

Section II Budget Summary

SECTION II: Budget Summary

THIS PAGE INTENTIONALLY LEFT BLANK

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-46 to II-65
• Major Liabilities	II-66 to II-70

The Town Manager's Budget

*The Town Manager's Proposed
FY15 General Fund Budget totals:*

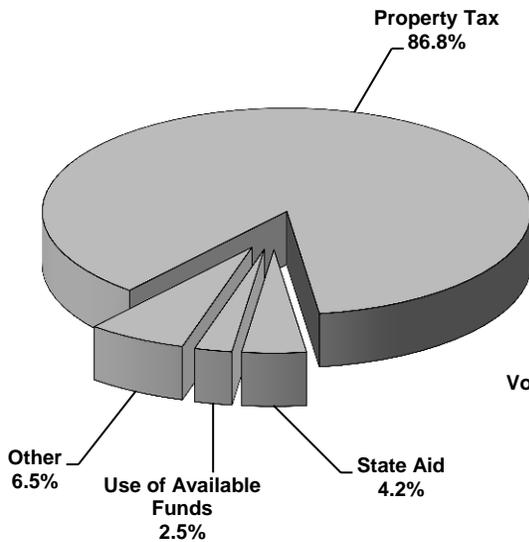
\$89,662,745

This level of appropriation is at the Finance Committee's FY15 Budget Guidelines.

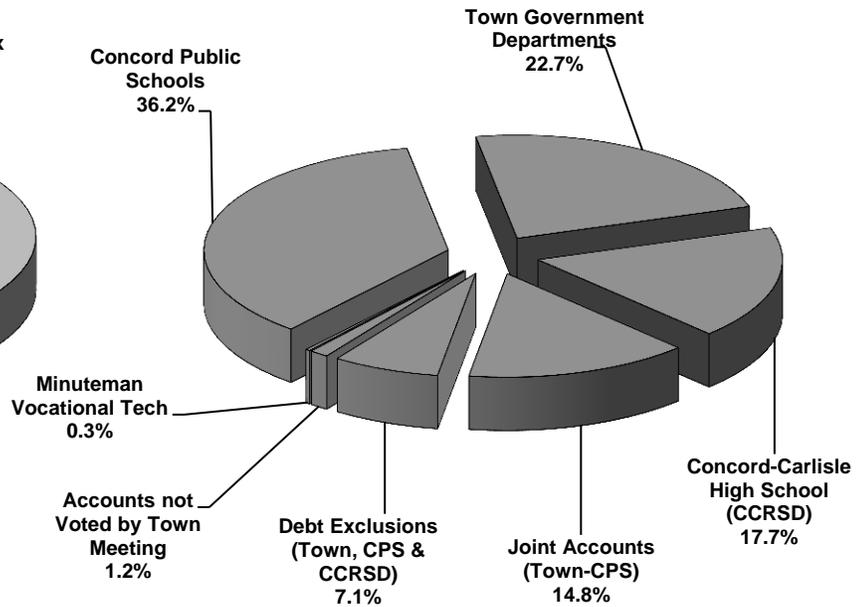
*See page III-43 for more on the Finance Committee.

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

FY15 General Fund Resources
Totaling \$89,662,745



FY15 General Fund Expenses
Totaling \$89,662,745



Fiscal Balance:

This FY15 Proposed Budget represents a balanced budget. Both budgeted resources and expenses equal \$89,662,745. All amounts are shown at the Finance Committee's Budget Guidelines issued November 30, 2013.

Budget Level and Credit Rating:

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

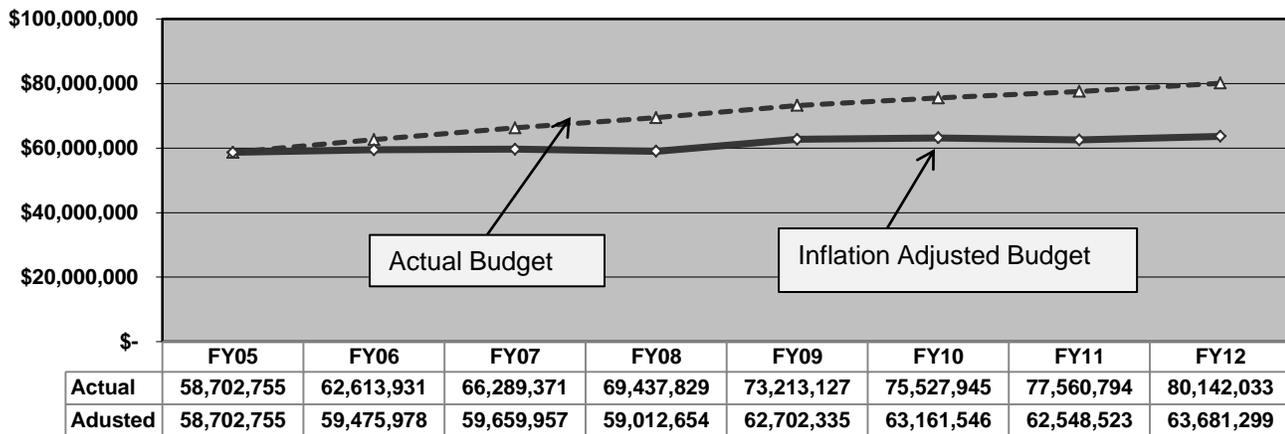
The first graph represents the total Town budget in terms of actual and adjusted dollar amounts. The line on the top is the actual amount budgeted and the line on the bottom is the amount adjusted for inflation.

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

Fiscal Stability

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

Financial History: Actual vs. Adjusted Town Appropriations - FY05 to FY12
(in year 2005 dollars)



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

*Values (adjusted for inflation) based on the Bureau of Economic Analysis' Table 1.1.9. Implicit Price Deflator for Gross Domestic Product, 2005-2012 (Annual), State and Local governments, viewed: 1/18/2014.

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.

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
The Town's Credit Rating (Moody's)	Aaa							

The opposite page provides information about the General Fund Balance. Data for FY12 and FY13 are actual amounts and for FY14 and FY14 are projections. The FY12 and FY13 columns are derived from the "Schedule A" report filed annually with the Massachusetts Department of Revenue.



SECTION II: Budget Summary

Overview

General Fund Balance Analysis	FY12	FY13	FY14	FY15
"Schedule A" basis of reporting	Actual	Actual	Budgeted	Proposed
Revenues				
Taxes	\$72,026,290	\$74,774,350	\$77,506,633	\$81,285,817
Charges for Services	\$1,211,908	\$1,240,890	\$915,000	\$1,040,000
Licenses, Permits, and Fees	\$1,280,146	\$966,798	\$830,000	\$780,000
Revenues from Other Government	\$3,825,012	\$3,791,089	\$3,882,628	\$3,890,000
Miscellaneous Revenues	<u>\$1,538,470</u>	<u>\$290,838</u>	<u>\$413,400</u>	<u>\$448,400</u>
	\$79,881,826	\$81,063,965	\$83,547,661	\$87,444,217
Expenditures				
Salary and Wages	-\$36,616,409	-\$38,398,955	-\$38,612,029	-\$40,148,671
Expenditures	-\$24,483,366	-\$25,857,889	-\$28,259,450	-\$29,665,942
Capital Outlay	-\$1,407,459	-\$1,286,659	-\$1,520,000	-\$1,625,000
Debt Service	-\$7,260,560	-\$7,416,985	-\$8,024,457	-\$7,995,632
Unclassified	<u>-\$4,140,634</u>	<u>-\$8,197,961</u>	<u>-\$9,154,403</u>	<u>-\$9,327,500</u>
	-\$73,908,428	-\$81,158,449	-\$85,570,339	-\$88,762,745
Net Revenues / Expenditures	\$5,973,398	-\$94,484	-\$2,022,678	-\$1,318,528
Other Financing Sources (Uses)				
Transfer from Other Funds	\$1,856,428	\$1,901,739	\$2,672,678	\$2,218,528
Transfers to Other Funds	-\$3,711,279	-\$1,600,492	-\$650,000	-\$900,000
Other Financing Uses	<u>-\$4,282,734</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	-\$6,137,585	\$301,247	\$2,022,678	\$1,318,528
Total Excess (Deficiency)	-\$164,187	\$206,763	\$0	\$0
Fund Balance (Beginning of Year)	\$21,147,790	\$20,983,603	\$21,190,366	\$21,190,366
Fund Balance (End of Year)	\$20,983,603	\$21,190,366	\$21,190,366	\$21,190,366
Fund Balance Analysis				
Designated for Thoreau Debt Service	\$5,477,457	\$5,067,579	N/A	N/A
Reserved for Expenditures	\$850,000	\$850,000	N/A	N/A
Reserved for Encumbrances	\$3,638,246	\$3,777,414	N/A	N/A
Snow and Ice Deficit	\$0	-\$101,951	N/A	N/A
Unreserved Fund Balance	<u>\$11,017,900</u>	<u>\$11,597,328</u>	<u>N/A</u>	<u>N/A</u>
	\$20,983,603	\$21,190,371	N/A	N/A
Free Cash Analysis				
Unreserved Fund Balance	\$11,017,900	\$11,597,328	N/A	N/A
Minus: Receivables	-\$865,766	-\$695,291	N/A	N/A
Minus: Deferred Revenue	-\$690,044	-\$1,076,546	N/A	N/A
Minus: Miscellaneous	<u>-\$104,428</u>	<u>-\$161,002</u>	<u>N/A</u>	<u>N/A</u>
Certified Free Cash	\$9,357,662	\$9,664,489	N/A	N/A

Fund Balance:

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

Availability of Fund Balance

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

Fund Balance

An accounting distinction is made between the portions of fund equity that 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.

SECTION II: Budget Summary

Overview

Source: Audited Financial Statements
prepared on GAAP basis

Fund Balance (as of June 30, 2013)	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable			
Permanent Funds	-	5,032,235	5,032,235
Restricted			
MSBA Grant - Thoreau School	5,067,579	-	5,067,579
Capital Project Funds	-	792,696	792,696
Cemetery Fund	-	362,423	362,423
Community Preservation Fund	-	1,243,941	1,243,941
Expendable Trust Funds	-	101,418	101,418
Federal Grants	-	32,172	32,172
Gifts	-	1,161,012	1,161,012
Land Acquisition	-	1,764	1,764
Miscellaneous Grants and Contributions	-	94,731	94,731
Other Revolving Funds	-	502,984	502,984
Parking Fund	-	187,490	187,490
Pension Reserve Fund	-	7,471,386	7,471,386
Receipts Reserved	-	721,961	721,961
Recreation Revolving Fund	-	424,108	424,108
Saw yer Gift Fund	-	387,880	387,880
School Lunch	-	128,452	128,452
Section 53G	-	20,643	20,643
Solid Waste Fund	-	152,701	152,701
State Grants	-	295,076	295,076
Subtotal	5,067,579	14,082,838	19,150,417
Committed			
CPS Capital Stabilization Fund	959,842	-	959,842
CPS Technology Stabilization Fund	75,399	-	75,399
Elementary School Debt Stabilization Fund	733,623	-	733,623
Emergency Response Debt Stabilization Fund	1,002,184	-	1,002,184
High School Debt Stabilization Fund	2,754,577	-	2,754,577
Insurance Reserve	1,562,189	-	1,562,189
Other Stabilization Funds	2,264	-	2,264
Subtotal	7,090,078	-	7,090,078
Assigned			
Encumbrances	3,777,414	-	3,777,414
Free Cash Voted to Support Next Budget	850,000	-	850,000
Subtotal	4,627,414	-	4,627,414
Unassigned	10,720,042	(40,263) *	10,679,779

*(\$40,623) Chapter 90 State Grant Receivable

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 unused Free Cash balance at or above 5% of the total ensuing Town budget.

Strong Reserves

The Town's Free Cash exceeds the minimum amount of 5% of the next year's budget. As a result of this policy and other sound management practices, Moody's Investors Service has affirmed Concord's Aaa credit rating on the Town's outstanding debt, as of May 14, 2013.

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 minimally 5% of the next year's total town budget. In recent years the Finance Committee has supported a reserve position of 10%, with the consideration of transfers to stabilization funds when the reserve position exceeds this level.

These reserves are officially the Undesignated General Fund Balance, commonly referred to a "Free Cash". They represent the amount of fund balance which the Town has not currently designated for any specific purpose. Each year, the State examines the Town's 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.

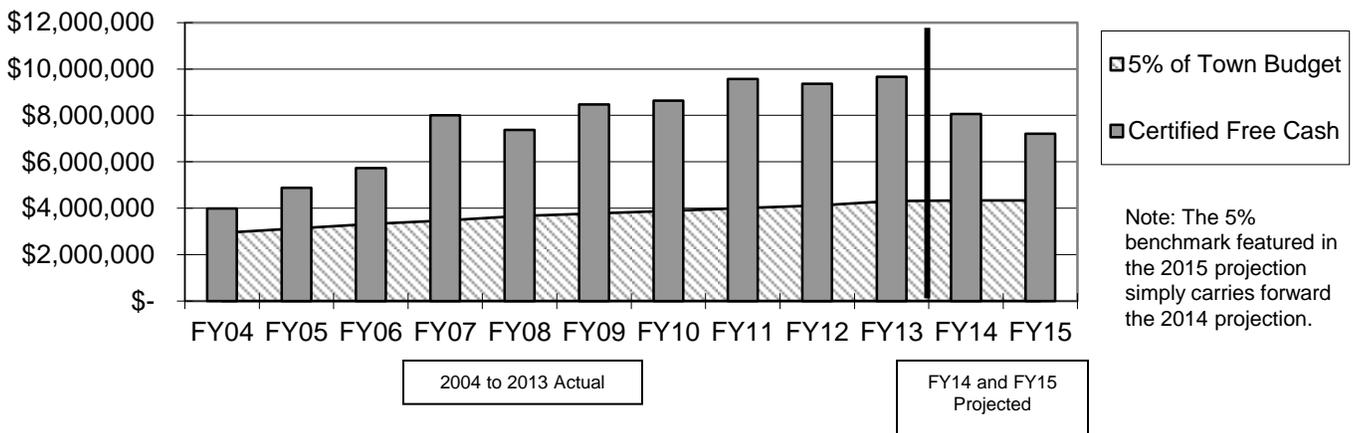
As shown on the previous page, Free Cash is calculated by taking the Town's fund balance at year-end and subtracting those items which are designated for other purposes.

Over the past decade, Free Cash has generally increased from year-to-year as a result of the Town (1) conservatively estimating revenues (i.e., the Town usually collects more revenue than budgeted), and effectively controlling expenses (i.e., the Town spends less money than budgeted).

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

At June 30, 2013, the most recent year that has been certified by the State, Free Cash totaled more than \$9.6 million, while 5% of the next year's budget equals approximately \$4.3 million.

Certified Free Cash (Actual from 2004 to 2013 and Projected to FY15)



SECTION II: Budget Summary

Overview

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 FY14, \$850,000 is proposed for this purpose.

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

At the Special Town Meeting on November 7, 2011, Concord citizens voted to establish a \$2 million stabilization fund from Free Cash to be used to offset future property tax increases resulting from additional debt service associated with the cost for construction of the new Concord-Carlisle High School. \$750,000 was transferred from Free Cash to this fund by vote at the 2013 Town Meeting, and the Finance Committee is recommending another \$750,000 transfer at the 2014 Town Meeting (Article 14).

It should be noted that the projections for FY14 and FY15 do not take into account likely increases in Free Cash due to the conservative estimation of revenues and expenditures. Actual revenues may be higher than the budget estimate and budgeted expenditures may not be entirely used. Accordingly, the downward trend for projected Free Cash in FY14 and FY15 does not reflect the possibility of positive results from operations for those years.

Using Free Cash

Fiscal Year	Free Cash Available for Appropriation	Certified June 30th of:	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
2005	\$3,638,239	2003	6.5%	\$459,000				\$459,000
2006	\$3,994,445	2004	6.8%	\$500,000				\$500,000
2007	\$4,880,193	2005	7.8%	\$500,000				\$500,000
2008	\$5,730,609	2006	8.6%	\$500,000				\$500,000
2009	\$8,003,063	2007	11.5%	\$600,000	2,500,000			\$3,100,000
2010	\$7,371,061	2008	10.0%	\$600,000			440,000	\$1,040,000
2011	\$8,471,337	2009	11.2%	\$600,000		34,430		\$634,430
2012	\$8,635,340	2010	11.1%	\$850,000		24,822		\$874,822
2013	\$9,567,656	2011	11.9%	\$850,000	2,000,000			\$2,850,000
2014	\$9,357,662	2012	11.3%	\$850,000	750,000			\$1,600,000
proposed 2015	\$9,664,489	2013	11.2%	\$850,000	\$ 750,000			\$1,600,000

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. For example, the State certified the Town's free cash at \$9,664,489 as of June 30, 2013, and this amount is available for the next appropriation, which will be the 2014 Annual Town Meeting's vote on the FY15 budget.

SECTION II: Budget Summary

Overview

**General Fund Budget - All Accounts
FY11 - FY14 Adopted Budgets, FY15 Adopted Guideline**

Line #		FY11 Budget	FY12 Budget	FY13 Budget	FY14 Budget	FY15 adopted guideline	Dollar Change	Percent Change	Percent of Total
Town Government									
1	personal services	\$ 12,974,546	\$ 13,599,845	13,937,691	14,494,368	15,181,707	687,339	4.74%	16.93%
2	O & M	2,836,967	2,914,168	3,126,322	3,234,645	3,332,306	97,661	3.02%	3.72%
3	capital outlay	1,315,500	1,385,000	1,435,000	1,520,000	1,625,000	105,000	6.91%	1.81%
4	Reserve Fund	225,000	225,000	225,000	225,000	225,000	0	0.00%	0.25%
5	Total	\$ 17,352,013	\$ 18,124,013	\$ 18,724,013	\$ 19,474,013	\$ 20,364,013	\$ 890,000	4.57%	22.71%
6	Concord Public Schools	\$ 27,699,200	\$ 28,474,200	\$ 29,755,538	\$ 31,140,538	\$ 32,440,538	\$ 1,300,000	4.17%	36.18%
7	Concord-Carlisle RSD	\$ 14,006,221	\$ 14,766,221	\$ 15,066,221	\$ 15,356,221	\$ 15,856,221	\$ 500,000	3.26%	17.68%
8	Total Operating Budgets	\$ 59,057,434	\$ 61,364,434	\$ 63,545,772	\$ 65,970,772	\$ 68,660,772	\$ 2,690,000	4.08%	76.58%
9	Group Insurance	\$ 4,465,000	\$ 4,650,000	\$ 4,650,000	\$ 4,650,000	\$ 4,650,000	0	0.00%	
9a	OPEB Trust	150,000	150,000	400,000	650,000	900,000	250,000	38.46%	
10	Retirement	2,750,000	2,860,000	2,945,000	3,035,000	3,125,000	90,000	2.97%	
11	Debt Service	3,175,000	3,275,000	3,300,000	3,400,000	3,500,000	100,000	2.94%	
12	Social Security/Medicare	580,000	610,000	625,000	640,000	685,000	45,000	7.03%	
13	Other Fixed & Mandated	375,000	375,000	375,000	400,000	425,000	25,000	6.25%	
14	subtotal	\$ 11,345,000	\$ 11,920,000	\$ 12,295,000	\$ 12,775,000	\$ 13,285,000	\$ 510,000	3.99%	14.82%
15	Minuteman Voc Tech	\$ 590,682	\$ 555,830	\$ 437,910	\$ 227,033	\$ 250,000	\$ 22,967	10.12%	
16	High School Debt Exclusion	582,444	322,941	254,128	1,551,843	1,858,841	306,998	19.78%	
17	Town Debt Exclusion	4,864,782	4,874,334	4,719,471	4,624,457	4,495,632	(128,825)	(0)	
	Free Cash appropriations	\$ 6,037,908	\$ 5,753,105	\$ 5,411,509	\$ 6,403,333	\$ 6,604,473	\$ 201,140	3.14%	7.37%
18	TOWN MEETING VOTE	\$ 76,474,772	\$ 79,037,539	\$ 81,252,281	\$ 85,149,105	\$ 88,550,245	\$ 3,401,140	3.99%	98.76%
19	State assessments	\$ 441,741	\$ 446,473	\$ 468,736	\$ 429,403	\$ 442,500	\$ 13,097	3.05%	
20	Snow/ice & other deficits	99,199	157,838	0	101,951	120,000	18,049	17.70%	
21	Overlay	545,082	500,183	538,810	539,880	550,000	10,120	1.87%	
22	subtotal	\$ 1,086,022	\$ 1,104,494	\$ 1,007,546	\$ 1,071,234	\$ 1,112,500	\$ 41,266	3.85%	1.24%
23	TOTAL BUDGET PLAN	\$ 77,560,794	\$ 80,142,033	\$ 82,259,827	\$ 86,220,339	\$ 89,662,745	\$ 3,442,406	3.99%	

"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.

