4	Reserve Fund	225,000	225,000	225,000	225,000	225,000	0	0.00%	0.24%
5	Total General Fund	\$ 18,124,013	\$ 18,724,013	\$ 19,474,013	\$ 20,364,013	\$ 21,114,013	\$ 750,000	3.68%	22.26%
Emergency Services Stabilization Fund									
6	Concord Public Schools	\$ 28,474,200	\$ 29,755,538	\$ 31,140,538	\$ 32,440,538	\$ 33,840,538	\$ 1,400,000	4.32%	35.67%
7	Concord-Carlisle RSD	\$ 14,766,221	\$ 15,066,221	\$ 15,356,221	\$ 15,856,221	\$ 16,556,221	\$ 700,000	4.41%	17.45%
8	Total Operating Budgets	\$ 61,364,434	\$ 63,545,772	\$ 65,970,772	\$ 68,860,772	\$ 71,610,772	\$ 2,750,000	3.99%	75.49%
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%	4.90%
9a	OP&B Trust	150,000	400,000	650,000	900,000	1,150,000	250,000	27.78%	1.21%
10	Retirement	2,860,000	2,945,000	3,035,000	3,125,000	3,220,000	95,000	3.04%	3.39%
11	Debt Service	3,275,000	3,300,000	3,400,000	3,500,000	3,605,000	105,000	3.00%	3.80%
12	Social Security/Medicare	610,000	625,000	640,000	685,000	740,000	55,000	8.03%	0.78%
13	Other Fixed & Mandated	375,000	375,000	400,000	425,000	425,000	0	0.00%	0.45%
14	subtotal	\$ 11,920,000	\$ 12,295,000	\$ 12,775,000	\$ 13,285,000	\$ 13,790,000	\$ 505,000	3.80%	14.54%
15	Minuteman Voc Tech	\$ 555,830	\$ 437,910	\$ 227,033	\$ 191,689	\$ 418,000	\$ 226,311	118.06%	0.44%
16	High School Debt Exclusion	322,941	254,128	1,551,843	1,858,841	3,514,429	1,655,588	89.07%	3.70%
17	Town Debt Exclusion	4,874,334	4,719,471	4,624,457	4,495,632	4,320,500	(175,132)	-3.90%	4.55%
	subtotal	\$ 5,753,105	\$ 5,411,509	\$ 6,403,333	\$ 6,546,162	\$ 6,252,929	\$ 1,706,767	26.07%	8.70%
18	TOWN MEETING VOTE	\$ 79,037,539	\$ 81,252,281	\$ 85,149,105	\$ 88,691,934	\$ 93,653,701	\$ 4,961,767	5.59%	98.73%
19	State assessments	\$ 446,473	\$ 468,736	\$ 429,403	\$ 511,384	\$ 525,000	\$ 13,616	2.66%	0.55%
20	Snowice & other deficits	157,838	0	101,951	285,362	130,000	(155,362)	-54.44%	0.14%
21	Overlay	500,183	538,810	539,850	555,513	550,000	(5,513)	-0.99%	0.58%
22	subtotal	\$ 1,104,494	\$ 1,007,546	\$ 1,071,234	\$ 1,352,259	\$ 1,205,000	\$ (147,259)	-10.89%	1.27%
23	TOTAL BUDGET PLAN	\$ 80,142,033	\$ 82,259,827	\$ 86,220,339	\$ 90,044,193	\$ 94,858,701	\$ 4,814,508	5.35%	

"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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FY16 Adopted Guideline Financing the Budget Plan

Change from FY15 Budget

	FY12 Budget	FY13 Budget	FY14 Budget	FY15 Budget	FY16 Guideline <small>(Nov. 20, 2014)</small>	Dollar Change	Percent Change	Percent of Total
24	\$ 3,580,402	\$ 3,717,120	\$ 3,792,628	\$ 4,147,519	\$ 4,200,000	\$ 52,481	1.27%	4.43%
25	2,150,000	2,225,000	2,400,000	2,600,000	2,550,000	(50,000)	-1.92%	2.69%
26	175,000	175,000	125,000	100,000	150,000	50,000	50.00%	0.16%
27	2,731,400	2,899,400	3,094,400	3,436,400	3,659,200	222,800	6.48%	3.86%
28	Appropriations financed from:							
29	700,000	475,000	\$ 735,000	\$ 0	\$ 0	\$ 0		
30			230,000	500,000	1,500,000	1,000,000	200.00%	1.58%
31				200,000	100,000	(100,000)	-50.00%	0.11%
32	24,822							
33	Transfers to General Fund:							
34	380,000	385,000	\$ 447,800	\$ 458,650	\$ 472,400	\$ 13,750	3.00%	0.50%
35	427,412	409,878	409,878	409,878	409,878	0	0.00%	0.43%
36	850,000	850,000	850,000	850,000	900,000	50,000	5.88%	0.95%
37	\$ 11,019,036	\$ 11,136,398	\$ 12,084,706	\$ 12,702,447	\$ 13,941,478	\$ 1,239,031	9.75%	14.70%
Property Tax:								
38	\$ 64,189,546	\$ 65,851,372	\$ 68,113,587	\$ 71,061,652	\$ 74,292,172	\$ 3,230,520	4.55%	78.32%
39	863,588	1,183,336	1,220,624	835,499	700,000	(135,499)	-16.22%	0.74%
40	\$ 65,053,134	\$ 67,034,708	\$ 69,334,211	\$ 71,897,151	\$ 74,992,172	\$ 3,095,021	4.30%	79.06%
41	4,069,863	4,088,721	4,801,422	5,444,595	5,925,051	480,456	8.82%	6.25%
42	\$ 69,122,997	\$ 71,123,429	\$ 74,135,633	\$ 77,341,746	\$ 80,917,223	\$ 3,575,477	4.62%	85.30%
TOTAL RESOURCES					\$ 94,858,701	\$ 4,814,508	5.35%	

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Property Taxes

Property Taxes:

The total projected property tax levy for FY16 is:

\$80,917,223

This represents 85.3% of the total revenues supporting the FY16 budget.

It also represents an increase of 4.62% over the FY15 tax levy of \$77,341,746.

This, however, *does not* mean that the property tax rate will increase by 4.62%, as \$700,000 of the increase is due to projected New Growth (see chart on page II-11 for a further break-out of the components of the total levy).

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

+ 3.72%

Property Tax Highlights

The FY16 property tax rate is projected to increase by 3.72%.

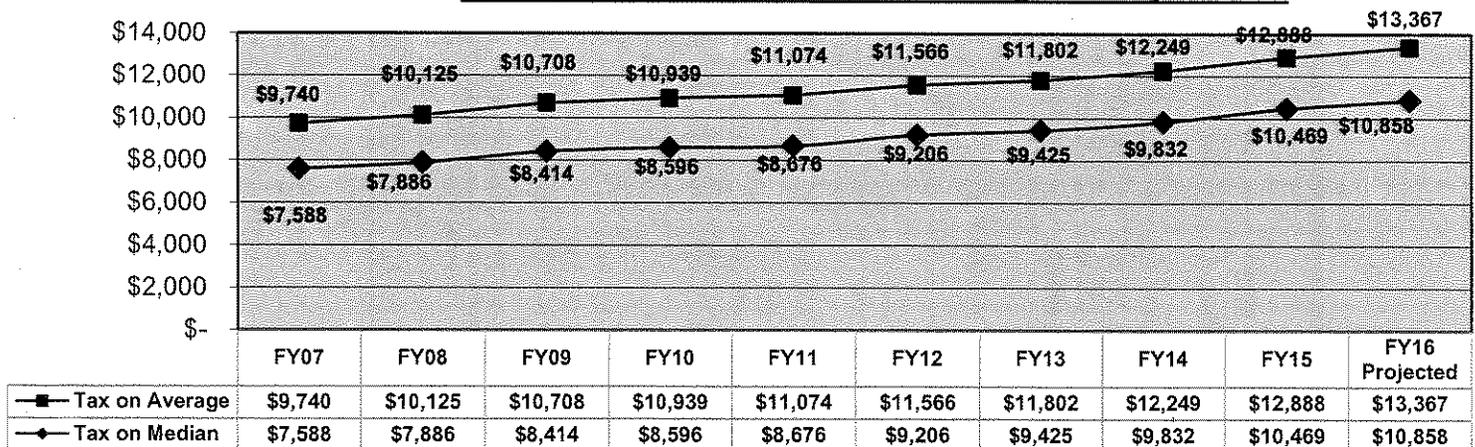
The effects of this increase can be understood in the following ways:

- The median single family residential tax bill for FY16 is projected to increase by \$389 from \$10,469 in FY15 to \$10,858 in FY16 (based on a median assessed value of \$732,600).

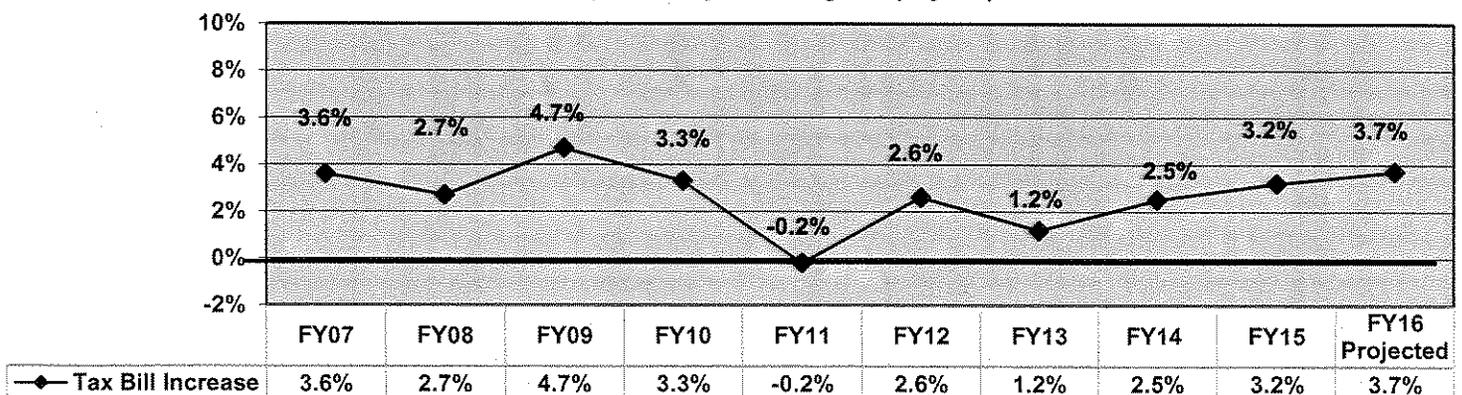
Or...

- The tax bill per \$100,000 of assessed value will increase by \$53 from \$1,429 in FY15 to an estimated \$1,482 in FY16.

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 FY16, the first number shown is the FY15 Levy Limit of \$75,539,516. As authorized by Prop 2½, the FY15 Levy Limit is multiplied by 2.5% to get \$1,888,488. The levy projected from new building construction (New Growth) is estimated to be \$700,000. The sum of these numbers is the new FY16 Levy Limit of \$78,128,004. After adding the levy from payment due on excluded debt, \$5,925,051, the maximum allowable levy equals \$84,053,055.

With the proposed FY16 level of spending requiring a Tax Levy of \$80,917,223, the result is a budget under the levy limit and an unused tax levy capacity projected at \$3,135,832.

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" are added to 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

	FY14 Actual	FY15 Actual	FY16 Projected
Previous Levy Limit	\$ 69,911,104	\$ 72,879,506	\$ 75,539,516
New Growth Adjustment	-	2,462	
Plus 2.5%	<u>1,747,778</u>	<u>1,822,049</u>	<u>1,888,488</u>
Subtotal	71,658,882	74,704,017	77,428,004
New Growth	1,220,624	835,499	700,000
Levy Limit	72,879,506	75,539,516	78,128,004
Excluded Debt Levy	<u>4,801,422</u>	<u>5,444,595</u>	<u>5,925,051</u>
Maximum Allowable Levy	\$ 77,680,928	\$ 80,984,111	\$ 84,053,055
Tax Levy	\$ 74,135,633	\$ 77,341,746	\$ 80,917,223
Unused Levy Limit	\$ 3,545,295	\$ 3,642,365	\$ 3,135,832

SECTION II: Budget Summary

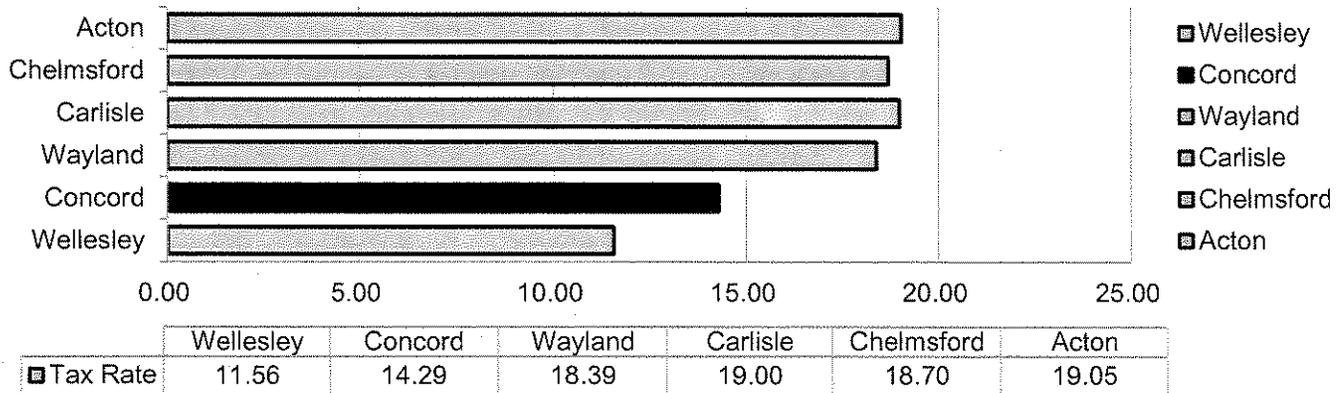
Property Taxes

	FY15 Tax Rates		FY15 Unused Levy Capacity	
	Residential	Commercial	Amount	% of Limit
Acton	\$ 19.05	\$ 19.05	\$ 985,069	1.31%
Andover	14.97	24.77	2,001,783	1.61%
Bedford	14.62	32.12	2,178,677	3.62%
Brookline	10.68	17.39	9,443	0.01%
Carlisle	19.00	19.00	1,393,888	5.50%
Chelmsford	18.70	18.70	35,244	0.04%
Concord	14.29	14.29	3,642,364	4.82%
Danvers	14.91	21.42	489,119	0.72%
Lexington	14.86	29.10	74,194	0.05%
Lincoln	14.15	18.60	8,136	0.03%
Needham	11.29	22.43	118,456	0.10%
Newton	11.61	22.38	21,515	0.01%
Sudbury	17.60	24.88	968,164	1.30%
Wayland	18.39	18.39	6,850,124	10.31%
Wellesley	11.56	11.56	12,640	0.01%
Westford	16.24	16.44	35,000	0.05%
Winchester	12.14	11.40	25,196	0.03%

The table presented above provides data on the FY15 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, 12/29/2014

Comparable Municipalities with Uniform Tax Rate



The chart presented above shows the FY15 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).

SECTION II: Budget Summary

Property Taxes

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	(a) 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	(a) 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	689,850	\$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%
current year	2015	\$732,600	\$14.29	\$10,469	901,857	\$12,888	\$77,341,746	\$835,499	\$76,506,247	+3.2%
projected	2016			\$10,858		\$13,367	\$80,917,223	\$700,000	\$80,217,223	+3.7%

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
Budget 2015	none		5,444,595	643,173 *	3,206,113
Proposed Guideline 2016	none		5,925,051	480,456 *	3,575,477

* 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 is net of \$1,500,000 proposed from Debt Stabilization Funds and \$409,878 Thoreau MSBA grant allocation.

