

Town of Concord Finance Committee Report for Fiscal Year 2027

April 2026



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“Finance is not merely about making money. It’s about achieving our deep goals and protecting the fruits of our labor. It’s about stewardship and, therefore, about achieving the good society.” Robert J. Shiller.

Finance Committee Report for Fiscal Year 2027

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April 2026

To the Residents of Concord:

The cover of this year's Finance Committee report features a quote from the highly respected Yale economist Robert J. Shiller:

“Finance is not merely about making money. It’s about achieving our deep goals and protecting the fruits of our labor. It’s about stewardship and, therefore, about achieving the good society.” (Robert J. Shiller, Fiduciary Investors Symposium, Yale School of Management, 2016)

Although I’m sure Dr. Shiller was not thinking of the Concord Finance Committee, or indeed of any other similar group, I think this is a good description of how Finance Committee members see their role. Given that the Committee has 15 members and staggered terms (so that a few members “roll off” each year and a few more join) over the course of my six years on the committee, I’ve served with a lot of my fellow Concord citizens. Committee members come from different backgrounds, have had different professional and life experiences, and have different priorities or areas of concern. But to a person, I think we were and are all motivated by that same desire to be responsible stewards and to work toward achieving a “good society,” even though our individual ideas about how to achieve that – and even at times our views of what a “good society” looks like – may have differed.

Being on the Finance Committee has given me insight into how challenging it is to keep the complex ecosystem that is town government running and serving the people who live and work in, and who visit, our town. Competent professional management is obviously critical. Equally critical is the continued involvement and dedication of the large group of unpaid volunteers; some elected, like the Select Board, School Committee and Town Moderator, and some appointed, like the members of our many committees and boards.

One of the most surprising things I’ve encountered is the extent to which the work, and particularly the duties and authority, of the Finance Committee is misunderstood. Our role is described elsewhere in this report, but in essence our charge boils down to one key thing: the Finance Committee is the “eyes and ears” of Town Meeting, and by extension of all the citizens of Concord, on financial matters. It is an advisory committee only. As the town has grown, the complexity of Concord’s finances has grown as well. The Finance Committee is a group of citizens who have volunteered to focus on the details of those complicated finances and report back to our fellow citizens, to guide their decisions at Town Meeting.

In this report, we share what we have learned this year. The report looks backward to the events of the past year, but it also looks forward to the opportunities and challenges of the years ahead.

There is good news here. The Finance Committee approved guidelines for the operating budgets of the Town and the Schools that were significantly below the amounts requested, and all budgeting entities met the challenge and found cost savings and efficiencies. For the first time in years, there is no Warrant Article seeking approval for exempt debt for major capital projects. Due to a variety of factors, including the receipt of more revenue than expected from Local Receipts in FY24 and FY25, our Free Cash position has strengthened. That gives us the opportunity to plan for some of the challenges we will be facing in the future, including the significant capital investment that the Town will have to make to replace aging infrastructure. Although those capital costs will be substantial, they should result in savings and efficiencies that will have a positive impact on our finances. There are entirely new senior staff in the Finance Department, which is already providing a substantial benefit to the Town.

There was also bad news. The FY24 Audit of the Town was substantially delayed. When ultimately delivered to the Financial Audit Advisory Committee (FAAC), this report was accompanied by a management letter that identified four material weaknesses, deficiencies in internal controls, in certain Town financial functions. This is unprecedented for Concord. Due to the timing, the FAAC anticipates seeing some of these weaknesses referenced in the Town's FY25 audit, which will be completed later this spring. These internal control procedures have been addressed and the FAAC is overseeing the audit process. However, care must be taken so the identified weaknesses and the delay in the completion of future audits do not recur, to avoid possible reductions in our bond rating.

Some of the events that benefited us this year (like a shift in enrollment at the high school towards Carlisle, which reduced our assessment for Concord Carlisle Regional School District) may not be recurring. We must continue to be vigilant about cost increases, continue to look for efficiencies in all aspects of the Town and Schools, and continue to be cautious about incurring additional debt. And we need to temper that caution with an awareness that the Town will need resources to adequately plan for and manage some of the significant opportunities that we know will be coming soon.