SECTION II: Budget Summary

Overview

Financing the Budget Plan

	FY11 Budget	FY12 Budget	FY13 Budget	FY14 Budget	FY15 adopted guideline	Dollar Change	Percent Change	Percent of Total
24	state aid \$ 3,657,671	\$ 3,580,402	\$ 3,717,120	\$ 3,792,628	\$ 3,800,000	\$ 7,372	0.19%	4.24%
25	motor vehicle excise tax 2,100,000	2,150,000	2,225,000	2,400,000	2,475,000	75,000	3.13%	2.76%
26	investment earnings 300,000	175,000	175,000	125,000	150,000	25,000	20.00%	0.17%
27	other local revenue 2,511,500	2,731,400	2,899,400	3,094,400	3,229,400	135,000	4.36%	3.60%
28	Appropriations financed from:							
29	Elem. Debt Stabilization Fund 1,000,000	700,000	475,000	735,000	0	(735,000)	-100.00%	0.00%
30	CCHS Debt Stabilization Fund 34,430	24,822		230,000	500,000	270,000	117.39%	0.56%
31	Free Cash							
32	transfers to General Fund:							
33	from CMLP (Light Fund) 380,000	380,000	385,000	447,800	458,650	10,850	2.42%	0.51%
34	Thoreau School MSBA grant 431,796	427,412	409,878	409,878	409,878	0	0.00%	0.46%
35	"free cash" transfer 600,000	850,000	850,000	850,000	850,000	0	0.00%	0.95%
36	subtotal \$ 11,015,397	\$ 11,019,036	\$ 11,136,398	\$ 12,084,706	\$ 11,872,928	\$ (211,778)	-1.75%	13.24%
Property Tax:								
37	property tax base \$ 61,712,667	\$ 64,189,546	\$ 65,851,372	\$ 68,113,587	\$ 71,645,222	3,531,635		
38	new growth 817,300	863,588	1,183,336	1,220,624	700,000	(520,624)		
39	total within the Levy Limit \$ 62,529,967	\$ 65,053,134	\$ 67,034,708	\$ 69,334,211	\$ 72,345,222	\$ 3,011,011	4.34%	80.69%
40	debt exclusion 4,015,430	4,069,863	4,088,721	4,801,422	5,444,595	643,173	13.40%	6.07%
41	total property tax \$ 66,545,397	\$ 69,122,997	\$ 71,123,429	\$ 74,135,633	\$ 77,789,817	\$ 3,654,184	4.93%	86.76%
TOTAL RESOURCES						\$ 89,662,745	\$ 3,442,406	3.99%

Property Taxes:

The total projected property tax levy for FY15 is:

\$77,789,817

This represents 86.8% of the total revenues supporting the FY15 budget.

It also represents an increase of 4.93% over the FY14 tax levy of \$74,135,633.

This, however, *does not* mean that the property tax rate will increase by 4.93%, 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 will be:

+ 4.0%

Property Tax Highlights

The FY15 property tax levy is projected to increase by 4.0% over the FY14 levy.

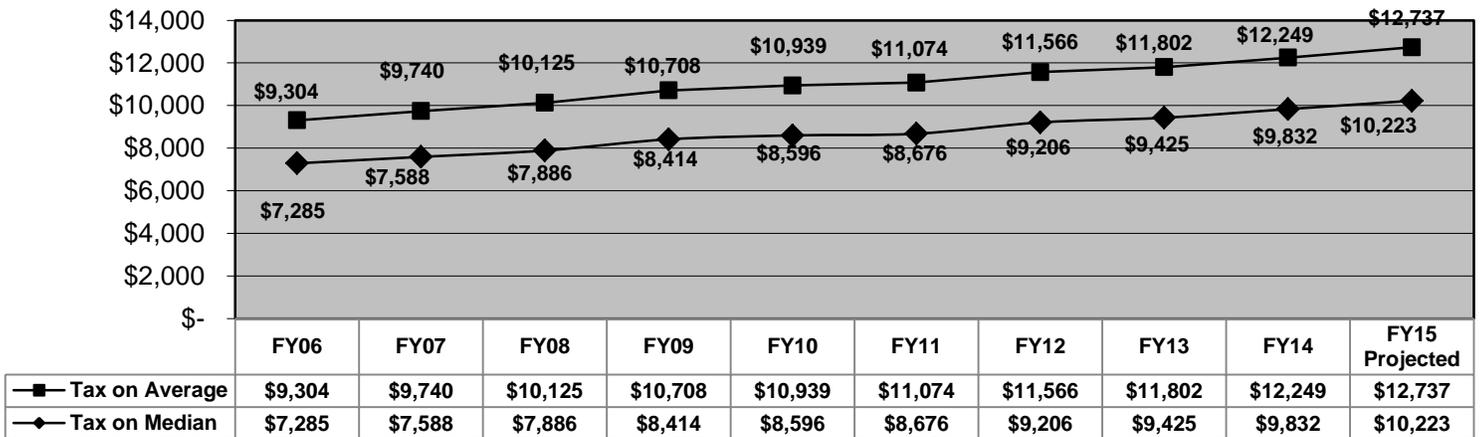
The effects of this increase can be understood in the following ways:

- The median single family residential tax bill for FY15 is projected to increase by \$391 from \$9,832 in FY14 to \$10,223 in FY15 (based on a median assessed value of \$680,400).

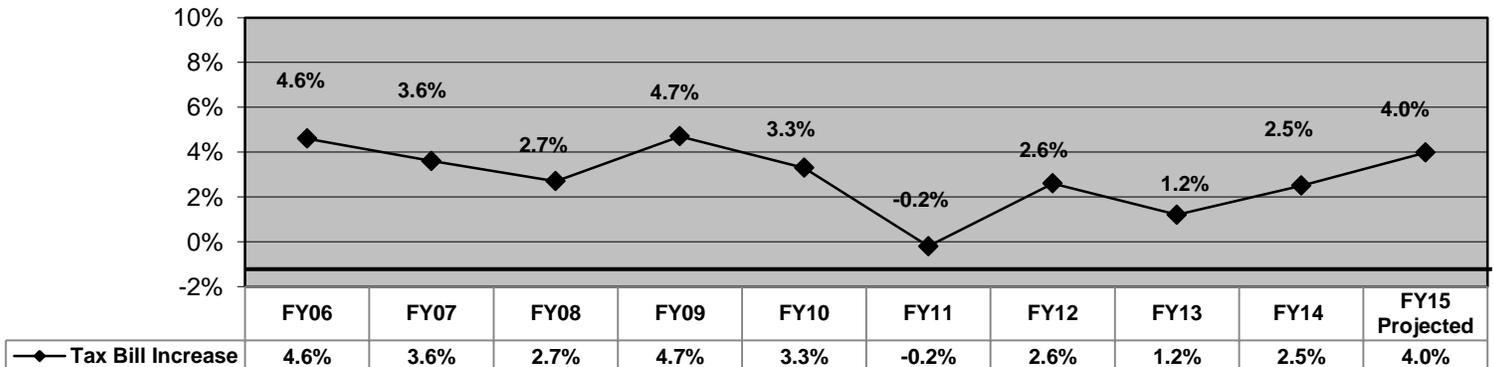
Or...

- The tax bill per \$100,000 of assessed value will increase by \$57 from \$1,445 in FY14 to an estimated \$1,502 in FY15.

Average and Median Tax Bills on Single Family Parcels



Average Tax Bill Increase
(Borne by Existing Taxpayers)



Property Tax Details:

In the table 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 FY15, the first number shown is the FY14 Levy Limit of \$72,879,506. As authorized by Prop 2½, the FY14 Levy Limit is multiplied by 2.5% to get \$1,821,988. The levy projected from new building construction (New Growth) is estimated to be \$700,000. The sum of these numbers is the new FY15 Levy Limit of \$75,401,494. After adding the levy for payment due on excluded debt, \$5,444,595, the maximum allowable levy equals \$80,846,089.

With the proposed FY15 level of spending requiring a tax levy of \$77,789,817, the result is a budget under the levy limit and an unused tax levy capacity projected at \$3,056,272.

Proposition 2½

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

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

Thus, it makes sense to isolate the impact of any rate increases as they apply to existing taxpayers (see the *Historic Tax Revenue Increases* chart on the previous page).

Property Tax Levy Limit Calculation

	FY13 Actual	FY14 Actual	FY15 Projected
Previous Levy Limit	\$ 67,047,175	\$ 69,911,104	\$ 72,879,506
New Growth Adjustment	4,307		
Plus 2.5%	<u>1,676,286</u>	<u>1,747,778</u>	<u>1,821,988</u>
Subtotal	68,727,768	71,658,882	74,701,494
New Growth	1,183,336	1,220,624	700,000
Levy Limit	69,911,104	72,879,506	75,401,494
Excluded Debt Amount	<u>4,088,721</u>	<u>4,801,422</u>	<u>5,444,595</u>
Maximum Allowable Levy	\$ 73,999,825	\$ 77,680,928	\$ 80,846,089
Tax Levy	\$ 71,123,429	\$ 74,135,633	\$ 77,789,817
Unused Levy Limit	\$ 2,876,396	\$ 3,545,295	\$ * 3,056,272

* Estimate, subject to FY15 New Growth Levy

SECTION II: Budget Summary

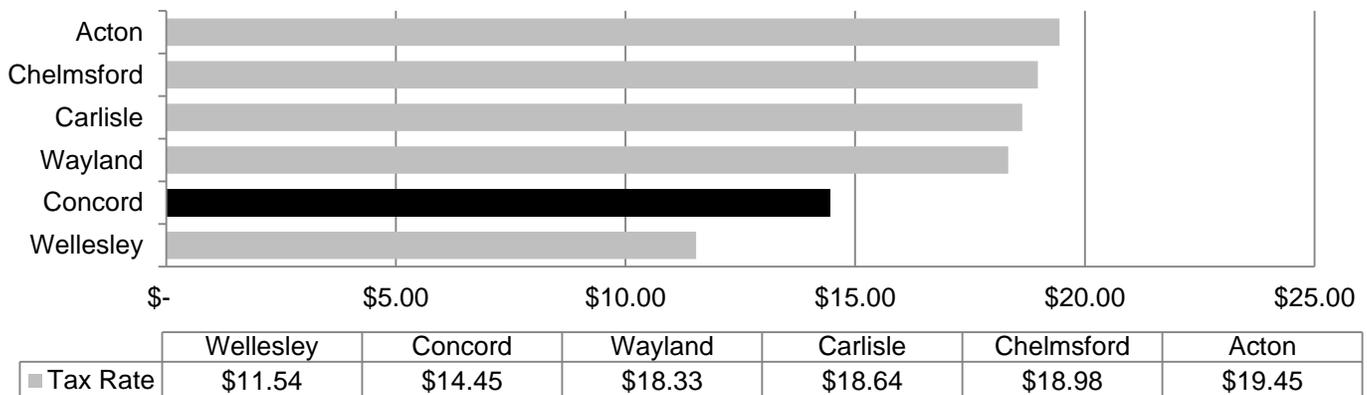
Property Taxes

	FY14 Tax Rates		FY14 Unused Levy Capacity	
	Residential	Commercial	Amount	% of Limit
Acton	\$ 19.45	\$ 19.45	\$ 441,410	0.61%
Andover	15.18	25.25	352,631	0.30%
Bedford	15.71	34.04	1,043,534	1.84%
Brookline	11.39	18.50	15,505	0.01%
Carlisle	18.64	18.64	1,377,347	5.63%
Chelmsford	18.98	18.98	17,373	0.02%
Concord	14.45	14.45	3,545,295	4.56%
Danvers	14.85	20.90	259,674	0.40%
Lexington	15.51	29.56	1,175	0.00%
Lincoln	14.41	18.95	10,249	0.04%
Needham	11.64	22.99	27,753	0.03%
Newton	12.12	23.18	17,513	0.01%
Sudbury	18.03	24.94	402,908	0.55%
Wayland	18.33	18.33	10,232,654	15.79%
Wellesley	11.54	11.54	6,459	0.01%
Westford	16.60	16.83	43,457	0.07%
Winchester	12.66	11.91	61,307	0.09%

The table presented above provides data on the FY14 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, 1/15/2014

Comparable Municipalities with Uniform Tax Rate



The chart presented above shows the FY14 tax rates of neighboring communities that have a uniform tax rate (e.g., a tax rate that is the same for residential, commercial and industrial property).

Property Tax Rate

Assessment Date	Fiscal Year	Median single family parcel value	Tax rate	Tax Bill	Average Single family value	Tax Bill	Total Tax Levy	New Growth Levy	impact on existing taxpayers	
									Net Levy	% over prior total levy
Jan. 1, 2004	(a) 2005	731,000	\$9.80	7,164	898,455	8,805	50,147,585	558,743	49,588,842	+6.1%
Jan. 1, 2005	2006	712,100	\$10.23	7,285	909,447	9,304	53,273,087	817,917	52,455,170	+4.6%
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	669,850	\$14.07	9,425	838,804	11,802	71,123,429	1,183,336	69,940,093	+1.2%
<i>current year</i>	2014	\$680,400	\$14.45	\$9,832	847,681	\$12,249	\$74,135,633	\$1,220,624	\$72,915,009	+2.5%
<i>projected</i>	2015			\$10,223		\$12,737	\$77,789,817	\$700,000	\$77,089,817	+4.0%

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

Operating overrides and debt exclusion levy impact

Fiscal Year	Voted Operating Override levy	% incr. in levy	Debt Exclusion Levy	Change from prior year	Total change in tax levy
2005	\$1,858,160	3.98%	\$1,854,324	\$294,020	\$3,426,067
2006	752,480	1.50%	2,486,543	632,219	3,125,502
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
Budget 2014	none		4,801,422	712,701 *	3,012,204
Proposed Guideline 2015	none		5,444,495	643,073 *	3,654,184

* 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 (proposed) is net of \$500,000 appropriated from Debt Stabilization Funds (High School) and \$409,878 Thoreau MSBA grant allocation.

Proposed FY15 Budgets Property Tax impact

incremental and total tax levy and budget changes

	FY14	FY15 at Guidelines		
		<i>plus</i>	at proposed level	% Δ
Town Government operations	\$19,474,013	+\$ 890,000 =	\$ 20,364,013	+4.6%
Concord Public Schools (K-8)	\$31,140,538	+\$ 1,300,000 =	\$ 32,440,538	+4.2%
CCHS assessment:				
without debt exclusion	\$ 15,356,221	+\$ 500,000 =	\$ 15,856,221	+3.3%
debt exclusion	<u>1,551,843</u>		<u>1,858,841</u>	
total assessment	\$ 16,908,064		\$ 17,715,062	
<i>Concord's assessment share:</i>				
FY14: 72.85%				
FY15: 73.10%				
Sum for all operating budgets:			<u>\$ 2,690,000</u>	
<u>Projected Tax rate Impact</u>			+ 4.0%	
Tax Bill at median \$680,400 value	\$ 9,832	+ 391 =	\$ 10,223	
Tax Bill per \$100,000 a.v.	\$ 1,445	+ 57 =	\$ 1,502	

SECTION II: Budget Summary

Property Taxes

Assessed Valuation, Levy Limit, Tax Levy and Rates: FY1980-2014

Fiscal Year	Total Assessed Value	Absolute Levy Limit	Annual Levy Limit	Actual Levy		Uniform Tax Rate	Actual Tax Rates			Unused Levy Limit \$	Unused Levy Limit as % of Limit
				Within Limit	Debt Exclusion		Residential	Open Space	Commercial		
1980	\$371,034,400			\$13,060,411		\$35.20					
1981	\$383,133,677			\$15,248,720		\$39.80				\$536,405	3.43%
1982	\$644,119,237	\$16,102,981	\$15,629,937	\$15,093,532		\$23.43	23.60	20.06	23.43	\$871,027	5.37%
1983	\$651,122,529	\$16,278,063	\$16,214,000	\$15,342,973		\$23.56	23.66	19.99	23.78		
1984	\$784,563,443	\$19,614,086	\$17,006,633	\$15,465,780		\$19.71	19.25	16.36	22.63	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$403,658	1.72%
1992	\$1,863,767,794	\$46,594,195	\$24,325,878	\$24,324,345		\$13.05	12.62	10.73	15.91	\$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	\$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	\$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	\$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	\$982,744	3.45%
1997	\$2,273,535,628	\$56,838,391	\$29,574,375	\$28,652,539	\$544,685	\$12.84	12.86	10.93	12.84	\$921,836	3.12%
1998	\$2,288,809,124	\$57,220,228	\$30,582,585	\$29,804,080	\$545,529	\$13.26	-----	all @ 13.26	-----	\$778,505	2.55%
1999	\$2,704,003,171	\$67,600,079	\$32,061,277	\$31,406,074	\$772,688	\$11.90	-----	all @ 11.90	-----	\$655,203	2.04%
2000	\$2,742,122,055	\$68,553,051	\$33,421,403	\$32,453,928	\$725,749	\$12.10	-----	all @ 12.10	-----	\$967,475	2.89%
2001	\$2,783,643,972	\$69,591,099	\$34,827,754	\$34,225,525	\$681,370	\$12.54	-----	all @ 12.54	-----	\$602,229	1.73%
2002	\$3,974,434,046	\$99,360,851	\$38,958,156	\$38,226,458	\$842,228	\$9.83	-----	-----	-----	\$731,698	1.88%
2003	\$4,408,301,807	\$110,207,545	\$42,171,555	\$41,782,825	\$713,204	\$9.64	-----	-----	-----	\$388,730	0.92%
2004	\$4,411,852,520	\$110,296,313	\$45,336,664	\$45,161,214	\$1,560,304	\$10.59	-----	-----	-----	\$175,450	0.39%
2005	\$5,117,100,515	\$127,927,513	\$48,886,984	\$48,293,261	\$1,854,324	\$9.80	-----	-----	-----	\$593,723	1.21%
2006	\$5,207,535,371	\$130,188,384	\$51,679,906	\$50,786,544	\$2,486,543	\$10.23	-----	-----	-----	\$893,362	1.73%
2007	\$5,309,253,831	\$132,731,346	\$54,523,353	\$53,363,359	\$2,702,361	\$10.56	-----	-----	-----	\$1,159,994	2.13%
2008	\$5,498,736,316	\$137,468,408	\$57,254,951	\$55,919,464	\$3,026,989	\$10.72	-----	-----	-----	\$1,335,487	2.33%
2009	\$5,264,591,702	\$131,614,793	\$59,634,076	\$58,717,305	\$3,931,336	\$11.90	-----	-----	-----	\$916,771	1.54%
2010	\$5,026,552,229	\$125,663,806	\$62,197,127	\$61,284,932	\$4,512,636	\$13.09	-----	-----	-----	\$912,195	1.47%
2011	\$5,045,140,030	\$126,128,501	\$64,569,355	\$62,529,967	\$4,015,430	\$13.19	-----	-----	-----	\$2,039,388	3.16%
2012	\$5,090,058,629	\$127,251,466	\$67,047,174	\$65,053,133	\$4,069,863	\$13.58	-----	-----	-----	\$1,994,041	2.97%
2013	\$5,054,970,094	\$126,374,252	\$69,911,104	\$67,034,708	\$4,088,721	\$14.07	-----	-----	-----	\$2,876,396	4.11%
2014	\$5,130,493,662	\$128,262,342	\$72,879,506	\$69,334,221	\$4,801,422	\$14.45	-----	-----	-----	\$3,545,285	4.86%

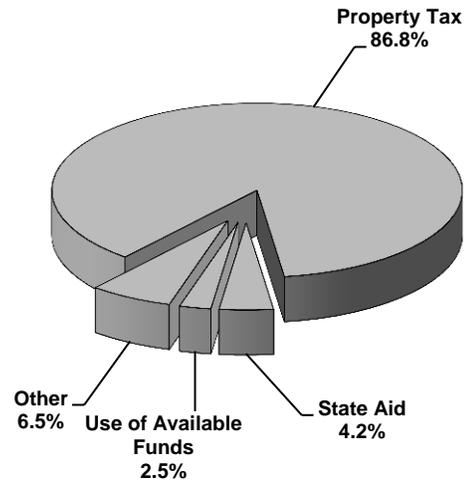
Financial Resources:

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

FY15 General Fund Resources
Totaling \$89,662,745



Property Tax – Property taxes constitute about 87% of the total annual resources of the General Fund 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-19, line 87).