Proposed FY16 Budgets at Finance Committee Guidelines Property Tax impact

incremental and total tax levy and budget changes

	FY15	FY16 at Guidelines		
		plus	at proposed level	% Δ
Town Government operations	\$20,364,013	+\$ 750,000 =	\$ 21,114,013	+3.7%
Concord Public Schools (K-8)	\$32,440,538	+\$ 1,400,000 =	\$ 33,840,538	+4.3%
CCHS assessment:				
without debt exclusion	\$ 15,856,221	+\$ 700,000 =	\$ 16,556,221	+4.4%
debt exclusion	<u>1,858,841</u>		<u>3,514,429</u>	
total assessment	\$ 17,715,062	↓	\$ 20,070,650	
<i>Concord's assessment share:</i>				
FY15: 73.10%				
FY16: 73.71%				
Sum for all operating budgets:			<u>\$ 2,850,000</u>	
<u>Projected Tax rate Impact</u>			+ 3.7%	
Tax Bill at median \$732,600 value	\$ 10,469	+ 389 =	\$ 10,858	
Tax Bill per \$100,000 a.v.	\$ 1,429	+ 53 =	\$ 1,482	

SECTION II: Budget Summary

Property Taxes

Assessed Valuation, Levy Limit, Tax Levy and Rates: FY1980-2015

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	CP" ratio	\$	as % of Limit
1980	\$371,034,400			\$13,060,411		\$35.20						
1981	\$383,133,677			\$15,248,720		\$39.80						
1982	\$644,119,237	\$16,102,981	\$15,629,937	\$15,093,532		\$23.43	23.60	20.06	23.43	100.0	\$536,405	3.43%
1983	\$651,122,529	\$16,278,063	\$16,214,000	\$15,342,973		\$23.56	23.66	19.99	23.78	100.9	\$871,027	5.37%
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	\$24,325,678	\$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	\$882,744	3.45%
1997	\$2,273,635,628	\$56,838,391	\$29,574,375	\$28,652,639	\$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	\$31,408,074	\$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	\$41,782,925	\$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%

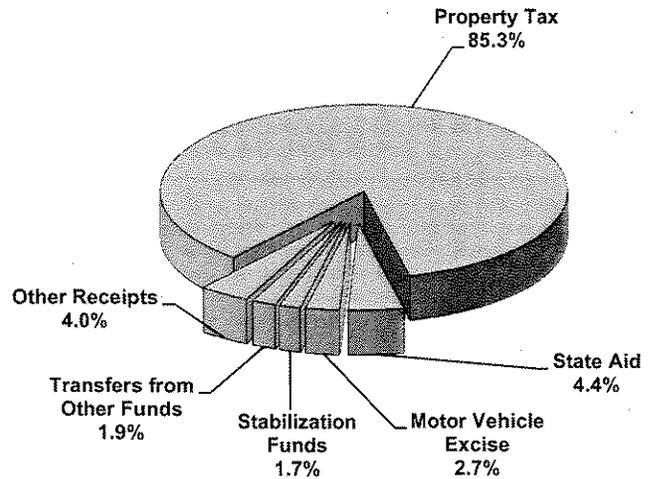
Financial Resources:

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 II-16
- Resource Detail (Revenue Detail) II-17 to II-19

FY16 General Fund Resources
Totaling \$94,858,701



Property Tax – Property taxes constitute about 85% 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 II-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 II-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 II-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 II-18, section H, Lines 61-63).

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 or for specific use. Additional funds are available from the Thoreau School MSBA grant (Page II-18, Section H, Lines 57-60).

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

SECTION II: Budget Summary

Resources

Adapted Guideline
Nov. 20, 2014

RESOURCE DETAIL - GENERAL FUND: with FY2016 FORECAST

	ACTUAL FY2011	ACTUAL FY2012	ACTUAL FY2013	ACTUAL FY2014	Budget FY2015 rev 11-17-14	PROJECTED FY2016
A. State Aid:						
1. Abatements:						
Veterans, blind & surviving spouses	29,811	31,273	30,775	36,970	30,775	
Police Career Incentive ("Quinn")	15,896	0	0	0		
Elderly Persons Abatements	11,546	8,534	6,024	6,024	6,024	
School Aid (Ch.70)	1,988,323	1,998,997	2,075,197	2,125,993	2,573,232	
Charter School tuition reimbursement	49,449	26,492	13,915	17,703	49,214	
State-Owned Land	589,247	589,606	589,796	601,459	424,522	
Unrestricted General Government Aid	981,239	910,291	981,239	1,004,433	1,032,288	
Supplemental unrestricted aid		70,948				
Veterans Benefits	6,539	5,687	1,591	14,141	31,464	
Total State Aid	\$3,652,050	\$3,641,828	\$3,698,537	\$3,806,723	\$4,147,519	\$4,200,000
B. Local Excise Taxes:						
11. Motor Vehicle Excise	2,280,635	2,338,458	2,529,694	2,730,604	2,600,000	2,550,000
12. Hotel/Motel Room Excise	229,461	277,593	262,590	277,694	275,000	275,000
13. Meals Excise	208,952	290,004	296,839	311,555	300,000	300,000
14. Jet Fuel Excise	197,790	445,559	392,272	370,248	375,000	375,000
15. Farm Animal & Machinery	1,109	603	1,420	1,433	1,000	1,000
16. Total Local Excise	\$2,917,947	\$3,352,217	\$3,462,815	\$3,691,534	\$3,551,000	\$3,501,000
C. Fines and Forfeitures:						
17. Tax Penalties & Interest	86,968	121,819	108,530	127,975	100,000	100,000
18. Tax Title Interest	36,735	55,592	75,271	114,379	50,000	50,000
19. Court Fines	95,927	113,915	93,419	101,728	90,000	90,000
20. Total Fines & Forfeitures	\$219,630	\$291,326	\$277,220	\$344,082	\$240,000	\$240,000
D. Uses of Money & Property:						
21. Rental - Nextel tower	20,000	20,000	20,000	20,000	20,000	20,000
22. Rental - other wireless towers	192,416	180,157	193,148	239,697	215,000	215,000
23. Rental - Ripley Building	18,238	19,744	20,258	21,588	20,000	20,000
24. Rental - Harvey Wheeler	19,173	13,548	15,698	23,547	18,000	13,000
25. Rental - Marshall farm	6,750	9,675	10,747	11,715	12,000	13,000
26. Rental - McGrath Farm				4,652	5,000	16,800
27. Rental - miscellaneous	402	402	405	1,402	400	400
28. Investment Earnings	251,989	196,510	151,078	86,296	100,000	150,000
29. Total Uses of Money & Prop.	\$508,970	\$440,036	\$411,334	\$408,897	\$390,400	\$448,200
E. Licenses & Permits:						
30. Building Permits	457,967	577,624	526,205	847,659	500,000	600,000
31. Concord Mews building permits	148,587	297,173	0	0	0	0
32. Other Health & Inspections	225,331	252,318	277,085	321,441	275,000	275,000
33. Alcoholic Beverage	72,775	74,850	71,725	81,225	75,000	80,000
34. Miscellaneous	38,883	10,469	10,095	45,035	10,000	10,000
35. Total Licenses & Permits	\$943,543	\$1,212,434	\$885,110	\$1,295,360	\$860,000	\$965,000

SECTION II: Budget Summary

Resources

Adopted Guideline
Nov. 20, 2014

RESOURCE DETAIL - GENERAL FUND: with FY2016 FORECAST

	ACTUAL FY2011	ACTUAL FY2012	ACTUAL FY2013	ACTUAL FY2014	Budget FY2015	PROJECTED FY2016
F. Departmental Fees:						
36. Town Clerk	111,383	108,702	113,734	116,589	100,000	100,000
37. Planning	5,159	22,614	20,098	14,616	5,000	5,000
38. Collector-Treasurer	33,230	44,329	51,875	70,653	40,000	40,000
39. Fire - Ambulance	576,112	557,097	500,510	591,633	650,000	700,000
40. Public Safety	69,129	79,505	93,996	89,892	80,000	90,000
41. Library - Late Fines	46,702	45,707	50,327	46,746	45,000	45,000
42. School Department -misc	8,355	13,501	8,966	42,976	0	10,000
43. Kindergarten tuition	75,122	84,332	87,365	96,242	80,000	95,000
44. Medicaid reimbursements	40,323	52,628	13,212	34,769	20,000	30,000
45. Miscellaneous	25,615	35,080	46,723	29,408	20,000	20,000
46. Total Departmental Fees	\$991,130	\$1,043,495	\$986,806	\$1,133,524	\$1,040,000	\$1,135,000
G. All Other Revenue:						
47. Payments in Lieu of Taxes (PILOT) (Fed.Gov., Housing Authority)	19,241	9,759	23,140	21,988	20,000	20,000
48. PILOT on sale of town land	5,562	1,082	0	0	0	0
49. Premium on Sale of Bonds & Notes	84,088	138,634	87,504	339,823	0	0
50. (41A) Redemptions	0	57,522	40,768	133,351	0	0
51. (61A) Rollback Tax	53,628	0	27,671	40,253	0	0
52. Supplemental tax on new construction	49,598	102,369	77,521	68,306	35,000	50,000
53. SREC - Willard School solar	0	22,496	8,890	10,845	0	0
54. Miscellaneous non-recurring	175,094	71,594	115,808	207,181	0	0
55. Total Other Revenue	\$387,211	\$403,456	\$381,302	\$821,747	\$55,000	\$70,000
56. TOTAL LOCAL (B-G)	\$5,968,431	\$6,742,964	\$6,424,587	\$7,695,144	\$6,136,400	6,359,200
H. Available Funds						
57. Municipal Light Plant (Electric Fund)	380,000	380,000	385,000	447,800	458,650	472,400
58. Thoreau School MSBA grant	431,796	427,412	409,878	409,878	409,878	409,878
59. Free Cash appropriated to reduce tax rate	600,000	850,000	850,000	850,000	850,000	900,000
60. Free Cash appropriated for expenditures	34,430	46,822	0	0	0	0
61. Elementary School Debt Stabilization Fund	1,000,000	700,000	475,000	735,000	500,000	1,500,000
62. High School Debt Stabilization Fund				230,000	200,000	100,000
63. Emergency Services Stabilization Fund						
64. TOTAL AVAILABLE FUNDS	\$2,446,226	\$2,404,234	\$2,119,878	\$2,672,678	\$2,418,528	\$3,382,278
I. Property Tax:						
65. Base	61,712,667	64,206,150	65,862,787	68,113,587	71,061,652	74,292,172
66. New Growth	817,300	863,565	1,183,336	1,220,624	836,499	700,000
67. Within levy limit	\$62,529,967	\$65,069,735	\$67,046,123	\$69,334,211	\$71,897,151	\$74,992,172

SECTION II: Budget Summary

Resources

Adopted Guideline
Nov. 20, 2014

RESOURCE DETAIL - GENERAL FUND: with FY2016 FORECAST

	ACTUAL FY2011	ACTUAL FY2012	ACTUAL FY2013	ACTUAL FY2014	Budget FY2015	PROJECTED FY2016
Debt Exclusion:						
66. Concord-Carlisle High School - existing +	582,444	322,941	184,870	(4,213)	(10,456)	196,161
69. New CCHS building			69,258	1,556,056	1,869,297	3,318,268
70. Harvey Wheeler CC renovations	119,827	116,994	114,039	110,837	107,389	103,694
71. Alcott School - Bond, Sept. '04 (\$7m)	544,425	533,925	522,769	509,863	496,519	483,613
72. Alcott School - Ph 2 bond, Mar. '07 (\$2.35m)	234,983	228,633	217,283	211,132	204,980	198,829
73. Thoreau School - Bond, Sept. '06 (\$10m)	869,920	849,156	828,392	807,628	786,172	764,024
74. Thoreau School - Bond, Sept. '07 (\$6.8m)	618,359	602,705	588,000	573,769	558,589	541,037
75. Thoreau school - Bond, Mar. '09 (\$140k)	51,800	40,800	0	0	0	0
76. Willard School Design - Bond Spr. '08 (\$1.84m)	232,080	226,631	221,183	215,734	210,285	204,383
77. Willard School - Bond, Mar. '09 (\$11.9m)	1,020,780	1,008,191	995,601	979,864	955,980	937,245
78. Willard School - Bond, Jan. '10 (\$12.9m)	1,060,944	1,044,016	1,027,089	1,013,547	1,000,005	986,463
79. Willard School Construction - BAN interest	1,236	0	0	0	0	0
80. Phase 1, WPAT State Loan	101,789	101,678	101,565	101,450	101,332	101,212
81. Willard constr. - Bond, June '11 (\$400k est)		109,438	103,550	100,633	74,381	0
82. subtotal, debt exclusion	\$5,438,587	\$5,185,108	\$4,973,599	\$6,176,300	\$6,354,473	\$7,834,929
less:						
83. Elementary School Debt Stabilization	(1,000,000)	(700,000)	(475,000)	(735,000)	(409,878)	(409,878)
84. Thoreau School MSBA grant	(431,796)	(427,412)	(409,876)	(230,000)	(500,000)	(1,500,000)
85. High School Det Stabilization						
86. Net debt exclusion	\$4,006,791	\$4,057,696	\$4,088,721	\$4,801,422	\$5,444,595	\$5,925,051
87. TOTAL PROPERTY TAX	\$66,545,397	\$69,127,431	\$71,134,844	\$74,135,633	\$77,341,746	\$80,917,223
GRAND TOTAL						
88. GENERAL FUND RESOURCES	\$78,612,104	\$81,916,457	\$83,377,846	\$88,310,178	\$90,044,193	\$94,858,701
Increase over prior year	3.44%	4.20%	1.78%	5.92%	1.96%	5.35%

FY11-15 increase over prior year actual; FY16 increase over prior year budget

FY2016 PROJECTED TAX LEVY INCREASE

	percent	amount
Base	3.10%	\$2,395,021
Debt Exclusion	0.62%	480,456
	3.72%	\$2,875,477
New Growth	0.90%	700,000
	4.62%	\$3,575,477

FY2016 Base minus FY2015 within levy limit

SECTION II: Budget Summary

Expenses

Expenses – General Fund Budget:

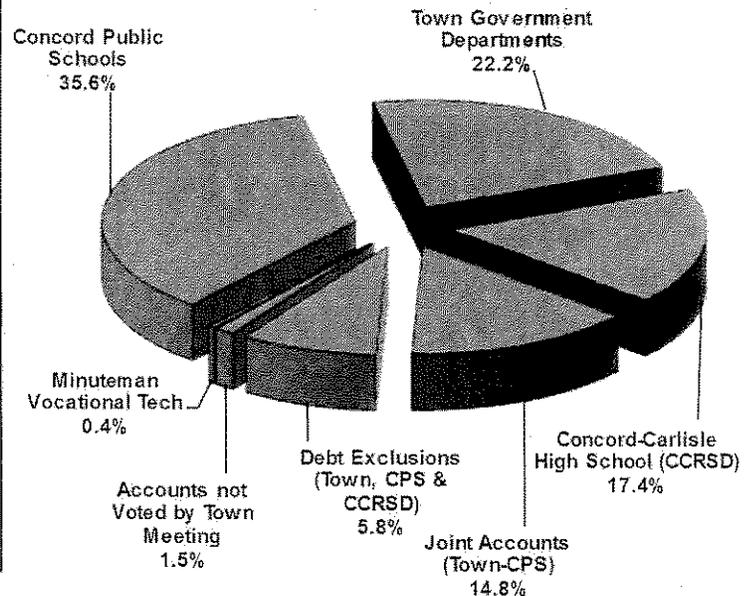
The General Fund budget is organized into 3 major organizational categories:

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

This section contains the following:

- Major Organizational Categories II-20 to II-21
- Joint Accounts II-22
- Other Obligations II-23
- Appropriations (Warrant) II-24 to II-26
- Town Gov. Budget Summary II-27 to II-35

FY16 General Fund Expenses Totaling \$94,858,701



Town Government (Page II-8, line 5 – \$21,114,013 proposed for FY16)

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 II-8, line 6 - \$33,840,538 Finance Committee Guideline for FY16)

Summary information is found on pages V-1 and V-2. 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 II-8, line 7 - \$16,556,221 Finance Committee Guideline for FY16 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 V-3 and V-4. 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:

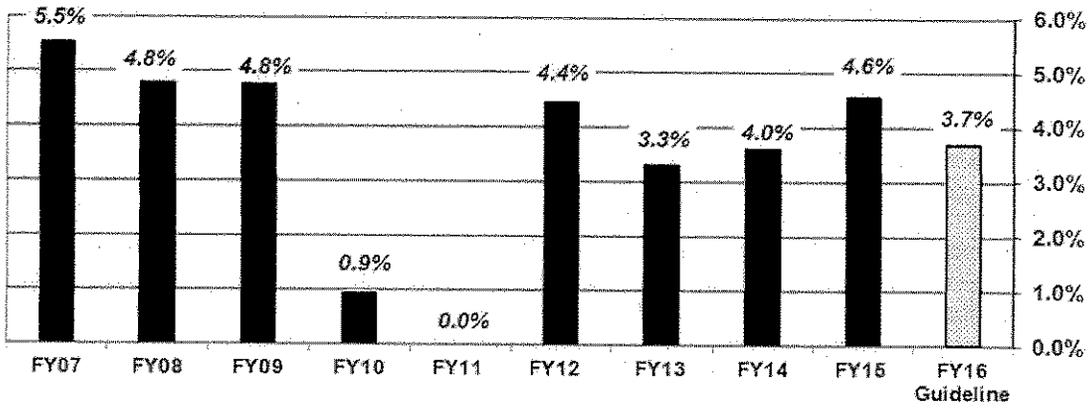
\$71,610,772 (page II-8, line 8)

