

Town of Concord Finance Committee Report for FY 2026

June 2025



"Say what you have to say, not what you ought.
Any truth is better than make-believe."
Henry David Thoreau, Walden (1854)

Finance Committee Report for Fiscal Year 2026

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Cover photo credits: Town of Concord, Concord250; Concord Middle School Building Committee, SMMA Design team; Minuteman Media Network; Karlen Reed.

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May 2025

To the residents of Concord:

We on the Concord Finance Committee are pleased to present this Annual Report to meet our responsibility to provide an overview of the Town's financial condition, budget, trends, challenges, and recommendations on warrant articles with a spending or borrowing component.

Our goal this year is to make the report as concise, informative, and user-friendly as possible. Of note: for the first time, in this year's report, we augment our recommendations on Annual Town Meeting warrant articles by including an estimated tax impact for each, where relevant.

This report makes it clear that Concord's financial position is precarious:

- We are an affluent community with high property values, and our tax base remains overwhelmingly residential, which means we as residents shoulder most of the burden as taxes increase to fund ever more spending and borrowing.
- Our tax levy – the total amount of funds the town raises through property taxes – is edging closer and closer to the state-defined limit. When we hit that limit, we will face a decision to pursue a tax override, which would raise our high taxes even higher, or make urgent cuts to spending.
- We continue to take on more and more debt, which increases the proportion of our budget that goes to debt service and constrains our ability to fund operations.
- Our reserves – funds set aside for rainy days – are lower than recommended levels. We are in a weak position as the likelihood of an economic downturn increases.

As a community, we must approach requests for new spending and borrowing carefully.

Given the high taxes we pay and the high overall cost to live in Concord, we expect the best of everything. Our willingness in recent years to approve almost every request for new spending at Town Meeting has resulted in increased burdens on all of us as taxpayers and has driven our spending, debt, and taxes ever higher. There are many worthy causes competing for Concord's limited financial resources.

Thank you to the members of the Finance Committee who generously volunteered their time to develop this Annual Report, especially Clerk Don Kupka, Vice Chair Lois Wasoff, Vice Clerk Karlen Reed, Guidelines Subcommittee Chair Lyndsey Lis, Peggy Briggs, and Dee Ortner. Thank you also to town officials who provided valuable input and review, including Town Manager Kerry Lafleur, Town Chief Financial Officer Anthony Ansaldi, and Assistant Superintendent of Schools Robert Conry.

Eric Dahlberg
Chair, Concord Finance Committee

1.0 Finance Committee Roles and Responsibilities

Concord's Finance Committee was established by Town bylaw in 1921 and has the following responsibilities:

- Establish fiscal guidelines for the three major budgeting entities in the Town (the Town Manager, the Concord Public School Committee, and the Concord-Carlisle Regional School Committee) in preparing their budgets. The Town's enterprise fund budgets (i.e., the Town Light Plant, other utilities, and the Beede Center) are not part of the guidelines process.
- Conduct public hearings on the budgets and other financial matters expected to come before Annual and Special Town Meetings.
- Prepare this Annual Report for distribution to all residents before the Annual Town Meeting, including recommendations on finance-related warrant articles and a summary of the Town's financial status.
- Approve or disapprove transfers of money from the Reserve Fund.

The role of the Finance Committee is limited to making recommendations. The Finance Committee regularly makes recommendations to Town Meeting, the Town Manager, the Select Board, the school committees, the Superintendent of Schools, other boards and committees, and the citizens of the Town. Responsibility for making decisions is reserved to the citizens through Town Meeting and Town elections and to staff members, boards, and committees to whom specific responsibilities have been delegated by Town by-law and/or State Law.

By tradition, Finance Committee members serve no more than two terms of three years. By this arrangement, there is always a mix of new and experienced members and a mix of new points of view and institutional memory. Members are appointed by the Town Moderator. The current members of the Finance Committee are:

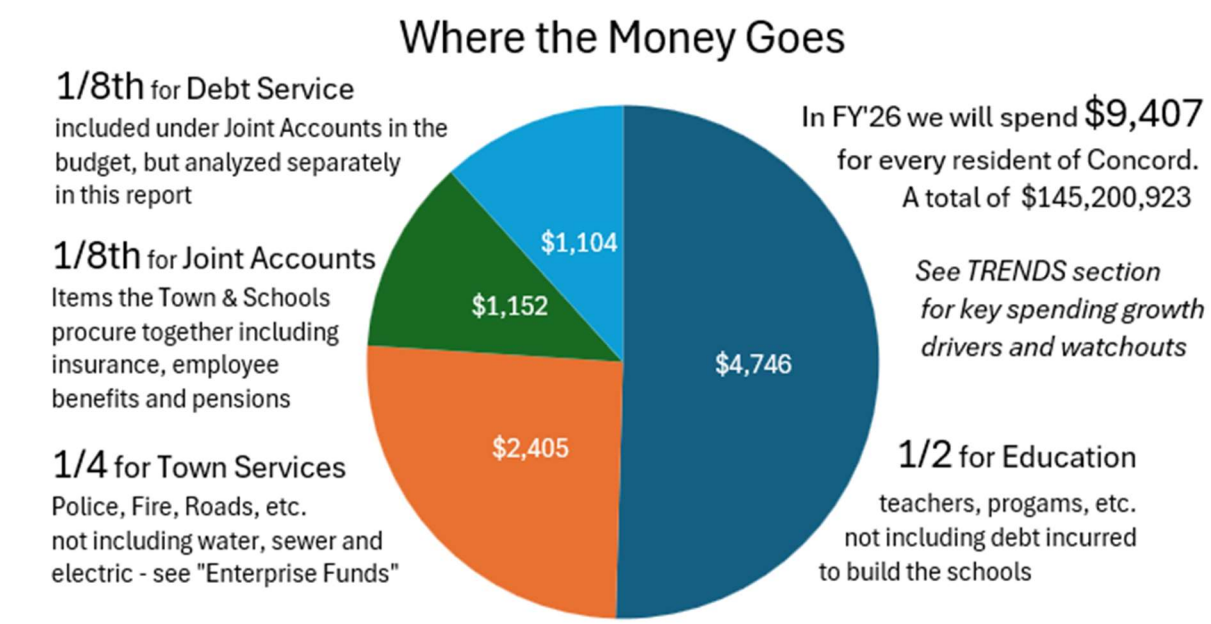
- | | | |
|-----------------|-------------------|---------------|
| • Suresh Bhatia | • Greg Guarriello | • Quazi |
| • Peggy Briggs | • Don Kupka | • Sadruzzaman |
| • Kathy Cuocolo | • Lyndsey Lis | • Sri Tupil |
| • Eric Dahlberg | • Dee Ortner | • Lois Wasoff |
| • John Garofalo | • Karlen Reed | |
| • Pat Geyer | • Paul Rodriguez | |

The Finance Committee recognizes two members, Dee Ortner and Greg Guarriello, whose terms of service conclude when Annual Town Meeting adjourns. Concord is a better place because of their service.

2.0 Executive Summary and Trends

2.1 Executive Summary

If all four Operating Budgets (Article 7 Town, Article 10 Concord Public Schools, Article 12 Concord Carlisle Regional School District and Article 17 Minuteman Regional Technical School District) are approved at Town Meeting, Concord’s total spending for FY26 will be **\$145,200,923, an increase of 4.05%** from FY25. Here is how the money will be spent in Fiscal Year 2026 (July 1, 2025 – June 30, 2026):



Debt Service is the key driver of higher spending

Spending Growth	1 year	since FY'20
Total	5.0%	27%
Education	3.2%	22%
Town Services	2.8%	26%
Debt Service	16.7%	53%
Other Joint Accts	2.6%	39%
Reference CPI Inflation since FY'20 = 26%		

We continue to absorb increased debt service expense from bond issuances to fund construction of the new Ellen Garrison Building at Concord Middle School. Other spending increases are largely in line with inflation.

Other Joint Account expenses have expanded greatly over the past five years and may do so again next year. See [Section 2.1 Trends](#) for additional information on spending growth.

Property Tax Levy is approaching state-defined limit

Concord’s projected property tax levy for FY26 is approximately \$3.4 million, or 3% under our FY26 Proposition 2 1/2 Levy Limit of \$125,514,903 (that is, the maximum amount of property taxes that can be collected under state law before requiring that the citizens approve an override). Other sources of revenue are more economically-sensitive than property taxes, and if those revenues do not meet target levels, the gap to the Levy Limit will quickly close, possibly resulting in a reduction in services. The Finance Committee urges the Town to prepare a contingency plan for a reduction in services should revenues fall short of projections.

Most revenue comes from property taxes

	Revenue	FY'26	increase
Property Taxes	\$	120,944,157	4.05%
State Aid	\$	6,312,625	2.50%
Local Receipts & Other	\$	17,944,141	14.24%
	\$	145,200,923	

83% of Concord’s budget is funded by property tax receipts. Town finances would benefit from a further increase in other sources of revenue - including commercial uses, which may generate additional revenue through Local Receipts, such as meals and hotel room taxes.

Debt has increased substantially*

If no additional debt is issued this year, Concord’s outstanding debt balance of **\$130,697,812** will decline to **\$121,195,021** by end of FY’26.