Throughout the year, the Finance Committee has benefitted from the cooperation of the Select Board, the School Committee, and Town and School Administration. This report has been a group effort. Thank you to the Finance Committee members who volunteered their time, especially Clerk Karlen Reed, Vice Chair Lyndsey Lis, Guidelines Chair Don Kupka, and members Peggy Briggs, Eric Dahlberg and Paul Rodriguez. Thank you also to the town officials who provided invaluable assistance, including Town Manager Kerry Lafleur, CFO Jennifer Barrett and Assistant CFO Ryan Ferrara.

Lois Wasoff

Chair, Concord Finance Committee

1.0 Executive Summary

Trends and Anticipated Challenges

The Committee has identified trends of note that may have an impact on the financial well-being of the Town:

- Concord spending continues to grow as new needs and wants are identified. FY27 reflects a 1.93% increase in overall Town spending over FY26.
- Concord's FY27 budget remains well below the Proposition 2½ levy limit (\$5.63 million in unused levy capacity). Maintaining this favorable position will require continued budget restraint, revenue growth, or both to preserve the excess capacity which is highly valued by bond rating agencies.
- Our aging municipal, public safety, and public works buildings need to be upgraded or replaced. We need to start saving now for these large multi-year capital improvement projects. The Land Use Working Group (LUWG) has been exploring ways to identify Town parcels that could be sold, repurposed, redeveloped, and consolidated in collaboration with the MCI Advisory Board. In its February 2026 Phase I report, the LUWG recommended that Concord Public Works be relocated to the MCI site, that the fire station in West Concord be rebuilt as a new public safety headquarters, the police and fire building on Walden Street be either renovated or rebuilt, and that the multiple municipal offices in Concord be consolidated into a single building. Carrying out these large, complex and

interconnected projects in a systematic and cost-efficient way will require thoughtful planning. The timing of when to sell, redevelop, and consolidate remains undetermined; however, the need to direct funds now into the planning effort and our Capital and General Stabilization Reserve Funds is certain.

- School population changes, including enrollment shifts in the high school, will gradually impact Concord spending. In FY27 the regional high school saw a shift in the financial assessment between Concord and Carlisle due to enrollment growth in Carlisle. Each year that assessment is recalculated. Any increased growth in Concord enrollment relative to Carlisle enrollment will mean an increase in Concord's share of the budget.
- Concord has a unique opportunity to grow, which brings its own challenges. Concord's population is 15,013 as of January 2025 and Concord's public schools have an overall population of 2,669 as of October 1, 2025. These numbers have been declining steadily over the past several years, but that trend will likely reverse given several new building projects in the pipeline:
 - Two new multi-family residential rental housing projects, NOVO Riverside Commons on Baker Avenue and Thoreau Residences at Forest Ridge, are being constructed under M.G.L. Chapter 40B guidelines. The NOVO project plans will construct 201 units, with 51 being affordable units and the Thoreau project plans will construct 237 units, with 59 being affordable units (80% Area Median Income). Concord is currently above the 10% SHI (subsidized housing index) threshold and will likely remain so for several years. Building permits for these projects are expected to be pulled in June 2026, so the impact will be felt in the near future.
 - The vacated MCI Concord site is owned by the Commonwealth through the Massachusetts Division of Capital Asset Management and Maintenance (DCAMM). The Town is leading a master planning process, in coordination with DCAMM, to evaluate site circulation, access, and potential uses, and to inform future zoning for the property. Housing has been identified as a priority for the site; however, the number of units, has not yet been determined. Development of the MCI-Concord parcel and the associated Route 2 Rotary re-design is estimated to take 10-20 years. Of more immediate interest is the Town's ability to expand Concord's wastewater treatment capacity by taking ownership of, investing in and improving the existing treatment plant on the MCI-Concord parcel.
 - A 12.8-acre parcel adjoining the MCI-Concord property, once called the "Junction Village" property, is owned by the Concord Housing Development Corporation (CHDC) and can be used only as open space or affordable housing. The CHDC is considering how to define "affordable" (i.e., at 80% or 150% AMI, which determines how many and what types of housing units can be constructed), and how to develop the parcel in conjunction with the MCI-Concord parcel.
 - The Town is continuing to explore its acquisition and soil remediation of the 46-acre parcel at 2229 Main Street (NMI/Starmet). This could unlock about 24 acres of developable land off Route 62 (Main Street) in West Concord.
 - All of these opportunities will change the tax base and the demand for public services, including Town fire, ambulance, police, public works, schools, water, and sewer services.