+ 3.99% increase from FY15

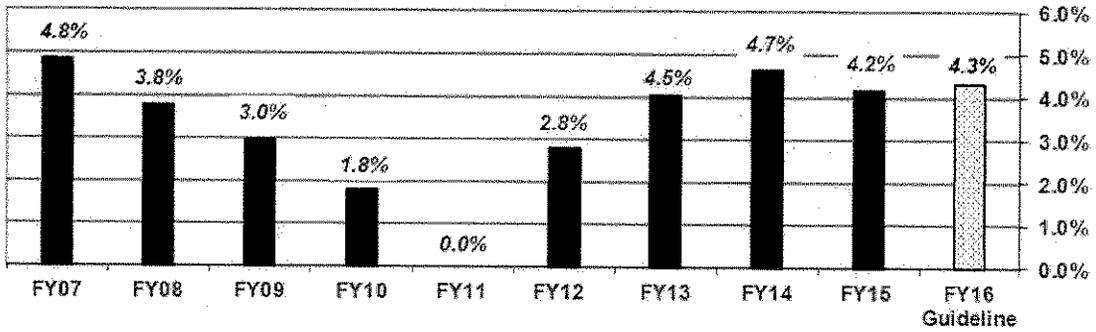
SECTION II: Budget Summary

Expenses

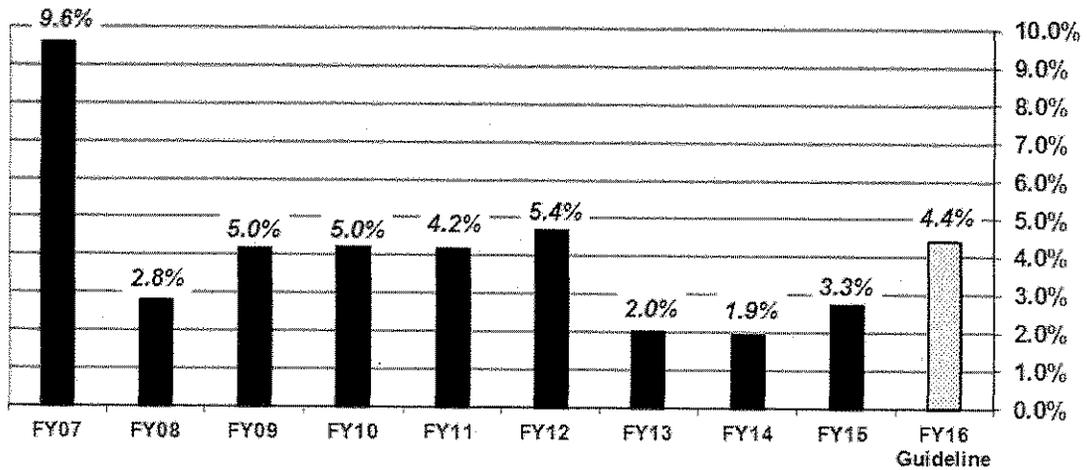
**Town Government operations
percent change in budget**



**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 II-8, line 9 - \$4,650,000, and line 9a - \$1,150,000)

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 \$1,150,000 toward the Annual Net Other Post Employment Benefit (OPEB) obligation which has been estimated at approximately \$2.2 million in FY16.

Retirement (Page II-8, line 10 - \$3,220,000)

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 II-8, line 11 - \$3,605,000; 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 II-8, line 12 - \$740,000)

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 II-8, line 13 - \$425,000)

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:**\$13,790,000** (page II-8, line 14)

+3.80% increase from FY15

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 II-8, line 15 - \$418,000)

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 II-8, line 16 - \$3,514,429)

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 II-8, line 17 - \$4,320,500)

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 **\$8,252,929**

Budget Subject to Town Meeting Vote: **\$93,653,701**

+5.59% increase from FY15

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

• State Assessments (Page II-8, line 19 - \$525,000)

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 77% of the FY16 budgeted amount.

• Snow/Ice & Other Deficits (Page II-8, line 20 – \$130,000)

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 III-111) 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, 2015, if any, will be raised in the FY16 tax levy.

• Overlay (Page II-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: **\$94,858,701**

+5.35% increase from FY15

SECTION II: Budget Summary

Expenses

General Fund Operating Budget				
Item No.	Department	Fiscal 2014 Expenses	Fiscal 2015 Appropriation	Fiscal 2016 Proposal
General Government				
\$2,702,467 is 7.2% of Total				
1	Town Manager's Office			
	A. Town Manager	\$ 320,198	\$ 341,188	\$ 366,308
	B. Human Resources	198,015	202,606	215,367
	C. Town-Wide Building Fund	180,000	200,000	220,000
	D. Resource Sustainability Fund	40,000	75,000	75,000
	E. Visitor's Center and Restroom	24,329	24,924	27,426
	Subtotal	762,542	843,718	904,101
2	Legal Services	217,788	225,000	225,000
3	Elections and Registrars			
	A. Elections	15,270	40,368	52,164
	B. Registrars	5,765	8,031	8,103
	Subtotal	21,035	48,399	60,267
4	Town Meeting and Reports	75,366	81,550	81,550
5	Planning			
	A. Planning Administration	310,283	349,345	439,629
	B. Natural Resources	190,302	228,737	205,256
	C. Inspections	387,395	395,662	422,087
	D. Health	261,601	286,582	291,209
	Subtotal	1,149,580	1,260,326	1,358,181
6	141 Keyes Road	74,095	74,817	73,368
	Total General Government	\$ 2,300,406	\$ 2,533,810	\$ 2,702,467
Finance and Administration				
\$2,116,924 is 5.6% of Total				
7	Finance Committee	2,581	3,410	3,410
8	Finance			
	A. Finance Administration	264,887	273,539	275,831
	B. Treasurer-Collector	265,003	272,135	281,056
	C. Town Accountant	137,037	143,171	150,769
	D. Assessors	384,092	396,632	392,676
	E. Town Clerk	223,261	232,427	233,879
	Subtotal	1,274,280	1,317,904	1,334,211
9	Information Systems	693,084	639,133	675,933
10	Town House	87,341	104,757	103,370
	Total Finance and Administration	\$ 2,057,287	\$ 2,065,204	\$ 2,116,924

SECTION II: Budget Summary

Expenses

Item No.	Department	Fiscal 2014 Expenses	Fiscal 2015 Appropriation	Fiscal 2016 Proposal
Public Safety				
\$8,703,216 is 23.1% of Total				
11	Police Department	4,106,647	4,157,814	4,217,360
12	Fire Department	3,793,889	4,058,386	4,143,072
13	West Concord Fire Station	35,750	36,697	60,062
14	Police-Fire Station	228,495	227,034	234,812
15	Emergency Management	6,444	12,810	22,810
16	Animal Control Officer	21,750	25,100	25,100
	Total Public Safety	\$ 8,192,975	\$ 8,517,841	\$ 8,703,216
Public Works and Facilities				
\$3,927,312 is 10.4% of Total				
17	Public Works			
	A. CPW Administration	178,912	182,363	181,462
	B. Engineering	348,498	374,595	373,062
	C. Highway Maintenance	1,239,559	1,279,897	1,281,985
	D. Parks and Trees	649,873	666,670	633,992
	E. Cemetery	60,401	61,100	67,381
	Subtotal	2,477,243	2,564,625	2,537,882
18	Snow and Ice Removal	825,362	555,000	570,000
19	Street Lighting	71,052	73,463	73,463
20	CPW Equipment	277,000	288,000	250,000
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	109,058	109,414	100,967
	Total Public Works and Facilities	\$ 4,154,715	\$ 3,985,503	\$ 3,927,312
Human Services				
\$2,680,690 is 7.1% of Total				
25	Library	1,866,975	2,003,016	1,995,097
26	A. Human Services Administration	-	-	9,000
	B. Recreation Programs	100,543	106,471	50,000
	C. Hunt Recreation Center	87,742	91,481	95,623
	D. Council on Aging	284,373	311,881	328,996
	E. Harvey Wheeler Community Ctr.	144,642	117,717	117,079
	F. Veterans	59,679	55,771	60,889
	G. Ceremonies and Celebrations	21,696	24,006	24,006
	Total Human Services	\$ 2,565,650	\$ 2,710,343	\$ 2,680,690

SECTION II: Budget Summary

Expenses

Item No.	Department	Fiscal 2014 Expenses	Fiscal 2015 Appropriation	Fiscal 2016 Proposal
Unclassified \$983,404 is 2.6% of Total				
27	Town Employee Benefits			
	A. Unused Sick Leave	90,000	90,000	90,000
	B. Public Safety Disability	267	2,500	2,500
	C. Employee Assistance Program	7,003	7,500	7,500
	Total	97,270	100,000	100,000
28	Reserve Fund*	-	225,000	225,000
*Transfers totaling \$64,388 were made to other accounts in Fiscal Year 2014.				
29	Salary Reserve**	56,000	211,312	643,404
**Transfers totaling \$417,679 in Fiscal Year 2014 and \$344,123 (to date) in Fiscal Year 2015 were made to other accounts.				
30	Land Fund	10,000	15,000	15,000
	Total Unclassified	\$ 163,270	\$ 551,312	\$ 983,404
SUBTOTAL FOR REFERENCE ONLY Account 1-30		\$ 19,434,303	\$ 20,364,014	\$ 21,114,013
Joint (Town - CPS) \$16,610,500 is 44.0% of Total				
31	Insurance			
	A. Group Insurance	4,650,000	4,650,000	4,650,000
	B. OPEB	650,000	900,000	1,150,000
	C. Property/Liability	200,000	225,000	225,000
	Subtotal	5,500,000	5,775,000	6,025,000
32	Unemployment/Workers' Comp.			
	A. Unemployment Comp.	67,100	100,000	100,000
	B. Workers' Comp.	85,579	100,000	100,000
	Subtotal	152,679	200,000	200,000
33	Retirement	3,035,000	3,125,000	3,220,000
34	Social Security and Medicare	647,788	685,000	740,000
35	Debt Service			
	A. Long-Term Debt			
	Town Principal and Interest	2,497,868	2,527,576	2,534,050
	CPS Principal and Interest	810,896	899,281	979,838
	Subtotal	3,308,764	3,426,857	3,513,888
	Interest on Notes	3,104	38,143	51,112
	Other Debt Expense	13,082	35,000	40,000
	Subtotal Within Levy Limit	3,324,950	3,500,000	3,605,000
	B. Excluded Debt			
	Town Principal and Interest	212,286	208,720	204,906
	CPS Principal and Interest	4,412,168	4,286,912	4,115,594
	Less: Use of Stabilization Funds	(965,000)	(500,000)	(1,500,000)
	Subtotal Excluded Debt	3,659,454	3,995,632	2,820,500
	Total Debt Service	6,984,404	7,495,632	6,425,500
	Total Joint (Town - CPS)	\$ 16,319,871	\$ 17,280,632	\$ 16,610,500
	Total Appropriation	\$ 35,754,174	\$ 37,644,646	\$ 37,724,513

SECTION II: Budget Summary

Expenses

Town Government Operations (accounts 1-30)

Proposed Budget Changes

The Town Manager, in accordance with Finance Committee guidelines, is recommending a Town government budget at \$21,114,013 (the budgets of accounts 1-30 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 - 30

<u>By Expense Category</u>		FY15 to FY16		
	FY15 Adopted	FY16 Proposed	\$Δ	%Δ
Personnel Services	\$ 15,181,707	\$ 15,721,241	\$ 539,535	3.6%
O&M	3,332,306	3,458,772	126,466	3.8%
Capital	1,625,000	1,709,000	84,000	5.2%
Reserve	225,000	225,000	-	0.0%
Total (Accts. 1-30)	\$ 20,364,013	\$ 21,114,013	\$ 750,000	3.7%

<u>By Functional Area</u>		FY15 to FY16		
	FY15 Adopted	FY16 Proposed	\$Δ	%Δ
General Government				
Personnel	\$ 1,635,304	\$ 1,688,676	\$ 53,372	3.3%
O&M	505,079	566,291	61,212	12.1%
Capital	320,000	447,500	127,500	39.8%
Subtotal	\$ 2,460,383	\$ 2,702,467	\$ 242,084	9.8%
Finance & Administration				
Personnel	\$ 1,225,128	\$ 1,296,739	\$ 71,611	5.8%
O&M	618,842	623,185	4,343	0.7%
Capital	190,000	197,000	7,000	3.7%
Subtotal	\$ 2,033,970	\$ 2,116,924	\$ 82,954	4.1%
Public Safety				
Personnel	\$ 7,572,775	\$ 7,763,291	\$ 190,516	2.5%
O&M	620,030	667,925	47,895	7.7%
Capital	227,500	272,000	44,500	19.6%
Subtotal	\$ 8,420,305	\$ 8,703,216	\$ 282,911	3.4%
Public Works				
Personnel	\$ 2,079,273	\$ 2,146,591	\$ 67,318	3.2%
O&M	995,094	1,000,721	5,627	0.6%
Capital	865,000	780,000	(85,000)	-9.8%
Subtotal	\$ 3,939,367	\$ 3,927,312	\$ (12,055)	-0.3%
Human Services				
Personnel	\$ 2,013,793	\$ 2,082,540	\$ 68,747	3.4%
O&M	578,261	585,650	7,389	1.3%
Capital	22,500	12,500	(10,000)	-44.4%
Subtotal	\$ 2,614,554	\$ 2,680,690	\$ 66,136	2.5%
Unclassified				
Personnel	655,434	743,404	\$ 87,970	13.4%
O&M	15,000	15,000	\$ -	N/A
Reserve	225,000	225,000	-	0.0%
Subtotal	\$ 895,434	\$ 983,404	\$ 87,970	9.8%
Total	\$ 20,364,013	\$ 21,114,013	\$ 750,000	3.7%

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

For FY16, the main **tax-supported** proposed staffing changes are as follows. (Total FTE is 251.19)

- The Town Manager Division is proposing the addition of a Public Information Coordinator and to move the Community Services Coordinator and Youth Services Coordinator into the Human Services Administration account reflecting a (-.48 FTE) decrease.
- Town-Wide Building Maintenance is proposing a new Facilities Manager (1.00 FTE) position for centralized oversight for Town buildings.
- In the Elections Account, it is proposed that the FY16 staffing level be decreased by 1,044 hours for Election Officers and Technicians, due to the expectation that there will be 2 elections in FY16.
- The Inspections Division is proposing an additional part time Inspector (0.40 FTE) as well as 100 additional hours for Assistant Plumbing, Gas, and Electrical Inspectors, due to increased demand.
- The Health Division is proposing an additional 265 hours for the Public Health Nurse
- The 141 Keyes Rd. facility has switched to contracted cleaning services from a Part Time Custodian (-0.50 FTE).
- The Accounting Division is proposing increasing the Assistant Town Accountant from part time to full time, a (0.25 FTE) increase.
- The Assessors Division is proposing a new Part Time Field Lister which would be an increase of (0.26 FTE).
- The Police Department is proposing the funding of a full time Administrative Assistant which would be an increase of (0.50 FTE)
- The Police & Fire Station has switched to contracted cleaning services from a Part Time Custodian (-0.47 FTE).
- The Highway Maintenance Division is proposing an additional 200 hours for Temporary & Seasonal workers (0.10 FTE).
- The Library is proposing a shift in funding from the Library Assistant and Staff Librarian positions to support a full time Head of Reference position (-0.01 FTE).
- Human Services Administration is a new Department and carries over the Community Services Coordinator, and Youth Services Coordinator (1.48 FTE).
- The Recreation Department reflects a decrease of (-1.00 FTE) because of the retirement of the Recreation Director.
- The Council on Aging is proposing increasing the hours for the Van Drivers by 468, Wellness Coordinators by 25, Outreach Coordinators by 104 and Activity Coordinator by 21, and increasing the Administrative Assistant to full time in order to meet the demand for the associated services. The total proposed increase is (0.42 FTE).
- Veterans' Services is proposing an increase of 157 hours (0.08 FTE) for the Veterans' Agent in order to meet the demand for the associated services

Budget Changes

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

Acct # - Account Title (Refer to Article 21 on the 2015 Town Meeting Warrant)**1A Town Manager**

The Town Manager's appropriation represents a 7.4% increase from FY15. The Town Manager's Office is staffed by the Town Manager, Assistant Town Manager, Executive Assistant to the Town Manager and an Administrative Assistant. There is a proposed addition of a Public Information Coordinator, but that addition is offset by the Community Services and Youth Coordinators being moved to the Human Services Administration account.