Debt Growth	1 year	since FY’20
Total Current Debt	-7.3%	161%
w/new Debt Articles	18.8%	235%

If all borrowing articles are approved, the exempt debt is further approved at the ballot, and the bonds are issued, our end of year balance will be **\$155,344,246**, an increase of **18.8%**.

Debt Service will consume more than 11% of revenue in FY’26. It is best practice to limit debt service expense to 5 -10% of operating budgets to avoid the “crowding-out” of critical town services, like road maintenance.

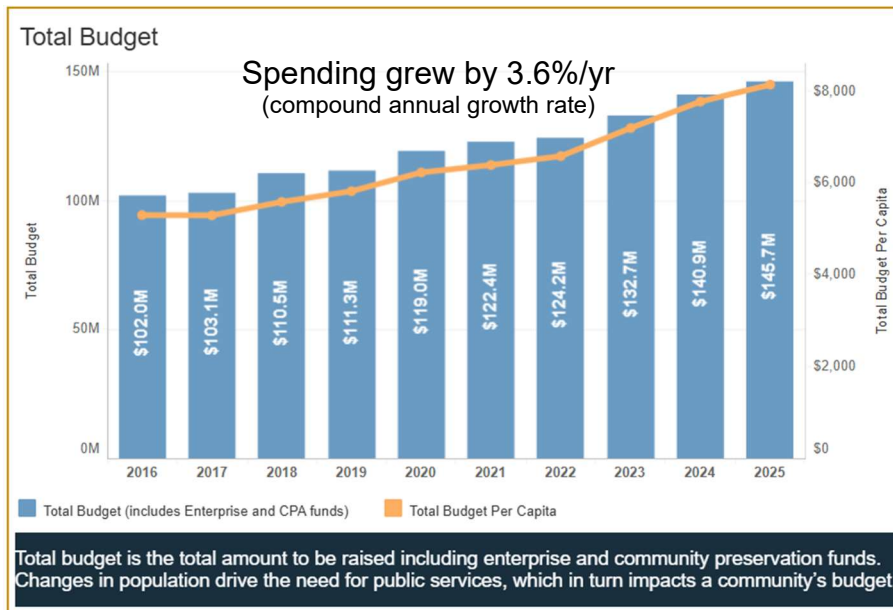
Articles Authorizing New Debt	
Article 8 ¹ : Roads	\$ 27,500,000
Article 9 ¹ Town	\$ 6,280,000
Article 11 CPS	\$ 941,570
Article 13 Amenities	\$ 1,417,655
	\$ 36,139,225
¹ Article 9 will be reduced by \$2M if Art. 8 passes	
² Article 8 borrowing will occur over a five year period and will offset \$10M to \$15M of non-exempt debt issuance over that period	

Concord’s Debt Service has been near the 10% level for many years. By prioritizing debt for new buildings, we have neglected to adequately fund road and bridge maintenance and have resorted to non-excluded annual debt issuance in recent years for this purpose. Concord has approximately \$15 million of outstanding non-excluded debt for road maintenance, which has further eroded the buffer to our Proposition 2 ½ Levy Limit.

* Municipal debt can be either non-excluded (that is, paid for within the Levy Limit) or excluded (paid for by borrowing that does not count against the Levy Limit and must be approved by votes at Town Meeting and the ballot box). Large capital projects (such as the Concord Middle School) are typically paid for with excluded debt. The amounts in this section include both excluded and non-excluded debt.

2.2 Trends

Trend #1: Rate of Spending Growth Accelerated



As the graphic to the left shows, the compound annual growth rate of total spending was 3.6% since FY16, but it has been accelerating.

Spending growth was 3.2% from FY16-FY21
5.0% from FY22-FY26 (compounded annually)

Source: <https://www.mass.gov/info-details/municipal-financial-self-assessment>

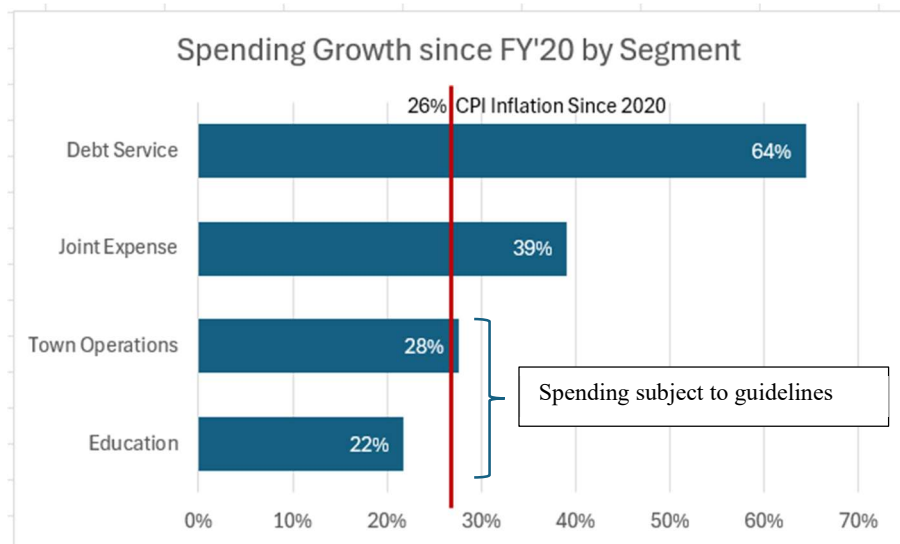
Operating budgets of the Town and Schools, which represent 75% of our spending, are subject to the guidelines process, and have **grown in line with, or below inflation**.

The main drivers of spending growth since FY'22 are the cost of **Debt Service** for the new Ellen Garrison Building at the Concord Middle School, and other **Joint Expenses** of the Town and Schools.

Middle School Debt

\$102,816,000 in 2022
\$ 7,200,000 in 2023

The rising cost of **joint expenses** (mainly insurance, employee benefits and retirement expenses), which are outside of the budget guideline process, has been a major contributor to spending growth.



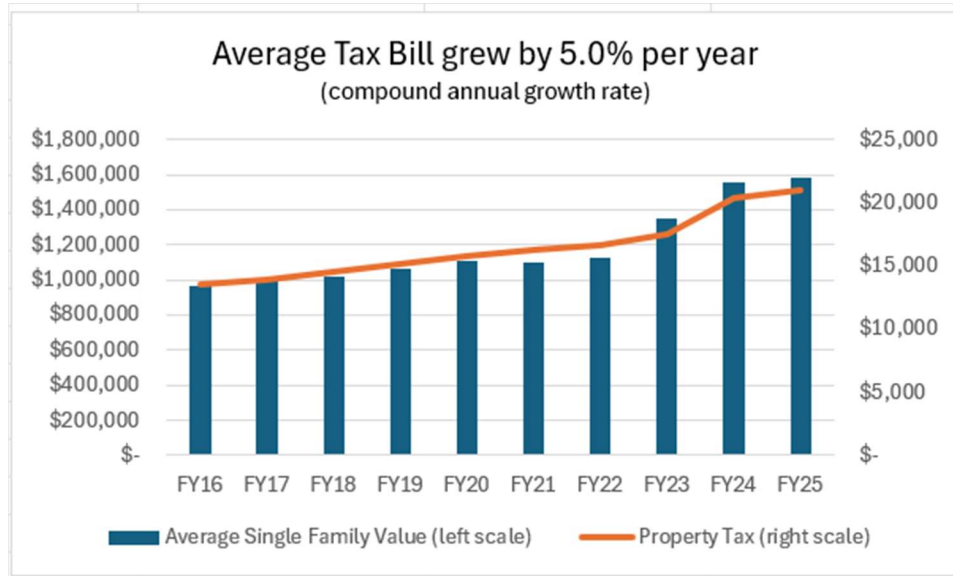
Trend #2: Property Taxes Grew Faster than Spending

Since FY16:

- Spending grew 3.6% per year, however
- Property Taxes grew 5% per year

When spending grows faster than other revenues, property taxes grow faster than spending.

Property Taxes



As shown in the graphic to the left, the assessed values of houses grew even faster than taxes. There is no guarantee this trend will continue. In a recession, spending can be expected to grow even if assessed values do not.

Here's how we can change the trend

Continuous spending discipline is always important, but when spending grows faster than revenue from other sources, property taxes have to grow faster than spending. The key to keeping property tax growth down is to increase the Town's other sources of revenue. If the other sources grow faster than spending, property tax growth will be less than spending.

83% of Concord's budget is funded by property taxes, and 93% of property value in Concord is residential. This is a higher percentage than in most of our peer communities and puts a heavier burden on residents.

The Town's future fiscal health would benefit from an increase in other revenues such as commercial taxes and Local Receipts, i.e. non-residential property tax revenues generated by commercial uses, such as the room tax generated by hotels.

Anyone concerned about the growth of Concord's property taxes should weigh the benefit of increasing other revenue sources when considering Concord's many development opportunities (i.e. redevelopment of MCI Concord, 2229 Main Street, etc.), and potential zoning changes that accommodate more commercial uses in Town.