Financial Summary

- Proposed Overall Town Budget
 - \$147,838,786, a 1.93% increase over FY26
- Are Town, CPS, and CCRSD budgets within Finance Committee Guidelines?
 - Yes
- Proposed Tier I capital spending for Town and CPS
 - \$2,670,850 – Cash
 - \$59,000 Assessor’s Revaluation cost reduced (from \$125,000) – Overlay Surplus
- Proposed Tier II capital spending for Town - \$2,400,000 (Town only)
 - \$850,000 Sleepy Hollow Cemetery Grave Expansion – Overlay Surplus
 - \$800,000 Replacement of Two Swap Loaders W/Plows – Free Cash
 - \$750,000 Building Repairs and Renovations – Free Cash
 - Note: FY27 Tier II capital will be paid either through Free Cash or Overlay Surplus, so there will be no additional borrowing for Tier II capital for FY27
- Tier III capital spending for Town, CPS, and CCRSD
 - \$0
- Free Cash certified on Feb. 26, 2026, and available until June 30, 2026
 - \$17,040,810; 11.5% of overall FY27 budget
- Free Cash level if all 7 Warrant Articles seeking Free Cash (7, 9, 11,12, 13, 20, 21) are approved
 - \$11,082,096; 8.2% of the overall Proposed Fiscal Year 2027 Budget
- Estimated tax rate impact of overall budget if all Articles are approved
 - \$0.24 per \$1,000 valuation (1.96% increase)
 - \$341.97 for FY26 median single family residential home assessed at \$1,429,750

The Town’s and Schools’ anticipated capital needs and growth assumptions reflect a strong need to set aside financial reserves now in the form of General and Capital Stabilization Funds, and to use funds from the Middle School Stabilization Fund to offset debt. The Financial Policy Working Group, in cooperation with Finance and Administration, is proposing four Warrant Articles, Articles 18-21, to support these goals. These Articles are in line with the new Finance Reserve Policies that were adopted by the Select Board on December 22, 2025. Future Town and School capital spending should consider Concord’s debt and debt service loads.

The Finance Committee Report is also available on-line at: <https://concordma.gov/1107/Finance-Committee-Reports>

Glossary of Terms Commonly Used in Municipal Finance:

<https://concordma.gov/DocumentCenter/View/47284/Glossary-of-Terms-Commonly-Used-in-Municipal-Finance>

2.0 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 Municipal Light Plant, other utilities, and the Beede Center) are not part of the guidelines process but are detailed in the [Budget Book](#) online. Joint Accounts (including

Town and School employee benefits, debt service, property insurance, and retirement funding) and the Overlay Account are not subject to the Finance Committee guidelines.