1B Human Resources

The Human Resources appropriation is proposed to increase by 6.3% in FY16 due to the implementation of the new HRIS system.

1C Town-wide Building Maintenance

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 FY16 of \$220,000. The five-year Capital Outlay plan raises this funding target to \$325,000 by FY20. In FY11, a Facilities Maintenance Supervisor was hired and this position is funded within the Town-wide Building Maintenance account. For FY16, a new Facilities Manager position is proposed to provide oversight for Town buildings, which will also be funded within the Town-wide Building Maintenance Account.

1D Resource Sustainability Fund

With this new account initiated in FY13 with funding of \$25,000, an amount of \$75,000 is proposed to be allocated in FY16 for resource sustainability and energy conservation projects.

1E Visitors Center

The FY16 appropriation for the Visitors Center is proposed to increase by 10% primarily due to a payment to the Chamber of Commerce for staff support.

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 FY16 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 FY16, it is expected that there will be two elections. Each election costs the Town approximately \$12,000. However, in FY16 Town elections will be consolidated into one day to provide cost savings. Another election will be for the Presidential Primary in March, 2016. The increase in the Elections appropriation from \$40,368 in FY15 to \$45,764 in FY16 is due to the need for new voting machines.

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 2015. While there are no specific plans for a Special Town Meeting, it has been common in the past several years for one to take place.

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 FY16 operating budget for the Planning Division is proposed to have a 25.8% increased appropriation from that of FY15. The proposed increase is mainly because of funding for the Long Range Plan for \$60,000 and zoning bylaw recodification for \$35,000.

5B Natural Resources Division, DPLM

The proposed Natural Resources budget represents approximately a 10.3% decrease in the appropriation from that of the FY15 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 Inspector, Assistant Local Inspector, and Administrative Assistant. For FY16 there is a proposed additional Part Time Local Inspector due to demand for services.

5D Health Division, DPLM

This budget represents a 1.6% increase in the appropriation over that of FY15. 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, about \$10,000 is proposed to fund the Healthy Communities Initiatives.

6 141 Keyes Road, DPLM

The FY16 proposed appropriation represents a 1.9% from FY15 to provide funding for utility and maintenance 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 significant change to the costs from that of the FY15 budget.

8A Finance Administration Division, Finance Department

The Finance Administration Division appropriation is proposed to increase by 0.8% from that of FY15. 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 appropriation is proposed to increase by 3.3% in FY16. This account includes funding for much of the Town's postage expenses (\$58,640) and banking service charges (\$84,100). The increase in this budget is primarily a result of higher postage expenses.

8C Town Accountant, Finance Department

The FY15 appropriation is proposed to increase by 5.3%. There is also proposed to be \$57,000 to cover the cost of the Town's annual external audit as well as making the Assistant Town Accountant a full time position.

8D Assessing Division, Finance Department

The Assessing proposed appropriation represents a 1.0% decrease from FY15. It should be noted that the Assessing Division is located at its recently renovated office at the Town-owned 24 Court Lane building, adjacent to the Sleepy Hollow Cemetery.

8E Town Clerk, Finance Department

The Town Clerk appropriation is proposed to rise by 0.6% from FY15. 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 appropriation is proposed to increase by 5.8% in FY16.

10 Town House

The FY16 proposed appropriation is be reduced by 1.3% from that of FY15. This budget include costs for maintaining and cleaning the Town House and the recently renovated Assessing Division office space at 24 Court Lane.

11 Police Department

The FY16 appropriation proposes a 1.4% increase, which will fund a full time Administrative Assistant to assist the Department's detectives. The capital budget includes the replacement of 3 police cruisers (\$105,000), the upgrade and maintenance of public safety equipment (\$20,000), installation of a 911 replay system (\$10,000), the replacement of computer equipment (\$5,000), and a new copier (\$10,000).

12 Fire Department

There is a proposed 2.1% increase in the Fire Department's FY16 appropriation. The proposed increase is due to the addition of 4 firefighters to staff the 2nd ambulance manned from 8AM to 8PM at the West Concord Fire Station in FY15. The increase comes as a result of the General Fund absorbing more of the operating costs with the decrease in funding from the Emergency Response Stabilization Fund from \$200,000 in FY15 to \$100,000 in FY16.

13 West Concord Fire Station

This budget funds the operations of the West Concord Fire Station located at 1201 Main Street. As compared to FY15, the FY16 appropriation is proposed to increase by 64% because of the maintenance of the exhaust system.

14 Police/Fire Station

This budget funds the operations of the Police and Fire Department headquarters at 209 Walden Street. The FY16 budget is a 3.4% increase from FY15, reflecting a \$5,000 increase in the capital outlay account provided for small-scale building improvements as needed.

15 Emergency Management

In order to have an action plan in place in the event of an emergency, the proposed budget includes an increase of \$10,000 for Concord's Emergency Management appropriation. The increase is due to the Haz-Mat Mitigation plan update and maintaining the emergency generator at Harvey Wheeler. The Fire Chief serves as the Emergency Management Director.

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 FY16 budget remains flat at \$25,100.

17A Public Works Administration, CPW

The FY16 appropriation reflects a 0.5% decrease from that of FY15. 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 appropriation is proposed to have a 0.4% decrease from FY15 to FY16. Capital funding is proposed for geographic information services (\$20,000), traffic control devices (\$10,000), mandated street sign replacements (\$20,000), sustainable drainage improvements (\$25,000) and NPDES permit compliance (\$10,000).

17C Highway Maintenance, CPW

This appropriation is proposed to increase by 0.2% from FY15. The increase is mainly due to a \$7,500 line item increase for catch basin cleaning, and a \$2,400 line item increase for bituminous concrete, due to price increases.

17D Parks & Trees, CPW

The FY14 Parks & Trees appropriation is proposed to have a 4.9% decrease from FY15. The primary decrease is a reduction of \$37,000 in capital outlay funding for the Turf Improvement program.

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 FY16 appropriation is an increase of 10.3% because of an increase in the mowing services contract.

18 Snow Removal, CPW

The snow removal budget is proposed to be funded at \$570,000, an increase of \$15,000 from that of FY15. The amount budgeted for road salt is funded \$232,380. If the actual FY15 expenditure exceeds the budgeted amount, the Town is allowed by State statute to add the difference to the following year's tax levy. The FY16 budget plan provides funding for a \$130,000 overrun of the \$555,000 FY15 appropriation (See Account #103).

19 Street Lights, CPW

The FY16 proposed Street Light budget is \$73,463, the same as FY15.

20 Public Works Equipment, CPW

The Public Works Equipment budget of \$250,000 funds the Town's well-planned schedule of equipment replacement. This represents a decrease of \$38,000 from FY15.

21 Drainage, CPW

The FY16 funding plan includes \$105,000 for drainage improvements, \$100,000 for culvert improvements.

22 Sidewalk Management, CPW

The proposed FY16 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 \$690,000 expected from the State (Chapter 90 Funds) and \$1,200,000 in borrowing, the total FY16 amount for road improvements is recommended to be \$1,980,000.

24 133 and 135 Keyes Road, CPW

For FY16, there is a proposed decrease of 7.7% in the appropriation due to reduced capital expenses.

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 FY16 operations, the Library appropriation is proposed to have a slight decrease of 0.4% from FY15 to FY16. Nevertheless, the proposed budget allows for Fowler to be opened on Thursday mornings and additional resource to be spent on books and materials.

26A Human Services Administration

The new proposed Human Services Administration account covers the staffing costs for the Community Services Coordinator, and the Youth Services Coordinator. The FY16 budget of \$78,558 covers those salaries as well as office supplies.

26B Recreation Programs

With the retirement of the Recreation Director, the General Fund will support the Recreation Department with \$50,000 for programming.

26C Hunt Recreation Center

It is proposed that the FY16 appropriation for the Hunt Recreation Center increase by 4.5% from the FY15 budgeted level. The increase is due to increased building improvements for the Rideout playground restroom.

26D Council on Aging

The FY16 appropriation for the Council on Aging is proposed to increase by 5.5%. The Council on Aging is proposing increasing the hours for the Van Drivers by 468, Wellness Coordinators by 25, Outreach Coordinators by 104 and Activity Coordinator by 21, and increasing the Administrative Assistant to full time in order to meet the demand for the associated services. In addition, a State Formula Grant, Concord-Carlisle Community Chest gift, and Florio gift provide full or partial funding for several COA positions

26E 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 FY16 there is a proposed 0.5% decrease in the appropriation due to a reduction in the capital building improvements line item.

26F Veterans Services

The FY16 proposed budget represents a 9.2% increase from that of FY15. This increase is a result of the predicted rise in veterans' benefits costs from \$33,800 to \$35,000 to accommodate additional beneficiaries as well as additional hours for the Veterans' Services Agent.

26G Ceremonies and Celebrations

The FY16 proposed budget is proposed to be level funded at \$24,006.

27 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.

28 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 FY15.

29 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, 2015. Transfers from this account to the individual departmental operating accounts are reported to the Finance Committee and Board of Selectmen in accordance with the vote of Town Meeting adopting the budget article. This account is proposed to be funded at \$646,256 in order also to provide resources for such compensation adjustments for union and non-union staff.

30 Land Fund

The budget is level funded at \$15,000 for FY16 which is used for the acquisition of land.

31A Group Insurance

The budget anticipates no increase in the appropriation required for FY16 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.

31B 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 FY16, the General Fund share of the NOO is projected to be greater than \$1.36 million. In an effort to partially fund this liability, it is proposed that the Town budget \$1,150,000 for this purpose, an increase of \$250,000.

31C 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). In FY16 General Fund support remains level funded at \$225,000, while the total budget has increased by \$10,000, to \$425,000.

32 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.

33 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, 2014, the revised Funding Schedule had been maintained to reach full funding status by the year 2030.

In FY16, the General Fund appropriation is projected at \$3,220,000, an increase of 3.0% from FY15 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.

34 Social Security & Medicare

The General Fund cost for the Town's share of Medicare coverage is increased 5.9%, to \$610,000, 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 \$130,000.

41 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 FY16 budget proposes allocating \$7,925,500, which includes \$3,605,000 for debt service within the levy limit and \$4,320,500 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 II: Budget 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 II-36
- FY16 Capital Plan II-37
- FY16–20 Capital Outlay Plan II-38 to II-40
- FY16 Capital by Account II-41 to II-43
- FY16 Capital Summary II-44 to II-47

Capital Improvement Plan

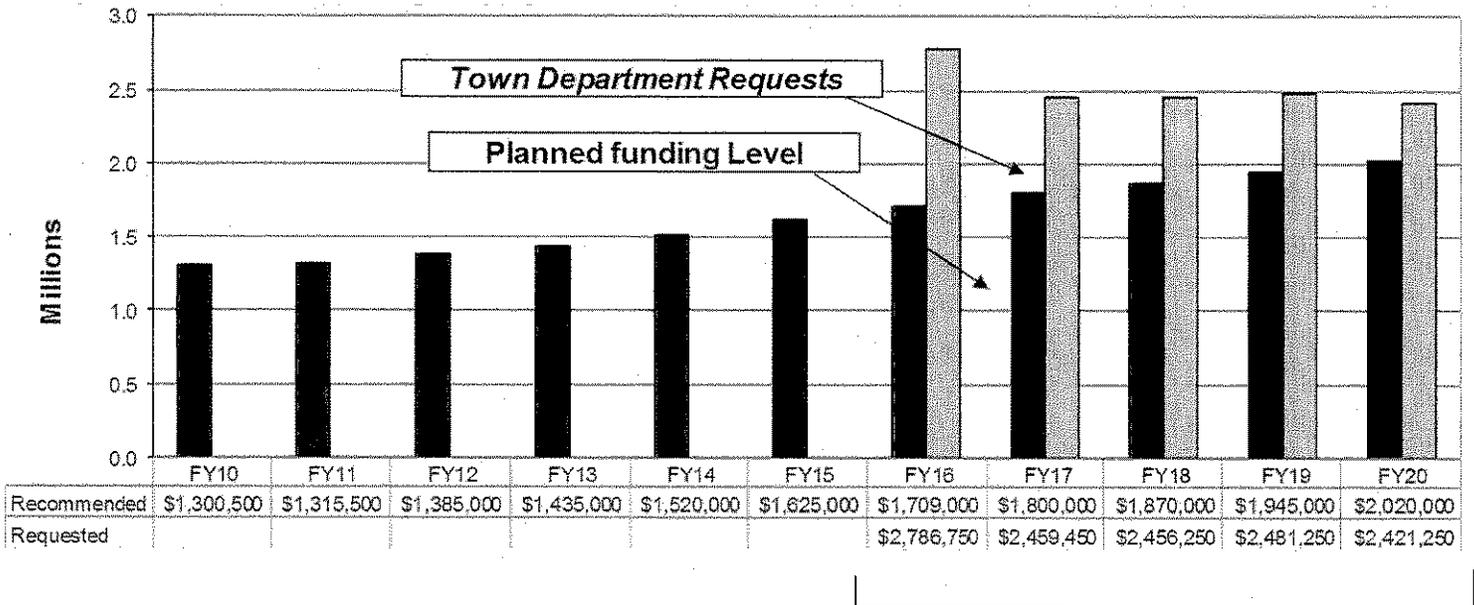
Capital Outlay Expenditures Supported Within the Levy Limit (Town Government accounts):

\$1,709,000

Capital Expenditures Within the Levy Limit Supported via FY16 Debt Authorizations:

\$5,100,000

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



Proposed

Capital Improvement Program FY16 – FY20

FY16 General Fund Budget Component

1. Borrowing authorizations submitted to the 2015 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 23	Concord Public School Renovations	\$650,000
ART 24	School Transportation Facility	\$950,000
ART 43	Road & Parking Lot Reconstruction	\$1,200,000
ART 52	Rideout Master Plan improvements & Emerson Field	\$600,000
ART 53	Parking Management Plan (Phase 1)	\$250,000
ART 54	Town House Interior Renovations (including elevator)	\$700,000
ART 55	37 Knox Trail Renovations	\$200,000
ART 57	Engine #7 Replacement (1990) Pumper & equipment	<u>\$550,000</u>
Total		\$5,100,000

The debt service for these borrowings will be supported by the allocation of funds in future years to the Debt Service account (#35). 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 #1-30):	\$ 1,709,000
Concord Public Schools:	\$ 860,653

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 **\$94,858,701**
 less \$5,925,051 excluded debt = \$88,933,650 net

- 7% to 8% target range equals **\$6,225,355 to \$7,114,692**

- **FY16 Proposed Budget for capital expenditure financing:**

Debt service budget ("within levy limit" portion)	\$3,605,000 (a)
Capital outlay, Town Departments	1,709,000
Capital outlay, Concord Public Schools	860,653
Total	\$6,174,653

Capital financing as percent of Proposed Total Budget, net of excluded debt levy: **6.94%**

FOOTNOTE

(a): Budget for scheduled principal and interest payments on existing debt, plus short-term "construction period" interest cost on new projects and cost of bond issuance.