State Aid – The types of funds provided to Concord by the state government are listed in the Resource Detail – General Fund schedule on 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 13).

Use of Available 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 and the Debt Stabilization Fund. Other available funds come from the Thoreau School MSBA grant (page II-18, section H, line 55 through 60).

Other– A detail of these resources can be found in the Resource Detail – General Fund Schedule on pages II-17 through II-19. This “other” category includes sections B, C, D, E, F, and G from the schedule.

SECTION II: Budget Summary

Resources

RESOURCE DETAIL - GENERAL FUND

FY10-12 actual, FY13 budget and actual, FY14 budget and FY15 guideline

Guideline voted

Nov. 21, 2013

	ACTUAL FY2010	ACTUAL FY2011	ACTUAL FY2012	Budget FY2013	ACTUAL FY2013	Budget FY2014	PROJECTED FY2015
A. State Aid:							
1. Abatements:							
Veterans, blind & surviving spouses	31,657	29,811	31,273	29,845	30,775	30,775	
Police Career Incentive ("Quinn")	31,046	15,896	0	0	0		
Elderly Persons Abatements		11,546	8,534	8,500	6,024	6,522	
School Aid (Ch.70)	2,111,688	1,988,323	1,998,997	2,075,197	2,075,197	2,125,997	
Charter School tuition reimbursement	337	49,449	26,492	29,110	13,915	10,527	
State-Owned Land	589,412	589,247	589,606	589,796	589,796	601,459	
Additional Assistance							
Lottery							
Unrestricted General Government Aid	1,022,124	981,239	910,291	981,239	981,239	1,004,433	
Supplemental unrestricted aid			70,948				
Veterans Benefits	5,370	6,539	5,687	3,433	1,591	12,915	
Total State Aid	\$3,791,634	\$3,652,050	\$3,641,828	\$3,717,120	\$3,698,537	\$3,792,628	\$3,800,000
B. Local Excise Taxes:							
Motor Vehicle Excise	2,199,860	2,280,635	2,338,458	2,225,000	2,529,694	2,400,000	2,475,000
Hotel/Motel Room Excise	143,309	229,461	277,593	250,000	262,590	250,000	250,000
Meals Excise		208,952	290,004	250,000	296,839	275,000	275,000
Jet Fuel Excise	176,942	197,790	445,559	300,000	392,272	300,000	325,000
Farm Animal & Machinery	1,176	1,109	603	1,000	1,420	1,000	1,000
Total Local Excise	\$2,521,287	\$2,917,947	\$3,352,217	\$3,026,000	\$3,482,815	\$3,226,000	\$3,326,000
C. Fines and Forfeitures:							
Tax Penalties & Interest	108,254	123,703	177,411	100,000	183,801	125,000	150,000
Court Fines	96,433	95,927	113,915	90,000	93,419	90,000	90,000
Total Fines & Forfeits	\$204,687	\$219,630	\$291,326	\$190,000	\$277,220	\$215,000	\$240,000
D. Uses of Money & Property:							
Rental - Nextel tower	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Rental - other wireless towers	150,810	192,418	180,157	190,000	193,148	190,000	200,000
Rental - Ripley Building	13,397	18,238	19,744	20,000	20,258	20,000	20,000
Rental - Harvey Wheeler	16,678	19,173	13,548	13,000	15,698	13,000	13,000
Rental - Marshall farm		6,750	9,675	10,000	10,747	10,000	10,000
Rental - miscellaneous	402	402	402	400	405	400	400
Investment Earnings	201,633	251,989	196,510	175,000	151,078	125,000	150,000
Total Uses of Money & Prop.	\$402,920	\$508,970	\$440,036	\$428,400	\$411,334	\$378,400	\$413,400
E. Licenses & Permits:							
Building Permits	345,012	457,967	577,624	400,000	526,205	500,000	450,000
Concord Mews building permits		148,587	297,173				
Other Health & Inspections	218,598	225,331	252,318	250,000	277,085	250,000	250,000
Alcoholic Beverage	68,100	72,775	74,850	65,000	71,725	70,000	70,000
Miscellaneous	46,522	38,883	10,469	10,000	10,095	10,000	10,000
Total Licenses & Permits	\$678,232	\$943,543	\$1,212,434	\$725,000	\$885,110	\$830,000	\$780,000

SECTION II: Budget Summary

Resources

RESOURCE DETAIL - GENERAL FUND

FY10-12 actual, FY13 budget and actual, FY14 budget and FY15 guideline

Guideline voted

Nov. 21, 2013

	ACTUAL FY2010	ACTUAL FY2011	ACTUAL FY2012	Budget FY2013	ACTUAL FY2013	Budget FY2014	PROJECTED FY2015
F. Departmental Fees:							
36. Town Clerk	121,611	111,383	108,702	90,000	113,734	100,000	100,000
37. Planning	7,253	5,159	22,614	5,000	20,098	5,000	5,000
38. Collector-Treasurer	84,745	33,230	44,329	35,000	51,875	40,000	40,000
39. Fire - Ambulance	504,949	576,112	557,097	550,000	500,510	525,000	650,000
40. Public Safety	85,538	69,129	79,505	80,000	93,996	80,000	80,000
41. Library - Late Fines	49,035	46,702	45,707	45,000	50,327	45,000	45,000
42. School Department	122,986	123,800	150,461	50,000	109,543	100,000	100,000
43. Miscellaneous	27,041	25,615	35,080	20,000	46,723	20,000	20,000
44. Total Departmental Fees	\$1,003,158	\$991,130	\$1,043,495	\$875,000	\$986,806	\$915,000	\$1,040,000
G. All Other Revenue:							
45. Payments in Lieu of Taxes (PILOT) (Fed.Gov., Housing Authority)	22,135	19,241	9,759	20,000	23,140	20,000	20,000
46. PILOT on sale of town land	20,114	5,562	1,082	0	0	0	0
47. Premium on Sale of Bonds & Notes	29,731	84,088	138,634	0	87,504	0	0
48. (41A) Redemptions	71,272	0	57,522	0	40,768	0	0
49. (61A) Rollback Tax	6,042	53,628	0	0	27,671	0	0
50. Supplemental tax on new construction	55,906	49,598	102,369	35,000	77,521	35,000	35,000
51. SREC - Willard School solar	0	0	22,496	0	8,890	0	0
52. Miscellaneous non-recurring	1,176	175,094	71,594	0	115,808	0	0
53. Total Other Revenue	\$206,376	\$387,211	\$403,456	\$55,000	\$381,302	\$55,000	\$55,000
54. TOTAL LOCAL (B-G)	\$5,016,660	\$5,968,431	\$6,742,964	\$5,299,400	\$6,424,587	\$5,619,400	5,854,400
H. Available Funds							
55. Municipal Light Plant (Electric Fund)	355,000	380,000	380,000	385,000	385,000	447,800	458,650
56. Thoreau School MSBA grant		431,796	427,412	409,878	409,878	409,878	409,878
57. Free Cash appropriated to reduce tax rate	1,040,000	600,000	850,000	850,000	850,000	850,000	850,000
58. Free Cash appropriated for expenditures		34,430	46,822	0	0	0	0
59. Elementary School Debt Stabilization Fund		1,000,000	700,000	475,000	475,000	735,000	500,000
60. High School Debt Stabilization Fund						230,000	
61. TOTAL AVAILABLE FUNDS	\$1,040,000	\$2,446,226	\$2,404,234	\$2,119,878	\$2,119,878	\$2,672,678	\$2,218,528
I. Property Tax:							
62. Base	60,116,052	61,712,667	64,206,150	65,851,372	65,862,787	68,113,587	71,645,222
63. Operating Override	0	0	0	0	0	0	0
64. New Growth	1,068,881	817,300	863,585	1,183,336	1,183,336	1,220,624	700,000
65. Within levy limit	\$61,184,933	\$62,529,967	\$65,069,735	\$67,034,708	\$67,046,123	\$69,334,211	\$72,345,222

SECTION II: Budget Summary

Resources

RESOURCE DETAIL - GENERAL FUND

FY10-12 actual, FY13 budget and actual, FY14 budget and FY15 guideline

Guideline voted

Nov. 21, 2013

	ACTUAL FY2010	ACTUAL FY2011	ACTUAL FY2012	Budget FY2013	ACTUAL FY2013	Budget FY2014	PROJECTED FY2015
Debt Exclusion:							
66. Concord-Carlisle High School	539,239	582,444	322,941	184,870	184,870	(4,213)	(10,456)
67. New CCHS building				69,258	69,258	1,556,056	1,869,297
68. Harvey Wheeler CC renovations	122,191	119,827	116,994	114,039	114,039	110,837	107,389
69. Alcott School - Bond, Sept. '04 (\$7m)	554,706	544,425	533,925	522,769	522,769	509,863	496,519
70. Alcott School - Ph 2 bond, Mar. '07 (\$2.3)	241,333	234,983	228,633	217,283	217,283	211,132	204,980
71. Alcott School - Bond, Mar. '07 (\$15k)	15,296	0	0	0	0	0	0
72. Thoreau School - Bond, Sept. '06 (\$10m)	891,376	869,920	849,156	828,392	828,392	807,628	786,172
73. Thoreau School - Bond, Sept. '07 (\$6.8m)	634,487	618,359	602,705	588,000	588,000	573,769	558,589
74. Thoreau school - Bond, Mar. '09 (\$140k)	52,777	51,800	40,800	0	0	0	0
75. Willard School Design - Bond Spr. '08 (\$1	237,528	232,080	226,631	221,183	221,183	215,734	210,285
76. Willard School - Bond, Mar. '09 (\$11.9m)	1,033,370	1,020,780	1,008,191	995,601	995,601	979,864	955,980
77. Willard School - Bond, Jan. '10 (\$12.9m)		1,060,944	1,044,016	1,027,089	1,027,089	1,013,547	1,000,005
78. Willard School Construction - BAN interest	88,435	1,236	0	0	0	0	0
79. Phase 1, WPAT State Loan	101,898	101,789	101,678	101,565	101,565	101,450	101,332
80. Willard Note paydown	100,000	0	0	0	0	0	0
81. Willard constr. - Bond, June '11 (\$400k est)			109,438	103,550	103,550	100,633	74,381
82. subtotal, debt exclusion	\$4,612,636	\$5,438,587	\$5,185,108	\$4,973,599	\$4,973,599	\$6,176,300	\$6,354,473
<i>less:</i>							
83. Elementary School Debt Stabilization							
84. Thoreau School MSBA grant		\$ (1,000,000)	\$ (700,000)	\$ (475,000)	\$ (475,000)	\$ (735,000)	\$ (409,878)
85. High School Det Stabilization		\$ (431,796)	\$ (427,412)	\$ (409,878)	\$ (409,878)	\$ (230,000)	\$ (500,000)
86. Net debt exclusion	\$4,612,636	\$4,006,791	\$4,057,696	\$4,088,721	\$4,088,721	\$4,801,422	\$5,444,595
87. TOTAL PROPERTY TAX	\$65,797,569	\$66,545,397	\$69,127,431	\$71,123,429	\$71,134,844	\$74,135,633	\$77,789,817
GRAND TOTAL							
88. GENERAL FUND RESOURCES	\$76,000,863	\$78,612,104	\$81,916,457	\$82,259,827	\$83,377,846	\$86,220,339	\$89,662,745
Increase over prior year	+3.5%	+3.4%	+4.2%	+1.9%	+1.8%	+4.8%	+4.0%

FY10-13 increase over prior year actual; FY14 and FY15 increase over prior year budget

FY2015 PROJECTED TAX LEVY INCREASE

	Base	Debt Exclusion	New Growth	percent	amount
				3.12%	\$2,311,011
				0.87%	643,173
				3.98%	\$2,954,184
				0.94%	700,000
				4.93%	\$3,654,184

"FY2015 Base" minus "FY2014 Within levy limit" change in excluded debt tax levy

Change in Levy from current taxpayers
Projected "New Growth" for FY2015

Change in Total Levy

SECTION II: Budget Summary

Expenses

Expenses – General Fund Budget:

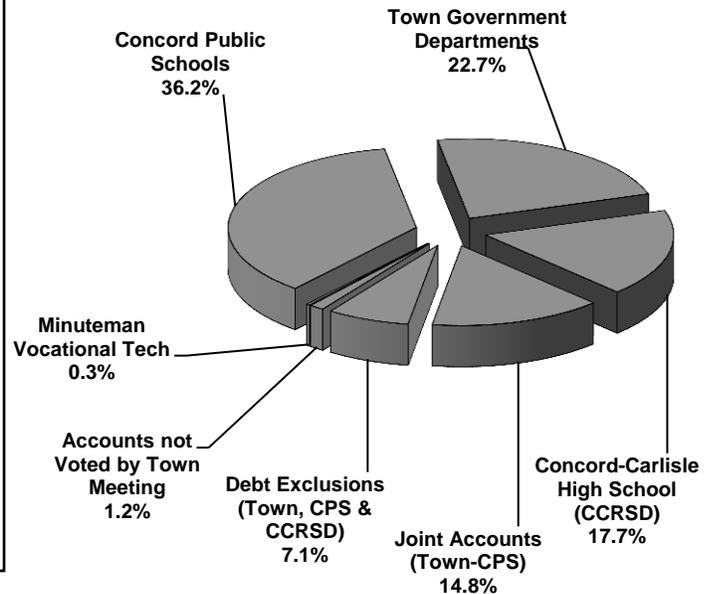
The General Fund budget is organized into 3 major organizational categories:

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

This section contains the following:

- | | |
|----------------------------------|----------------|
| •Major Organizational Categories | II-20 |
| •Joint Accounts | II-22 |
| •Other Obligations | II-23 |
| •Appropriations (Warrant) | II-24 to II-26 |
| •Town Gov. Budget Summary | II-27 to II-34 |

FY15 General Fund Expenses Totaling \$89,662,745



Town Government (Page II-8, line 5 – \$20,364,013 proposed for FY15)

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 (Page II-8, line 6 - \$32,440,538 Finance Committee Guideline for FY15)

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.

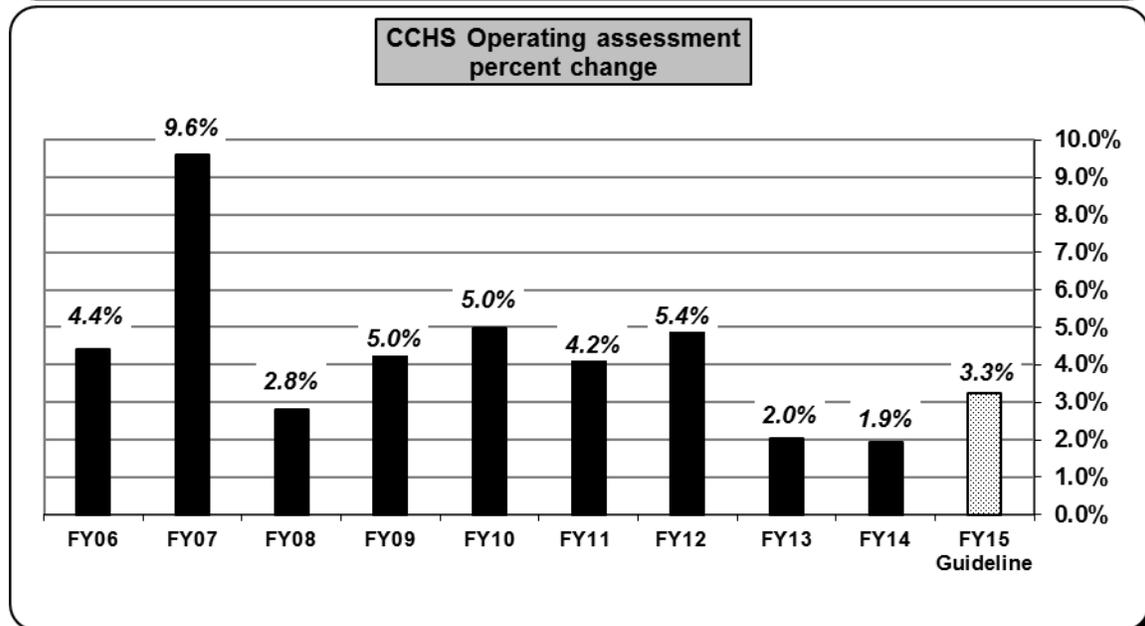
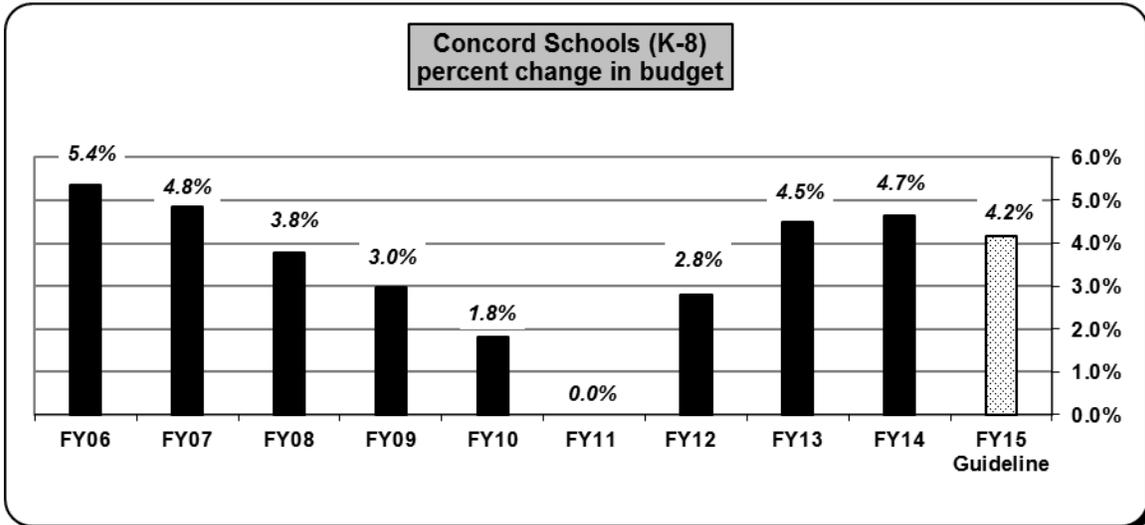
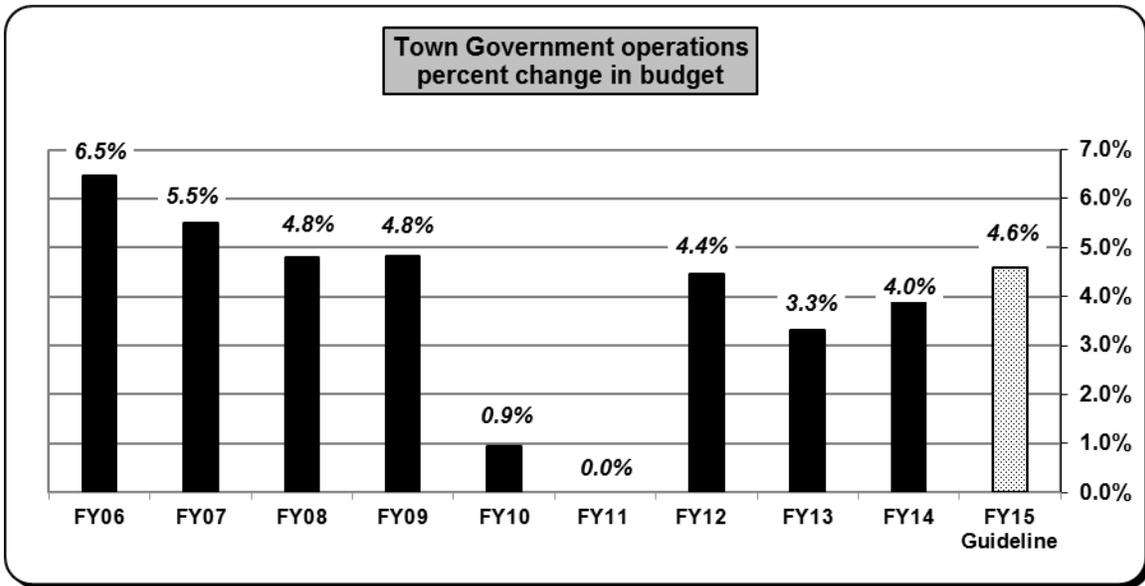
Concord-Carlisle Regional School District (page II-8, line 7 - \$15,856,221 Finance Committee Guideline for FY15 as Concord's share of the Districts operating budget)