- 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, five-year tax projections, and a summary of the Town’s financial status.
- Approve or disapprove transfers of money from the Finance Committee 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 FY2026 members of the Finance Committee are:

| | | |
|---------------|---------------------|-------------------|
| Suresh Bhatia | John Garofalo | Karlen Reed |
| Peggy Briggs | Pat Geyer | Paul Rodriguez |
| Brian Conway | Gerard Jansen | Quazi Sadruzzaman |
| Kathy Cuocolo | Don Kupka | Sri Tupil |
| Eric Dahlberg | Lyndsey Lis | Lois Wasoff |
| | Niranjana Nagarajan | |

The Finance Committee recognizes our out-going Town Moderator, Carmin Reiss, who has served Concord well for the past 10 years as Town Moderator. We also recognize and appreciate four Finance Committee members, Lois Wasoff, Karlen Reed, Kathy Cuocolo, and Quazi Sadruzzaman, whose terms of service conclude when FY26 Annual Town Meeting adjourns. Thank you all; Concord is a better place because of your service. The Finance Committee additionally welcomes the Town Moderator-Elect, Karlen Reed, and new Finance Committee members whose terms will start at the conclusion of 2026 Annual Town Meeting.

3.0 Fiscal Year 2027 Budget

3.1 Concord’s Approach to Budgeting, Metrics

Concord has traditionally taken a conservative approach to budgeting. The operating budgets are intended to maintain level services whenever possible. 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 balance the competing priorities of efficient management with the need to maintain flexibility to sufficiently address future infrastructure needs, unanticipated expenses, variations in revenue, and other contingencies. Concord tries to accomplish those goals by doing the following:

- Setting modest expectations for revenue growth. In recent years, the Town has used \$1 million as a reflection of its estimate of property tax growth from new construction and renovations.
- Striving to keep tax increases at a minimum to avoid overtaxing residents and from depleting excess levy limit capacity so that general overrides are not required.
- Maintaining the uncommitted General Fund Balance (“Free Cash”) at or above 4% of the ensuing year’s General Fund Budget and the total of Free Cash and the General Stabilization Fund at or under 10% of the ensuing year’s General Fund Budget. The Town’s Free Cash position and debt policies are key factors in maintaining the Town’s high credit rating of Aaa (Moody’s).
- Supporting capital needs
 - Roughly 1/3rd of routine capital financing is derived from current resources and 2/3rds 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

The Town maintains a capital planning policy to guide its investment in equipment and infrastructure. Capital projects are divided into three categories: Tier I (\$0 - \$250,000, funded by cash), Tier II (\$250,001 - \$2,500,000, funded by debt, within the levy), and Tier III (greater than \$2,500,000, funded by excluded debt).

Metrics: Each year, the Finance Committee reviews three metrics as tools for our guidelines process. Those metrics are used to estimate the impact of inflation and the ability of Concord residents to afford tax increases. The metrics are: 1) projected real personal income growth per capita, 2) projected nominal personal income growth per capita, and 3) projected inflation relevant to Concord’s school and Town expenses for level services. The data are derived from U.S. Congressional Budget Office projections. This year, those metrics are 1.66%, 3.69%, and 3.06%, respectively. The metrics then inform the budget guidelines set by the Finance Committee.

3.2 FY27 Budget Guidelines

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 (for FY27, that is \$110,458,217 out of \$147,838,786 total). Spending for items such as debt service, Tiers II and III capital, Town and CPS 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 included Out of District (OOD) tuition payments for CPS and CCRSD in spending subject to guidelines.

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

- Keep a level of excess levy limit capacity sufficient to avoid general overrides.
- Maintain adequate Free Cash and General Stabilization balances.
- 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.

At our December 11th meeting, the Concord Finance Committee approved setting a final overall target of a 1.79% increase in spending subject to guidelines for fiscal year 2027 (FY27), over the FY26 spending approved at Annual Town Meeting in June 2025.

| Budget Unit | FY27 final guideline for spending subject to guideline, \$ | FY27 final guideline, % change versus FY26 approved |
|---|--|---|
| Concord Public Schools | \$48,941,915 | 2.75% |
| Concord-Carlisle Regional School District (Concord share) | \$26,995,441 | -0.79% |
| Town | \$34,520,861 | 2.50% |
| Total | \$110,458,217 | 1.79% |

Source: FY27 Town Budget Book; March 5, 2026, Finance Committee public hearing.