SECTION II: Budget Summary

Capital

FY2016-2020 Capital Outlay Plan (General Fund)

		ANNUAL PLANS										REFERENCE ONLY			
24	PUBLIC WORKS														
	Facilities & Systems														
11	Building Improv - 133135 Keys	16,250	10,000	16,250	10,000	16,250	10,000	16,250	10,000	16,250	10,000	16,250	10,000	16,250	10,000
12	GIS System	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
13	Rolling file storage system	10,000	10,000												
	Public Ways														
11	Road Reconstruction	95,000	90,000	95,000	95,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
12	Traffic Control Devices	20,000	10,000	20,000	10,000	20,000	10,000	20,000	10,000	20,000	10,000	20,000	10,000	20,000	10,000
13	Guardrail Replacement	7,500	5,000	7,500	5,000	7,500	5,000	7,500	5,000	7,500	5,000	7,500	5,000	7,500	5,000
14	Small Equipment	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
15	Drainage Improvements	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
16	Culvert Improvements	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
17	Sustainable Drainage Impmt	20,000	10,000	20,000	10,000	20,000	10,000	20,000	10,000	20,000	10,000	20,000	10,000	20,000	10,000
18	NPDES Permit Compliance	125,000	100,000	125,000	102,500	125,000	110,000	125,000	115,000	125,000	115,000	125,000	125,000	125,000	125,000
19	Sidewalks - Maintenance	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
20	Street sign replacement														
	Park & Tree														
11	Park Shade Trees	25,000	20,000	25,000	20,000	25,000	20,000	25,000	20,000	25,000	20,000	25,000	20,000	25,000	20,000
12	Turf Improv - Park Rehab	100,000	37,000	100,000	15,000	100,000	52,500	100,000	62,500	100,000	62,500	100,000	62,500	100,000	62,500
13	Small Equipment	7,500	5,000	7,500	5,000	7,500	5,000	7,500	5,000	7,500	5,000	7,500	5,000	7,500	5,000
	Equipment														
11	Vehicles and Heavy Equipment	300,000	250,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
	Library														
11	Computer Equipment	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Recreation														
11	Pool Shed Replacement	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
12	Hunt Gym Ceiling Replacement	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0
13	Hunt Gym Tile Painting	85,000		85,000		85,000		85,000		85,000		85,000		85,000	
14	Hunt Gym Office Renovations														
	Council on Aging														
11	Building Improv - Harex Wheelr	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	GENERAL FUND TOTAL	2,285,250	1,625,000	2,786,750	1,709,000	2,455,250	1,870,000	2,481,250	1,945,000	2,421,250	1,945,000	2,421,250	1,945,000	2,020,000	2,020,000
	Target	1,625,000		1,709,000	1,709,000	1,870,000	1,870,000	1,945,000	1,945,000	1,945,000	1,945,000	1,945,000	1,945,000	2,020,000	2,020,000
	Not funded in the FY16-20 plan	861,250		659,450	659,450	586,250	0	538,250	0	401,250	0	401,250	0	0	0

SECTION II: Budget Summary

Capital

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

Acct #	Category	Budget FY15	Dept. Request FY16	Town Mgr Proposed FY16	\$ Change FY15 Budget to FY16 Proposed
1A	Town Manager				
	ADA Compliance	5,000	10,000	5,000	-
	Total - account #1	5,000	10,000	5,000	-
1C	Townwide Building Fund				
	Building Improv - Townwide Fund	200,000	400,000	220,000	20,000
	Total - account #1C	200,000	400,000	220,000	20,000
1D	Resource Sustainability Fund				
	Resource Efficiency	75,000	200,000	75,000	-
	Total - account #1D	75,000	200,000	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	-
3A	Elections				
	Voting Machines	-	35,000	35,000	35,000
	Total - account #3A	-	35,000	35,000	35,000
5A	Planning Department				
	Zoning Bylaw recodification	-	100,000	35,000	35,000
	Subdivision Rules & Regs	-	25,000	-	-
	2229 Main St Devel. Plan	-	50,000	-	-
	Long Range Plan	-	60,000	60,000	60,000
	Total - account #5A	-	235,000	95,000	95,000
5B	Natural Resources				
	Pond & stream management	5,000	15,000	5,000	-
	Vehicle Replacement	25,000	-	-	-
	Agricultural fields improvements	-	10,000	-	-
	Total - account #5B	30,000	25,000	5,000	(25,000)
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	175,000	300,000	182,000	7,000
	Telephone System (via Internet)	-	37,500	-	-
	Total - account #9	175,000	337,500	182,000	7,000
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	125,000	105,000	105,000	(20,000)
	Public Safety Equipment	20,000	25,000	20,000	-
	AED Replacement	10,000	5,500	-	(10,000)
	Computer Upgrade	5,000	5,000	5,000	-
	Ballistic Helmets	-	7,000	-	-
	Rifle Sight Upgrade	-	5,500	-	-
	Rifle Lights	-	6,000	-	-
	Card Access System	-	30,000	-	-
	Taser Equipment	-	50,000	-	-
	911 Replay System	-	13,000	13,000	13,000
	Office Copiers	-	23,000	10,000	10,000
	Total - account #11	160,000	275,000	153,000	(7,000)

SECTION II: Budget Summary

Capital

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

Acct #	Category	Budget FY15	Dept. Request FY16	Town Mgr Proposed FY16	\$ Change FY15 Budget to FY16 Proposed
12	Fire Department				
	Miscellaneous Equipment	20,000	20,000	20,000	-
	Vehicle Replacement (Shift Cmd)	27,500	20,000	20,000	(7,500)
	Upgrade Community AED's		10,000	10,000	10,000
	Turnout Gear Replacement		15,000	15,000	15,000
	SCBA		5,000	-	-
	Supply Hose Replacement		9,000	9,000	9,000
	EMS Equipment		39,000	-	-
	Total - account #12	47,500	118,000	74,000	26,500
13	West Concord Fire Station				
	Building Improv - W. Concord	10,000	10,000	10,000	-
	Exhaust System Upgrade		40,000	20,000	20,000
	Total - account #13	10,000	50,000	30,000	20,000
14	Police/Fire Station (Walden Street)				
	Office Design/Renovation	-	-	-	-
	Building Security System	-	-	-	-
	Building Improv - Walden St	10,000	20,000	15,000	5,000
	Total - account #14	10,000	20,000	15,000	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	20,000	-
	Turf Improv./Park Rehab.	37,000	100,000	-	(37,000)
	Small Equipment	5,000	7,500	5,000	-
	Total - account #17D	62,000	132,500	25,000	(37,000)
20	Public Works Equipment				
	Vehicles and Heavy Equipment	288,000	300,000	250,000	(38,000)
	Total - account #20	288,000	300,000	250,000	(38,000)
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 Improvments				
	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	10,000	-	-	(10,000)
	Total - account #24	20,000	16,250	10,000	(10,000)

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 FY16, it is proposed that the funding level is \$5,000, the same as in FY15.

1C Town-wide Building Maintenance

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 FY16 of \$220,000. The five-year Capital Outlay plan raises this funding target to \$325,000 by FY20. In FY11, a Facilities Maintenance Manager was hired and this position is funded by the Town-wide Building Maintenance account. For FY16, a new Facilities Manager position is proposed to provide oversight for Town buildings, which will also be funded through the Town-wide Building Maintenance Account.

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 FY16, 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.

3A Elections

Due to aging equipment, \$35,000 is proposed for new voting machines.

5A Planning

For FY16 partial funding of two major projects is proposed including \$35,000 for zoning bylaw recodification and \$60,000 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. Requests were made for the Concord Trail Guide (\$25,000) and agricultural field improvements (\$10,000) but were not recommended due to budget constraints.

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 \$182,000. This fund is crucial in maintaining current technology throughout the Town departments. In addition, funds go towards 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 three police cruisers (\$105,000), the upgrade and maintenance of public safety equipment (\$20,000), computer upgrades (\$5,000), 911 replay system (\$13,000), and office copiers (\$10,000).

12 Fire Department

For the Fire Department, \$20,000 in funding is being proposed for miscellaneous equipment, \$20,000 for the replacement of Car 3 (2007), \$10,000 for AED upgrades, \$15,000 for turnout gear, and \$9,000 for supply hose replacement.

13 West Concord Fire Station

For routine building repairs, a budget of \$10,000 and \$20,000 for an exhaust system upgrade is proposed.

14 Police/Fire Station

For routine building repairs, a budget of \$15,000 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 \$20,000 is proposed for shade trees, and \$5,000 for small equipment.

20 Public Works Equipment, CPW

The proposed Public Works Equipment budget of \$250,000 funds the Town's well-planned schedule of equipment replacement. This represents a decrease of \$38,000 from FY15.

21 Drainage, CPW

The FY16 level funding of \$205,000 is proposed to be used for drainage and culvert improvements.

22 Sidewalk Management, CPW

The proposed FY16 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 \$690,000 expected from the State (Chapter 90 Funds) and \$1,200,000 in borrowing, the total FY16 recommended amount for road improvements is \$1,980,000.

**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 FY16 CIP proposes to provide the Library with \$5,000 for computer equipment replacement.

26C Hunt Recreation Center

The Recreation Department requested \$25,000 for the replacement of the pool shed as well as \$10,000 for painting the trim at the Hunt Gym. Due to budget constraints, the General Fund is unable to support these projects in FY16.

26E Harvey Wheeler Community Center

For routine building repairs, a budget of \$7,500 is being proposed.

SECTION II: Budget Summary

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Debt:

At the end of FY14 (June 30, 2014), the Town of Concord's outstanding tax-supported long-term debt is **\$48,544,694**.

This total represents 0.95% of assessed value, or \$2,763 of debt per capita.

The Debt Section includes the following:

- Debt Overview II-48
- FY16-20 Debt Authorization II-49 to II-50
- Potential Debt Projects II-51
- Historical Debt II-52 to II-54
- Debt Service Projection II-55 to II-57
- Excluded Debt Detail II-58 to II-63
- Excluded Debt Service Charts II-64 to II-65
- Authorized and Unissued Debt II-66

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 65% 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 III-175 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, 2014								
Paid Down Percentage Starting on June 30, 2014	Tax-Supported Debt				Enterprise and Other Debt		Total Debt	
	Within Limit		Excluded		Outstanding Principal	%	Outstanding Principal	%
	Outstanding Principal	%	Outstanding Principal	%				
On 6/30/14	\$11,830,000	0%	\$36,714,694	0%	\$22,054,072	0%	\$70,598,766	0%
In 5 years	\$1,595,000	87%	\$21,576,883	41%	\$12,201,282	45%	\$35,373,165	50%
In 10 Years	\$0	100%	\$7,730,655	79%	\$4,169,807	81%	\$11,900,462	83%
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 items, the impact on property tax rates shall be calculated.
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 II: Budget Summary

Debt

FY16-20 Capital Program DEBT AUTHORIZATION PLAN

Fiscal Year of Issuance Annual Town Meeting Year	PROPOSED				Projected Amount Available for Authorization	FY16-20 Total
	adopted		warrant			
	FY2015 2014	FY2016 2015	FY2017 2016	FY2018 2017		
General Fund - Financing within Levy Limit						
<i>Town Manager</i>						
Keyes Road Campus Preliminary Design	150,000					\$0
37 Knox Trail renovations, site work		200,000				
Town House Interior Renovations (incl. elevator)		700,000				
Construction/acquisition of office space			245,000		220,000	\$1,225,000
Land acquisition for municipal purposes			405,000		305,000	\$1,515,000
School Transportation Facility		950,000				
Planning						
Land Acquisition, open space			250,000		250,000	\$1,000,000
Trail Improvements					75,000	\$75,000
141 Keyes Road roof HVAC/expansion	600,000					\$0
Warner's Pond Improvements					500,000	\$500,000
Rail Trail Design - Phase 2B		250,000				\$250,000
Parking Management Plan, Phase 1		250,000				\$250,000
Public Safety						
Ambulance equipping						\$0
Police - Sta. 1 renovations/security system	75,000					\$0
Engine #3 Refurbishment (2008)	85,000					\$150,000
Engine #4 Refurbishment (2010) Pumper					150,000	\$150,000
Engine #5 Replacement (1989) Brush Truck					350,000	\$350,000
Engine #7 Replacement (1990) Pumper and equipment						\$550,000
Engine #8 Replacement (1988)		550,000				\$575,000
Ambulance #1 Replacement (2008)				575,000		\$260,000
Public Works						
Road and Parking lot Reconstruction	1,300,000					\$7,650,000
Keyes Road campus schematic design		1,200,000			1,200,000	
Sidewalk extensions - phase 2					300,000	\$500,000
Traffic Control systems (rail trail intersections)						\$150,000
West Concord infrastructure improvements	100,000					\$0
Human Services						
Rideout Master Plan Improvements, Emerson Field improvements		600,000				\$600,000
Hayes Wheeler HVAC & Insulation	340,000					\$0
Hayes Wheeler Roof Repair			150,000			\$150,000
Emerson Track resurfacing			100,000			\$100,000
Subtotal - Town Projects	2,650,000	4,450,000	3,050,000	4,000,000	2,500,000	\$16,800,000

SECTION II: Budget Summary

Debt

**FY16 -20 Capital Program
DEBT AUTHORIZATION - discussion only**

Fiscal Year of Issuance Annual Town Meeting Year	adopted		warrant		plan				FY16-20 Total
	FY2015 2014	FY2016 2015	FY2017 2016	FY2018 2017	FY2019 2018	FY2020 2019			
Peabody	400,000			2,110,000					\$3,180,000
Samborn		545,000		3,305,000					\$5,850,000
Alcott	50,000		125,000	140,000					\$300,000
Thorbeau		40,000	95,000						\$320,000
Ripley Administration Building		65,000	630,000	1,290,000					\$1,985,000
Gross subtotal, CPS buildings less: Not Funded	450,000	650,000	850,000	6,845,000 (5,945,000)	1,495,000 (595,000)	1,595,000 (645,000)			\$11,435,000 (\$7,185,000)
Subtotal - School Projects allocation	\$450,000	\$650,000	\$850,000	\$900,000	\$900,000	\$950,000			\$4,250,000
General Fund Projected Total debt supported within levy limit	\$3,100,000	\$5,100,000	\$3,900,000	\$4,900,000	\$3,400,000	\$3,750,000			\$21,050,000

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
Magog Pond - Intake design			1,400,000							1,400,000
Keyes Road site & covered storage								500,000		500,000
Magog filtration plant			5,000,000							5,000,000

Sewer Enterprise Fund

Keyes Road site & covered storage								100,000		100,000
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Enterprise Funds Projected Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL	\$3,100,000	\$5,100,000	\$3,900,000	\$4,900,000	\$3,400,000	\$3,750,000				\$21,050,000

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 more than \$10 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, 2014	Planned new issues	Maturing in 5 years	Projected Outstanding as of June 30, 2019	<i>*Note: Data for Town of Concord only. Not inclusive of assessed share of CCRSD debt.</i>
\$48,544,694	\$21,045,000	\$30,777,810	\$38,811,884	

Near-Term Projects: 1 to 5-year period. FY16-20

Investment will be needed to extend the useful life of the Peabody and Sanborn buildings. A \$8.8 million Peabody/Sanborn renovation project could be presented to Town Meeting as soon as the 2016 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	\$450,000	\$540,000	\$990,000
Sanborn Boiler replacement		\$500,000	\$500,000
Roof	\$900,000	\$1,500,000	\$2,400,000
All other improvements	\$1,180,000	\$2,085,000	\$3,265,000
Total	\$3,180,000	\$5,650,000	\$8,830,000

Intermediate Term Projects: 6 to 10-year period, FY21-25

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.

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.