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 School Department administers both the CPS (grades K-8) and the CCRSD (grades 9-12).

Total of Above Operating Budgets:

\$68,660,772 (page II-8, line 8)

+ 4.08% increase from FY14



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 - \$900,000)

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 \$900,000 toward the Annual Net Other Post Employment Benefit (OPEB) obligation which has been estimated at approximately \$2.1 million for FY15.

Retirement (Page II-8, line 10 - \$3,125,000)

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 - \$3,500,000; 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 - \$685,000)

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:**\$13,285,000** (page II-8, line 14)

+3.99% increase from FY14

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 - \$250,000)

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 - \$1,858,841)

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 - \$4,495,632)

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 **\$6,604,473**

Budget Subject to Town Meeting Vote: **\$88,550,245**

+3.99 increase from FY14

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

- State Assessments (Page II-8, line 19 - \$442,500)

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 87% of the FY15 budgeted amount.

- Snow/Ice & Other Deficits (Page II-8, line 20 – \$120,000)

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-105) 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. The actual deficit of the current year ending June 30, 2014, if any, will be raised in the FY15 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: **\$89,662,745**

+3.99% increase from FY14

General Fund Operating Budget

Item No.	Department	Fiscal 2013 Expenses	Fiscal 2014 Appropriation	Fiscal 2015 Proposal
General Government				
\$2,460,383 is 6.5% of Total				
1	Town Manager's Office			
	A. Town Manager	\$ 316,743	\$ 324,396	\$ 327,646
	B. Human Resources	187,160	198,553	198,672
	C. Town-Wide Building Fund	170,000	180,000	200,000
	D. Resource Sustainability Fund	25,000	40,000	75,000
	Subtotal	698,903	742,949	801,318
2	Legal Services	202,104	225,000	225,000
3	Elections and Registrars			
	A. Elections	37,169	17,129	40,368
	B. Registrars	5,718	8,216	8,031
	Subtotal	42,887	25,345	48,399
4	Town Meeting and Reports	61,794	81,550	81,550
5	Planning			
	A. Planning Administration	303,979	325,045	344,284
	B. Natural Resources	207,282	196,315	221,394
	C. Inspections	368,368	387,519	386,248
	D. Health	247,365	268,254	277,738
	Subtotal	1,126,994	1,177,133	1,229,664
6	141 Keyes Road	84,838	74,119	74,452
	Total General Government	\$ 2,217,520	\$ 2,326,096	\$ 2,460,383
Finance and Administration				
\$2,033,970 is 5.4% of Total				
7	Finance Committee	2,711	3,410	3,410
8	Finance			
	A. Finance Administration	253,264	265,933	264,659
	B. Treasurer-Collector	255,591	265,456	270,790
	C. Town Accountant	129,464	145,414	142,190
	D. Assessors	367,057	387,176	388,916
	E. Town Clerk	215,150	224,903	227,847
	Subtotal	1,220,527	1,288,882	1,294,402
9	Information Systems	486,863	697,358	632,533
10	Town House	100,843	99,629	103,625
	Total Finance and Administration	\$ 1,810,944	\$ 2,089,279	\$ 2,033,970

SECTION II: Budget Summary

Expenses

Item No.	Department	Fiscal 2013 Expenses	Fiscal 2014 Appropriation	Fiscal 2015 Proposal
Public Safety				
\$8,570,305 is 22.4% of Total				
11	Police Department	3,952,915	4,063,608	4,124,019
12	Fire Department	3,638,828	3,804,730	3,994,645
13	West Concord Fire Station	34,830	35,814	36,697
14	Police-Fire Station	217,741	226,792	227,034
15	Emergency Management	12,767	12,810	12,810
16	Animal Control Officer	21,750	25,100	25,100
	Total Public Safety	\$ 7,878,831	\$ 8,168,853	\$ 8,420,305
Public Works and Facilities				
\$3,939,367 is 10.5% of Total				
17	Public Works			
	A. CPW Administration	173,359	178,930	178,143
	B. Engineering	282,621	348,720	358,619
	C. Highway Maintenance	1,183,960	1,249,913	1,262,994
	D. Parks and Trees	540,225	654,970	658,691
	E. Cemetery	24,544	60,429	60,366
	Subtotal	2,204,709	2,492,962	2,518,813
18	Snow and Ice Removal	626,951	540,000	555,000
19	Street Lighting	69,131	68,463	73,463
20	CPW Equipment	296,500	277,000	288,000
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	93,672	109,072	109,091
	Total Public Works and Facilities	\$ 3,685,963	\$ 3,882,497	\$ 3,939,367
Human Services				
\$2,614,554 is 6.9% of Total				
25	Library	1,827,580	1,881,760	1,898,318
26	Recreation Administration	96,331	100,544	100,544
27	Hunt Recreation Center	83,115	88,262	90,192
28	Harvey Wheeler Community Ctr.	137,753	144,945	116,853
29	Council on Aging	262,293	284,812	303,946
30	Veterans	42,624	45,971	55,771
31	Ceremonies and Celebrations	23,569	23,800	24,006
32	Visitors' Center and Restroom	17,605	24,447	24,924
	Total Human Services	\$ 2,490,869	\$ 2,594,541	\$ 2,614,554

SECTION II: Budget Summary

Expenses

Item No.	Department	Fiscal 2013 Expenses	Fiscal 2014 Appropriation	Fiscal 2015 Proposal
Unclassified \$895,434 is 2.4% of Total				
33	Town Employee Benefits			
	A. Unused Sick Leave	90,000	90,000	90,000
	B. Public Safety Disability	242	2,500	2,500
	C. Employee Assistance Program	6,721	7,500	7,500
	Total	96,963	100,000	100,000
34	Reserve Fund*	-	225,000	225,000
*Transfers totaling \$86,253 were made to other accounts in Fiscal Year 2013				
35	Salary Reserve**	84,500	77,748	555,434
**Transfers totaling \$371,858 in Fiscal Year 2013 and \$402,826 (to date) in Fiscal Year 2014 were made to other accounts.				
36	Land Fund	10,000	10,000	15,000
	Total Unclassified	\$ 191,463	\$ 412,748	\$ 895,434

SUBTOTAL FOR REFERENCE ONLY Account 1-36		\$ 18,278,960	\$ 19,474,013	\$ 20,364,013
Joint (Town - CPS) \$17,280,632 is 45.9% of Total				
37	Insurance			
	A. Group Insurance	4,650,000	4,650,000	4,650,000
	B. OPEB	400,000	650,000	900,000
	C. Property/Liability	175,000	200,000	225,000
	Subtotal	5,225,000	5,500,000	5,775,000
38	Unemployment/Workers' Comp.			
	A. Unemployment Comp.	100,000	100,000	100,000
	B. Workers' Comp.	47,627	100,000	100,000
	Subtotal	147,627	200,000	200,000
39	Retirement	2,912,312	3,035,000	3,125,000
40	Social Security and Medicare	618,331	640,000	685,000
41	Debt Service			
	A. Long-Term Debt			
	Town Principal and Interest	2,467,671	2,497,671	2,527,576
	CPS Principal and Interest	697,220	810,895	899,281
	Subtotal	3,164,891	3,308,566	3,426,857
	Interest on Notes	-	56,434	38,143
	Other Debt Expense	14,336	35,000	35,000
	Subtotal Within Levy Limit	3,179,227	3,400,000	3,500,000
	B. Excluded Debt			
	Town Principal and Interest	214,806	212,287	208,720
	CPS Principal and Interest	3,564,057	3,447,170	3,786,912
	Subtotal Excluded Debt	3,778,863	3,659,457	3,995,632
	Total Debt Service	6,958,090	7,059,457	7,495,632
	Total Joint (Town - CPS)	\$ 15,861,360	\$ 16,434,457	\$ 17,280,632
	Total Appropriation	\$ 34,140,320	\$ 35,908,470	\$ 37,644,645

SECTION II: Budget Summary

Expenses

Town Government Operations (accounts 1-36)

Proposed Budget Changes

The Town Manager, in accordance with Finance Committee guidelines, is recommending a Town Government Budget at \$20,364,013 (the budgets of accounts 1-36 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 - 36

<u>By Expense Category</u>		FY14 to FY15		
	FY14 Adopted	FY15 Proposed	\$Δ	%Δ
Personnel Services	\$ 14,494,368	\$ 15,181,707	\$ 687,339	4.7%
O&M	3,234,645	3,332,306	97,661	3.0%
Capital	1,520,000	1,625,000	105,000	6.9%
Reserve	225,000	225,000	-	0.0%
Total (Accts. 1-36)	\$ 19,474,013	\$ 20,364,013	\$ 890,000	4.6%
<u>By Functional Area</u>		FY14 to FY15		
	FY14 Adopted	FY15 Proposed	\$Δ	%Δ
General Government				
Personnel	\$ 1,541,500	\$ 1,635,304	\$ 93,804	6.1%
O&M	487,363	505,079	17,716	3.6%
Capital	240,000	320,000	80,000	33.3%
Subtotal	\$ 2,268,863	\$ 2,460,383	\$ 191,520	8.4%
Finance & Administration				
Personnel	\$ 1,193,564	\$ 1,225,128	\$ 31,564	2.6%
O&M	612,241	618,842	6,601	1.1%
Capital	250,000	190,000	(60,000)	-24.0%
Subtotal	\$ 2,055,805	\$ 2,033,970	\$ (21,835)	-1.1%
Public Safety				
Personnel	\$ 7,179,072	\$ 7,572,775	\$ 393,703	5.5%
O&M	592,141	620,030	27,889	4.7%
Capital	166,500	227,500	61,000	36.6%
Subtotal	\$ 7,937,713	\$ 8,420,305	\$ 482,592	6.1%
Public Works				
Personnel	\$ 2,008,227	\$ 2,079,273	\$ 71,046	3.5%
O&M	970,332	995,094	24,762	2.6%
Capital	846,000	865,000	19,000	2.2%
Subtotal	\$ 3,824,559	\$ 3,939,367	\$ 114,808	3.0%
Human Services				
Personnel	\$ 1,991,432	\$ 2,013,793	\$ 22,361	1.1%
O&M	562,568	578,261	15,693	2.8%
Capital	17,500	22,500	5,000	28.6%
Subtotal	\$ 2,571,500	\$ 2,614,554	\$ 43,054	1.7%
Unclassified				
Personnel	\$ 580,573	655,434	\$ 74,861	12.9%
O&M	\$ 10,000	15,000	\$ 5,000	N/A
Reserve	225,000	225,000	-	0.0%
Subtotal	\$ 815,573	\$ 895,434	\$ 79,861	9.8%
Total	\$ 19,474,013	\$ 20,364,013	\$ 890,000	4.6%

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

For FY15, the main **tax-supported** proposed staffing changes are as follows.

- The Town Manager Division is proposing increasing the Community Services Coordinator to be a full-time position (an increase of 0.52 FTE)
- In the Elections Account, it is proposed that the FY15 staffing level be increased by 1,065 hours for Election Officers and Technicians, due to the expectation that there will be 3 elections in FY15.
- The Inspections Division is proposing an additional 15 hours for the Electrical Inspector and an additional 15 hours for the Plumbing Inspector.
- The Information Systems Division is proposing 50 additional regular part-time hours for a Municipal LAN Closet Project.
- The Police Department is proposing the funding of a 1044 hour (0.50 FTE) Administrative Assistant position.
- To meet the needs identified in the EMS Strategic Plan, the Fire Department is proposing the hiring of 4 additional firefighters (4.0 FTE) to run a second ambulance out of the West Concord Station from 8AM to 8PM.
- The Library is proposing to fund additional hours for the Library Assistant as well as reclassifying the Branch Library Assistant to full-time. Additionally, the Library proposes to reduce the Senior Library Assistant hours as well as change the Building Systems Custodian position to a Maintenance Custodian. The proposed net change would add (0.80 FTE).
- The Harvey Wheeler Community Center is planning on eliminating the part-time Custodian hours (-0.39 FTE).
- The Council on Aging is proposing increasing the hours for the Van Drivers by 332, Outreach Coordinators by 766 and Activity Coordinator by 324, 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 7 on the 2014 Town Meeting Warrant)**1A Town Manager**

The Town Manager's operating budget represents a 2.4% increase from FY14. The Town Manager's Office is staffed by the Town Manager, Deputy Town Manager, Executive Assistant to the Town Manager and an Administrative Assistant. In this budget, the Community Services Coordinator is proposed to be funded as a full-time position. The budget also supports the Youth Services Coordinator.

1B Human Resources

The operating budget for the Human Resources Division will have no significant change in funding from FY14 to 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 with which to monitor building conditions, establish renovation priorities, and fund repairs and improvements. Since FY05 when the account was budgeted at \$40,000, the funding level has gradually been increased to \$180,000 in FY14. The recommended level in FY15 is \$200,000 and the five-year Capital Outlay plan raises this funding target to \$265,000 by FY19. During FY11, the Town hired a full-time Facilities Manager to oversee the maintenance of Town-owned buildings. An interdepartmental committee under the direction of the Deputy Town Manager manages the fund.

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 FY15 for resource sustainability and energy conservation projects.

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 FY15 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 FY15, it is expected that there will be three elections. Each election costs the Town approximately \$12,000. Accordingly, as compared to FY14 during which there is scheduled to be one election, the budget for the Elections account is proposed to increase from \$17,129 to \$40,368. If there were to be any additional elections, funding would be requested from the Reserve Fund.

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 2014. 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

Commencing with the FY14 budget presentation, the Zoning Board of Appeals budget is incorporated into the Planning Division budget. In addition, the Planning budget contains funding for the Historic Districts Commission and the Historical Commission. The FY15 operating budget for the Planning Division is proposed to have a 5.7% increase from that of FY14. One of the Senior Planner positions is being upgraded to a Town Planner position. Additionally, there is proposed funding of \$12,500 for the Regional Housing Services Office, as CPA funding is proposed to decrease correspondingly.

5B Natural Resources Division, DPLM

The proposed Natural Resources budget represents no significant change in operating costs from that of the FY14 budget. This budget is proposed to provide \$5,000 for Pond and Stream Management and \$25,000 for a Vehicle Replacement.

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.

5D Health Division, DPLM

This budget represents a 3.1% increase in operating cost over that of FY14. 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 FY15 proposed operating budget represents no significant change from FY14 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 from that of the FY14 budget.

8A Finance Administration Division, Finance Department

The Finance Administration Division budget is proposed to decrease by 0.5% from that of FY14. The budget will provide funding for the Finance Director, Budget and Purchasing Administrator, Assistant Treasurer, Budget Analyst and Finance Assistant.

8B Treasurer-Collector, Finance Department

The Treasurer-Collector budget is proposed to increase by 1.6% in FY15. This account includes funding for much of the Town's postage expenses (\$54,500) and banking service charges (\$78,450). The increase in this budget is primarily a result of higher postage expenses.

8C Town Accountant, Finance Department

The FY15 operating budget is proposed to decrease by 1.6%. There is also proposed to be \$50,000 to cover the cost of the Town's annual external audit.

8D Assessing Division, Finance Department

The Assessing budget represents no significant change from FY14. 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 budget is proposed to rise by 1.3% from FY14. 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 recently underwent a comprehensive review to assist the Town Manager in determining the appropriate organizational model and technology structure that the Town should use going forward. The Information Systems operating budget is proposed to be essentially the same as it is in FY14.

10 Town House

The FY15 proposed operating budget is to be reduced by 0.8% from that of FY14. This budget includes costs for maintaining and cleaning the Town House and the recently renovated Assessing Division office space at 24 Court Lane.

11 Police Department

The FY15 operating budget proposes a 0.5% increase, which will fund a new part-time Administrative Assistant to assist the Department's detectives. The capital budget includes the replacement of 4 police cruisers (\$125,000), the upgrade and maintenance of public safety equipment (\$20,000), AED replacement (\$10,000) and the replacement of computer equipment (\$5,000).

12 Fire Department

There is a proposed 8.8% increase from the Fire Department's FY14 budget. The proposed increase is due to the addition of 4 firefighters to staff the 2nd ambulance from 8AM to 8PM at the West Concord Fire Station. To partially offset the cost of these new hires, a \$150,000 transfer is proposed to be made from the Emergency Response Stabilization Fund. A discussion of the merits of adding this new ambulance service is provided in the Town Manager's Transmittal Letter.

13 West Concord Fire Station

This budget funds the operations of the West Concord Fire Station located at 1201 Main Street. As compared to FY14, the FY15 operating budget is proposed to decrease by 2.3 %.

14 Police/Fire Station

This budget funds the operations of the Police and Fire Department headquarters at 209 Walden Street. The FY15 budget is approximately the same as FY14.