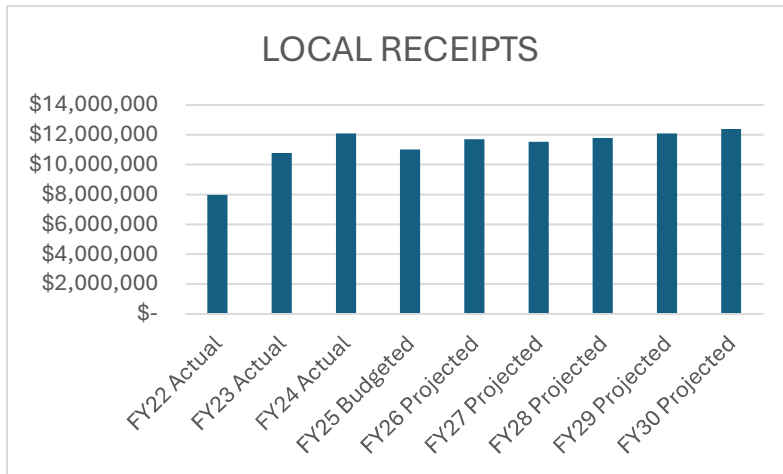
Trend #3: Approaching Proposition 2 ½ Limits

Concord has three major sources of revenue: **1. Property Tax**, also called the Levy, **2. State Aid**, and **3. Local Receipts and Other Sources of Revenue**.

State law (Proposition 2 ½) limits the annual and absolute increases in property taxes. The annual limit, called the Levy Limit, increases by 2 ½% plus the tax value of new construction in the past year¹. **Inflation is not a factor in the Levy Limit calculation** so in times of high inflation communities are challenged to restrict spending growth to levels below inflation. The Levy Limit can be raised by passing an override, the approval of which requires votes at both Town Meeting and at a town election. Overrides may be for operating budgets, or to pay the debt service of large capital projects (in that case, they are called “debt exclusions”). The voters of Concord recently approved debt exclusions to construct the new Middle School. Articles 8 and 13 this year seek authorization to issue excluded debt for roads and an amenities building, respectively.

This year Concord’s proposed Property Tax Levy is **just 3% below our Levy Limit**. Our headroom was 5% as recently as FY’22, and the current trend in spending vs. growth of the other revenue sources (State Aid, Local Receipts and Other Sources of Revenue) is bringing us closer to the need for an override for Town and School operating budgets. When override votes fail to pass, a forced reduction in services usually takes place.

Property taxes would be 10% higher if not for Local Receipt revenue.



Local receipts include the excise taxes on our cars (\$3.75M) as well as the Rooms Tax tourists pay (\$645K), and the Meals Tax paid by all when we eat in a Concord restaurant (\$515K). It even includes a portion of the Jet Fuel Sales Tax (\$460K) at Hanscomb Field.

Interest Income (\$1.95M) was another major component of Local Receipts, responsible for the large step up in revenue in FY’23 and FY’24.

Local Receipts are projected to remain around \$12 million. **Taxpayers benefit the most from the Rooms and Meals taxes of visitors and businesses.** The more than \$1.1 million dollars these taxes bring in could multiply if Concord attracts more businesses, hotels and restaurants in the future. This should inform our decisions about possible future development, including at MCI Concord, etc.

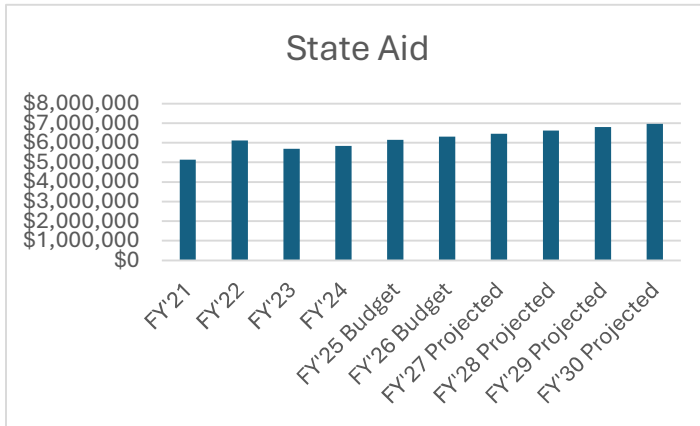
¹ For more information on Proposition 2 ½, see LEVY LIMITS: A PRIMER ON PROPOSITION 2 ½ by the Massachusetts Division of Local Services, Department of Revenue. <https://www.mass.gov/doc/levy-limits-a-primer-on-proposition-2-12-0/download>

“The transfer of funds from certain enterprise funds and other sources to offset indirect costs incurred by the Town in delivery of administrative and other services to those enterprises (shown as “Transfers and Other”) is accounted for under Local Receipts in the budget. Although these are more like reimbursements than revenue, they are recorded on the revenue side of the Income Statement and their related expenses are consolidated within the Town’s Operating budget.

The FY’26 Transfers and Other Sources of Revenue category is \$6,236,111, or 4.26% of total.

State Aid

Total gross revenue: \$6,909,493, less State Assessments & Offsets (\$588,271) = Net State Aid of \$6,321,222. All are forecast at this time, pending approval of the Governor’s Budget.

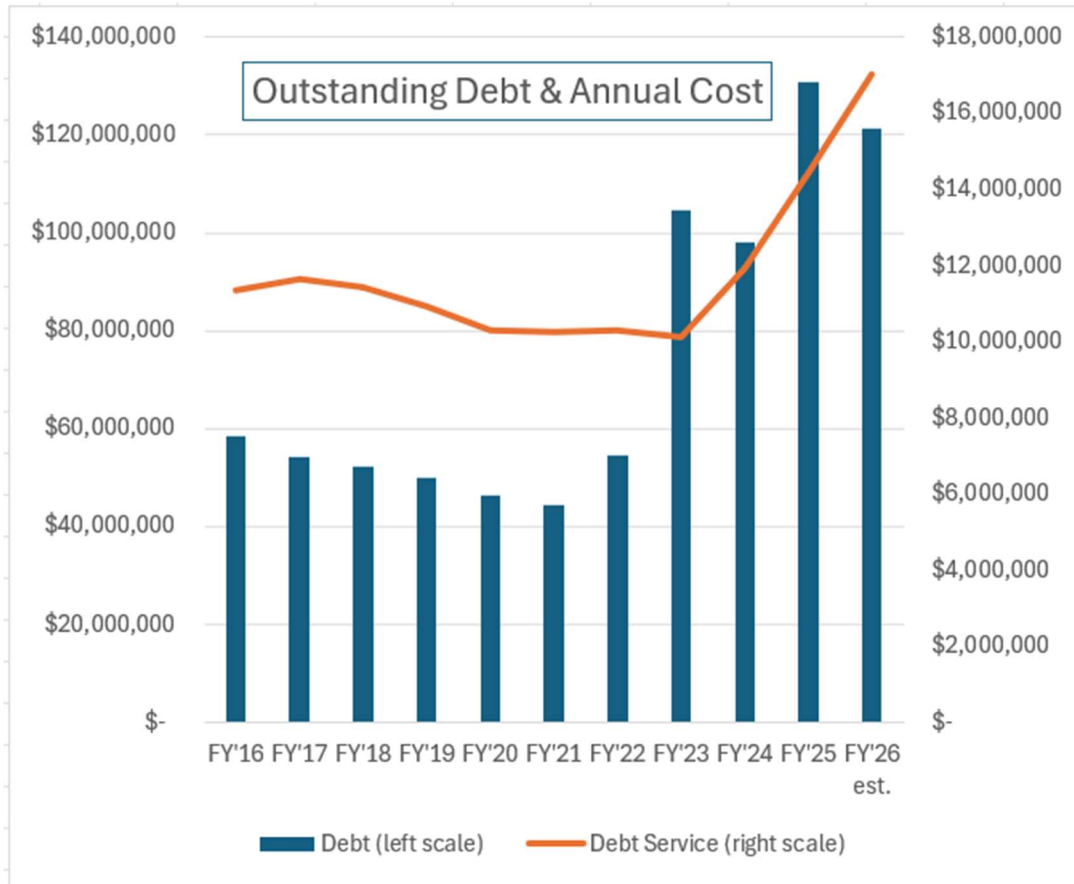


Concord receives approx. \$4.4M in State Aid for Education, \$1.5M in general aid, and nearly \$1M of payments for services the Town provides to State-owned properties, like MCI Concord. The State is continuing MCI payments for now, however that could change in the future. Note that the redevelopment of MCI Concord must produce about \$1M of revenue for the Town to offset the lost payments from the State and to provide funds to support any services needed for the

new uses. More would be needed if the new uses increase education expenses for the Town.

There has been no indication that State Aid for FY26 will be reduced; however, we cannot take this for granted – there have been previous instances of unanticipated reductions in state aid when the economy enters a recession and state revenues fall. The Town currently estimates State Aid will increase by 2.5% per year through FY’30.

Trend #4: Debt Rises to a New High



Data source: Concord Finance Dept

Like many home mortgages, the principal of Concord’s bonds is amortized over the life of the bond. Absent any newly issued debt our outstanding debt principal declines over time. If no new debt is issued this year, Concord’s outstanding principal at the end of FY’25, \$130,697,812, will decline to \$121,195,021 by the end of FY’26.