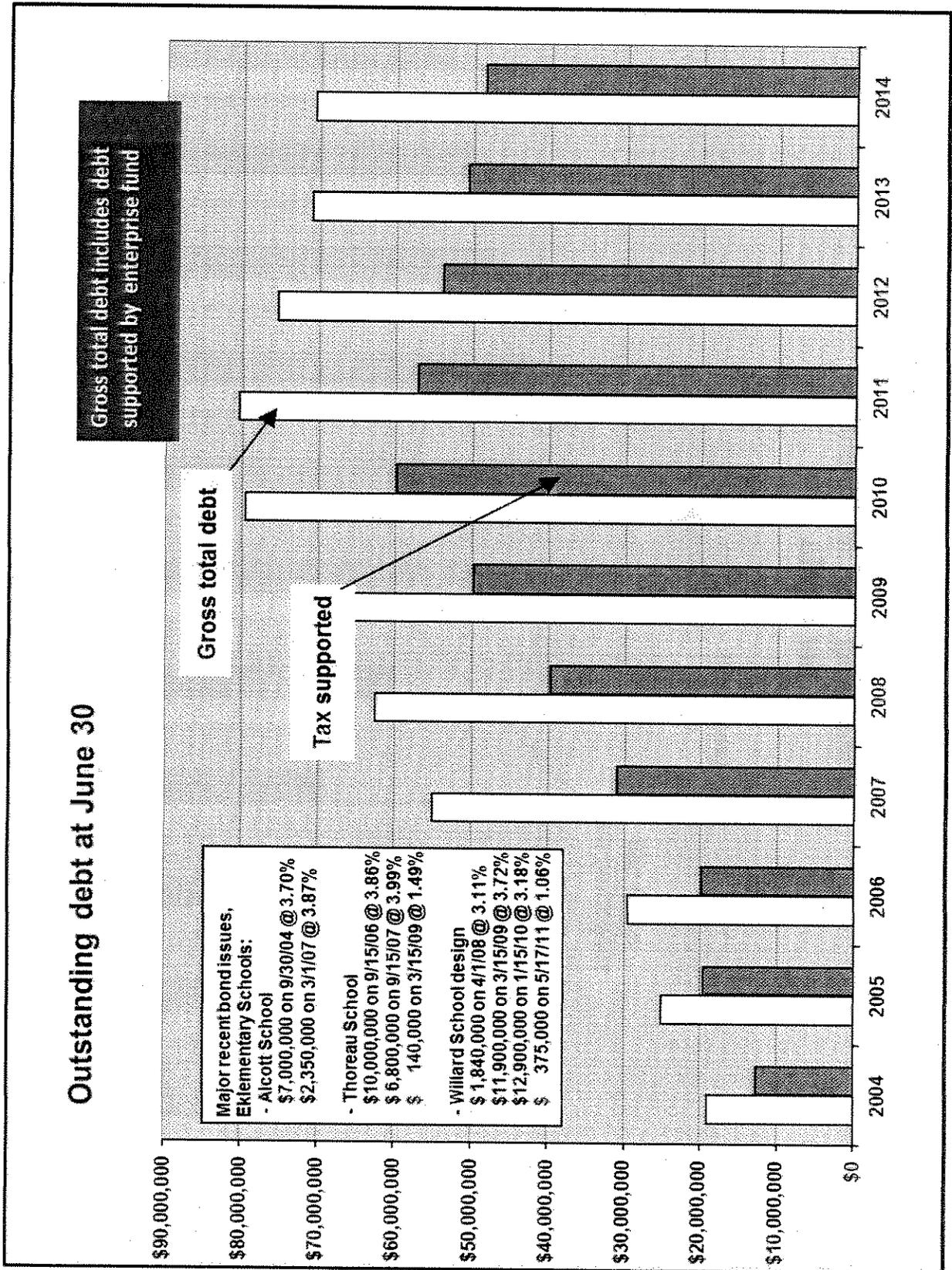
CCRSD site remediation – old landfill

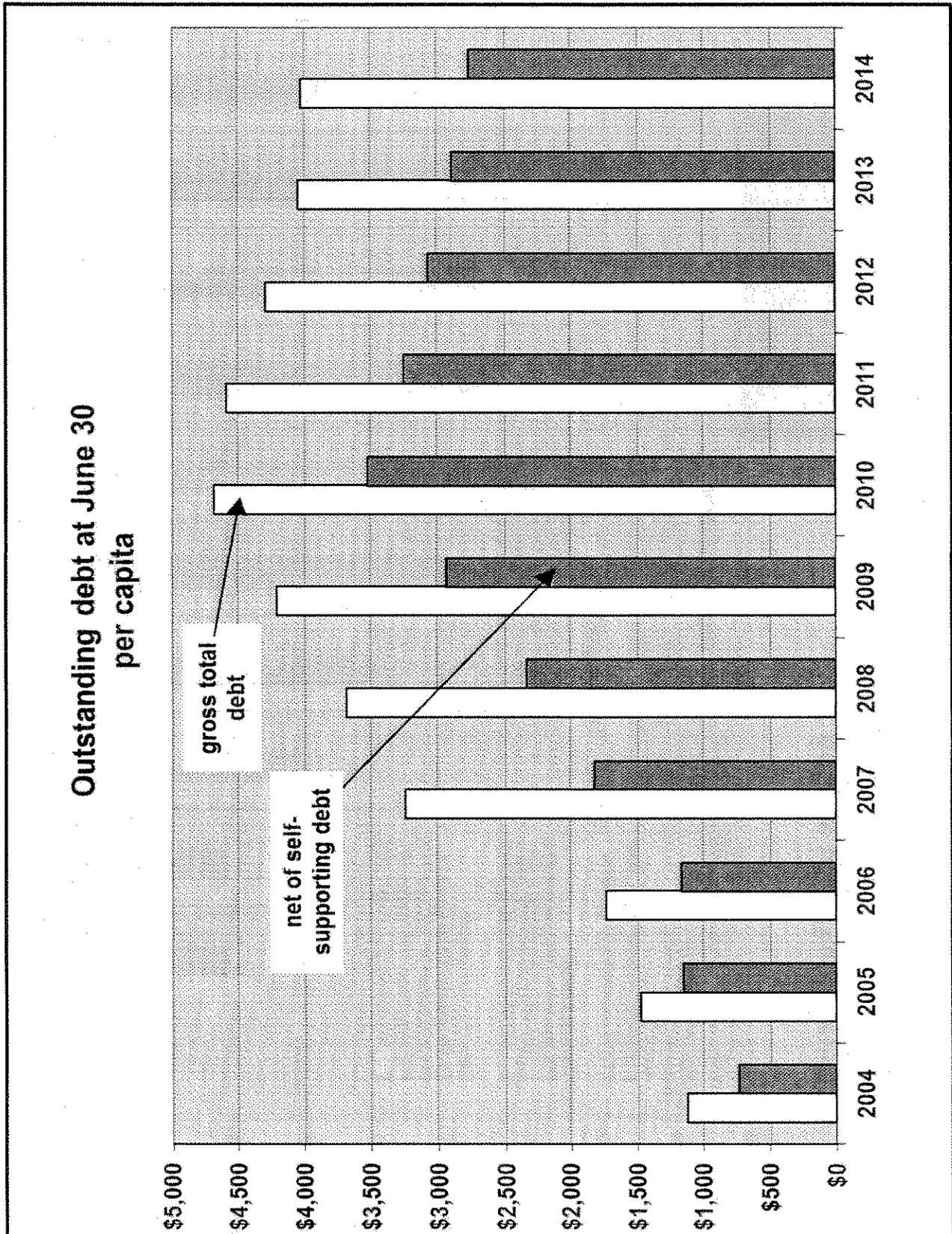
\$1-2 million could be required to cover the cost of remediation on the CCRSD campus site of the 1950-era landfill. The timing of this expense is perhaps sooner than FY20, and Concord would bear its assessed share of any debt service if the expenditure is financed through issuance of Regional School District debt.

CONCORD'S LONG-TERM DEBT STATISTICS												
June 30, 2004 to June 30, 2014 actual												
@ 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	
2004	\$4,411,852,520	\$19,019,237	\$12,569,237	16,993	\$51,477	0.43%	0.28%	\$1,119	\$740	2.17%	1.44%	
2005	\$5,117,100,515	\$25,138,385	\$19,515,000	16,993	\$51,477	0.49%	0.38%	\$1,479	\$1,148	2.87%	2.23%	
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	17,567	67,374	1.60%	1.13%	\$4,586	\$3,253	6.81%	4.83%	
2012	\$5,090,058,629	\$75,393,732	\$53,893,601	17,567	\$67,374	1.48%	1.06%	\$4,292	\$3,068	6.37%	4.55%	
2013	\$5,054,970,094	\$70,984,036	\$50,782,417	17,567	67,374	1.40%	1.00%	\$4,041	\$2,891	6.00%	4.29%	
2014	\$5,130,493,662	\$70,598,766	\$48,544,694	17,567	\$67,374	1.38%	0.95%	\$4,019	\$2,763	5.96%	4.10%	

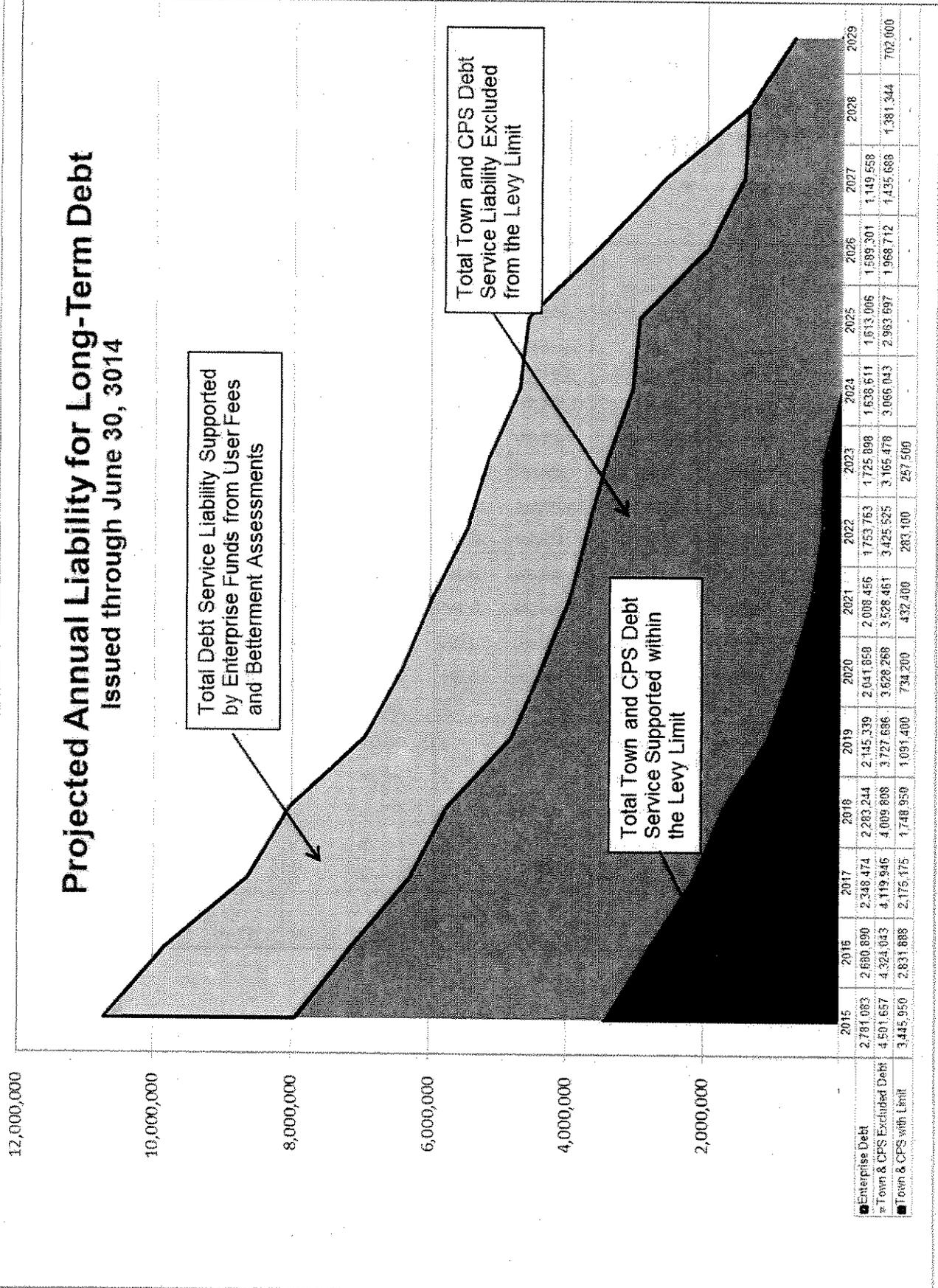
"Net debt" is net of self-supporting debt issued for the water, sewer and electric funds.

EQV and Debt: The Town's Equalized Valuation (EQV) is set by the state biennially. The value set at Jan. 1, 2012 is \$5,374,771,000. This EQV is used in various state formulas for FY13 and FY14. By state law (MGL c. 44, § 10), the Town's debt limit is capped at 5% of its EQV. The Town's outstanding debt as of June 30, 2014 is 1.31% of EQV.





Projected Annual Liability for Long-Term Debt Issued through June 30, 3014



Debt Service Schedule

for debt issued through June 30, 2014

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 Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment
2015	8,444,497	2,284,193	62,154,270	2,275,000	264,920	179,293	29,539	800,000	106,030	3,005,000	1,287,825
2016	7,809,014	2,027,807	54,345,256	1,855,000	195,550	180,895	24,067	700,000	81,338	2,930,000	1,189,082
2017	6,878,822	1,764,773	47,466,434	1,480,000	132,300	82,529	18,560	505,000	57,875	2,930,000	1,088,857
2018	6,483,928	1,558,074	40,982,506	1,250,000	90,200	84,196	16,767	365,000	43,750	2,920,000	988,844
2019	5,609,339	1,355,086	35,373,167	765,000	52,600	85,897	14,939	240,000	33,800	2,740,000	886,850
2020	5,229,744	1,174,582	30,143,424	445,000	28,500	87,632	13,073	235,000	25,700	2,740,000	787,563
2021	4,966,003	1,003,314	25,177,421	235,000	14,700	89,403	11,170	165,000	17,700	2,740,000	687,888
2022	4,626,315	836,074	20,551,106	100,000	7,000	91,209	9,229	165,000	11,100	2,740,000	585,088
2023	4,473,007	675,869	16,078,099	100,000	3,000	93,052	7,248	150,000	4,500	2,585,000	480,178
2024	4,177,635	527,018	11,900,464	0	0	94,932	5,227	0	0	2,585,000	380,884
2025	4,194,962	381,740	7,705,502	0	0	96,850	3,165	0	0	2,585,000	278,682
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	70,598,767	14,109,631		8,505,000	788,770	1,264,694	154,046	3,325,000	381,793	35,450,000	9,079,617

Interest expense as % of total debt service, FY15:

21.3%

Interest expense as % of total debt service to final maturity:

16.7% as of July 1, 2014

Projected as of June 30, 2014:

Debt Retirement - all

5 yrs	10 yrs
49.9%	83.1%

Debt Retirement - tax supported only

5 yrs	10 yrs
52.3%	84.1%

SECTION II: Budget Summary

Debt

Revenue Supported Annual Debt Service							
Water		Sewer		Betterment (WPAT loans)		Light (including Telecom)	
Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment
520,000	153,144	613,557	165,398	266,648	34,326	785,000	243,011
520,000	136,681	623,932	150,620	269,187	31,644	730,000	218,825
420,000	115,706	534,516	134,242	271,777	28,908	655,000	188,325
420,000	101,388	545,314	122,634	274,418	26,116	625,000	168,375
345,000	86,213	556,331	110,791	277,111	23,268	600,000	146,625
345,000	75,050	567,570	98,709	209,542	20,362	600,000	125,625
345,000	63,450	579,036	86,383	212,564	17,398	600,000	104,625
235,000	51,850	590,734	73,808	204,372	14,374	500,000	83,625
235,000	43,050	602,668	60,979	207,287	11,289	500,000	65,625
235,000	34,250	614,843	47,891	147,860	8,141	500,000	50,625
235,000	25,300	627,265	34,538	150,847	4,930	500,000	35,125
235,000	16,275	639,936	20,916	153,895	1,654	500,000	21,625
175,000	7,175	652,865	7,018	0	0	300,000	7,500
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
4,265,000	909,532	7,748,567	1,113,927	2,645,508	222,410	7,395,000	1,459,536

subtotals		
Tax-supported		Revenue-supported
within Limit	Excluded	
3,445,950	4,501,657	2,781,084
2,831,888	4,324,044	2,680,889
2,175,175	4,119,946	2,348,474
1,748,950	4,009,807	2,283,245
1,091,400	3,727,686	2,145,339
734,200	3,628,268	2,041,858
432,400	3,528,461	2,008,456
283,100	3,425,526	1,753,763
257,500	3,165,478	1,725,898
0	3,066,043	1,638,610
0	2,963,697	1,613,005
0	1,968,712	1,589,301
0	1,435,688	1,149,558
0	1,381,344	0
0	702,000	0
13,000,563	45,948,357	25,759,480

SECTION II: Budget Summary

Debt

Excluded Debt

Projected to June 30, 2015	Principal		FY16 Debt Service				
	Initial Issuance	Remaining Balance	Remaining Percent	Principal	Interest	Debt Service (Net of Premium)	Amortized Premium
Outstanding Town-Issued Excluded Debt							
Harvey Wheeler Community Center <i>Feb. 2004 (2.87%)</i>	\$1,200,000	\$100,000	8.3%	\$100,000	\$3,694	\$103,694	\$56
Wastewater Management (Phase 1) <i>Nov. 2005 (2.00% - WPAT Loan)</i>	\$1,638,290	\$985,402	60.1%	\$80,895	\$20,317	\$101,212	\$0
Alcott School <i>Sept. 2004 (3.70%), Mar. 2007 (3.87%)</i>	\$9,365,000	\$4,585,000	48.9%	\$505,000	\$177,442	\$682,442	\$346
Thoreau School <i>Sept. 2006 (3.86%), Sept. 2007 (3.99%)</i>	\$16,940,000	\$9,690,000	57.2%	\$935,000	\$370,061	\$1,305,061	\$1,214
Willard School <i>Apr. 2008 (3.11%), Mar. 2009 (3.72%), Jan. 2010 (3.18%), May 2011 (1.06%),</i>	\$27,025,000	\$18,175,000	67.2%	\$1,490,000	\$638,091	\$2,128,091	\$1,928
Town Excluded Debt - Total	\$56,168,290	\$33,535,402	59.7%	\$3,110,895	\$1,209,605	\$4,320,500	\$3,544
MSBA Grant				(\$409,878)		(\$409,878)	
Net Town Exempt Excluded Debt	\$56,168,290	\$33,535,402	59.7%	\$2,701,017	\$1,209,605	\$3,910,622	\$3,544
Outstanding CCRSD-Issued Exempt Debt							
Existing High School						\$266,126	
New High School (\$32.5 million issued June 2013)						\$2,369,082	
New High School Bond (\$30 million to be issued in March 2015, 3.0% est. int. rate)						\$2,205,000	
Less: Reserved from FY 15 assessments						(\$72,294)	
Total Assessable						\$4,767,914	
Concord Share @ 73.71%						\$3,514,429	
Less: Stabilization fund appropriation (Article 29, proposed)						(\$1,500,000)	
Net CCRSD Excluded Debt						\$2,014,429	
Net Levy for the Total Town and CCRSD Exempt Debt						\$5,925,051	

SECTION II: Budget Summary

Details of Town-Issued Excluded Debt Cost

Harvey Wheeler Community Center

The long-term bond for this project was issued February 2004. \$1.2 million was the excluded debt portion. The bond was issued as a 12-year level principal maturity schedule at an interest cost of 2.87%, with a final maturity on Feb. 15, 2016. FY16 debt service is:

Principal	\$ 100,000
Interest	<u>3,694</u>
	\$ 103,694 (net of \$56 amortized premium)

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 FY15 is the ninth year of a twenty-year payment schedule, with the final maturity on July 15, 2025. The General Fund and Betterment funded shares for FY16 are:

General Fund (39.1%)	\$ 101,211
Betterment funded (60.9%)	\$ 157,641

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).