15 Emergency Management

In order to have an action plan in place in the event of an emergency, the Town is proposing level funding at \$12,810 for the Concord's Emergency Management budget. The Fire Chief serves as the Emergency Management Director.

16 Animal Control Officer

With the enactment of recent State legislation, each municipality is required, beginning in FY14, to provide animal control services. In the past, Concord has contracted with a private vendor to provide dog control services only. The proposed FY15 budget remains unchanged at \$25,100.

17A Public Works Administration, CPW

The FY15 operating budget reflects a 0.4% decrease from that of FY14. Public Works Administration includes the CPW Director, Management Analyst, Administrative and Special Projects Coordinator, and an Administrative Assistant.

17B Engineering, CPW

The Engineering Division's operating budget is proposed to have essentially no change from FY14 To FY15. Capital funding is proposed for geographic information system services (\$20,000), traffic control signal devices (\$10,000), mandated street sign replacements (\$20,000), sustainable "green" drainage improvements (\$25,000) and National Pollutant Discharge Elimination System (NPDES) permit compliance (\$10,000).

17C Highway Maintenance, CPW

This operating budget is proposed to increase by 1% from FY14. The increase is mainly due to \$7,181 for tires, \$2,000 for catch basin cleaning, and \$2,650 for bituminous concrete.

17D Parks & Trees, CPW

The FY15 Parks & Trees operating budget is proposed to have a 1% increase from FY14. The primary increases are additional water user charges as well as additional diesel fuel.

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 FY15 operating budget is approximately the same as FY14.

18 Snow Removal, CPW

The FY15 snow removal budget is proposed to be funded at \$555,000, an increase of \$15,000 from that of FY14. If actual FY14 expenditures exceeds the budgeted amount, the Town is allowed by State statute to add the difference to the following year's tax levy. The FY15 budget plan provides funding for a \$120,000 overrun of the \$540,000 FY14 appropriation (See Account #103).

19 Street Lights, CPW

The FY15 proposed Street Light budget is \$73,463, a \$5,000 increase from \$68,463 budgeted for FY14.

20 Public Works Equipment, CPW

The Public Works Equipment budget of \$288,000 funds the Town's well-planned schedule of equipment replacement. This represents an increase of \$10,000 from FY14.

21 Drainage, CPW

The FY15 funding plan includes \$105,000 for drainage improvements, \$100,000 for culvert improvements.

22 Sidewalk Management, CPW

The proposed FY15 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 \$680,000 expected from the State (Chapter 90 Funds) and \$1,300,000 in proposed borrowing, the total FY15 amount for road improvements is recommended to be \$2,070,000.

24 133 and 135 Keyes Road, CPW

For FY15, there is no proposed substantial change in operating expense. For capital, \$10,000 is proposed to be allocated for acquisition and installation of rolling storage shelves.

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 FY15 operations, the Library budget is proposed to have no significant increase from FY14 to FY15. Nevertheless, the proposed budget allows for Fowler to be opened on Thursday mornings and additional resources to be spent on books and materials.

26 Recreation Administration

With the exception of the Recreation Director's position, the expenses of the Recreation Department are paid for by fees collected from individual recreation programs. In this way, the Recreation Department has flexibility in providing programs at a level which meets the demand of the community.

27 Hunt Recreation Center

It is proposed that the FY15 operating budget for the Hunt Recreation Center decrease by 4.6% from the FY14 budgeted level. Savings of \$5,000 is a result of lower anticipated custodial supplies.

28 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. The FY15 budget proposal provides for operating expenditures to decrease by 20.6%, as a result of hiring a new Building Maintenance Custodian at a lower starting wage.

29 Council on Aging

The FY15 budget for the Council on Aging is proposed to increase by 6.9%. The proposed budget allows for \$5,644 in funding for 332 additional hours for the Van Drivers, \$4,687 in funding for an additional 324 hours for Activity Coordinators, and \$15,905 for an additional 766 hours for Outreach Workers. In addition, a State Formula Grant, Concord-Carlisle Community Chest gift, and allocation from the Florio gift fund provide full or partial funding for several COA positions.

30 Veterans Services

The FY14 proposed budget represents a 21.3% increase from that of FY14. This increase is a result of the predicted rise in veterans' benefits costs from \$24,000 to \$33,800 to accommodate additional beneficiaries.

31 Ceremonies and Celebrations

The FY15 budget is proposed to be 0.9% more than in FY14 at a level of \$24,006.

32 Visitors Center

The FY15 operating cost to maintain the Visitors Center is proposed to increase by 2.2% primarily due to purchased services and a rise in utility costs.

33 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.

34 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 since FY07.

35 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, 2014. 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 \$555,434 in order also to provide resources for such compensation adjustments for union and non-union staff.

36 Land Fund

The budget anticipates a \$5,000 increase in the Land Fund allocation for FY15. Funds are used for costs associated with the acquisition of land.

37A Group Insurance

The budget anticipates no increase in FY15 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 any cost increase directly reflects actual claims experience.

Group health plan offerings for FY13 implemented a new plan design resulting in an average 13% premium reduction. The rates for the plan year beginning 6/1/13 were a further 1-2% decline. Rates for the 6/1/14 plan year are expected again to show a reduction.

37B 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 FY15, the General Fund share of the NOO is projected to be greater than \$2.1 million. In an effort to partially fund this liability, it is proposed that the Town budget \$900,000 for this purpose.

38 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.

39 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, 2012, the revised Funding Schedule for projected full funding status had been extended to 2030.

In FY15, the General Fund appropriation is projected at \$3,125,000, an increase of 3.0% from FY14 and consistent with the present funding schedule. The retirement system is a "Defined Benefit" plan that provides a pension benefit based upon the highest three-year average annual pay and years of service for members in the system prior to April 2, 2012. Those joining the system on and after that date are subject to new state rules enacted as Chapter 176 of the Acts of 2011.

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 FY15 budget proposes allocating \$7,495,632, which includes \$3.5 million for debt service within the levy limit and \$4.0 million for excluded debt. The excluded debt is net of amount appropriated from the Stabilization Funds. The excluded debt to pay for the construction of the new high school is budgeted as part of the assessment for the Concord-Carlisle Regional School District. (Article 13 on the 2014 Annual Town Meeting Warrant).

SECTION II: Budget Summary

THIS PAGE INTENTIONALLY LEFT BLANK

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
- FY15 Capital Plan II-37
- FY15–19 Capital Outlay Plan II-38 to II-40
- FY15 Capital by Account II-41 to II-43
- FY15 Capital Summary II-44 to II-45

Capital Improvement Plan

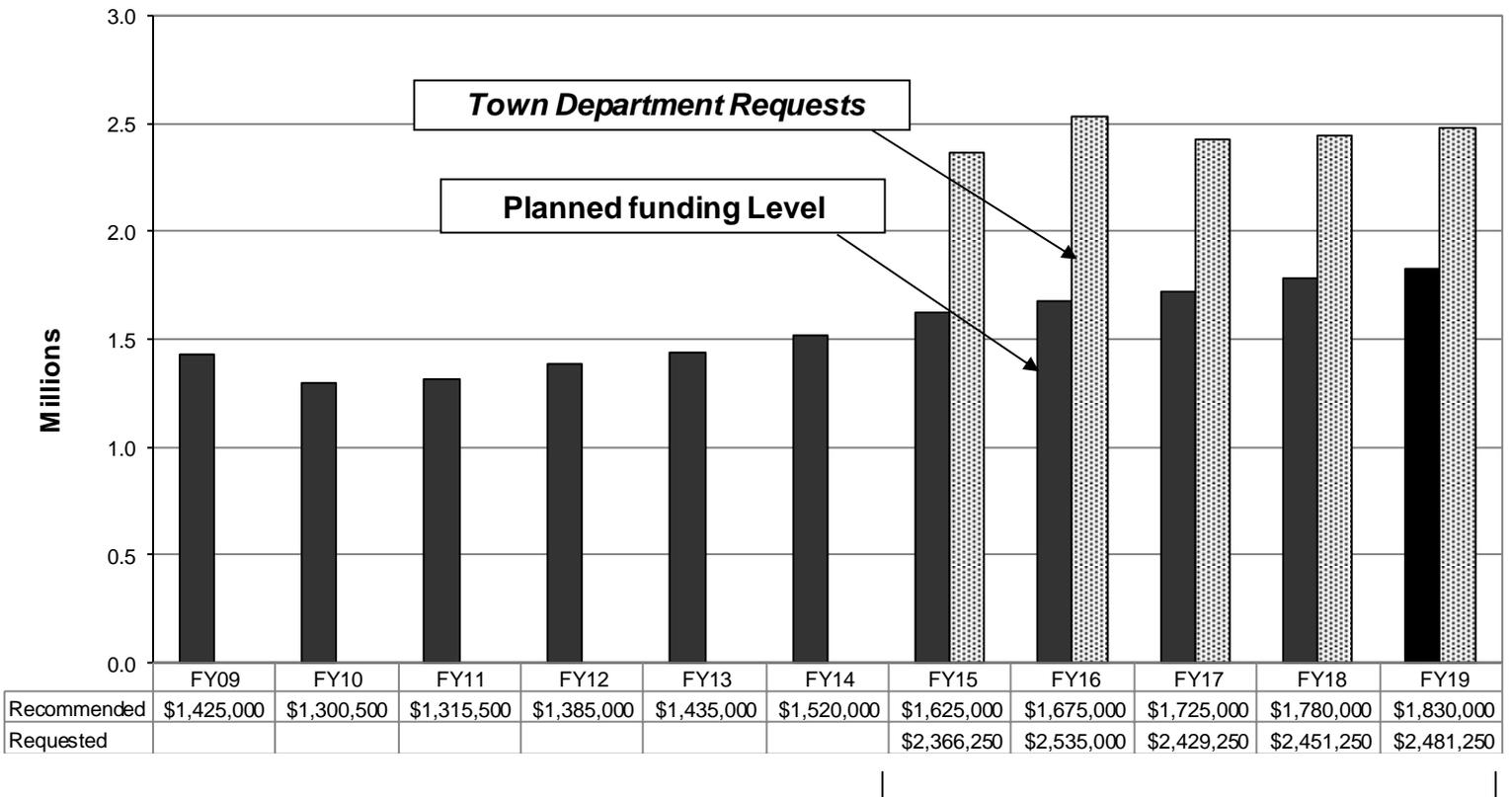
Capital Outlay Expenditures Supported Within the Levy Limit (Town Government accounts):

\$1,625,000

Capital Expenditures Within the Levy Limit Supported via FY15 Debt Authorizations:

\$3,100,000

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



Proposed

Capital Improvement Program FY15 - FY19
FY15 General Fund Budget Component

1. Borrowing authorizations submitted to the 2014 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 9	Concord Public School Renovations	\$450,000	
ART 30	Keyes Road Campus Preliminary Design	\$150,000	
ART 31	141 Keyes Road Roof/HVAC/Expansion	\$600,000	
ART 32	Ambulance Equipment	\$75,000	
ART 33	West Concord Infrastructure Improvements	\$100,000	
ART 34	Public Safety Building Security System	\$85,000	} Combined Article
ART 34	Harvey Wheeler HVAC and Insulation Improvements	\$340,000	
ART 55	Roads Program	<u>\$1,300,000</u>	
	Total	\$3,100,000	

The debt service for these borrowings will be supported by the allocation of funds in future years to the Debt Service account (#41). These authorizations are not proposed to be subject to a Proposition 2½ Debt Exclusion vote. The scheduled repayment of existing debt will provide the necessary room within the Levy Limit to finance these new bonds.

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

Town Government Departments (accounts #1-36):	\$ 1,625,000
Concord Public Schools:	\$ 532,995

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 **\$89,662,745**

less \$6,354,473 excluded debt = \$83,308,272 net

• 7% to 8% target range equals **\$5,831,617 to \$6,664,706**

• **FY15 Proposed Budget for capital expenditure financing:**

Debt service budget (“within levy limit” portion)	\$3,500,000 (a)
Capital outlay, Town Departments	1,625,000
Capital outlay, Concord Public Schools	532,995
Total	\$5,657,995

Capital financing as percent of Proposed Total Budget, net of excluded debt levy: **6.79%**

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.

FY2015-2019 Capital Outlay Plan (General Fund)

Acct #	Item	ANNUAL PLANS												
		FY2015		FY2016		FY2017		FY2018		FY2019				
		Requested	Recommended	Requested	Recommended	Requested	Recommended	Requested	Recommended	Requested	Recommended			
	Town Manager													
1C	A-1 Building Improv - Townwide Fund	400,000	200,000	400,000	225,000	400,000	235,000	400,000	250,000	400,000	265,000			
1A	A-2 ADA Compliance	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000			
10	A-3 Building Improv - Town House	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000			
32	A-4 Building Improv - Info Center	5,000	2,500	5,000	2,500	5,000	2,500	5,000	2,500	5,000	2,500			
1D	A-5 Resource Sustainability Fund	150,000	75,000	200,000	75,000	225,000	75,000	250,000	100,000	275,000	125,000			
	Planning													
6	B-1 Building Improv - 141 Keys Road	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000			
5A	B-2 Zoning Bylaw recodification			100,000	48,500									
5B	B-3 Pond & stream management	15,000	5,000	15,000	5,000	15,000	5,000	15,000	5,000	15,000	5,000			
5B	B-4 Vehicle replacement for DPLM vehicles	25,000	25,000	25,000	20,000	25,000	20,000	25,000	20,000	25,000	20,000			
5B	B-5 Trail Guide	25,000												
5B	B-6 Open Space and Rec. Plan					15,000	15,000							
5B	B-7 Agricultural fields improvements	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0			
5B	B-8 Chamberlin Park Boardwalk	75,000	0											
5B	B-9 Elm Brook trail			50,000	0									
	Finance & Admin													
9	C-1 Town-wide Technology Fund	275,000	175,000	300,000	190,000	325,000	200,000	350,000	215,000	375,000	225,000			
9	C-2 Voice-over-inte met (telephone)													

FY2015-2019 Capital Outlay Plan (General Fund)

Acct #	Item	ANNUAL PLANS											
		FY2015		FY2016		FY2017		FY2018		FY2019			
Ref #		Requested	Recommended	Requested	Recommended	Requested	Recommended	Requested	Recommended	Requested	Recommended		
	Police												
	Police Dept. operations acct												
11	D-1 Police Vehicles	125,000	125,000	90,000	90,000	130,000	90,000	90,000	90,000	130,000	130,000		
11	D-2 Public Safety Equipment	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000		
11	D-3 Replace cruiser laptops							30,000	30,000				
11	D-4 Vest replacement					35,000	35,000						
11	D-5 AED Replacement	10,000	10,000										
11	D-6 Computer upgrade/training rm	5,000	5,000	5,000	5,000	5,000	5,000			5,000	5,000		
11	D-7 Rifle Sight upgrades	5,000	5,000										
	Police/Fire Station 1												
14	E-1 Building Improv - Walden St	15,000	10,000	15,000	10,000	15,000	15,000	15,000	15,000	15,000	15,000		
14	E-2 Office design/renovation	20,000											
14	E-3 Building security system	25,000											
	Fire												
12	F-1 Miscellaneous Equipment	25,000	20,000	25,000	20,000	25,000	25,000	25,000	25,000	25,000	25,000		
12	F-2 Car 3 (2002)	40,000	27,500										
12	F-3 Car 1 (2008)												
12	F-4 Upgrade Community AED's			10,000	10,000								
12	F-5 Water Rescue Veh. Upgrade			15,000	15,000					35,000	0		
12	F-6 Turnout gear replacement			9,000	9,000								
12	F-7 Supply hose replacement					18,000	0						
15	F-8 EMS Tech. and Software Upgrade							25,000	25,000				
15	F-9 Medical equipment upgrade							40,000	40,000				
15	F-10 Incident Command vehicle replace									40,000			
12	F-11 Car 1 (2013)									5,000			
12	F-12 GIS printer upgrade												
	Fire Station (station 2)												
13	H-1 Building Improv - W. Concord	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000		
13	H-2 Exhaust System Upgrade			40,000	40,000								
13	H-3 Sta 2 Feasibility Study	25,000											
	Emergency management												
15	G-1 Misc. EOC Upgrades					10,000	0						
15	G-2 Shelter upgrade			20,000	0								

SECTION II: Budget Summary

Capital

FY2015-2019 Capital Outlay Plan (General Fund)

Acct #	Item	ANNUAL PLANS											
		FY2015		FY2016		FY2017		FY2018		FY2019			
		Requested	Recommended										
	PUBLIC WORKS												
	Facilities & Systems												
24	J-1 Building Improv - 133/135 Keyes	16,250	10,000	91,000	10,000	16,250	10,000	16,250	10,000	16,250	10,000	16,250	10,000
17B	J-2 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
24	J-3 Rolling file storage system	10,000	10,000										
	Public Ways												
23	J-1 Road Reconstruction	95,000	90,000	95,000	90,000	95,000	90,000	100,000	100,000	100,000	100,000	100,000	100,000
17B	J-2 Traffic Control Devices	20,000	10,000	20,000	20,000	20,000	10,000	20,000	10,000	20,000	10,000	20,000	10,000
17C	J-3 Guardrail Replacement	20,000	10,000	20,000	10,000	20,000	10,000	20,000	15,000	20,000	15,000	20,000	15,000
17C	J-4 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
21	J-5 Drainage Improvements	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
21	J-6 Culvert Improvement	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
17B	J-7 Sustainable Drainage 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
17B	J-8 NPDES Permit Compliance	20,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
22	J-9 Sidewalks - Maintenance	125,000	100,000	125,000	100,000	125,000	102,500	125,000	110,000	125,000	110,000	125,000	115,000
17B	J-10 Street sign replacement	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
	Park & Tree												
17D	K-1 Public Shade Trees	25,000	20,000	25,000	20,000	25,000	20,000	25,000	25,000	25,000	25,000	25,000	25,000
17D	K-2 Turf Improv. / Park Rehab	100,000	37,000	100,000	15,000	100,000	15,000	100,000	52,500	100,000	52,500	100,000	62,500
17D	K-3 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
	Equipment												
20	L-1 Vehicles and Heavy Equipment	300,000	288,000	300,000	300,000	300,000	300,000	300,000	325,000	300,000	325,000	350,000	325,000
	Library												
25	M-1 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
	Recreation												
27	N-1 Emerson Track					75,000	75,000						
	Council on Aging												
28	O-1 Building Improv - Harvey Wheeler	10,000	10,000	10,000	10,000	10,000	10,000	10,000	15,000	15,000	15,000	15,000	15,000
29	O-2 Bus - 14-Passenger (2005)			55,000	0								
	GENERAL FUND TOTAL	2,391,250	1,625,000	2,535,000	1,675,000	2,429,250	1,725,000	2,451,250	1,760,000	2,481,250	1,830,000	2,481,250	1,830,000
	Target	1,625,000		1,675,000		1,725,000		1,780,000		1,830,000		1,830,000	
	Not funded in the FY15-19 plan	766,250		860,000		704,250		671,250		651,250		651,250	