Note: CCRSD School Committee voted to decrease their FY27 budget to \$26,810,821 due to reduced health insurance costs and other reductions to be presented at Town Meeting.

These final guidelines were the result of extensive discussions and were approved by a unanimous vote of the Finance Committee. To meet these guidelines, CPS had to identify \$90,501 in reductions, and the Town had to identify \$151,555 in reductions from the draft budgets presented to the Finance Committee in December 2025.

Our deliberations were informed by the materials provided to us by the Town Finance Department and the Schools, and we want to express our appreciation for their consistent cooperation and responsiveness to our requests for information. We were also very aware of our metrics regarding the expected rate of inflation (roughly 3%) and the concerns expressed by many citizens about increases in property taxes over the last several years. We think it is important to note that the -0.79% guideline for CCRSD was consistent with the request made by the School Committee and reflects the impact on Concord’s allocated share of the budget of an enrollment shift that increased Carlisle’s allocation. This in turn lowered the overall guideline number for FY27.

3.3 FY27 Budget Highlights

Revenues

FY27 Revenue Projections are based on expected Property taxes and excise taxes, licenses and permits, user charges, fines/forfeitures/special assessments, other department revenue, State revenue, miscellaneous, and other financial sources. Here is a summary chart for FY25-27. A detailed description of each revenue element follows.

| | FY25 Approved | FY26 Approved | FY27 Budgeted |
|---|----------------------|----------------------|----------------------|
| Property Taxes | \$116,241,894 | \$121,712,158 | \$124,098,767 |
| Local Receipts including Motor Vehicle Excise, Fees & Investments | \$11,023,545 | \$11,159,314 | \$11,453,764 |
| State Revenue | \$6,109,021 | \$6,484,192 | \$6,689,468 |
| Other Financing Sources | \$4,841,784 | \$5,687,110 | \$5,596,787 |
| Total Revenues | \$138,216,244 | \$145,042,774 | \$147,838,786 |

Source: FY27 Town Budget Book. Note: State revenue figures are preliminary at this time.

Property Taxes – Property Taxes and motor vehicle excise taxes are deposited in the Town’s General Fund. The residential property tax rate in FY26 the rate per \$1,000 valuation was \$13.05, including the Residential Tax Exemption, and the commercial/industrial property tax rate in FY26 was \$12.20. The tax classification factor is set each year by the Select Board during a tax classification hearing held in November. Motor vehicle tax rates are set by the State at \$25 per \$1,000 valuation and are collected by the Town.