A \$7 million bond was issued on September 30, 2004. This was a 20-year level principal issuance sold at an interest cost of 3.70%. Additionally, a \$2.35 million bond was issued on March 1, 2007. This was a 15-year issuance sold at an interest cost of 3.87%. A final one-year issue of \$15,000 was made on March 15, 2009 at an interest cost of 1.17%. These bonds were issued pursuant to authorization voted by the Town Meeting in 2002 (Article 60) and approved by ballot vote in June of 2002.

The total Alcott debt expense in the FY16 budget is \$682,442 (0.88% of the projected tax levy).

\$7 million Bond issued September 2004:

Principal	\$ 350,000
Interest	<u>133,613</u>
	\$ 483,613

\$2.35 million Bond issued March 2007:

Principal	\$ 155,000
Interest	<u>43,829</u>
	\$ 198,829 (net of \$346 amortized premium)

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

Thoreau School Construction

An 18-year bond in the principal sum of \$10,000,000 was issued September 15, 2006 at an interest cost of 3.86%, with a final maturity on Sept. 15, 2024. An additional 18-year bond in the principal sum of \$6,800,000 was issued September 15, 2007 at an interest cost of 3.99%, with a final maturity on Sept. 15, 2025.

\$10 million Bond issued September 2006:

Principal	\$ 555,000
Interest	<u>209,024</u>
	\$ 764,024 (net of \$489 amortized premium)

\$6.8 million Bond issued September 2007:

Principal	\$ 380,000
Interest	<u>161,037</u>
	\$ 541,037 (net of \$725 amortized premium)

These bonds were issued pursuant to authorization voted by the 2004 Town Meeting (Article 27) and approved by ballot vote in June of 2004. The total tax-supported Thoreau debt expense provided in the FY16 budget is a gross sum of \$1,305,061 reduced by a \$409,878 allocation from the MSBA project grant, a net amount of \$895,183 (1.11% of the projected tax levy).

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 FY16 budget is \$2,128,091 (2.63% of the projected tax levy).

\$1.84 million Bond issued April 2008:

Principal	\$ 185,000
Interest	<u>19,383</u>
	\$ 204,383 (net of \$361 amortized premium)

\$11.9 million Bond issued March 2009:

Principal	\$ 625,000
Interest	<u>312,245</u>
	\$ 937,245 (net of \$255 amortized premium)

\$12.9 million Bond issued January 2010:

Principal	\$ 680,000
Interest	<u>306,463</u>
	\$ 986,463 (net of \$1,312 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 total amount of debt service for FY16 is \$2,128,091 or 2.75% of the projected tax levy.

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.

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 FY16 debt service cost. At Sept.16, 2016, the balance of the grant (which will be \$3,428,068) must be applied to a call of outstanding bonds maturing on or after 9/16/16.

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. This stabilization fund is 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, 2014, the status of the Elementary School Debt Stabilization Fund is:

Original balance (July 1, 2008)	\$ 2,500,000
Earned to date	257,407
Realized gains	154,501
Less Allocated by Town Meeting	<u>- 2,910,000</u>
Balance at 6/30/2014	\$1,908

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 FY16 Concord assessment of the debt service is:

Principal	\$ 245,000
Interest	<u>21,126</u>
Total	\$ 266,126 (net of \$4,454 amortized premium)
Concord Assessment (73.71%)	\$ 196,161

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 will be determined by the future annual enrollment proportion of Concord students.

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

A \$32.5 million bond was issued June 2013 pursuant to authorization voted by the 2011 Concord Special Town Meeting (Article 1) on November 7, 2011 and subsequently approved by the Carlisle Town Meeting. The FY16 debt service is:

Principal	\$ 1,400,000
Interest	<u>969,082</u>
Total	\$ 2,369,082 (net of \$99,318 of amortized premium)
Concord Assessment (73.71%):	\$ 1,746,250

A \$30.0 million Bond is expected to be issued in March 2015 at an estimated 3.0% coupon rate and an estimated FY16 debt service cost of \$2,205,000 with Concord's assessment at \$1,625,305 (73.71%).

CCRSD-Issued Excluded Debt Budgetary Offsets

MSBA Grant

On July 24, 2014, the Massachusetts School Building Authority (MSBA) approved the 2nd Project Funding Agreement, setting the maximum state grant at \$26,795,749 as the state's share of the cost of the Concord-Carlisle High School. The funding is provided to the Regional School District to offset current expenditures associated with the construction and furnishing of the new High School.

High School Debt Stabilization Fund

Concord's Special Town Meeting held on April 2, 2012 voted to transfer \$2,000,000 from Free Cash to create a Stabilization Fund for the purpose of reducing the tax impact of future debt service costs. Further additions have been made and Town Meeting has voted to use \$230,000 for FY14 and \$500,000 for FY15. Article 29 of the 2015 Town Meeting proposes allocating \$1,500,000 for FY16. As of June 30, 2014, this Stabilization Fund had a balance of \$3,279,669. Current plans will allocate these funds through the FY18 budget year.

SECTION II: Budget Summary

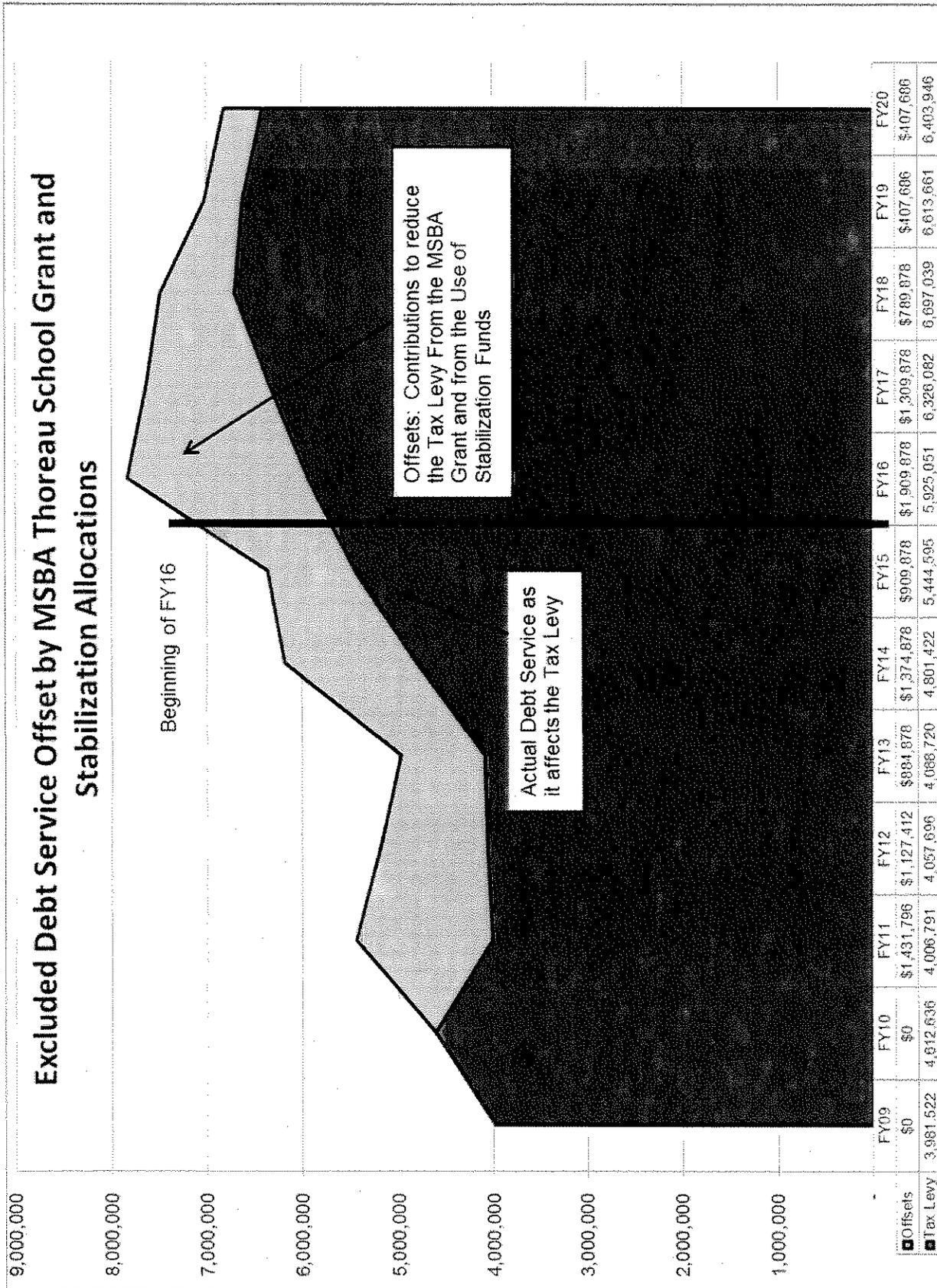
Debt

**Excluded Debt Service
(FY09 to FY14 Actual, FY15 Budgeted, and FY16 to FY29 Projected)**

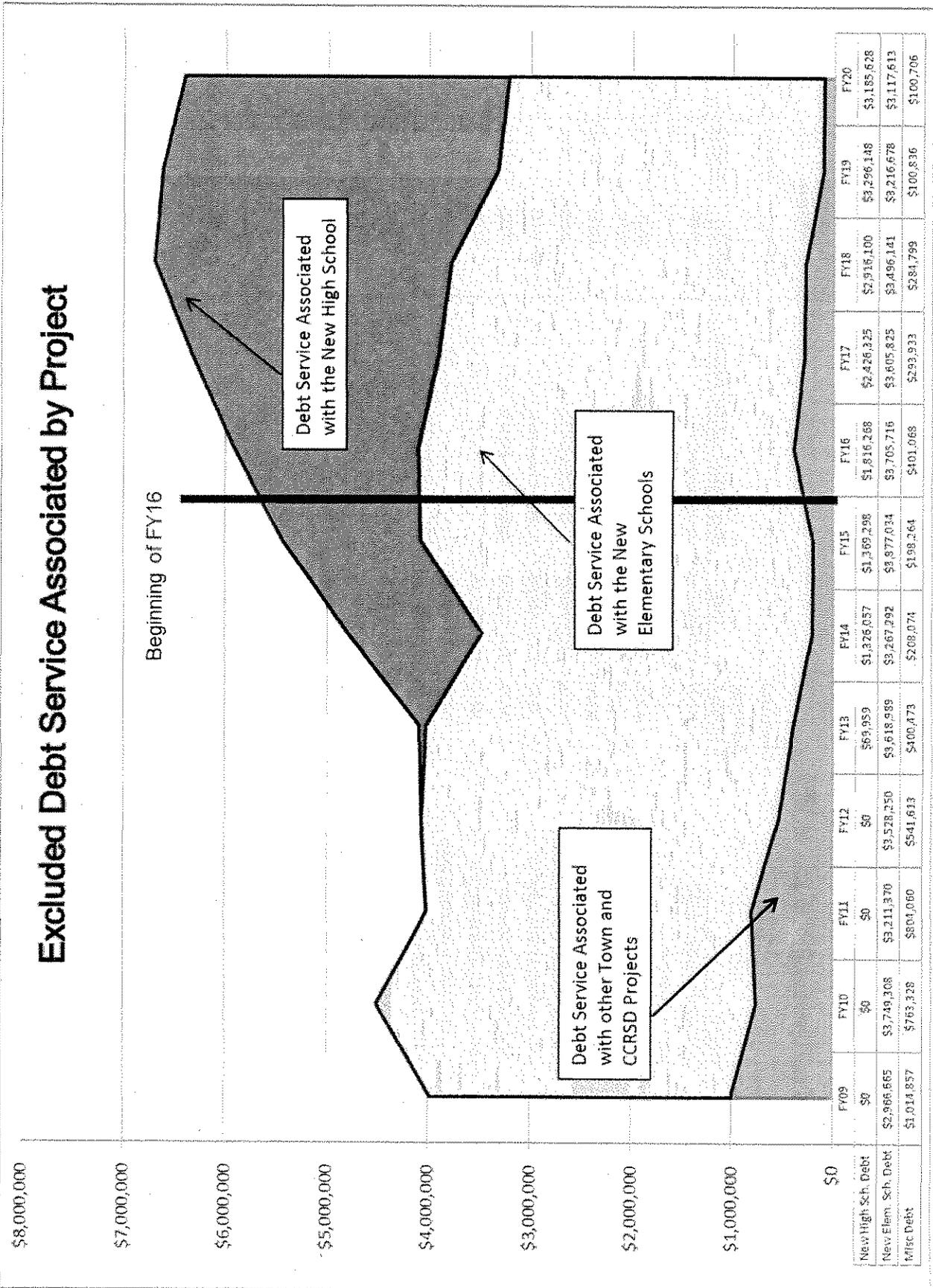
New High School Debt is based upon a Bond Issue on June 4, 2013 (\$32.5 million) and a planned Bond Issue in the Spring 2016 (\$30 million). CCRSD Assessment is based on the November 2014 IESEDC projection.