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

Acct #	Category	Budget FY14	Dept. Request FY15	Town Mgr Proposed FY15	\$ Change FY14 Budget to FY15 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	180,000	400,000	200,000	20,000
	Total - account #1C	180,000	400,000	200,000	20,000
1D	Resource Sustainability Fund				
	Resource Efficiency	40,000	150,000	75,000	35,000
	Total - account #1D	40,000	150,000	75,000	35,000
5B	Natural Resources				
	Pond & stream management	5,000	15,000	5,000	-
	Vehicle Replacement		25,000	25,000	
	Trail Guide		25,000	-	
	Chamberlin Park Boardwalk		75,000		
	Agricultural fields improvements	-	25,000	-	-
	Total - account #5B	5,000	165,000	30,000	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	160,000	275,000	175,000	15,000
	Telephone System (via Internet)	80,000	-	-	(80,000)
	Total - account #9	240,000	275,000	175,000	(65,000)
10	Town House				
	Building Improv - Town House	10,000	15,000	15,000	5,000
	Total - account #10	10,000	15,000	15,000	5,000
11	Police Department				
	Police Vehicles	90,000	125,000	125,000	35,000
	Public Safety Equipment	15,000	20,000	20,000	5,000
	AED Replacement		10,000	10,000	10,000
	Computer Upgrade	3,000	5,000	5,000	2,000
	Rifle Sight Upgrade		5,000	-	-
	Total - account #11	108,000	165,000	160,000	52,000
12	Fire Department				
	Miscellaneous Equipment	20,000	25,000	20,000	-
	Vehicle Replacement (Car 6)	20,000	40,000	27,500	7,500
	Total - account #12	40,000	65,000	47,500	7,500

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

Acct #	Category	Budget FY14	Dept. Request FY15	Town Mgr Proposed FY15	\$ Change FY14 Budget to FY15 Proposed
13	West Concord Fire Station				
	Building Improv - W. Concord	8,500	10,000	10,000	1,500
	Station 2 Feasibility Study	-	25,000	-	-
	Total - account #13	8,500	35,000	10,000	1,500
14	Police/Fire Station (Walden Street)				
	Office Design/Renovation	-	20,000	-	-
	Building Security System	-	25,000	-	-
	Building Improv - Walden St	10,000	15,000	10,000	-
	Total - account #14	10,000	60,000	10,000	-
15	Emergency Management				
	Misc. EOC Upgrades	-	-	-	-
	Total - account #15	-	-	-	-
17B	Engineering				
	GIS System	20,000	20,000	20,000	-
	Traffic Control Devices	20,000	20,000	10,000	(10,000)
	Drainage Improvements	-	25,000	25,000	25,000
	NPDES Permit Compliance	15,000	20,000	10,000	(5,000)
	Street Sign Replacement	20,000	20,000	20,000	-
	Total - account #17B	75,000	105,000	85,000	10,000
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.	40,000	100,000	37,000	(3,000)
	Small Equipment	5,000	7,500	5,000	-
	Total - account #17D	65,000	132,500	62,000	(3,000)
20	Public Works Equipment				
	Vehicles and Heavy Equipment	277,000	300,000	288,000	11,000
	Total - account #20	277,000	300,000	288,000	11,000
21	Drainage				
	Drainage Improvements	105,000	105,000	105,000	-
	Culvert Improvement	100,000	100,000	100,000	-
	Total - account #21	205,000	205,000	205,000	-
22	Sidewalks				
	Sidewalks - Maintenance	100,000	125,000	100,000	-
	Total - account #22	100,000	125,000	100,000	-
23	Road Improvements				
	Road Reconstruction	90,000	95,000	90,000	-
	Total - account #23	90,000	95,000	90,000	-
24	133/135 Keyes Road building:				
	Building Improv - 133/135 Keyes	5,000	16,250	10,000	5,000
	Rolling Storage Shelves	14,000	10,000	10,000	(4,000)
	Total - account #24	19,000	26,250	20,000	1,000

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

Acct #	Category	Budget FY14	Dept. Request FY15	Town Mgr Proposed FY15	\$ Change FY14 Budget to FY15 Proposed
25	Library				
	Computer Equipment	5,000	10,000	10,000	5,000
	Total - account #25	5,000	10,000	10,000	5,000
28	Harvey Wheeler Building:				
	Building Improv - Harvey Wheeler	10,000	10,000	10,000	-
	Total - account #28	10,000	10,000	10,000	-
32	Information/Visitors Center:				
	Building Improv - Info Center	2,500	5,000	2,500	-
	Total - account #32	2,500	5,000	2,500	-
	TOTAL	\$ 1,520,000	\$ 2,391,250	\$ 1,625,000	\$ 105,000

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 FY15, it is proposed that the funding level is \$5,000, the same as in FY14.

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 FY15 of \$200,000. The five-year Capital Outlay plan raises this funding target to \$265,000 by FY19. In FY11, a Facilities Maintenance Manager was hired and this position is funded by 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 FY15, it is proposed that this account be funded at \$75,000.

5B Natural Resources Division, DPLM

Funding of \$5,000 is being proposed for pond and stream management and \$25,000 for vehicle replacement. Requests were made for the Chamberlin Park Boardwalk (\$75,000) and agricultural field improvements (\$25,000) 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 \$175,000. 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.

11 Police Department

Funding is being proposed for the replacement of four police cruisers (\$125,000), the upgrade and maintenance of public safety equipment (\$20,000), AED replacement (\$10,000) and computer upgrades (\$5,000).

12 Fire Department

For the Fire Department, \$20,000 in funding is being proposed for miscellaneous equipment and \$27,500 for the replacement of Car 6 (2002).

13 West Concord Fire Station

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

Capital Outlay and Special Projects Accounts General Fund Recommended Items

14 Police/Fire Station

For routine building repairs, a budget of \$10,000 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, \$37,500 for turf / park projects, and \$5,000 for small equipment.

20 Public Works Equipment, CPW

The proposed Public Works Equipment budget of \$288,000 funds the Town's well-planned schedule of equipment replacement. This represents an increase of \$11,000 from FY14.

21 Drainage, CPW

The FY15 level funding of \$205,000 is proposed to be used for drainage and culvert improvements.

22 Sidewalk Management, CPW

The proposed FY15 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 \$680,000 expected from the State (Chapter 90 Funds) and \$1,300,000 in borrowing, the total FY15 recommended amount for road improvements is \$2,070,000.

24 133 and 135 Keyes Road, CPW

For routine building repairs, a budget of \$10,000 is being proposed. In addition, \$10,000 is proposed for the installation of a rolling storage shelving system.

25 Library

The FY15 CIP proposes to provide the Library with \$10,000 for computer equipment replacement.

28 Harvey Wheeler Community Center

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

32 Visitors Center

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

Debt:

At the end of FY13 (June 30, 2013), the Town of Concord's outstanding tax-supported long-term debt is **\$50,782,417**.

This total represents 1.00% of assessed value, or \$2,890 of debt per capita.

The Debt Section includes the following:

- Debt Overview II-46
- FY15-19 Debt Authorization II-47 to II-49
- Historical Outstanding Debt II-50
- Historical Debt Charts II-51 to II-52
- Debt Service Projection Chart II-53
- Debt Service Projection II-54 to II-55
- Excluded Debt Detail II-56 to II-61
- Excluded Debt Service Charts II-62 – II-63
- Authorized and Unissued Debt II-64

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-171 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, 2013								
Paid Down Percentage Starting on June 30, 2013	Tax-Supported Debt				Enterprise and Other Debt		Total Debt	
	Within Limit		Excluded		Outstanding Principal	%	Outstanding Principal	%
	Outstanding Principal	%	Outstanding Principal	%				
On 6/30/13	\$10,855,000	0%	\$39,927,417	0%	\$20,201,617	0%	\$70,984,034	0%
In 5 years	\$855,000	92%	\$24,402,780	39%	\$11,279,724	44%	\$36,537,504	48%
In 10 Years	\$0	100%	\$10,410,587	74%	\$4,467,510	78%	\$14,878,097	79%
In 15 Years	\$0	100%	\$675,000	98%	\$0	100%	\$675,000	99%
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

**FY15-19 Capital Program
DEBT AUTHORIZATION**

Fiscal Year of Issuance Annual Town Meeting Year	adopted		warrant		plan				FY15-19 Total
	FY2014 2013	FY2015 2014	FY2016 2015	FY2017 2016	FY2018 2017	FY2019 2018			
General Fund - Financing within Levy Limit	\$3,720,000	\$3,100,000	\$4,600,000	\$3,525,000	\$4,700,000	\$3,450,000	\$19,375,000		
<i>Town Manager</i>									
Keyes Road Campus Preliminary Design		150,000					150,000		
Construction/acquisition of office space			850,000	700,000	1,000,000		\$2,550,000		
Land acquisition for municipal purposes				125,000	315,000	200,000	\$640,000		
Town House elevator						220,000	\$220,000		
Town House comprehensive exterior renovation	950,000						\$0		
51 Laws Brook Road sitework	100,000						\$0		
<i>Planning</i>									
Land Acquisition			200,000	200,000	250,000	250,000	\$900,000		
Land Acquisition - 449 Barrett's Mill Rd.	525,000						\$600,000		
141 Keyes Road roof/ HVAC/expansion		600,000					\$100,000		
Comprehensive Long-Range Planning			250,000	100,000			\$250,000		
Rail Trail Design - Phase 2B							\$250,000		
Parking Management Plan, Phase 1				250,000					
<i>Public Safety</i>									
Pumper - Engine 7 (1990)			500,000				\$500,000		
radio system upgrade (Police and Fire)	450,000						\$0		
Ambulance equipping							\$75,000		
Police- Sta. 1 renovations/security system		85,000					\$85,000		
Engine #3 Refurbishment (2008)				150,000			\$150,000		
Engine #8 Replacement (1988)					575,000		\$575,000		
Ambulance replacement					260,000		\$260,000		
Engine #4 Refurbishment ()						150,000	\$150,000		
<i>Public Works</i>									
Road Reconstruction	900,000		950,000	950,000	1,000,000	1,000,000	\$5,200,000		
Covered Storage - equipment & salt						730,000	\$730,000		
Sidewalk extensions - phase 2			250,000		250,000		\$500,000		
Traffic Control systems					150,000		\$150,000		
West Concord infrastructure improvements		100,000					\$100,000		
<i>Human Services</i>									
Rideout Playground - master plan; tennis & basketball relocation/renovation; other park improvements			800,000				\$800,000		
Haney Wheeler HVAC & Insulation		340,000					\$340,000		
Haney Wheeler Roof Repair				100,000			\$100,000		
Emerson Track resurfacing				100,000			\$100,000		
Subtotal - Town Projects	2,925,000	2,650,000	3,800,000	2,675,000	3,800,000	2,550,000	\$15,475,000		

**FY15-19 Capital Program
DEBT AUTHORIZATION**

Fiscal Year of Issuance Annual Town Meeting Year	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	Total
	2013	2014	2015	2016	2017	2018	
Concord Public Schools (K-8)							
Peabody	555,000	400,000	1,070,000	315,000	850,000	1,050,000	\$3,685,000
Sanborn	100,000	0	2,240,000	1,970,000	150,000	1,400,000	\$5,760,000
Alcott	70,000	50,000	25,000	125,000	250,000	295,000	\$745,000
Thoreau	70,000	0	120,000	50,000	25,000	25,000	\$220,000
Ripley Administration Building	0	0	1,200,000	380,000	430,000		\$2,010,000
Gross subtotal, CPS buildings less unfunded	795,000	450,000	4,655,000	2,840,000	1,705,000	2,770,000	\$12,420,000
			(3,855,000)	(1,990,000)	(805,000)	(1,870,000)	(\$8,520,000)
Subtotal - School Projects allocation	\$795,000	\$450,000	\$800,000	\$850,000	\$900,000	\$900,000	\$3,900,000
General Fund Projected Total	\$3,720,000	\$3,100,000	\$4,600,000	\$3,525,000	\$4,700,000	\$3,450,000	\$19,375,000

Water Enterprise Fund							
Reservoir Improvements			\$980,000				980,000
Nagog Pond - Intake design			\$1,400,000				1,400,000
Keyes Road site & covered storage						\$500,000	500,000
Nagog filtration plant			\$5,000,000				5,000,000
Sewer Enterprise Fund							
Keyes Road site & covered storage						\$100,000	100,000
Enterprise Funds Projected Total	\$0	\$0	\$1,380,000	\$0	\$0	\$600,000	\$7,980,000
GRAND TOTAL	\$3,720,000	\$3,100,000	\$11,980,000	\$3,525,000	\$4,700,000	\$4,050,000	\$27,355,000

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 <u>June 30, 2014</u>	Planned <u>new issues</u>	Maturing in <u>5 yrs.</u>	Projected Outstanding <u>as of June 30, 2019</u>	*Note: <i>data for Town of Concord only, not inclusive of assessed share of CCRSD debt.</i>
\$48,770,000	\$ 19,375,000	\$ 30,223,000	\$ 37,922,000	

NEAR-TERM PROJECTS: 1 to 5-year period, FY15-19

Concord Middle School (Peabody and Sanborn buildings)

The debt plan on page II-48 shows that \$8,520,000 of identified school building needs through FY19 will not be funded. A substantial portion of the capital needs are for the Peabody and Sanborn buildings. One likely strategy will be to present a \$6 million Peabody/Sanborn debt exclusion proposal to Town Meeting, possibly as soon as the 2015 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 would be:

	Peabody	Sanborn	Total
HVAC systems	\$ 650,000	\$ 1,025,000	\$ 1,675,000
Domestic Water Piping replacement	350,000	550,000	900,000
Sanborn Boiler replacement		575,000	575,000
Classroom partitions, Peabody	450,000		450,000
Roof replacement	<u>900,000</u>	<u>1,500,000</u>	<u>2,400,000</u>
	\$ 2,350,000	\$ 3,650,000	\$ 6,000,000

CPS/CCRSD Transportation Facilities and Equipment

Article 12 on the 2014 Town Meeting Warrant proposes the allocation of \$925,000 from the existing Stabilization Fund (current balance \$960,600 at January 31). It is possible that another \$1-2 million could be needed to build out an in-house maintenance facility. Also, perhaps \$1,000,000 would be needed to catch up on the bus replacement schedule.

INTERMEDIATE TERM PROJECTS: 6 to 10-year period, FY20-24

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 on the 2014 Town Meeting Warrant proposes \$150,000 for a feasibility study regarding 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.

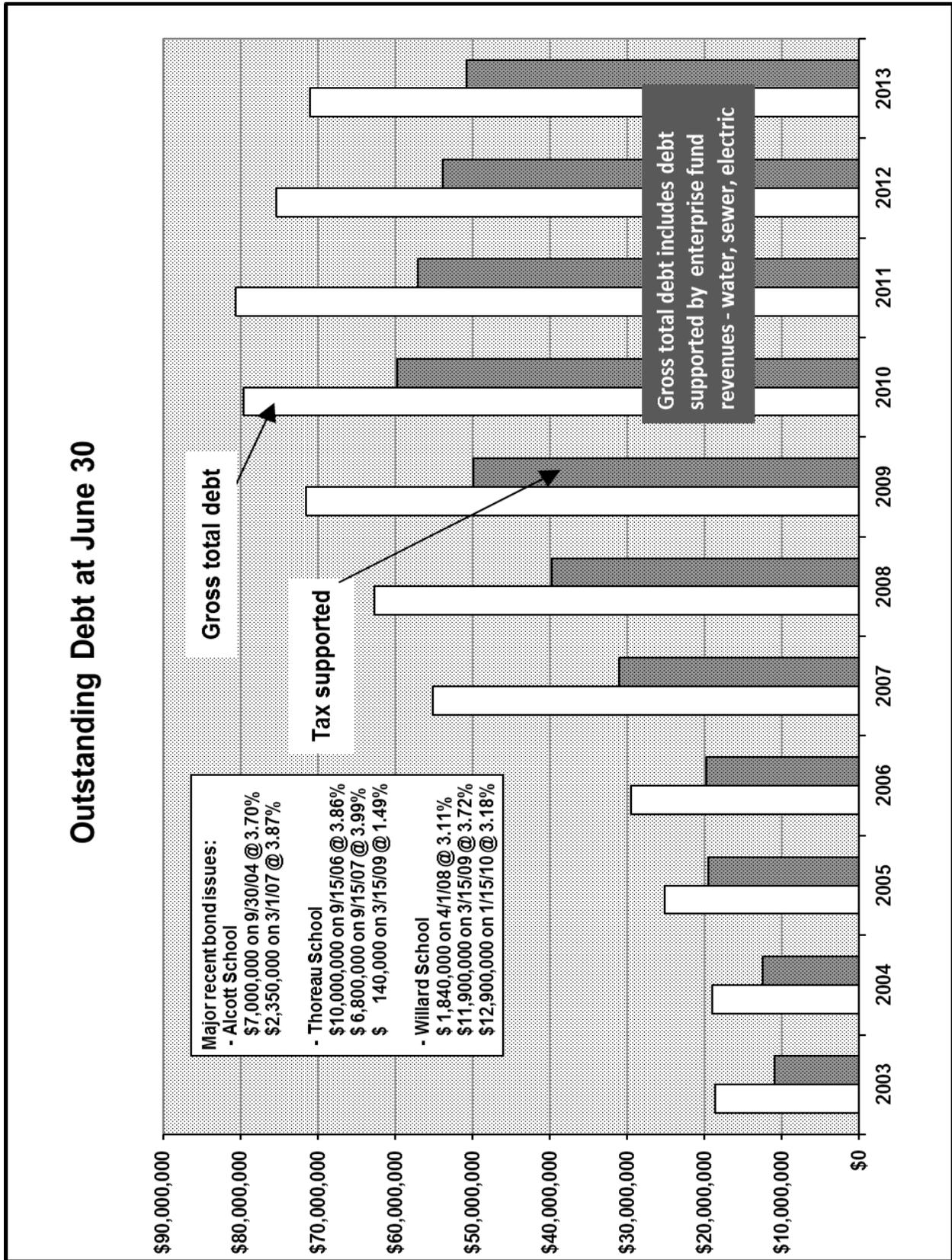
CONCORD'S LONG-TERM DEBT STATISTICS

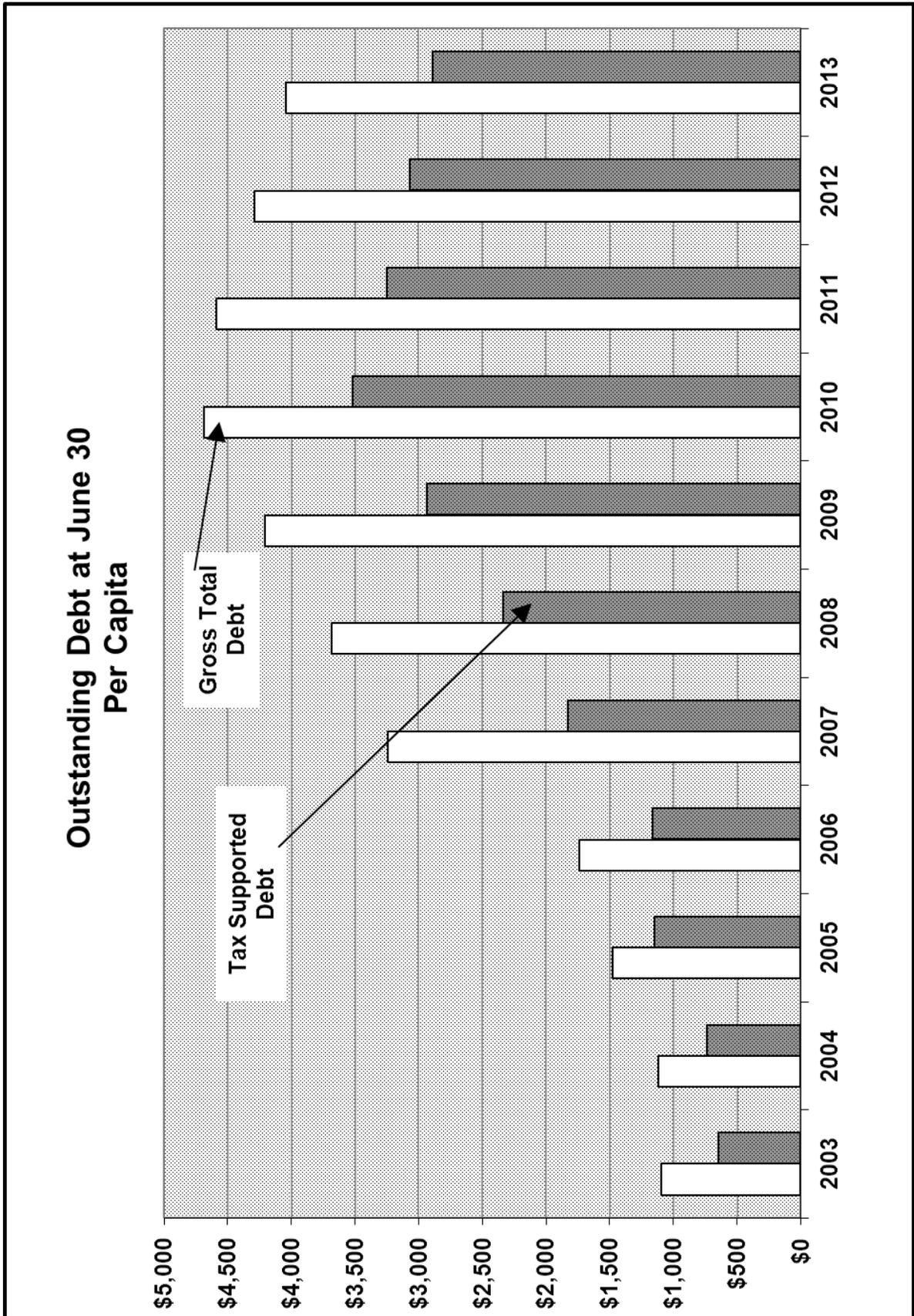
June 30, 2003 to June 30, 2013 actual

	Assessed Value	Outstanding Long-term Debt		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
2003	\$4,408,301,807	\$18,605,000	\$11,020,000	\$51,477	0.42%	0.25%	\$1,095	\$649	2.13%	1.26%
2004	\$4,411,852,520	\$19,019,237	\$12,569,237	\$51,477	0.43%	0.28%	\$1,119	\$740	2.17%	1.44%
2005	\$5,117,100,515	\$25,138,385	\$19,515,000	\$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	\$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	\$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	\$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	\$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	\$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	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	\$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	67,374	1.40%	1.00%	\$4,041	\$2,891	6.00%	4.29%