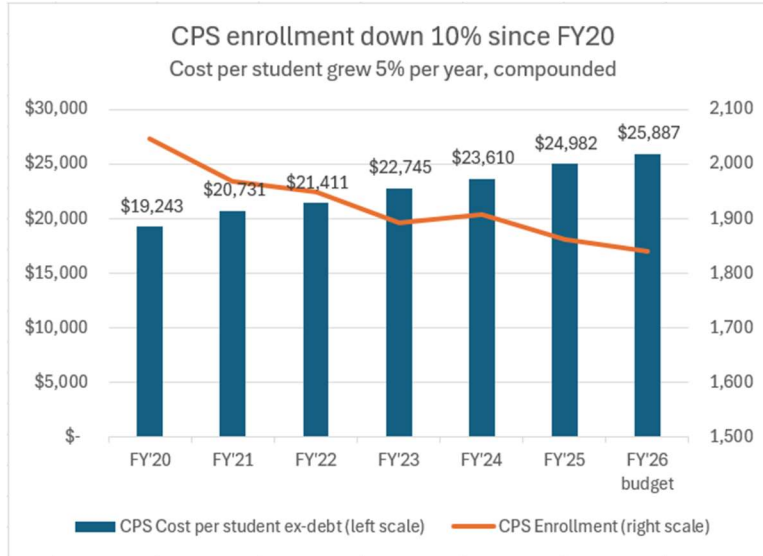
Debt Growth	1 year	since FY'20
Total Current Debt	-7.3%	161%
w/new Debt Articles	18.8%	235%

If all debt articles are passed this year, total debt will rise by 18.8%. Although this statement and the table above are technically correct, they are misleading for two reasons: If passed, Article 8 will be borrowed in increments over five years. If it doesn’t pass, the Town may continue its current practice of borrowing \$2M to \$3M per year for roads, which will not be necessary if the article passes. **The net impact of Article 8 on outstanding debt is nearer to 3% this year, and 10% overall.**

Debt Service will consume 11.6% of revenue in FY’26. The Commonwealth recommends that debt service be limited to 5% -10% of operating budgets to avoid the crowding-out of critical town services. The potential bond issue for roads, Article 8, is a consequence of crowding-out as Concord has prioritized increased debt for new school buildings over road and bridge maintenance in recent years.

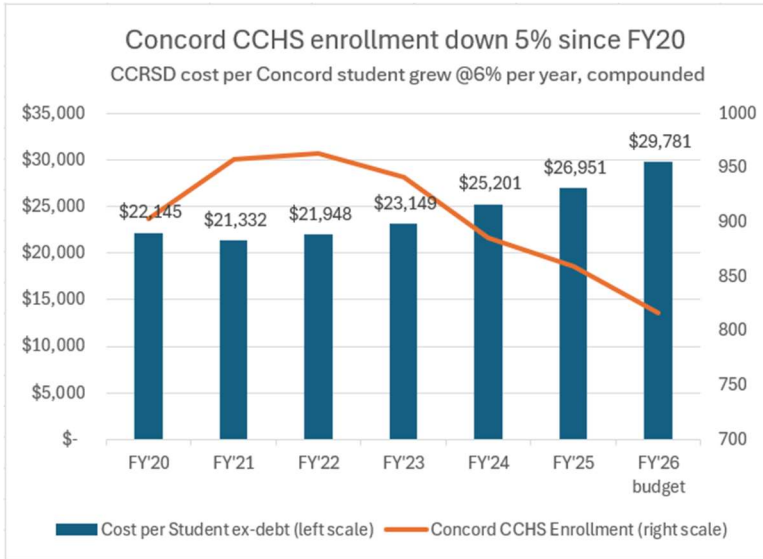
Trend #5: School budget growth low, Enrollment down, Cost per pupil up

The School budgets have increased at the slowest rate of any major budget category, rising less than inflation. The School Committee and Administration are to be commended for this. Recent trends in the cost per student point to a potential problem should enrollment rise. The slow budget growth in recent years was aided by a considerable decline in enrollment.



CPS & CCHS enrollment may rise as new housing developments come to fruition. The concern is that school budgets rose while enrollment dropped. **If enrollment grows and the cost per pupil does not decline adequately, the annual budget increase could be substantial.**

Annual change in Cost Per Pupil*		
	CPS	CCRS
FY20-FY21	7.7%	-3.7%
FY21-FY22	3.3%	2.9%
FY22-FY23	6.2%	5.5%
FY23-FY24	3.8%	8.8%
FY24-FY25	5.8%	7.0%
FY25-FY26	3.6%	10.5%



In FY21 the cost per CCHS student declined as enrollment rose but it has risen ever since. There is a double-digit increase in cost per Concord pupil at CCHS this year.

Fixed costs (i.e. administration, utilities and maintenance) don't increase or decrease with enrollment, which should have a dampening effect when enrollment rises. However, in FY24 CPS cost per student rose 3.8% despite increased enrollment that year.

Data Source: data used to create the above charts from CPS and CCRSD budget books. The Finance Committee thanks the School Committee and Administration for their help compiling and verifying this data.

*Cost per pupil is total budget less debt service divided by enrollment. CPS data does not include expenses carried in Joint Accounts with the Town (i.e. employee benefits and retirement funds). CPS and CCHS data used are not directly comparable to Massachusetts Dept. of Elementary and Secondary Education (DESE) cost data for other towns and school districts.

3.0 Fiscal Year 2026 Budget

3.1 Concord's Approach to Budgeting

Concord has traditionally taken a conservative approach to budgeting. The operating budgets are intended to maintain level services. The Finance Committee seeks to maintain operating cost increases for controllable costs within certain criteria to meet a goal of financial sustainability over the long term via the budget guideline process.

It is important for the Town to maintain flexibility in dealing with future infrastructure needs, unanticipated expenses, other contingencies, and variations in revenue. Concord tries to accomplish those goals by doing the following:

- Setting modest expectations for revenue growth, with estimates of property tax growth from new construction and renovations based only on known development activity for which there is a high likelihood of completion in the upcoming fiscal year.
- Striving to keep tax increases from depleting excess levy limit capacity so that general overrides are not required.
- Maintaining the uncommitted General Fund Balance ("Free Cash") at levels at between 5% and 10% of the subsequent year's total Town Budget.
- Supporting capital needs
 - Roughly one third of routine capital financing is derived from current resources and 2/3rd is derived from debt financing through the issuance of long-term bonds,
 - Other than buildings, which are financed with long-term debt, principal repayment is structured so that most (60%) bonded debt is retired within five years, and 90% is retired within 10 years; and
 - Strive to not burden taxpayers beyond what typical expectations of income growth can accommodate.

The Town's Free Cash position and debt policies are key factors in maintaining the Town's credit rating of Aaa (Moody's).

3.2 FY26 Budget Highlights

- The total FY26 Expense Budget is \$145,200,923, which is a 5.04% increase over FY25. Of that amount, 53% is spent on the Schools, 23% is allocated to Town Government, 21% is for joint expenses for Town Government and the Schools (such as group insurance, property and liability insurance, unemployment, workers compensation, social security and Medicare, retirement assessments and debt service); the remaining 3% is spent on the capital improvements plan and OPEB.
- FY26 Revenue comes from three main sources: 83% from Property Taxes, 4% from State Aid, 13% from Local Receipts and Other available funds (such as chargebacks from the enterprise funds, payments made in lieu of taxes by the Concord Municipal Light Plant, and releases of reserves).
- This Budget is funded mostly by a projected property tax increase of 3.99% for existing properties with unchanged assessed value, or 4.05% inclusive of new growth and reassessed properties. This rate may be higher depending upon the amount of additional borrowing, if any, approved pursuant to several pending warrant articles.
- The FY26 proposed budget increases for the three major budgeting entities (the Town, CPS and CCRSD) for spending subject to guidelines comply with final combined guideline of 2.79% set by the Finance Committee. Those increases are:
 - 2.85% increase in the Town Government budget.
 - 2.4% increase in the Concord Public Schools budget.
 - 3.48% increase for Concord's share of the high school budget.
- Debt service accounts for 11.6% of the FY26 Budget. Debt service within the Levy Limit (including principal repayments and interest) will cost \$5,568,546 (of which \$4,707,036 is related to Town Government and \$861,510 is attributable to CPS). Excluded debt (including both principal and interest) will cost \$7,966,183 (of which \$7,670,899 is attributable to CPS and \$295,296 is related to Town Government).
- The FY26 budgets reflect savings incurred from efficiencies achieved by the consolidation of the two middle schools. They also reflect adjustments made to comply with the Finance Committees guidelines such as, in the case of Town Government, a savings of \$400,000 in personnel costs through the reduction of 4.74 FTEs.
- The Commonwealth has not certified Concord's Free Cash balance as of the date this report went to print. It is estimated that Free Cash will be certified at \$10.4 million before Town Meeting begins on June 2. The FY24 Operating Budget is pending certification from Massachusetts Department of Revenue and audit.