Fiscal Year	Elementary School Stabilization Fund		MSBA Thoreau Grant	Elementary School Debt Service	Net	Projected Concord Enrollment Percentage	New High School Debt Service	Stabilization Fund	TOTAL	All Other Town Debt Service		CCRSD Debt Service	Gross Excluded Debt Service	Offsets	Adjustments	Net Excluded Debt Service
	Alcott	Thoreau								Willard	Elementary School Debt Service					
FY09	812,569	1,570,663	583,403	2,966,635						330,714	884,143		3,981,522			3,981,522
FY10	811,335	1,578,640	1,359,333	3,749,308						224,089	530,239		4,512,636	100,000 (1)		4,812,636
FY11	779,408	1,540,085	2,323,693	3,211,370						221,616	582,444		5,447,226	(1,431,796)		4,006,791
FY12	762,558	1,492,681	2,400,443	3,628,250						218,872	322,841		5,197,275	(1,127,412)		4,037,996
FY13	748,952	1,416,382	2,347,423	3,618,989				69,259		215,603	184,870		4,973,598	(884,878)		4,088,720
FY14	728,995	1,381,337	2,309,778	3,207,232				1,328,657		212,237	(4,213)		6,179,300	(1,374,878)		4,981,422
FY15	704,499	1,344,781	2,240,852	3,077,034				1,260,298		208,720	(10,458)		6,354,473	(969,878)		5,444,595
FY16	682,442	1,305,081	2,128,081	3,707,716				1,818,288		204,966	196,162		7,834,929	(1,369,878)		9,925,051
FY17	661,828	1,266,311	2,067,764	3,605,925				2,426,925		101,089	192,844		7,635,960	(1,309,878)		6,326,082
FY18	641,913	1,230,148	2,033,950	3,496,141				2,916,100		100,863	183,930		7,486,917	(789,878)		6,697,039
FY19	622,147	1,198,619	1,813,698	3,216,578				3,296,148		100,836			7,021,347	(487,886)		6,813,661
FY20	602,380	1,161,491	1,771,428	3,117,613				3,185,628		100,705			6,811,632	(487,886)		6,403,946
FY21	582,228	1,114,364	1,729,258	3,016,154				3,171,237		100,573			6,607,680	(487,886)		6,289,974
FY22	562,077	1,047,236	1,683,960	2,885,593				3,134,838		100,438			6,528,354	(487,886)		6,120,568
FY23	546,750	1,009,873	1,635,991	2,655,918				3,101,706		100,300			6,285,611	(487,886)		5,867,925
FY24	527,225	1,002,277	1,589,995	2,559,811				3,041,956		100,159			6,188,611	(487,886)		5,698,925
FY25	507,438	964,447	1,540,602	2,454,801				2,967,532		100,015			5,930,133	(487,886)		5,522,447
FY26		382,458	1,485,363	1,763,436				2,919,988		99,869			4,887,675	(164,389)		4,723,286
FY27			1,435,298	1,435,298												
FY28			1,381,092	1,381,092												
FY29			701,685	701,685												
FY30																

Enrollment Percentage is not projected past FY26
Debt Service extends to FY38



Excluded Debt Service Associated by Project



SECTION II: Budget Summary

Debt

Town of Concord, MA

Authorized and Unissued Debt @ June 30, 2014

debt category	Town Meeting	Vote	Purpose	Debt Amount Authorized & Unissued	Code	Note Issuance and other comment	Expected future issue	Expected to rescind	TOTAL
Betterment	Art. 42, 2009		Septic Betterment Loan (Title 5)	1,675,285	18-455-455-0316	Interim Note dated 5/1/13	1,675,285		1,675,285
enterprise	Art. 28, 2012		Light Plant expansion	500,000	62-460-460-344	\$1.9M Bond issued 6/12/14	100,000	400,000	500,000
enterprise	Art. 36, 2012		Land Acquisition (NR Grace)	600,000	62-460-460-345		600,000		600,000
enterprise	Art. 48, 2013		Telecommunications	600,000	60-440-440-345		600,000		600,000
within limit	Art. 48, 2013		Telecommunications	900,000	73-0-0-350	\$100K Bond is sued 6/12/14	400,000	500,000	900,000
within limit	Art. 50, 2013		51 Laws Brook Rd and Rideout Field	75,000	30-122-123-352	\$25K Bond issued 6/12/14	25,000	50,000	75,000
within limit	Art. 52, 2013		Land acquisition, 449 Barrett's Mill Rd	25,000	30-122-123-353		25,000		25,000
within limit	Art. 55, 2013		Town House exterior renovation	200,000	30-122-123-354	\$625K Bond is sued 6/12/14	25,000	300,000	325,000
within limit	Art. 9, 2014		Concord Public Schools renovations	450,000	30-300-300-355		450,000		450,000
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		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	340,000	30-546-546-362		340,000		340,000
within limit	Art. 56, 2014		Road Improvements	1,300,000	30-429-429-363		1,300,000		1,300,000
within limit	Art. 1, STM 5/5/14		Land acquisition and Improvements	700,000	30-122-123-364		700,000		700,000
				\$ 8,375,285			7,250,285	1,250,000	8,500,285

Future issue and rescission

Detail: Authorized & Unissued by Funding Source

Tax Supported to be issued	\$ 2,850,000
Betterments	1,675,285
Light Fund (#62)	1,100,000
Telecom Fund (#73)	900,000
Sewer Fund (#60)	800,000
to be rescinded	1,250,000
	\$ 8,375,285

SECTION II: Budget Summary

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SECTION II: Budget Summary

Liabilities

Major Liabilities

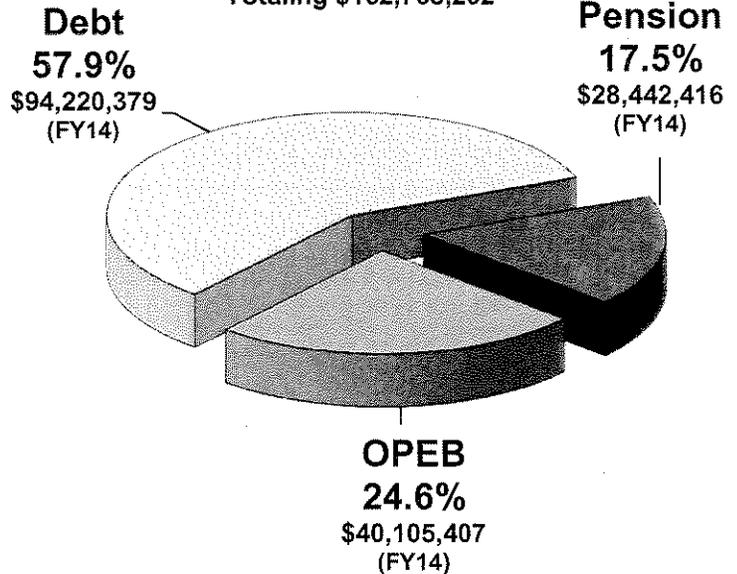
The Major Liabilities are a result of the following:

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

This section contains the following:

- Major Liabilities II-68
- Reason for Presenting Major Liabilities II-69
- Debt II-70
- Pensions II-71
- OPEB II-72

FY14 Major Liabilities (with CCRSD Overlapping Debt) Totaling \$162,768,202



Major Liabilities (with CCRSD Overlapping Liability)

FY14 Liabilities	Debt	Pension	OPEB	Total
General Fund	\$48,544,694	\$24,631,132	\$25,549,548	\$98,725,374
Enterprise and Others	\$22,054,072	\$3,811,284	\$1,325,692	\$27,191,048
Total Direct Town Liabilities	\$70,598,766	\$28,442,416	\$26,875,240	\$125,916,422
CCRSB Assessment (@72.85%)	\$23,621,613	N/A	\$13,230,167	\$36,851,780
Total	\$94,220,379	\$28,442,416	\$40,105,407	\$162,768,202

Major Liabilities

Major outstanding liabilities are commitments that the Town has made and is required to pay for in future periods. There are three categories of major outstanding liabilities: Debt, Pension, and OPEB. Each liability is to be paid for 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 (CCRSB); the Town is responsible for 71.77% of all CCRSB expenses and liabilities in FY13, as determined by student enrollment.

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

Pension: The Concord Retirement Board administers a define 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. The CCRSB portion is included in the General Fund Liability.

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 survivors. In the past, the Town used as "pay-as-you-go" method. To comply with new accounting standards, the Town began reporting this liability in FY09 on the Financial Statements 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 Services. This is the highest possible rating and allows the Town to borrow funds at the lowest possible interest rate, which decreases the Town's cost over the repayment period for each bond issue.

Moody's Investors Services Methodology

In October 2013, Moody's Investor Services 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 Investor Services 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.

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
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. In fact, a very small number of cities have had to declare bankruptcy, partly do to the large unfunded pension obligations.

Due to the increasing importance of managing debt and pension obligations, Moody's has increase 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 II: Budget Summary

Liabilities

Debt Liability:

Within the past decade, the Town has undertaken to build three new elementary schools and a new regional high school. This activity has caused the tax-supported outstanding principal (both within and outside the levy limit) to increase from \$11,020,000 in FY03 to \$48,544,694 in FY14. With the inclusion of enterprise debt, the total is \$70,598,766 at June 30, 2014.

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.

Debt

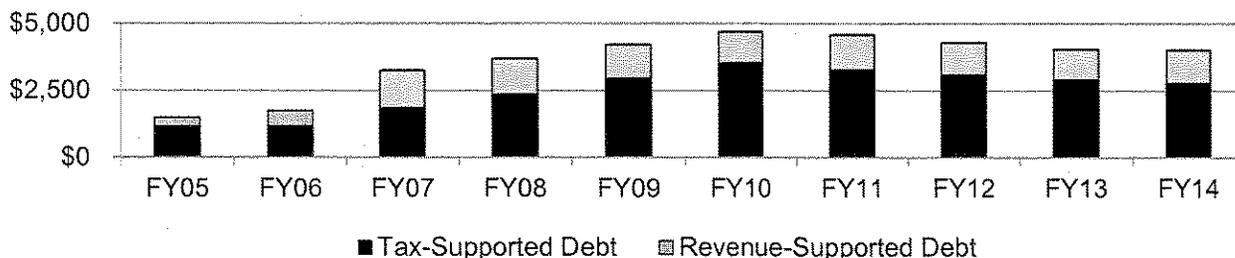
The Town of Concord borrows money to finance such projects as the construction of new schools, the purchase of fire engines, and the renovation of the sewer treatment plant. Although all borrowed funds are guaranteed by the full faith and credit of the Town, money borrowed for enterprise projects is expected to be repaid from enterprise user fees instead of from tax-supported resources. Furthermore, some tax-supported debt projects are classified as being within the Proposition 2 ½ levy limit constraints and others are outside these constraints (also referred to as excluded debt projects) as a result of Town-wide ballot approval.

The chart below shows the amount of outstanding principal by category. For tax-supported debt within the limit, the Town follows a rapid repayment policy; 87% of current principal will be repaid in 5 years and all will be repaid in 10 years. The 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 benefits of these buildings should be amortized over a longer time. A similar generational matching policy is applied to enterprise debt, which is used 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 Debt to be retired for debt issued as of June 30, 2014								
Paid Down Percentage Starting on June 30, 2014	Tax-Supported Debt				Enterprise and Other Debt		Total Debt	
	Within Limit		Excluded		Outstanding Principal	%	Outstanding Principal	%
	Outstanding Principal	%	Outstanding Principal	%				
On 6/30/14	\$11,830,000	0%	\$36,714,694	0%	\$22,054,072	0%	\$70,598,766	0%
in 5 years	\$1,595,000	87%	\$21,576,883	41%	\$12,201,282	45%	\$35,373,165	50%
In 10 Years	\$0	100%	\$7,730,655	79%	\$4,169,807	81%	\$11,900,462	83%
In 15 Years	\$0	100%	\$0	100%	\$0	100%	\$0	100%
In 20 Years	\$0	100%	\$0	100%	\$0	100%	\$0	100%

The graph below represents the 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 excluded from the chart. (Source data is found on page II-52)

Total Debt Per Capita



Pension Liability:

As of the January 1, 2014 actuarial valuation, the Concord Contributory Retirement System has a projected Unfunded Actuarial Accrued Liability (UAAL) of \$28,442,416. In FY16, the System's annual funding requirement is \$3,901,380 of which Concord's General Fund share is \$3,220,000 (3.3% of the proposed budget).

Pension Funding Policy

The 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. The funding schedule is based upon an actuarial valuation using an assumed rate of return of 7.5%.

Pension

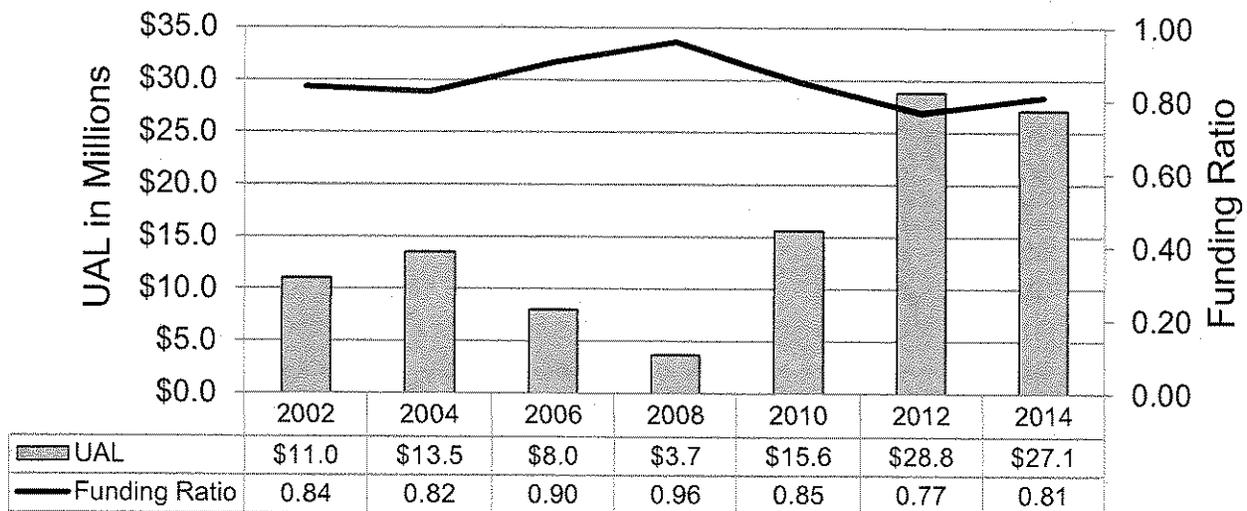
The Concord Contributory Retirement System has been established under M.G.L. Chapter 32 to provide retirement benefits to substantially all municipal employees (with the exception of teachers who are covered by the State Teachers Retirement System) who work at least 25 hours per week. *(For a more detailed description of the Retirement Plan, refer to pages III-163 to III-166.)*

The amount of the Pension Liability, or Unfunded Accrued Liability (UAL) is the difference between the amount that is 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 Retirement Board's policy is to completely fund this liability by fiscal year 2030.

As of January 1, 2014, the Actuarial Accrued Liability is estimated at \$142,404,644 and the Actuarial Value of Assets is \$115,339,593, which results in an Unfunded Accrued Liability of \$27,065,051. The funding ratio (AVA / ALA) is 81%.

Pension Funding Progress

(as of January 1st)



SECTION II: Budget Summary

Liabilities

OPEB Liability:

As of the most recent actuarial study in June 30, 2014, the Town and Enterprises have in FY14 an Actuarial Accrued Liability (AAL) of \$33,452,285 which is offset by Actuarial Value of Assets (AVA) of \$6,577,045 for a projected Unfunded Actuarial Accrued Liability (UAAL) of \$26,875,240.

OPEB Funding Policy

The Town's policy to fund the OPEB obligation is two-fold. First, the annual Net OPEB Obligation (NOO) as it is associated with covered enterprise employees is fully funded. Second, the amount appropriated for the costs associated with other covered Town Government employees is to be gradually increased by \$250,000 annually until the full annual NOO is reached (projected as FY2017).

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 III-163 to III-164.)*

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).

Massachusetts cities and towns are beginning to fund the OPEB liability. There are two metrics useful in determining how municipalities are doing in covering this liability. First, the Funded Ratio (or AVA divided by the AAL) measures the percentage of the AAL that is funded. Concord's Funded Ratio as of June 30, 2014 is 19.66%. Second, the UAAL per Capita measures this obligation as it relates to the population of the municipality. Concord's UAAL Per Capita is \$1,418.

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.

<u>Town</u>	<u>Population</u>	<u>Valuation Date</u>	<u>AAL</u>	<u>AVA</u>	<u>UAAL</u>	<u>Funded Ratio</u>	<u>UAAL Per Cap.</u>
Acton	21,924	06/30/11	\$57,330,858	\$0	\$57,330,858	0.00%	\$2,615
Andover	33,201	06/30/11	\$215,257,672	\$704,009	\$214,553,663	0.33%	\$6,462
Bedford	13,320	06/30/12	\$48,839,208	\$2,961,186	\$45,878,022	6.06%	\$3,444
Brookline	58,732	06/30/12	\$202,733,897	\$12,766,296	\$189,967,601	6.30%	\$3,234
Concord	18,957	06/30/14	\$33,452,285	\$6,577,045	\$26,875,240	19.66%	\$1,418
Lexington	31,394	06/30/11	\$306,300,691	\$2,000,000	\$304,300,691	0.65%	\$9,693
Needham	28,886	06/30/11	\$59,122,322	\$6,423,760	\$52,698,562	10.87%	\$1,824
Newton	85,146	06/30/12	\$601,299,679	\$0	\$601,299,679	0.00%	\$7,062
Plymouth	56,468	01/01/11	\$390,817,000	\$0	\$390,817,000	0.00%	\$6,921
Scituate	18,266	06/30/10	\$53,900,000	\$0	\$53,900,000	0.00%	\$2,951
Sudbury	17,659	06/30/12	\$34,276,192	\$128,700	\$34,147,492	0.38%	\$1,934
Wayland	12,994	01/01/13	\$38,537,958	\$10,224,733	\$28,313,225	26.53%	\$2,179
Wellesley	27,982	06/30/12	\$127,615,942	\$21,317,571	\$106,298,371	16.70%	\$3,799
Weston	11,261	07/01/10	\$69,781,850	\$107,153	\$69,674,697	0.15%	\$6,187

SECTION II: Budget Summary

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