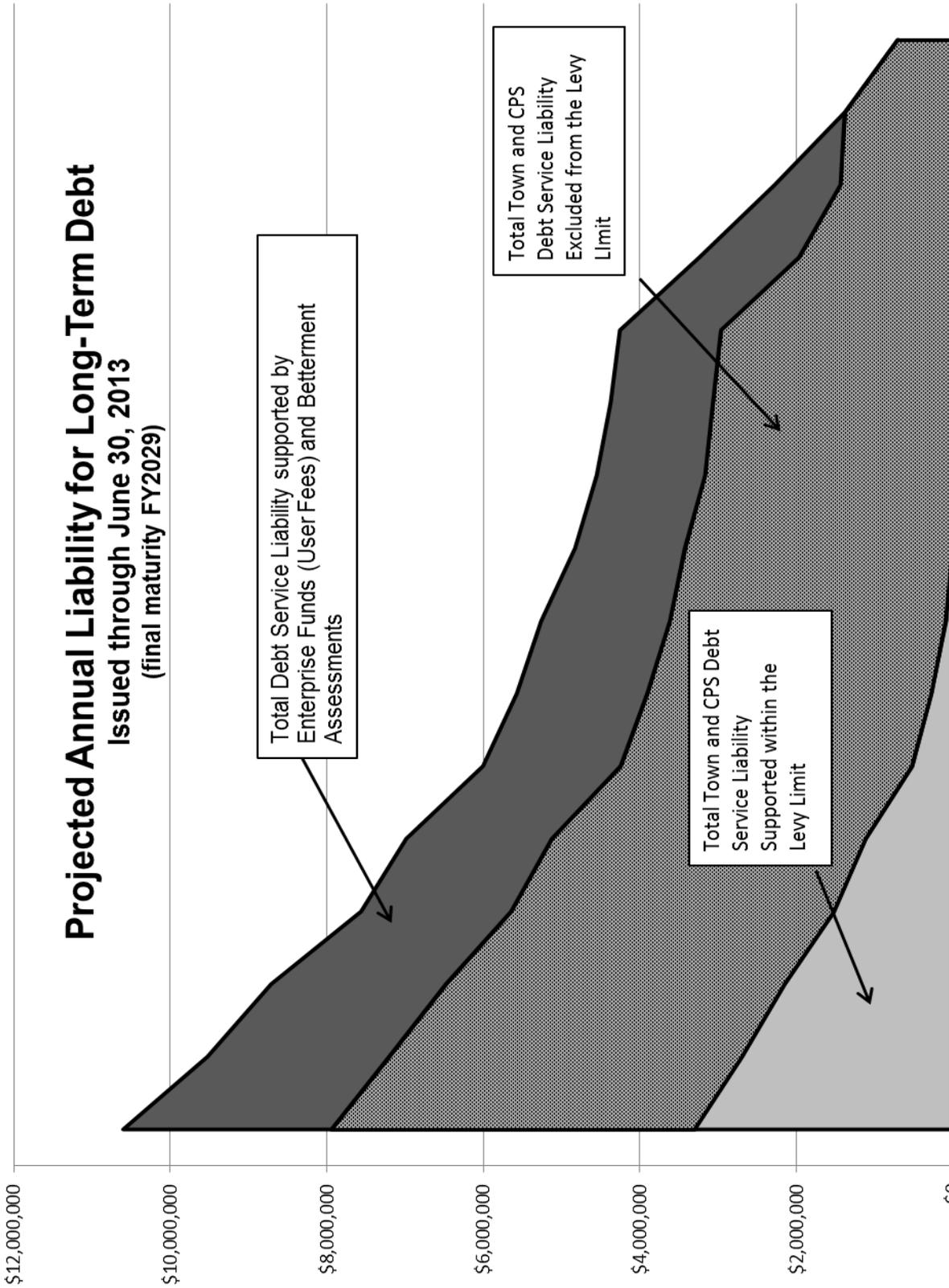
"Net debt" is net of self-supporting debt issued for the water, sewer and electric funds.

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, 2013 is 1.32% of EQV.





Projected Annual Liability for Long-Term Debt Issued through June 30, 2013 (final maturity FY2029)



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Enterprise & Betterment	\$2,661,332	\$2,320,966	\$2,232,765	\$1,916,599	\$1,861,119	\$1,757,964	\$1,666,483	\$1,645,081	\$1,402,388	\$1,386,523	\$1,308,236	\$1,291,631	\$1,274,676	\$842,058	\$0	\$0
Town & CPS Excluded	\$4,631,574	\$4,501,657	\$4,324,043	\$4,119,946	\$4,009,808	\$3,727,686	\$3,628,268	\$3,528,461	\$3,425,525	\$3,165,478	\$3,066,043	\$2,963,697	\$1,968,712	\$1,435,688	\$1,381,344	\$702,000
Town & CPS Within	\$3,308,763	\$2,703,457	\$2,154,088	\$1,524,875	\$1,115,150	\$519,100	\$277,100	\$86,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Debt Service Schedule

for debt issued through June 30, 2013

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	Principal Matured	Interest Payment
2014	8,370,269	2,231,401	62,613,767	2,270,000	227,868	177,723	34,726	740,000	70,895	3,035,000	1,384,125
2015	7,529,497	1,996,583	55,084,270	1,850,000	167,976	179,293	29,539	635,000	50,481	3,005,000	1,287,825
2016	6,934,014	1,776,882	48,150,256	1,470,000	116,800	180,895	24,067	535,000	32,288	2,930,000	1,189,082
2017	6,003,822	1,557,598	42,146,434	1,095,000	72,800	82,529	18,560	340,000	17,075	2,930,000	1,088,857
2018	5,608,928	1,377,149	36,537,506	865,000	42,250	84,196	16,767	200,000	7,900	2,920,000	988,844
2019	4,804,339	1,200,411	31,733,167	425,000	16,200	85,897	14,939	75,000	2,900	2,740,000	886,850
2020	4,519,744	1,052,107	27,213,424	200,000	5,700	87,632	13,073	70,000	1,400	2,740,000	787,563
2021	4,351,003	909,239	22,862,421	85,000	1,700	89,403	11,170	0	0	2,740,000	687,888
2022	4,061,315	766,599	18,801,106	0	0	91,209	9,229	0	0	2,740,000	585,088
2023	3,923,007	628,994	14,878,099	0	0	93,052	7,248	0	0	2,585,000	480,178
2024	3,877,635	496,643	11,000,464	0	0	94,932	5,227	0	0	2,585,000	380,884
2025	3,894,962	360,365	7,105,502	0	0	96,850	3,165	0	0	2,585,000	278,682
2026	3,002,637	240,751	4,102,865	0	0	98,806	1,062	0	0	1,675,000	193,844
2027	2,127,865	149,881	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	70,984,036	14,852,947		8,260,000	651,294	1,442,417	188,772	2,595,000	182,939	38,485,000	10,463,742

Interest expense as % of total debt service, FY14: 21.0%

Interest expense as % of total debt service to final maturity: 17.3%

Projected as of June 30, 2013:

	<u>5 yrs</u>	<u>10 yrs</u>
Debt Retirement - all	48.5%	79.0%

Debt Retirement - tax supported only	50.9%	80.6%
--------------------------------------	-------	-------

SECTION II: Budget Summary

Debt

Revenue Supported Annual Debt Service								subtotals		
Water		Sewer		Betterment (WPAT loans)		Light		Tax-supported		
Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	Principal Matured	Interest Payment	within Limit	Excluded	Revenue- supported
520,000	169,327	603,388	179,931	264,158	36,955	760,000	127,574	3,308,763	4,631,574	2,661,333
520,000	153,144	613,557	165,398	266,648	34,326	460,000	107,894	2,703,457	4,501,657	2,320,967
520,000	136,681	623,932	150,620	269,187	31,644	405,000	95,700	2,154,088	4,324,044	2,232,764
420,000	115,706	534,516	134,242	271,777	28,908	330,000	81,450	1,524,875	4,119,946	1,916,599
420,000	101,388	545,314	122,634	274,418	26,116	300,000	71,250	1,115,150	4,009,807	1,861,120
345,000	86,213	556,331	110,791	277,111	23,268	300,000	59,250	519,100	3,727,686	1,757,964
345,000	75,050	567,570	98,709	209,542	20,362	300,000	50,250	277,100	3,628,268	1,666,483
345,000	63,450	579,036	86,383	212,564	17,398	300,000	41,250	86,700	3,528,461	1,645,081
235,000	51,850	590,734	73,808	204,372	14,374	200,000	32,250	0	3,425,526	1,402,388
235,000	43,050	602,668	60,979	207,287	11,289	200,000	26,250	0	3,165,478	1,386,523
235,000	34,250	614,843	47,891	147,860	8,141	200,000	20,250	0	3,066,043	1,308,235
235,000	25,300	627,265	34,538	150,847	4,930	200,000	13,750	0	2,963,697	1,291,630
235,000	16,275	639,936	20,916	153,895	1,654	200,000	7,000	0	1,968,712	1,274,676
175,000	7,175	652,865	7,018	0	0	0	0	0	1,435,688	842,058
0	0	0	0	0	0	0	0	0	1,381,344	0
0	0	0	0	0	0	0	0	0	702,000	0
4,785,000	1,078,859	8,351,955	1,293,858	2,909,666	259,365	4,155,000	734,118	11,689,233	50,579,931	23,567,821

Excluded Debt as of June 30, 2014

	Principal		FY15 Debt Service			Amortized Premium	
	Initial Issuance	Remaining Balance	Remaining Percent	Principal	Interest		Debt Service (Net of Premium)
<u>Outstanding Town-Issued Excluded Debt</u>							
Harvey Wheeler Community Center <i>Feb. 2004 (2.87%)</i>	\$1,200,000	\$200,000	16.7%	\$100,000	\$7,389	\$107,389	\$111
Wastewater Management (Phase 1) <i>Nov. 2005 (2.00% - WPAT Loan)</i>	\$1,638,290	\$1,064,695	65.0%	\$79,293	\$22,039	\$101,332	\$0
Alcott School <i>Sept. 2004 (3.70%), Mar. 2007 (3.87%)</i>	\$9,350,000	\$5,090,000	54.4%	\$505,000	\$196,499	\$701,499	\$395
Thoreau School <i>Sept. 2006 (3.86%), Sept 2007 (3.99%)</i>	\$16,800,000	\$10,625,000	63.2%	\$935,000	\$409,761	\$1,344,761	\$1,289
Willard School <i>Apr. 2008 (3.11%), Mar, 2009 (3.72%), Jan. 2010 (3.18%), May 2011 (3.18%),</i>	\$27,015,000	\$19,740,000	73.1%	\$1,565,000	\$675,650	\$2,240,650	\$4,231
Town Excluded Debt - Total	\$56,003,290	\$36,719,695	65.6%	\$3,184,293	\$1,311,338	\$4,495,631	\$6,026
MSBA Grant						(\$409,878)	
Net Town Exempt Excluded Debt	\$56,003,290	\$36,719,695	65.6%	\$3,184,293	\$1,311,338	\$4,085,753	\$6,026
<u>Outstanding CCRSD-Issued Exempt Debt</u>							
Existing High School (Concord's Assessment)						(\$10,456)	
New High School (Concord's Assessment) (\$32.5 million in June 2013)						\$1,759,647	
New High School Ban (Concord Assessment) (\$30 million in May 2014 at 0.5% est. int. rate)						\$109,650	<i>Estimate</i>
High School Debt Stabilization Fund						(\$500,000)	
Net CCRSD Excluded Debt						\$1,358,841	
Net Levy for the Total Town and CCRSD Exempt Debt						\$5,444,595	

Details of Town-Issued Excluded Debt Cost for FY15

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. FY15 debt service is:

Principal	\$ 100,000
Interest	<u>7,389</u>
	\$ 107,389 (net of \$111 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 FY13 is the seventh year of a twenty-year payment schedule, with the final maturity on July 15, 2025. The General Fund and Betterment funded shares for FY15 are:

General Fund (39.1%)	\$ 101,332
Betterment funded (60.9%)	\$ 157,829

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 FY15 budget is \$701,499 (0.90% of the projected tax levy).

FY15 Debt Service:

\$10 million Bond issued September 2004:

Principal	\$ 350,000
Interest	<u>146,519</u>
	\$ 496,519

\$2.35 million Bond issued March 2007:

Principal	\$ 155,000
Interest	<u>49,980</u>
	\$ 204,980 (net of \$395 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.

FY15 Debt Service:

\$10 million Bond issued September 2006:

Principal	\$ 555,000
Interest	<u>231,172</u>
	\$ 786,172 (net of \$541 amortized premium)

\$6.8 million Bond issued September 2007:

Principal	\$ 380,000
Interest	<u>178,589</u>
	\$ 558,589 (net of \$749 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 FY15 budget is a gross sum of \$1,344,761 reduced by a \$409,878 allocation from the MSBA project grant, a net amount of \$934,883 (1.20% of the projected tax levy).

Willard School Design and Construction

\$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%

FY15 Debt Service:

\$1.84 million Bond issued April 2008:

Principal	\$ 185,000
Interest	<u>25,285</u>
	\$ 210,285 (net of \$471 amortized premium)

\$11.9 million Bond issued March 2009:

Principal	\$ 625,000
Interest	<u>330,979</u>
	\$ 955,979 (net of \$271 amortized premium)

\$12.9 million Bond issued January 2010:

Principal	\$ 680,000
Interest	<u>320,005</u>
	\$ 1,000,005 (net of \$1,370 amortized premium)

\$375,000 Bond issued May 2011:

Principal	\$ 75,000
Interest	<u>- 619</u>
	\$ 74,381 (net of \$2,119 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 FY15 is \$2,240,650 or 2.88% 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 FY15 debt service cost.

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. This total includes \$410,000 earned and added to the fund over its life.

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 December 31, 2013, the status of the Elementary School Debt Stabilization Fund is:

Original balance (July 1, 2008)	\$ 2,500,000
Earned to date	257,308
Realized gains	154,501
Less Allocated by Town Meeting	<u>- 2,910,000</u>
Balance at 12/31/13	\$1,809

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 FY15 Concord assessment of the debt service is:

Principal	\$ 274,646
MSBA Grant	<u>288,950</u>
Total	- \$ 14,304
Concord Assessment (73.10%)	- \$ 10,456

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.