3.3 Proposed FY26 Budget Appropriation

The Proposed Budget Appropriation
for the year beginning July 1, 2025 (FY26)

Revenues	FY26: Warrant location reference	Budgeted FY25	Proposed FY26	percent change	percent of total
Property Taxes	N/A	\$ 116,241,894	\$ 120,944,157	4.05%	83.29%
Total State Aid	N/A	6,158,659	6,312,625	2.50%	4.35%
Total Local Receipts, and Other Sources	N/A	15,707,948	17,944,141	14.24%	12.36%
		\$ 138,108,502	\$ 145,200,923	5.14%	100.00%

Expenditures	FY26: Warrant location reference	Appropriated FY25	Proposed FY26	percent change	percent of total
Town Government					
General Government	Art. 7, item 1	\$ 5,602,619	\$ 3,641,559	-35.00%	2.51%
Legal Services	Art. 7, item 2	400,000	400,000	0.00%	0.28%
Finance	Art. 7, item 3	2,599,727	2,710,398	4.26%	1.87%
Planning & Land Management	Art. 7, item 4	2,628,721	2,297,065	-12.62%	1.58%
Human Services, including Library	Art. 7, item 5	3,488,951	3,848,785	10.31%	2.65%
Public Safety (Police & Fire)	Art. 7, item 6	12,106,896	12,650,246	4.49%	8.71%
Public Works	Art. 7, item 7	5,112,219	7,168,703	40.23%	4.94%
Unclassified	Art. 7, item 8	25,000	25,000	0.00%	0.02%
Reserve Fund	Art. 7, item 9	200,000	200,000	0.00%	0.14%
Salary Reserve	Art. 7, item 10	581,506	737,133	26.76%	0.51%
	Subtotal, Town Gov't	\$ 32,745,639	\$ 33,678,889	2.85%	23.19%
Employee Benefits (Town & CPS only)					
Group Insurance	Art. 7, item 12A	\$ 8,000,000	\$ 9,405,564	17.57%	6.48%
Retirement (pension funding)	Art. 7, item 13A&B	5,999,746	5,151,281	-14.14%	3.55%
Social Security & Medicare	Art. 7, item 12E	1,028,735	905,172	-12.01%	0.62%
	Total Employee Benefits	\$ 15,028,481	\$ 15,462,016	2.88%	10.65%
Town & School (CPS) debt service					
Includes					
debt repayment within levy limit	Art. 7, item 14	\$ 4,453,350	\$ 5,568,546	25.04%	3.84%
debt excluded from levy limit	Art. 8 & Art. 13	6,590,674	8,109,952	23.05%	5.59%
	Total Tax-Supported	11,044,024	13,678,498	23.85%	9.42%
	total debt service	\$ 11,044,024	\$ 13,678,498	23.85%	9.42%
Property & Liability Insurance					
	Art. 7, item 12B	539,412	617,087	14.40%	0.42%
Unemployment/Workers Comp					
	Art. 7, item 12C & D	316,909	337,339	6.45%	0.23%
	Article 7, total:	59,674,465	63,773,830	6.87%	43.92%
OPEB Trust, General Fund					
	Art. 20	1,364,609	1,364,609	0.00%	0.94%
Capital Outlay, Cash					
	Art. 9	2,180,000	2,948,520	35.25%	2.03%
Minuteman Tech Regional HS					
		\$ 1,199,233	\$ 1,325,132	10.50%	0.91%
Minuteman Tech Regional HS- debt					
		533,573	447,241	-16.18%	0.31%
	Art. 17	1,732,806	1,772,373	2.28%	1.22%
Concord Public Schools (CPS)					
	Art. 10	\$ 46,515,714	\$ 47,632,034	2.40%	32.80%
Concord-Carlisle Regional HS					
<i>(Concord's assessment share)</i>					
	Operations	\$ 23,150,489	\$ 24,301,422	4.97%	16.74%
	Debt Service	2,990,419	2,908,135	-2.75%	2.00%
	Art. 12	\$ 26,140,908	\$ 27,209,557	2.22%	18.74%
	TOTAL Town Meeting appropriations	\$ 137,608,502	\$ 144,700,923		
NOT Appropriated:					
Snow & Ice expense account deficit					
		-	-		
Overlay for tax exemptions and abatements					
		500,000	500,000	0.00%	0.34%
		\$ 500,000	\$ 500,000	0.00%	0.34%
	TOTAL SPENDING PLAN	\$ 138,108,502	\$ 145,200,923	5.14%	100.00%
Unused Levy Capacity					
		\$ 4,024,778	\$ 3,426,977	-14.85%	

Source: Town of Concord Finance Department

4.0 Finance Committee Guidelines for FY26

Each year, the Finance Committee publishes a budget guideline for each of our Town's three primary budgeting entities: Town Government, the Concord Public Schools, and Concord's portion of the Concord Carlisle Regional High School. The guideline covers approximately 75% of total town expenses. Spending for items such as debt service, Tier I and II capital, Town and CPS non-teacher employee benefits and retirement, and liability insurance are not included in the guideline process.

The guideline specifies the amount of the increase over the prior year's "spending subject to guidelines" available to each unit for the next fiscal year. The process of preparing the guideline begins by considering several factors to gauge the regional financial environment, which include general inflation, tax collection rates for the Town, local receipts projections, and estimates of state aid for the upcoming fiscal year.

This year, we made three enhancements to the guidelines process:

1. To ensure equitable treatment across the budgeting entities, we excluded Tier I capital expenditure from the Town and Schools. Previously, Tier I capital was included in guideline for the Town and CCRSD but was excluded from the CPS guideline. Tier I capital this year will be handled via individual warrant articles for all budgeting entities: Town, CPS, and CCRSD.
2. So as not to penalize operators for elements of the operating budget that are out of control of the operators, this year we excluded Out of District (OOD) tuition payments for CPS and CCRSD from guideline calculation. OOD tuition can be unpredictable. By excluding it from the calculation, we lessen the risk that other parts of the budget need to be cut if OOD tuition comes in higher than forecasted.
3. For the first time, the Concord and Carlisle Finance Committees collaborated in finalizing the CCRSD guideline. The Committees met in joint session to align on a process that accommodated the priorities of both communities and reached agreement on the final guideline figure. We also pledged to strive to collaborate further - starting earlier in the annual guideline process - in future years.

Each year, the Committee's goal is to establish guidelines that allow the town to:

- Maintain level service for Town and Schools, recognizing cost growth.
- Keep a level of excess levy limit capacity sufficient to avoid general overrides.
- Maintain an adequate Free Cash balance.
- Continue investing in ongoing capital needs.
- Avoid burdening taxpayers beyond normal expectations of income growth.
- Maintain the town's character, including economic diversity of residents.

Of these goals, this year the goal of maintaining excess levy capacity factored most prominently in the establishment of the final guideline. To maintain excess levy capacity at the same levels as in FY25 would have required a 2.44% increase in spending subject to guidelines.

Considering the goals stated above, the Finance Committee arrived at a combined guideline of 2.79% which resulted in the following Final Guideline for each budgeting entity:

- Town spending subject to guidelines should increase from \$32.7M to \$33.7M (2.85%).
- CPS spending, after factoring in the savings realized by consolidating the two middle schools, should increase from \$46.5M to \$47.6M (2.40%).
- CCRSD spending should increase from \$23.2M to \$23.9M (3.48%).

Budget unit	FY25 approved at Town Meeting	FY26 Final Guideline, \$	FY26 Final Guideline (% increase over FY25 approved)
<u>Concord Public Schools</u>			
Without Middle School Savings	\$46,515,714	\$48,132,091	3.47%
With Middle School Savings	\$46,515,714	\$47,632,091	2.40%
<u>Concord Carlisle Regional School District</u>	\$23,150,489	\$23,957,154	3.48%
<u>Town</u>	\$32,745,639	\$33,678,889	2.85%
Total / Aggregate	\$102,411,842	\$105,268,135	2.79%

5.0 Five-Year Projection of Real Estate Taxes

Below is a five-year projection of property taxes for \$1 million in residential assessed value. We provided two sets of projections:

- The first projection does not include any debt that has not yet been authorized. In other words it does not include the impact of FY26 debt Article 8 (Excluded debt, \$27.5M Roads, to be borrowed at a rate of approximately \$6.3M per year), Article 9 (Town Tier 2 non-excluded debt, \$1.7M), Article 11 (CPS Tier 2 non-excluded debt, \$650K), or Article 13 (Excluded debt, \$1.4M High School Amenities Building), nor does it include the tax impact of any future potential new excluded debt articles.
- The second projection does include the impact of FY26 debt articles 8, 9, 11, and 13 but again does not include the tax impact of any future new excluded debt articles. Future excluded debt articles could, if approved by votes at Town Meeting and the ballot, authorize borrowing for major capital projects, e.g., for development at the MCI site or the site at 2229 Main Street or replacement of the Public Works facility or Public Safety building. Funding major capital projects may lead to meaningful increases in residential taxes in the future, especially if they are not met with some measure of corresponding increases in non-property tax revenue, including commercial tax revenue.

Neither projection reflects any increase in the residential tax base, or cost of services, resulting from pending development projects, including the two 40B projects, NOVO Riverside Commons Avenue and the Residences at Thoreau.

