

Section III

Unappropriated Accounts Accounts 101-103

UNAPPROPRIATED: State & County Assessments

ACCT.# 101

Program Description

Certain charges are levied on the Town by state law and are not subject to Town Meeting appropriation. The principal item is the Town's assessment for MBTA services, estimated at \$346,670 for FY03. While existing state law stipulates that assessments on cities and towns in the aggregate cannot rise more than 2 1/2% per year, the allocations to individual municipalities are determined in part by relative equalized property valuation. A portion of the MBTA charge is allocated by periodic passenger boarding counts. Thus, the charges to an individual municipality are not predictable with exactness. Further, the state legislature has acted on occasion to exceed this overall 2 1/2% growth limit.

1999 legislation enacted as part of the state budget sets forth a new structure for financing the MBTA. Over the ensuing five years (FY00-04), this legislation promised a modest reduction in Concord's assessment as the paying district has been enlarged beyond the prior 78 cities and towns. The assessment estimate for FY03 is the first indication of the anticipated decline in the MBTA assessment.

Middlesex County was abolished effective July 11, 1997 by action of the General Court. The assessment for Middlesex County debts was terminated as of June 30, 2000. The negative amount shown for FY01 was repayment of an over-assessment for that final year.

Spending Detail

The estimates are made by the state government and are required by law to be used by the Board of Assessors in calculating the Town's tax levy and setting the annual property tax rate.

The "Parking Surcharge" and "Excise Tax Clears" items are amounts paid to the Registry of Motor Vehicles for the clearing of a registration suspension due to an unpaid parking ticket or unpaid motor vehicle excise tax bill. These fees are first collected with the fine or tax, and are then paid to the Registry through the state assessment process.

The "payment" of state assessments is accomplished by a withholding from quarterly state aid distributions. The table below shows the General Fund amounts actually charged and paid for FY01 and FY 02, which can differ slightly from the amounts required to be added to the budget based on original state estimates (next page). The Estimated Current Charges for FY03 (shown in the Table below) are based upon the Notice of Assessment received from the state government on September 25, 2002 following enactment of the FY03 state budget. The projection for FY04 is our own estimate.

Performance Highlights

General Fund charges	Expense <u>FY 01</u>	Expense <u>FY 02</u>	Est. Current Charges <u>FY 03</u>	Est. Current Charges <u>FY 04</u>
MBTA Assessment	364,828	362,747	346,670	353,000
Air Pollution Control	6,702	7,114	7,128	7,500
MAPC	4,063	4,141	4,046	4,500
TOTAL	\$375,593	\$374,002	\$357,844	\$365,000

Town of Concord, Massachusetts

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EXPENDITURE DETAIL

	<u>FY01 Budget</u>	<u>FY02 Budget</u>	<u>FY03 Budget</u>	<u>FY04</u>	
				<u>Dept. Request</u>	<u>Manager Recommends</u>
State Assessments	367,515	374,002	357,844	365,000	365,000
County Assessments	-14,194	0	0		
Parking Surcharge	8,980	9,060	9,060	9,600	9,600
Excise Tax Clears	<u>3,780</u>	<u>3,500</u>	<u>3,500</u>	<u>4,280</u>	<u>4,280</u>
TOTAL	366,081	386,562	370,404	378,880	378,880

Amounts shown for FY01, 02 and 03 are the original assessment estimates received from the state, comprising the net total of estimated current charges and prior year over/underestimates.

FUNDING PLAN

	<u>FY03 Budget \$</u>	<u>% of Budget</u>	<u>FY04 Recomm.\$</u>	<u>% of Budget</u>	<u>% Change in Dollars</u>
General Fund	357,844	96.7%	365,000	96.4%	2.0%
Parking Meter Fund	9,060	2.4%	9,600	2.5%	6.0%
Agency Fund	<u>3,500</u>	<u>0.9%</u>	<u>4,280</u>	<u>1.1%</u>	<u>22.3%</u>
	370,404	100.0%	378,880	100.0%	2.3%

AUTHORIZED POSITIONS

<u>Code</u>	<u>Position Title</u>	<u>Grade</u>	<u>FY03 Budget</u>		<u>FY04 Recommendation</u>	
			<u># Positions</u>	<u>\$ Amount</u>	<u># Positions</u>	<u>\$ Amount</u>
	NONE					

Program Description

"Overlay" is the amount added to the property tax levy in excess of the sum required to meet appropriations, state assessments and deficits (if any). It cannot exceed five percent of the levy and is used to cover abatements and exemptions granted by the Board of Assessors or as a result of appeals to the State Appellate Tax Board or to the courts. The overlay amount is counted in the total tax levy subject to the limitations of "Proposition 2 1/2."

After all abatements and exemptions have been settled for a given year, any surplus remaining in that year's overlay account is first applied to any deficit balances from other years. Funds remaining after such transfer become part of the Town's fund balance available for appropriation by Town Meeting ("Free Cash"). The overlay amount itself is not subject to Town Meeting appropriation or ratification. It is, however, a part of the Town's budget plan. A deficit overlay balance which cannot be met from any other year's overlay account surplus must be raised as part of the next tax levy. This allocation must, by state law, also remain within the annual levy limit prescribed by "Proposition 2 1/2."

Spending Detail

The following statistics show the original amount of annual overlay and the portion used as of June 30, 2002, as a percentage of that year's Total Levy (an asterisk denotes a revaluation certification year).