CCRSD	\$ 63,991,177	Per 1 st Amendment to PFA
MSBA Grant	<u>28,587,347</u>	dated 1/8/13
Total Project Cost	\$ 92,578,524	

A \$32.5 million bond was issued June 2013. This bond was issued 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 FY15 debt service is:

Principal	\$ 1,400,000
Interest	<u>1,007,178</u>
Total	\$ 2,407,178
Concord Assessment (73.10%):	\$ 1,759,647

A \$30.0 million one-year BAN is expected to be issued in May 2014 at an estimated 0.5% interest rate with an expected interest cost of \$150,000. Concord's assessed share, at 73.10%, is estimated at \$109,650

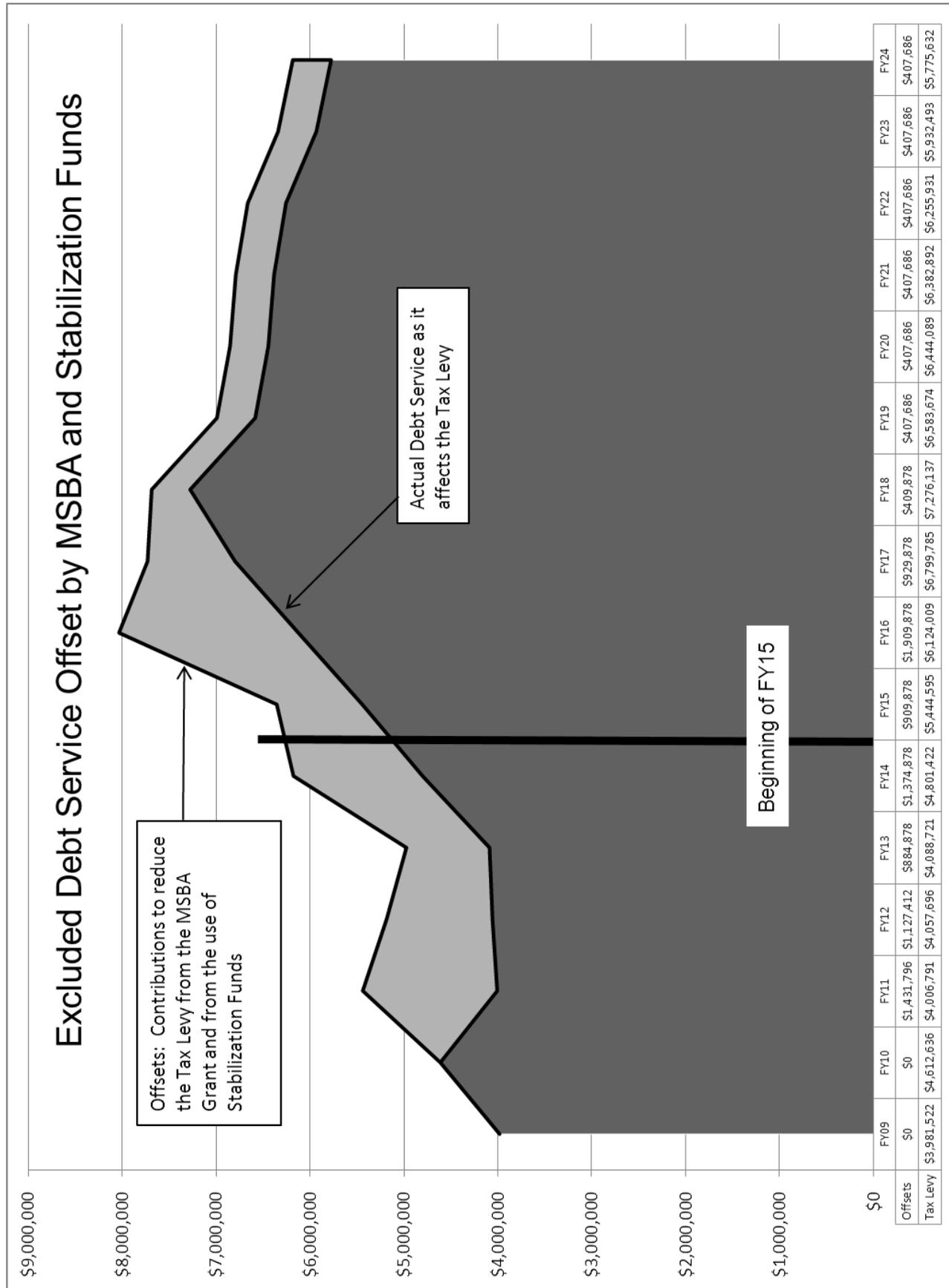
CCRSD-Issued Excluded Debt Budgetary Offsets

MSBA Grant

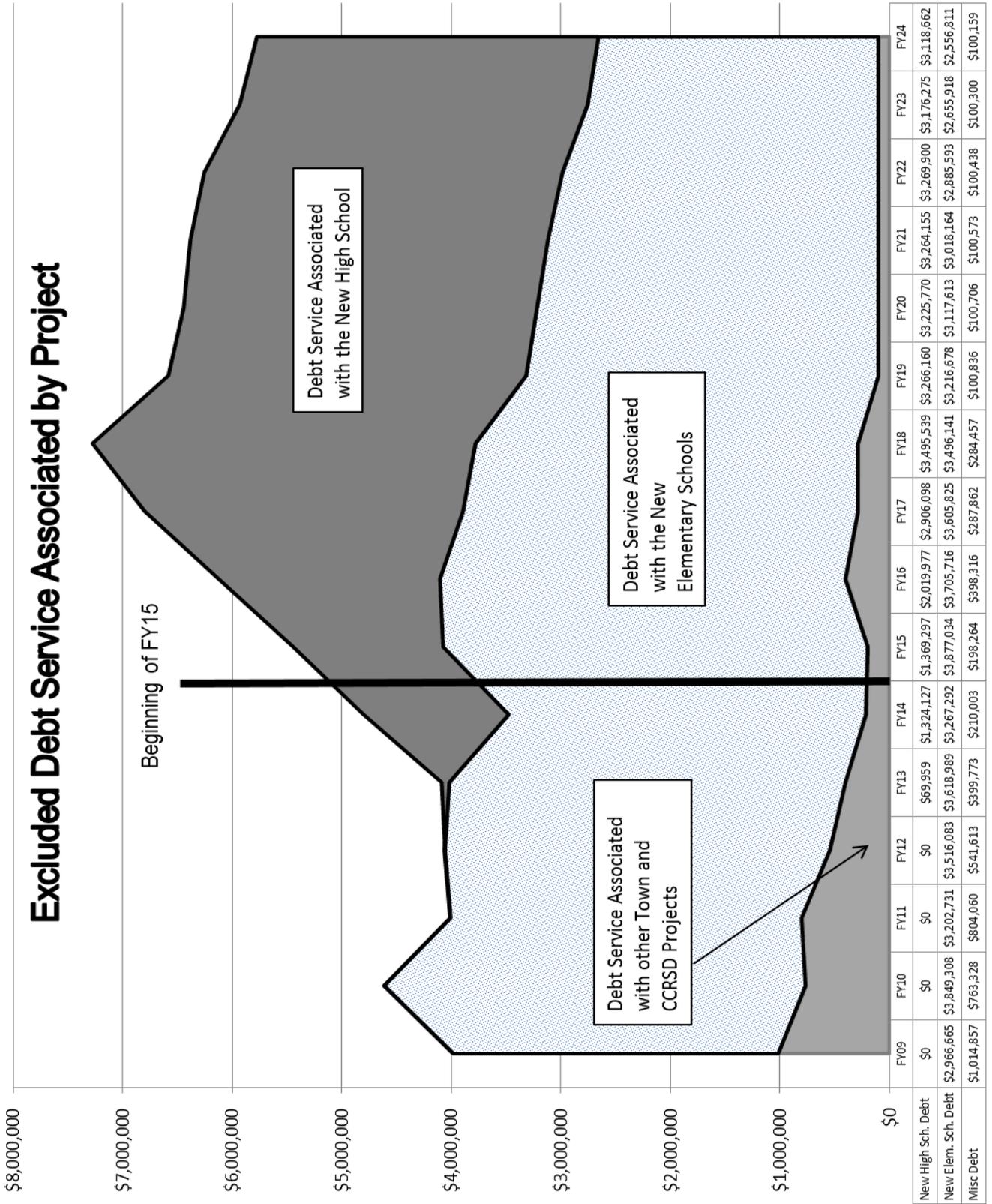
On September 28, 2011, the Massachusetts School Building Authority (MSBA) approved \$28,781,100 in funding for a new Concord-Carlisle High School. The money is to be provided to the Regional School District to offset current expenditures associated with the construction and furnishing of the new High School.

High School Debt Stabilization Fund

The Special Annual Town Meeting held on April 2, 2012 voted to transfer \$2,000,000 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 new High School. Funds were accordingly transferred on July 1, 2012. The 2013 Annual Town Meeting, Article 19 approved \$230,000 for reducing the property tax impact of this project. Article 14 of the 2014 Town Meeting proposes allocating \$500,000 from this Stabilization Fund.



Excluded Debt Service Associated by Project



SECTION II: Budget Summary

Debt

**Town of Concord, MA
Authorized and Unissued Debt @ June 30, 2013**

debt category	Town Meeting Vote	Purpose	Debt Amount Authorized	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
within limit	Art. 34, 2011	Library Equipment - RFID system	15,000	30-610-610-337	\$125K Bond issued 5-15-12	15,000		15,000
within limit	Art. 8, 2012	School Building improvements	675,000	30-300-300-341		675,000		675,000
enterprise	Art. 28, 2012	Light Plant expansion	4,400,000	62-460-460-344	\$1.2M BAN dated 6-27-13 due 6-16-14	4,400,000		4,400,000
enterprise	Art. 36, 2012	Land Acquisition (WR Grace)	{	62-460-460-345		600,000		600,000
				60-440-440-345		600,000		600,000
within limit	Art. 8, 2013	School Building improvements	795,000	30-300-300-348		795,000		795,000
within limit	Art. 45, 2013	Road Improvements	900,000	30-429-429-349		900,000		900,000
enterprise	Art. 48, 2013	Telecommunications	1,000,000	73-0-0-350	\$100K BAN dated 6-27-13 due 6-16-14	1,000,000		1,000,000
within limit	Art. 49, 2013	Police/Fire Radio System	450,000	30-215-215-351		450,000		450,000
within limit	Art. 50, 2013	51 Laws Brook Rd and Rideout Field	100,000	30-122-123-352		100,000		100,000
within limit	Art. 52, 2013	Land acquisition, 449 Barrett's Mill Rd	525,000	30-122-123-353		525,000		525,000
within limit	Art. 55, 2013	Town House exterior renovation	950,000	30-122-123-354	\$500K BAN dated 6-27-13 due 6-16-14	950,000		950,000
			<u>\$ 12,685,285</u>			<u>12,685,285</u>	<u>0</u>	<u>12,685,285</u>

Detail: Authorized & Unissued by Funding Source

Tax Supported to be issued	\$ 4,410,000
Betterments	1,675,285
Light Fund	6,000,000
Sewer Fund	600,000
to be rescinded	0
	<u>\$ 12,685,285</u>

SECTION II: Budget Summary

THIS PAGE INTENTIONALLY LEFT BLANK

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).

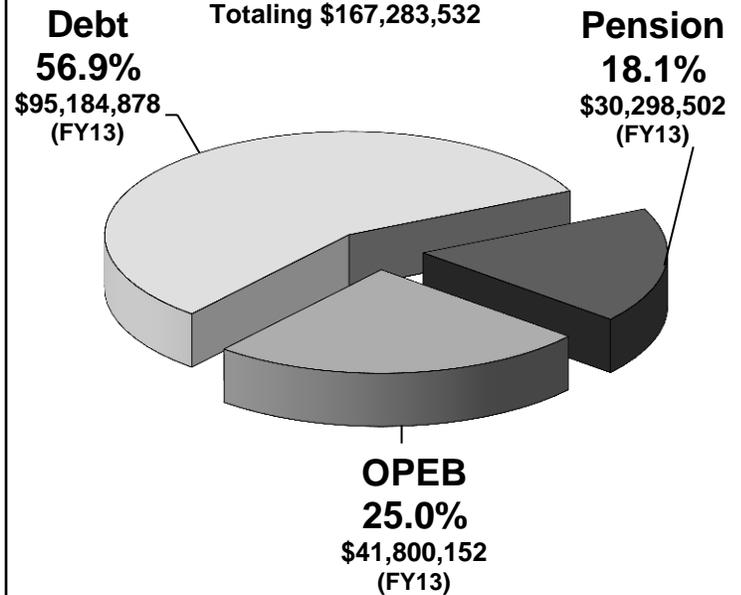
This section contains the following:

- Major Liabilities II-66
- Reason for Presenting Major Liabilities II-67
- Debt II-68
- Pensions II-69
- OPEB II-70

2013 Major Liabilities

(with CCRSD Overlapping)

Totaling \$167,283,532



Major Liabilities (with CCRSD Overlapping Liability)

<u>Liabilities (as of 6/30/13)</u>	<u>Debt</u>	<u>Pension</u>	<u>OPEB</u>	<u>Total</u>
General Fund	\$50,782,417	\$26,234,945	\$28,392,828	\$105,410,190
Enterprise and Others	\$20,201,617	\$4,063,557	\$1,048,642	\$25,313,816
Total Direct Town Liabilities	\$70,984,034	\$30,298,502	\$29,441,470	\$130,724,006
CCRSD Overlapping Assessment	\$24,200,844	N/A	\$12,358,682	\$36,559,526
Total	\$95,184,878	\$30,298,502	\$41,800,152	\$167,283,532

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 (CCRSD); the Town is responsible for 71.77% of all CCRSD 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 CCRSD 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 a "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 defer costs into the future and 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. The Town has maintained this highest possible credit rating without interruption since 1987. The “Aaa” allows the Town to borrow funds at relatively low interest rates, which decreases the interest amount that the Town spends in repaying the debt.

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.

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
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 few cities have had to declare bankruptcy, partly as a consequence of large unfunded pension and OPEB obligations.

Due to the increasing importance of managing debt, pension and OPEB obligations, Moody’s has increased the weight of the Debt / Pension factor from 10% to 20% as of October 2013.

SECTION II: Budget Summary

Liabilities

Debt Liability:

Within the past decade, the Town has undertaken to build three new elementary schools and is currently constructing a new regional high school. Tax-supported outstanding principal has increased from \$11,020,000 in FY03 to \$50,782,417 in FY13. With the inclusion of enterprise debt, total debt outstanding as of June 30, 2013 is \$70,984,036

Rapid Debt Repayment Policy

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

Direct Debt

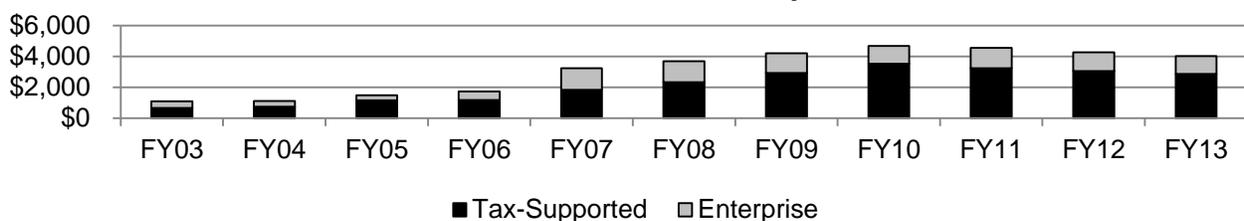
The Town of Concord borrows money to pay such projects as the construction of new schools, the purchase of fire engines, and the renovation of the sewer treatment plant. Although all borrowed funds are guaranteed by the full faith and credit of the Town, funds borrowed for enterprise projects are expected 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 voted by the electorate to be financed outside these constraints (also referred to as excluded debt projects).

The chart below shows the amount of outstanding principal by category. For tax-supported debt within the limit, the Town follows the rapid repayment policy, so that 92% of the borrowed principal is repaid in 5 years and all is 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 longer 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, 2013								
Paid Down Percentage Starting on June 30, 2013	Tax-Supported Debt				Enterprise and Other Debt		Total Debt	
	Within Limit		Excluded		Outstanding Principal	%	Outstanding Principal	%
	Outstanding Principal	%	Outstanding Principal	%				
On 6/30/13	\$10,855,000	0%	\$39,927,417	0%	\$20,201,617	0%	\$70,984,034	0%
In 5 years	\$855,000	92%	\$24,402,780	39%	\$11,279,724	44%	\$36,537,504	48%
In 10 Years	\$0	100%	\$10,410,587	74%	\$4,467,510	78%	\$14,878,097	79%
In 15 Years	\$0	100%	\$675,000	98%	\$0	100%	\$675,000	99%
In 20 Years	\$0	100%	\$0	100%	\$0	100%	\$0	100%

The graph below represents debt per capita. With the construction of the new elementary schools, tax-supported debt began to increase starting in FY07. Debt associated with the Town's assessment from CCRSD for building the new high school is overlapping debt and is not shown here.

Total Direct Debt Per Capita



Pension Liability:

As of the January 1, 2012 actuarial valuation, the Concord Contributory Retirement System has a projected Unfunded Actuarial Accrued Liability (UAAL) of \$30,298,502 as of June 30, 2013. In FY13, annual funding to meet current obligations and to pay down this liability equals more than \$3.4 million.

Pension Funding Policy

The Town's Funding Schedule for the Concord Contributory Retirement System projects full funding status by fiscal year 2030. To achieve this goal, the General Fund appropriation is projected to increase by 3% annually.

Pension

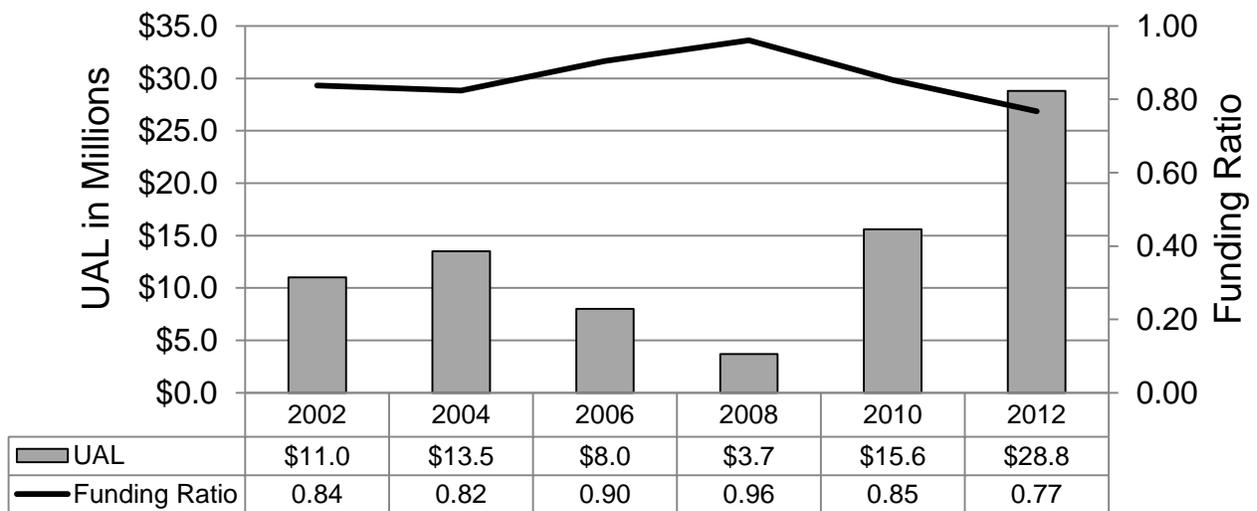
The Concord Contributory Retirement System has been established under M.G.L. Chapter 32 to provide retirement benefits to substantially all municipal employees (with the exception of teachers who are covered by the State Teachers Retirement System) who work at least 25 hours per week. *(For a more detailed 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 Town's policy is to completely fund this liability by fiscal year 2030.

As of January 1, 2012, the Town's Actuarial Accrued Liability is estimated at \$123,797,875 and the Actuarial Value of Assets \$94,996,144, which results in an Unfunded Accrued Liability of \$28,802,731. The funding status (AVA / ALA) is 77%. The assumed rate of return on system assets is 7.50%.

Pension Funding Progress

(as of January 1st)



The Unfunded Accrued Liability per capita is \$1,630 in FY12, as compared with just \$267 in FY08. This UAL increase is primarily a result of a relatively flat AVA, while liabilities continued to rise from January 1, 2008 to January 1, 2012.

SECTION II: Budget Summary

Liabilities

OPEB Liability:

Based on the most recent actuarial study at January 1, 2012, the Town's projected Actuarial Accrued Liability (AAL) at 6/30/13 is \$32,391,667. At that date, the market value of the OPEB trust was \$2,950,197. The Unfunded Actuarial Accrued Liability (UAAL) is \$29,441,470, exclusive of the CCRSD overlapping UAAL.

OPEB Funding Policy

The Town's policy to fund the OPEB obligation is two-fold. First, the OPEB liability as it is associated with covered enterprise employees is fully funded. Second, the amount appropriated for the costs associated with other covered Town Government employees is to be gradually increase by \$250,000 annually, until the full annual contribution level is attained (projected in FY2020).

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-161 to III-162.)*

As determine by an actuarial study, Unfunded Actuarial Accrued Liability (UAAL) is the difference between the amount needed to fund present and future benefits, the Actuarial Accrued Liability (AAL), and the amount set aside to fund this obligation, 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 is just over 6% as of the 1/1/12 valuation date. Second, the UAAL per capita measures this obligation as it relates to the population of the municipality. Concord's UAAL per capita is \$1,590.

The table below provides the most recent available actuarial 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 listed municipalities and the Unfunded Actuarial Accrued Liability Per Capita is the lowest. However, Concord, Sudbury, and Acton data should add the allocable shares of their respective regional high schools in order to be fully comparable.

<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	06/30/13	\$145,915,338	\$751,874	\$144,813,670	0.52%	\$4,362
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	17,668	06/30/13	\$32,391,667	\$2,950,197	\$29,441,470	9.11%	\$1,666
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
Winchester	21,374	06/30/13	\$60,106,276	\$751,874	\$59,354,402	1.25%	\$2,777