Projection 1 for impact per \$1 million in residential assessed value: Not including Articles 8, 9, 11, and 13 and not including any future excluded capital spending

	FY25	FY26	FY27	FY28	FY29	FY25-26	FY26-27	FY27-28	FY28-29
Residential tax bill estimate current year per \$1M assessed value	\$13,260	\$13,819	\$14,061	\$14,410	\$14,750	4.2%	1.7%	2.5%	2.4%
Add: 2.5% levy increase	\$332	\$345	\$352	\$360	\$369				
Additional tax levy used not including approved excl. debt service change	\$190	-\$50	\$7	\$68	\$20				
Total approved excl. debt service change YOY (incl. MS stabil. fund use of \$1M/yr)	\$37	-\$54	-\$9	-\$89	-\$69				
Next year's tax bill	\$13,819	\$14,061	\$14,410	\$14,750	\$15,069				

Projection 2 for impact per \$1 million in residential assessed value: Including Articles 8, 9, 11, and 13 but not including any future excluded capital spending

	FY25	FY26	FY27	FY28	FY29	FY25-26	FY26-27	FY27-28	FY28-29
Residential tax bill estimate current year per \$1M assessed value	\$13,260	\$13,834	\$14,223	\$14,654	\$15,079	4.3%	2.8%	3.0%	2.9%
Add: 2.5% levy increase	\$332	\$346	\$356	\$366	\$377				
Additional tax levy used not including approved excl. debt service change	\$190	-\$50	\$7	\$68	\$20				
Total approved excl. debt service change YOY (incl. MS stabil. fund use of \$1M/yr)	\$37	-\$54	-\$9	-\$89	-\$69				
Article 8 - Roads - Excluded debt service change YOY	\$12	\$80	\$80	\$80	\$73				
Article 9 - Town Tier 2 capital - Non-excluded debt service change YOY	\$0	\$34	-\$1	-\$1	-\$1				
Article 11 - CPS Tier 2 capital - Non-excluded debt service change YOY	\$0	\$17	-\$1	-\$1	-\$1				
Article 13 - CCHS Amenities Building - Excluded debt service change YOY	\$3	\$16	\$0	\$0	-\$1				
Next year's tax bill	\$13,834	\$14,223	\$14,654	\$15,079	\$15,477				

Last year's report included a tax impact table that depicted a different and higher annual rate of tax increases, which was based on different assumptions. This year, the tax impact table includes conservative estimates for budgetary unit operating spending increases and only includes approved existing debt or debt for which there are 2025 warrant articles (articles 8, 9, 11, and 13). Any future changes to service levels, debt levels, or revenue may have tax implications that are not included herein.

6.0 Finance Committee Recommendations on Warrant Articles

The Finance Committee conducted public hearings on articles with a spending or borrowing component and subsequently voted to offer recommendations as shown in the table below. The Finance Committee could vote one of three ways on each article:

- A recommendation of “**Affirmative Action**” indicates that a majority of Finance Committee members support Town Meeting approval of the article.
- A recommendation of “**No Action**” indicates that a majority of Finance Committee members do not support Town Meeting approval of the article.
- For a few articles, the Finance Committee voted to **defer action** to Annual Town Meeting, meaning that a vote will be taken during Town Meeting, which begins June 2nd.

Note: “Estimated tax change” is **per \$1M of assessed value**, except as noted.

Article	Estimated Tax Change	Finance Committee Recommendation
Article 3. Meeting Procedure	Does not change property taxes.	The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. This article is sponsored by the Finance Committee to ensure that all articles and amendments moved by town meeting are in compliance with the requirements of the Mass. Gen. Laws c. 59, § 21C.
Article 6. FY25 Budget Line-Item Adjustments	Does not change property taxes.	<i>There is no motion anticipated for this article.</i>
Article 7. FY26 Town Budget	\$315 net increase (includes the increase in debt service expense for the new school building as previously approved)	The Finance Committee voted to recommend Affirmative Action on this article by a vote of 12-1. The town budget meets the Finance Committee’s FY26 guideline for spending, which was set at \$33,678,889 , or a 2.85% increase over FY25. During deliberation on this article, Finance Committee questions focused on the increase in spending on joint accounts, debt service, areas for future efficiencies and savings, and concerns about headcount.

Article	Estimated Tax Change	Finance Committee Recommendation																								
<p>Article 8. Debt Exclusion for Road Maintenance</p>	<p>Tax change is per \$1,477,028 of assessed value.</p> <table border="1" data-bbox="472 426 646 884"> <tr><td>FY26</td><td>\$ 18</td></tr> <tr><td>FY27</td><td>\$ 136</td></tr> <tr><td>FY28</td><td>\$ 255</td></tr> <tr><td>FY29</td><td>\$ 480</td></tr> <tr><td>FY30</td><td>\$ 520</td></tr> <tr><td>FY31</td><td>\$ 519</td></tr> <tr><td>FY32</td><td>\$ 519</td></tr> <tr><td>FY33</td><td>\$ 519</td></tr> <tr><td>FY34</td><td>\$ 401</td></tr> <tr><td>FY35</td><td>\$ 283</td></tr> <tr><td>FY36</td><td>\$ 165</td></tr> <tr><td>FY37</td><td>\$ 47</td></tr> </table> <p>Data by Hilltop Securities. Full table in Appendices</p> <p>This exempt debt replaces future non-exempt borrowing, reducing net tax impact.</p>	FY26	\$ 18	FY27	\$ 136	FY28	\$ 255	FY29	\$ 480	FY30	\$ 520	FY31	\$ 519	FY32	\$ 519	FY33	\$ 519	FY34	\$ 401	FY35	\$ 283	FY36	\$ 165	FY37	\$ 47	<p>The Finance Committee recommends Affirmative Action on this Article by a vote of 9-3.</p> <p>This article will appropriate a sum not to exceed \$27.5 million to fund a five-year road maintenance program including pedestrian and bicycling safety improvements. The goal of this Article is to frontload investment in our roads to achieve a higher condition of pavement that will be less costly to maintain in the future.</p> <p>Committee members observed that the Town has been borrowing for road maintenance every year using non-excluded debt as part of the Concord Public Works budget. If Article 8 passes, members noted that the Town will be using excluded debt which will give us more headroom towards our Proposition 2 ½ limit. Members acknowledged that this is a lot of money and noted that the Transportation Advisory Committee has submitted a support letter that emphasized the multi-year aspect for road maintenance.</p> <p>Members commented that it has been a focus of this Committee for the last couple of years to try to get people thinking about long-term capital planning. Several Committee members were concerned that this was too much debt to be taken on during a time of economic uncertainty, and some questioned why the Town has not taken better care of its roads given our tax level. Other members looked at the overall cost avoidance of the Article; others asked whether we could wait one year to begin the program.</p>
FY26	\$ 18																									
FY27	\$ 136																									
FY28	\$ 255																									
FY29	\$ 480																									
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FY34	\$ 401																									
FY35	\$ 283																									
FY36	\$ 165																									
FY37	\$ 47																									
<p>Article 9. FY26 Capital Improvement and Debt Plan</p>	<p>\$36 net increase</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. It includes a number of small and mid-sized capital projects that align with departments' needs and with the Town's bigger picture capital plan. Of note, it includes \$2M in borrowing for pavement management which will not be borrowed if Article 8. Debt Exclusion for Road Maintenance is approved at Town Meeting and subsequently at the ballot box.</p>																								

Article	Estimated Tax Change	Finance Committee Recommendation																																	
<p>Article 10. Concord Public Schools Operating Budget</p>	<p>\$119 net increase (Includes \$500,000 savings from consolidation of Middle School buildings)</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. The CPS operating budget met the guidelines for spending issued by the Finance Committee. The recommended budget for FY26 is \$47,632,034 which is \$1,116,321 more than the FY25 budget - or a 2.4% increase.</p>																																	
<p>Article 11. Concord Public Schools Capital Budget</p>	<p>\$119 net increase</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. The CPS operating budget met the guidelines for spending issued by the Finance Committee. The recommended budget for FY26 is \$47,632,034 which is \$1,116,321 more than the FY25 budget - or a 2.4% increase.</p>																																	
<p>Article 12. Concord-Carlisle Regional School District Budget</p>	<p>\$114 net increase</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. The CCRSD operating budget met the guidelines for spending issued by the Finance Committee. The recommended budget for FY26 is \$40,384,952, a 3.62% increase over FY25. Concord's assessment for FY26 is \$27,209,557.</p>																																	
<p>Article 13. Amenities Building</p>	<p>Tax change is per \$1,477,028 of assessed value.</p> <table border="1" data-bbox="461 1245 646 1661"> <tr><td>FY26</td><td>\$</td><td>4</td></tr> <tr><td>FY27</td><td>\$</td><td>27</td></tr> <tr><td>FY28</td><td>\$</td><td>27</td></tr> <tr><td>FY29</td><td>\$</td><td>27</td></tr> <tr><td>FY30</td><td>\$</td><td>26</td></tr> <tr><td>FY31</td><td>\$</td><td>26</td></tr> <tr><td>FY32</td><td>\$</td><td>27</td></tr> <tr><td>FY33</td><td>\$</td><td>27</td></tr> <tr><td>FY34</td><td>\$</td><td>27</td></tr> <tr><td>FY35</td><td>\$</td><td>27</td></tr> <tr><td>FY36</td><td>\$</td><td>26</td></tr> </table> <p>Data by Hilltop Securities. Full table in Appendices</p>	FY26	\$	4	FY27	\$	27	FY28	\$	27	FY29	\$	27	FY30	\$	26	FY31	\$	26	FY32	\$	27	FY33	\$	27	FY34	\$	27	FY35	\$	27	FY36	\$	26	<p>The Finance Committee voted to recommend Affirmative Action on this article by a vote of 7 to 5. To comply with state regulations regarding bathroom facilities for field athletics and to provide a long-term structure that minimizes environmental impact. Included in the plans are spaces for storage and concessions.</p> <p>The Finance Committee requested additional information regarding the required municipal waste connection (system capacity and connection cost) and was given assurance that the budget is adequate to cover this critical item.</p>
FY26	\$	4																																	
FY27	\$	27																																	
FY28	\$	27																																	
FY29	\$	27																																	
FY30	\$	26																																	
FY31	\$	26																																	
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FY34	\$	27																																	
FY35	\$	27																																	
FY36	\$	26																																	