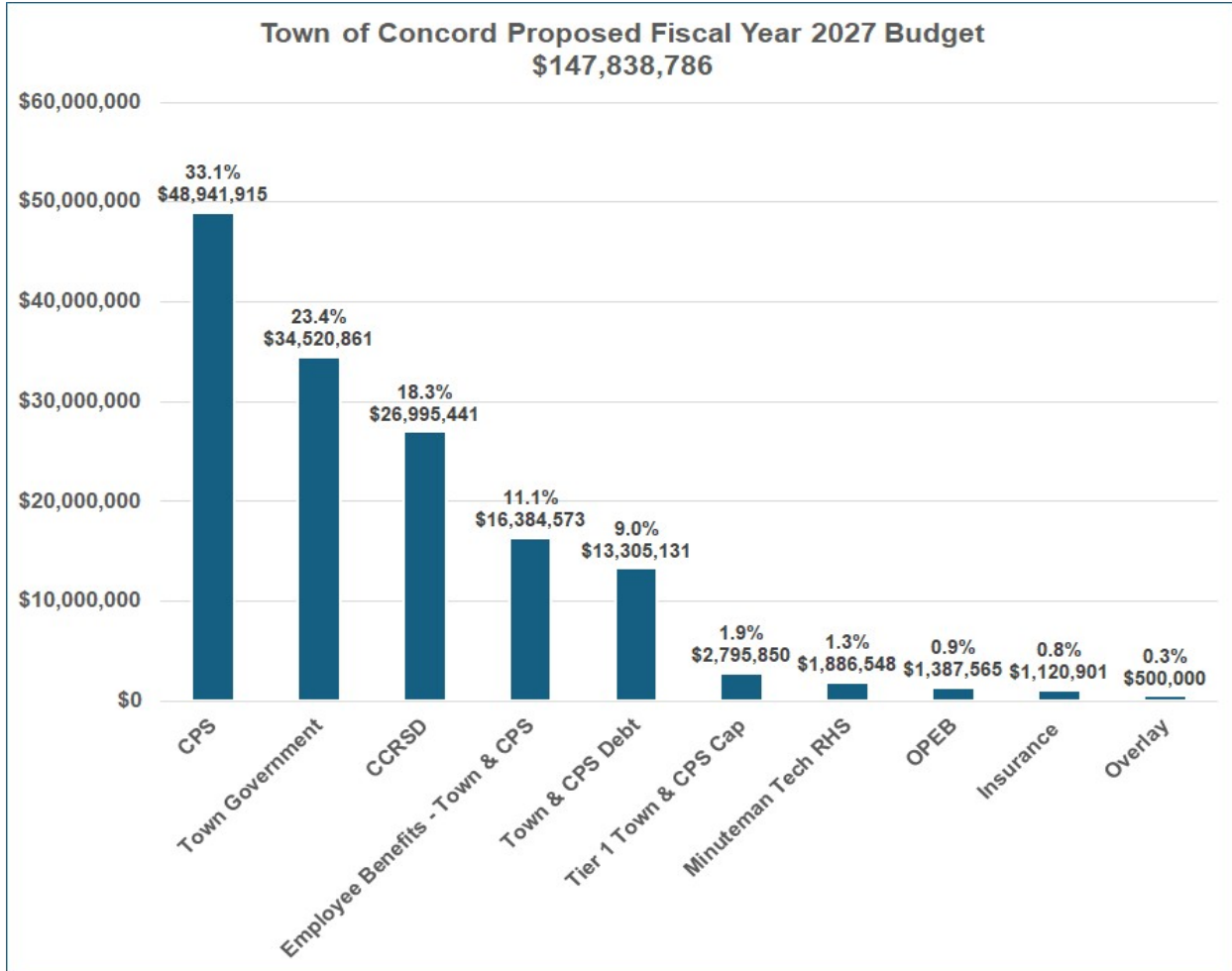
The estimated tax rate increase for FY27 is \$0.24 per \$1,000 valuation, or \$341.97 for the FY26 median single family residential home assessed at \$1,429,750.

Enterprise/Revolving Fund Transfers – The “Other Financing Sources” revenue category includes transfers from the Town’s Enterprise Funds, Receipts Reserved Funds and Statutory Revolving Funds, which rely on Town Services and so are assessed an amount each year that reflects the Town’s provision of those services. For FY27 these transfers are as follows: Cemetery Fund \$210,438, Sewer System/Improvement Fund \$188,294, Water System Fund \$564,881, Light Fund \$879,883 (includes the Light Fund PILOT payment of \$451,500), Solid Waste Disposal Fund of \$179,305, Beede Swim and Fitness Center Fund \$164,725, Telecom Broadband Fund \$47,644, PEG Access/Minuteman Media Fund \$31,963, and Stormwater Fund \$64,707, for a total of \$2,100,032.

Expenses

For Fiscal Year 2027, the proposed overall total Town Budget is \$147,838,786 with expected revenues of \$147,838,786, a 1.93% increase over FY26. Of this, the Town budget (\$34,520,861) plus non-guideline (joint accounts, Town and CPS) spending (\$30,810,606) is \$65,331,467. The non-guideline spending consists of group insurance, liability insurance, unemployment, worker’s compensation, Medicare, retirement assessment for the General Fund and the Pension Reserve, debt service within the levy limit, and debt service excluded from the levy limit.