Fiscal Year	Tax Levy	Overlay	Original	Used as of	% of	Balance
			as % of	6/30/01		as of
			levy	amount	levy	6/30/01
1998	\$30,349,609	\$321,953	1.1%	\$163,900	0.54%	\$1,328
*1999	\$32,177,637	\$318,889	1.0%	\$231,330	0.72%	\$695
2000	\$33,179,677	\$326,652	1.0%	\$128,495	0.39%	\$75,000
2001	\$34,906,895	\$370,151	1.1%	\$101,963	0.29%	\$268,188
*2002	\$39,068,686	\$461,718	1.2%	\$524,862	1.34%	\$ (63,144)
Budget						
2003	\$42,496,029	\$413,140	1.0%			
Proposed						
2004	At levy limit	\$500,000	1.1%			

Performance Highlights

Part of the overlay account funds the cost of various property tax exemptions granted to eligible taxpayers by state law. Article 19 of the 2001 Town Meeting adopted a local-option state law that permitted the Board of Assessors to increase the dollar value of the exemptions by 100%. Prior to that vote, Concord had increased the state-set exemption amounts by 50%. This authorization must be renewed by Town Meeting action each year. For FY03, this was voted by Article 15 at the 2002 Annual Town Meeting.

Partial state reimbursement is received for some exemptions. The gross dollar value of exemptions is charged to the overlay account. State reimbursement is a General Fund receipt.

	Exemptions			
	Granted	Dollar Value	State Share	Local Share
FY 98	173	78,208	25,935	52,273
FY 99	168	80,100	22,509	57,591
FY 00	152	69,662	25,521	44,141
FY01	148	70,500	23,145	47,355
FY 02	147	91,450	21,995	69,455

Town of Concord, Massachusetts

UNAPPROPRIATED: Overlay	ACCT.# 102
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EXPENDITURE DETAIL

	FY01 Expend.	FY02 Expend.	FY03 Budget	FY04	
				Dept. Request	Manager Recommends
Original Overlay	370,151	461,718	413,140	500,000	500,000
<u>Plus:</u> Amount to be raised from recap	0	63,144			
<u>Less:</u> Used for abatements and exemptions through 6/30/02	101,963	524,862	--	--	--
Transferred to (from) other years	0	0	--		
Transfer to unreserved fund balance	0	0	--	--	--
Balance as of June 30, 2002	268,188	0	N/A	N/A	N/A

FUNDING PLAN

	FY03 Budget \$	% of Budget	FY04 Recomm.\$	% of Budget	% Change in Dollars
General Fund	413,140	100.0%	500,000	100.0%	

AUTHORIZED POSITIONS

Code	Position Title	Grade	FY03 Budget		FY04 Recommendation	
			# Positions	\$ Amount	# Positions	\$ Amount
	NONE					

UNAPPROPRIATED: Snow & Ice Deficit / Other Deficits

ACCT.# 103

Program Description

Snow removal expense is unpredictable from year to year, and subject to wide variations. The budget strategy is to recognize long-term trends without assuming a "worst-case" situation. As long as the amount appropriated is at least equal to the prior year's appropriation, the state law permits deficit spending for this purpose. The amount of any deficit is then added to the following year's levy (subject, however, to the levy limit; thus, budget changes could be required if the size of the snow removal deficit is greater than planned).

By the time of the Annual Town Meeting, the size of the deficit is known or at least susceptible to more precise estimation and is considered in making any final revisions to the proposed budget.

Authorization to spend in excess of the appropriated budget for Snow and Ice Removal requires the joint approval of the Town Manager and the Finance Committee.

The amounts shown on the facing page as "expenditure" represent budget overruns of the prior year added to the budget of the year shown, as authorized by MGL Ch.44, s31D. Thus, the FY 00 "snow and ice deficit" budget covers the deficit incurred during FY 01 (July 1, 2000 - June 30, 2001).

Spending Detail

The snow removal appropriation recommended for FY 04 is \$375,000 (see account #21, page II-75). The annual appropriation has generally tracked a **ten-year** average (unadjusted for inflation). Net of federal and state aid emergency aid, this would require an appropriation of \$387,000 for FY 04. Over the past **five** years, the average annual net expenditure has been approximately \$383,500; however, there has been a wide dispersion around this average.

The level of FY 03 (current year) expense provided for is \$460,000; \$360,000 in the appropriation and \$100,000 in the deficit provision. This structure provides greater flexibility in fiscal planning than the alternative of a larger increase in the appropriation account (which would set a permanent floor on future years appropriations).

Performance Highlights

10-year History:	Fiscal Year	Snow Appropriation	Snow Expenditure	State & Federal Aid	Surplus (Deficit)
	1993	262,000	428,296		(166,296)
	1994	262,000	461,349	21,471	(177,878)
	1995	262,000	220,321		41,679
	1996	290,000	677,565	113,984	(273,581)
	1997	300,000	355,704		(55,704)
	1998	315,000	320,942		(5,942)
	1999	315,000	387,641		(72,641)
	2000	320,000	311,243		8,757
	2001	335,000	615,817	53,708	(227,109)
	2002	335,000	281,900		53,100
Current	2003	360,000			
Proposed	2004	375,000			

Town of Concord, Massachusetts

UNAPPROPRIATED: Snow & Ice Deficit / Other Deficits	ACCT.# 103
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EXPENDITURE DETAIL

	FY01 Expend.	FY02 Expend.	FY03 Expend.	FY04	
				Dept. Request	Manager Recommends
Snow and Ice Deficit	0	227,110	0	100,000	100,000
Overlay Deficit	0	0	0	0	0
	0	227,110	0	100,000	100,000

FUNDING PLAN

	FY03 Budget \$	% of Budget	FY04 Recomm.\$	% of Budget	% Change in Dollars
General Fund	0	100.0%	100,000	100.0%	--

Snow Appropriation History: Surplus and Deficit