Article	Estimated Tax Change	Finance Committee Recommendation
<p>Article 14. Non-Resident Tuition Revolving Fund</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. This article was non-controversial at hearing and has no impact on Town's general budget.</p>
<p>Article 15. Facilities Rental Revolving Fund</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. This article establishes a facilities rental revolving fund for Concord Public Schools Facilities. If the Town votes in the affirmative, it will enable the Concord Public Schools to accept fees related to the rental of facilities which will be used to offset costs and maintenance of the facilities.</p>
<p>Article 16. Authority to Contract for up to Five Years for Selected Items</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. Typically, municipalities are authorized to contract for three year periods. This article will extend that period to five years and provide the town with additional leverage to negotiate better terms and price discounts without needing a separate annual article at each Town meeting.</p>
<p>Article 17. Minuteman Regional Technical School District Budget</p>	<p>\$4 net increase</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. As a member of the Minuteman Regional Technical High School District, Concord agrees to pay an assessed share of the regional district's operating budget. The amount of the assessment paid by each town participating in the regional district is determined by a formula established in the regional agreement and relies in part on a four year average of enrollment for member communities. This Article authorizes the payment of Concord's FY25 assessment.</p>

Article	Estimated Tax Change	Finance Committee Recommendation
<p>Article 18. Creation of Capital and Debt Stabilization Funds</p>	<p>Does not change property taxes but could reduce the annual tax impact of future capital projects.</p>	<p>The Finance Committee voted to defer action on this article until Town Meeting. This article will establish two funds, as follows: (1) Debt Stabilization Fund, for the purpose of offsetting the debt associated with future capital projects, and to transfer \$500,000 from Free Cash into said fund; and (2) Capital Stabilization Fund, for the purpose of funding future capital projects, and to transfer \$100,000 from Free Cash into said fund.</p> <p>The conservative estimate for free cash for FY25 is \$10,400,000. After deducting the cost of Annual Town Meeting 2025 articles that, if approved, would be funded by free cash allocations, the balance of available free cash is forecasted to be \$9,980,094, which is \$1,693,584 above the 6% Target for Free Cash as a % of the prior year's operating budget (\$8,286,510 = 6%). The \$600,000 total for this article would come out of the \$1,693,584 in excess Free Cash, leaving \$1,093,584 in excess free cash above the 6% target.</p>
<p>Article 19. Appropriation to General Stabilization Fund</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to defer action on this article until Town Meeting. This article will move the remaining \$1,093,584 in excess in Free Cash above the 6% target to the existing General Stabilization Fund, the current balance of which is ~\$5,000 total.</p>
<p>Article 20. OPEB Trust Fund Appropriation</p>	<p>\$11 net increase</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. Similar to last year, this appropriation comes from the General Fund, the Light Fund, and the Broadband Fund.</p>
<p>Article 21. OPEB Trust Fund Expense</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. The Town appropriates the expenses of the OPEB Trust Fund and pays them directly rather than deducting those expenses from investment earnings.</p>

Article	Estimated Tax Change	Finance Committee Recommendation
<p>Article 22. Retirement Board Stipends</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this Article by a vote of 9 to 3, with 1 abstention. This article will provide the five members of the Retirement Board with an annual stipend of \$4,500 each, paid from the investment proceeds of the Concord Retirement Fund. The Committee raised concerns about setting a precedent of paying committee members for their volunteer service to the Town and providing a stipend even though all service-related costs are reimbursed. These aspects were outweighed by the recognition of the responsibilities of the Board, the stipend is authorized by the Legislature, the funds are paid from the Retirement Fund and not the Town's General Fund, and the Board has difficulty in attracting qualified candidates for membership.</p>
<p>Article 23. Acceptance of the HERO Act</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. The exemption for disabled veterans is a small token of thanks for the sacrifices made by our neighbors and their families. The assessor will validate each exemption against the Commonwealth statute annually. This Article authorizes the additional exemption for assessor validated disabled veterans.</p>
<p>Article 24. Transfer from Middle School Stabilization Fund</p>	<p>(\$107) net decrease</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. The Middle School Stabilization Fund was created to provide a source of revenue to reduce the tax impact during peak years of debt service payments for the Ellen Garrison Building at Concord Middle School. The Article applies \$1,000,000 toward the cost of debt service this year.</p>
<p>Article 25. Transfer of Peabody School and Appropriate Funds</p>	<p>Does not change property taxes. (The Free Cash utilized is equivalent to \$11 property tax)</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by a vote of 7 to 4 with 2 abstentions. These funds will support the insurance, utilities and maintenance of the site for FY26. The Town is forming a committee to review Town needs and available real estate. Recommendations for future reuse or surplus of the three parcels (approx. 20 acres) comprising the Peabody School property will be an outcome of this study.</p>

Article	Estimated Tax Change	Finance Committee Recommendation
<p>Article 29. Feasibility of Acquiring 2229 Main Street (NMI Starmet Site)</p>	<p>Does not change property taxes.</p>	<p><i>There is no motion anticipated for this article.</i></p>
<p>Article 32. Betterments for Temporary Improvements to a Private Way - Darton and Dover Streets</p>	<p>Does not change property taxes.</p>	<p><i>There is no motion anticipated for this article.</i></p>
<p>Article 33. MCI Concord - Planning</p>	<p>Does not change property taxes. (The Free Cash utilized is equivalent to \$27 of property tax)</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by a vote of 13-1. The article allocates \$250,000 from Free Cash to be used for consultant services associated with the study of the potential reuse of MCI Concord, including potential re-zoning of the parcel. Specific contracts have not been identified, and funds will be allocated by the Select Board.</p>
<p>Article 34. Stormwater Enterprise Fund Expenditures</p>	<p>Does not change property taxes, but the resulting budget will be used to establish a new fee structure for all property owners. That structure has not yet been finalized by the Public Works Commission.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this Article by a vote of 11-3. This Article will authorize the Public Works Commission (PWC) to spend the Fund's FY26 budget. The PWC estimates the FY26 budget to be \$1.06 million and will set the rates and a credit policy at a May 14 public hearing. This new enterprise fund was established at 2024 Town Meeting to recover the costs of repairing and improving our Town's stormwater system (clean and repair drainpipes, culverts, and catch basins; monitor, inspect, and remove pollutants like phosphorous; EPA permit compliance; billing; water quality monitoring; etc.).</p> <p>Several Committee members opposed the Article, citing concerns that a new enterprise fund that will impact property owners during this economic climate, and as the Town's payment-in-lieu-of taxes (PILOT) fee program for non-profits is starting. Most Committee members supported the Article, noting that half of its budget will come from commercial and non-profit properties; the PILOT program is slow to start; and the alternative to passage is drawing from the Town's general fund to pay for Town stormwater repairs.</p>

Article	Estimated Tax Change	Finance Committee Recommendation
<p>Article 47. Community Preservation Appropriation Recommendations</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article (on all projects) by unanimous vote. The total appropriation sought in the article is \$1,450,460. All projects were reviewed and approved by the Town Community Preservation Committee (CPC) and are funded by monies collected as a 1.5% surcharge on property tax bills supplemented by partial state matching funds.</p>
<p>Article 48. Authorize Expenditure of Revolving Funds under Mass. Gen. Laws 44 § 53 E1/2</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. This is a routine authorization of annual spending limits from Revolving Funds, expenditures made pursuant to the Town’s Revolving Fund By-Law with the approval of the Town Manager</p>
<p>Article 49. Light Fund Budget and PILOT Payment</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. This is a routine, non-controversial annual action authorizing the Light Plant to expend its income from operations for the expenses of the Light Plant, and further provides for the transfer of \$451,000 (or some other sum) from the Operating Fund of the Light Plant to be used by the Board of Assessors to reduce the tax levy for the fiscal year ending June 30, 2026.</p>
<p>Article 50. Solid Waste Fund Budget</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. This article authorizes the Town Manager to allocate the funds in the Solid Waste Disposal Fund (which are generated from user fees charged for the Town’s curbside recycling program) without the need for further appropriation. This is a routine, non-controversial annual action authorizing the use of the fund to operate the solid waste and recycling collection and disposal program.</p>

Article	Estimated Tax Change	Finance Committee Recommendation
<p>Article 51. Sewer Fund Budget</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. This article authorizes the Town Manager to use cash on hand in the Sewer Fund and revenue generated within fiscal year 2026 for the operation, maintenance and improvement of the Town's sewer system. The entire cost of operations, maintenance, capital replacement and renewal are funded by user fees. Currently, about one-third of Concord's residences and many businesses and institutions are connected to the Town's municipal sewer system. This has been a routine annual action.</p>
<p>Article 52. Sewer Improvement Fund Budget</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. The Sewer Improvement Fund is a sub-fund of the Sewer Fund consisting of improvement fees paid by certain properties for connecting to the sewer system. The Article authorizes expenditure from the Fund under the direction and control of the Town Manager for construction and expansion of sewer lines and treatment facility capacity.</p>
<p>Article 53. Water System Expenditures</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. This article represents a routine annual action related to the Water Fund which is an Enterprise Fund for which the entire cost of operations is borne by user fees. The annual action authorizes the Town Manager to use cash on hand in the Water Fund and fiscal year 2026 revenue for the operation and maintenance and improvement of the Town's water system.</p>
<p>Article 54. PEG Fund Budget</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. This article represents a routine annual action related to the PEG Access Fund which is an Enterprise Fund for which the cost of public access via the Minuteman Media Network.</p>
<p>Article 55. Beede Swim and Fitness Center Enterprise Fund Budget</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this article by unanimous vote. This article represents an annual action related to the operating budget of the Beede Center, which is an Enterprise Fund for which the entire cost of operations is borne by user fees.</p>

Article	Estimated Tax Change	Finance Committee Recommendation
<p>Article 56. Appropriate and Transfer Balance of Parking Meter Fund</p>	<p>Does not change property taxes. (The Free Cash utilized is equivalent to \$27 property tax).</p>	<p>The Finance Committee voted to recommend Affirmative Action on this Article by unanimous vote. Last year, the Select Board decided to discontinue the use of parking meters as of June 30, 2023. Funds from the Parking Meter Fund can only be released by a vote of Town Meeting. Affirmative Action on this article will transfer the remaining balance Free Cash and close out this fund.</p>
<p>Article 57. Unpaid Bills</p>	<p>Does not change property taxes.</p>	<p>The Finance Committee voted to recommend Affirmative Action on this Article. This is a routine article required by state law, Ch. 44 § 64: Payment of bills incurred in excess of appropriations:</p> <p><i>Any town or city having unpaid bills of previous fiscal years which may be legally unenforceable due to the insufficiency of an appropriation in the fiscal year in which such bills were incurred may, in the case of a town, at an annual meeting by a four fifths vote.</i></p>
<p>Article 58. Debt Recission</p>	<p>Does not change property taxes.</p>	<p><i>There is no motion anticipated for this article.</i></p>

Appendix: Town of Concord Balance Sheet

TOWN OF CONCORD	
MASSACHUSETTS	
BALANCE SHEET - CASH BASIS (UMAS)	
GENERAL FUND	
June 30, 2024	
UNAUDITED	
<u>Assets:</u>	
Cash and Cash Equivalents	45,333,621.29
Receivables:	
Property Taxes	1,840,376.68
Excises	389,732.17
Intergovernmental	198,631.15
Other Assets	0.00
Total Assets	47,762,361.29
<u>Liabilities:</u>	
Warrants and Accounts Payable	617,238.36
Accrued liabilities	4,528,716.50
Escrow Deposits	58,543.09
Other Liabilities	46,824.07
Total Liabilities	5,251,322.02
<u>Deferred Inflows of Resources</u>	
Unavailable Revenues	2,230,108.85
Total Deferred Inflows of Resources	2,230,108.85
<u>Fund Balances:</u>	
Restricted	10,635,678.44
Committed	9,111,204.52
Assigned	2,184,661.03
Unassigned	18,349,386.43
Total Fund Equity	40,280,930.42
Total Liabilities, Deferred Inflows of Resources & Fund Balances	47,762,361.29

Source: Town of Concord Finance Department

Appendix: Reserve Fund Balances

	Middle School Stabilization	Concord Public Schools Capital Needs	General Stabilization	High School Debt Stabilization	Emergency response Stabilization	Concord Public Schools Technology
Beginning Balance at 7/1/2024	\$ 4,868,378	\$ 49,931	\$ 4,964	\$ -	\$ 110,962	\$ 818
tranfered in						
Interest and Dividends	\$ 255,672	\$ 2,622	\$ 261	\$ -	\$ 5,827	\$ 42
Less expended						
Ending balance at 6/30/25	\$ 5,124,050	\$ 52,553	\$ 5,225	\$ -	\$ 116,789	\$ 860
Appropriated for Use FY2025						
Available Balance	\$ 5,124,050	\$ 52,553	\$ 5,225	\$ -	\$ 116,789	\$ 860

Source: Town of Concord Finance Department

Pension Reserve Fund Balance:

The balance of the Pension Reserve as of December 31, 2024 is **\$8,555,239**.

Source: Stone Consulting letter to Town of Concord dated January 10, 2025.

Note: This is not the Pension Fund. The Town maintains a separate pension reserve account.

The FY26 Town Budget draws \$1,650,000 from this account as a funding component of its overall expense of \$5,151,281. The final payment towards the Unfunded Actuarial Accrued Liability is projected to occur in Fiscal Year 2031.

Allowance for Abatements and Exemptions (the Assessor’s Overlay Account):

The balance of the Assessor’s Overlay Account as of April 25, 2025 is \$2,760,431.

The FY26 Town Budget allocates \$500,000 to this account.

The Assessor’s Overlay Account is used to cover pending abatements and exemptions in the appeal process.

Source: Town of Concord Finance Department, dated May 5, 2025.

Appendix: Article 13 Debt Service Table

Source Hilltop Securities, Inc. 4/10/25

Town of Concord, Massachusetts Existing & Proposed Exempt Debt							
		Estimated Bond Rate:		3.75%			
		2025 Assessed Value:		\$ 9,379,716,636			
		2025 Average Single Family Home Value:		1,477,028			
<i>\$1,417,655 Amenities Building - Exempt from the Limits of Proposition 2½ Bonds Issued on a Level Debt Service Basis - 10-year Term</i>							
Fiscal Year	page 1		Tax Impact of Proposed Debt			Tax Impact of Existing + Proposed Debt	
	(a) Existing Excluded Debt Service	(b) Proposed \$1,417,655 Amenities Building Bonds dated October 1, 2025	(c) Residential Tax Impact per \$100,000 of Assessed Value	(d) Tax Impact on Average Home Valued at \$1,477,028	(e) = (a) + (b) Aggregate Existing & Proposed Excluded Debt Service	(f) Residential Tax Impact per \$100,000 of Assessed Value	(g) Tax Impact on Average Home Valued at \$1,477,028
6/30/2025	\$ 6,490,880	\$ -	\$ -	\$ -	\$ 6,490,880	\$ 69.20	\$ 1,022.14
6/30/2026	7,866,389	26,581	0.28	4.19	7,892,970	84.15	1,242.93
6/30/2027	7,433,675	173,517	1.85	27.32	7,607,192	81.10	1,197.93
6/30/2028	7,351,525	171,219	1.83	26.96	7,522,744	80.20	1,184.63
6/30/2029	6,520,025	171,438	1.83	27.00	6,691,463	71.34	1,053.73
6/30/2030	5,869,900	166,563	1.78	26.23	6,036,463	64.36	950.58
6/30/2031	5,844,775	166,594	1.78	26.23	6,011,369	64.09	946.63
6/30/2032	5,814,650	171,344	1.83	26.98	5,985,994	63.82	942.63
6/30/2033	5,784,400	170,813	1.82	26.90	5,955,213	63.49	937.79
6/30/2034	5,753,900	170,094	1.81	26.79	5,923,994	63.16	932.87
6/30/2035	5,727,775	169,188	1.80	26.64	5,896,963	62.87	928.61
6/30/2036	5,700,525	168,094	1.79	26.47	5,868,619	62.57	924.15
6/30/2037	5,672,350	-	-	-	5,672,350	60.48	893.24
6/30/2038	5,649,775	-	-	-	5,649,775	60.23	889.69
6/30/2039	5,622,500	-	-	-	5,622,500	59.94	885.39
6/30/2040	5,602,200	-	-	-	5,602,200	59.73	882.20
6/30/2041	5,582,000	-	-	-	5,582,000	59.51	879.01
6/30/2042	5,561,800	-	-	-	5,561,800	59.30	875.83
6/30/2043	4,986,400	-	-	-	4,986,400	53.16	785.22
6/30/2044	4,982,700	-	-	-	4,982,700	53.12	784.64
6/30/2045	4,988,500	-	-	-	4,988,500	53.18	785.55
6/30/2046	4,988,300	-	-	-	4,988,300	53.18	785.52
6/30/2047	4,987,000	-	-	-	4,987,000	53.17	785.32
6/30/2048	4,989,500	-	-	-	4,989,500	53.20	785.71
6/30/2049	4,990,300	-	-	-	4,990,300	53.20	785.84
6/30/2050	4,984,300	-	-	-	4,984,300	53.14	784.89
6/30/2051	2,840,200	-	-	-	2,840,200	30.28	447.26
6/30/2052	2,839,200	-	-	-	2,839,200	30.27	447.10
6/30/2053	2,839,200	-	-	-	2,839,200	30.27	447.10
	<u>\$ 158,264,644</u>	<u>\$ 1,725,442</u>			<u>\$ 159,990,086</u>		

Assumptions:

- *Estimated and subject to change.
- *Existing excluded debt service does not include MCWT betterment debt.
- *Bond structured on a level debt service basis.
- *Tax impact assumes no growth in assessed value over the life of the bonds.
- *Tax impact assumes the residential to commercial/industrial/personal property tax rate shift remains constant over the life of the bonds.
- *Tax impact assumes the average home value will remain constant over the life of the bonds.

Appendix: Links to Online Resources

- Glossary of Terms Commonly Used in Municipal Finance
<https://concordma.gov/DocumentCenter/View/47284/Glossary-of-Terms-Commonly-Used-in-Municipal-Finance>
- Proposition 2&1/2 – The Levy Explained
<https://www.mass.gov/doc/levy-limits-a-primer-on-proposition-2-12-0/download>