Concord’s assessment from the Concord Carlisle Regional School District (CCRS) plus Concord’s portion of the FY27 Minuteman Vocational Technical High School budget, (Minuteman is not subject to Finance Committee Guidelines), is \$28,881,989; The Concord Public School (CPS) budget is \$48,941,915; Tier I capital spending for the Town and CPS is \$2,795,850; OPEB (other post-employment benefits like Town retirees’ health care) contribution is \$1,387,565; and the Assessor’s Overlay Account is estimated at \$500,000. The Town, CPS, and CCRSD met the Finance Committee’s FY27 Guidelines of 2.5%, 2.75%, and -0.79%, respectively.



Below is the yearly comparison for the five-year period FY23-27 in millions of dollars:

| | FY23 | FY24 | FY25 | FY26 | FY27 |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| Town Government | \$29.7 | \$31.7 | \$32.7 | \$33.7 | \$34.5 |
| Employee Benefits | 13.3 | 14.2 | 15.0 | 15.5 | 16.4 |
| Debt Service | 7.2 | 8.4 | 11.0 | 13.5 | 13.3 |
| Insurance | 0.6 | 0.7 | 0.9 | 1.0 | 1.1 |
| OPEB Trust | 1.4 | 1.4 | 1.4 | 1.5 | 1.4 |
| Capital Outlay | 1.2 | 1.7 | 2.2 | 2.8 | 2.8 |
| Minuteman Tech | 1.5 | 1.6 | 1.7 | 1.8 | 1.9 |
| Concord Public Schools | 43.0 | 45.0 | 46.5 | 47.6 | 48.9 |
| Concord-Carlisle Regional | 25.0 | 25.4 | 26.1 | 27.2 | 27.0 |
| Total | \$123.0 | \$130.2 | \$137.6 | \$144.5 | \$147.3 |

Source: FY23-26 Finance Committee Reports, Proposed Annual Budget Appropriations. Table excludes Overlay Contributions.

3.4 Proposed FY27 Budget Appropriation for the Year Beginning July 1, 2026

| Revenues | FY27: Warrant Reference | Budgeted FY26 | Proposed FY27 | Percent Change | Percent of Total |
|--|-------------------------|-----------------------|-----------------------|----------------|------------------|
| Property Taxes | N/A | \$ 121,712,158 | \$ 124,098,767 | 1.96% | 83.94% |
| Total State Aid | N/A | 6,484,192 | 6,689,468 | 3.17% | 4.52% |
| Total Local Receipts, and Other Sources | N/A | 16,846,424 | 17,050,551 | 1.21% | 11.53% |
| | | <u>\$ 145,042,774</u> | <u>\$ 147,838,786</u> | | |
| Expenses | | | | | |
| Town Government | | | | | |
| General Government | Art. 10, Item 1 | \$ 3,641,559 | \$ 3,552,405 | -2.45% | 2.40% |
| Legal Services | Art. 10, Item 2 | 400,000 | 450,000 | 12.50% | 0.30% |
| Finance | Art. 10, Item 3 | 2,710,398 | 2,764,786 | 2.01% | 1.87% |
| Community Development | Art. 10, Item 4 | 2,297,065 | 2,339,321 | 1.84% | 1.58% |
| Human Services, including Library | Art. 10, Item 5 | 3,848,785 | 3,840,691 | -0.21% | 2.60% |
| Public Safety (Police, Fire, Dispatch) | Art. 10, Item 6 | 12,650,246 | 13,258,165 | 4.81% | 8.97% |
| Public Works | Art. 10, Item 7 | 7,168,703 | 7,478,688 | 4.32% | 5.06% |
| Employee Wellness | Art. 10, Item 8 | 25,000 | 25,000 | 0.00% | 0.02% |
| Reserve Fund | Art. 10, Item 9 | 200,000 | 205,000 | 2.50% | 0.14% |
| Salary Reserve | Art. 10, Item 10 | 737,133 | 606,805 | -17.68% | 0.41% |
| Subtotal | | <u>\$ 33,678,889</u> | <u>\$ 34,520,861</u> | 2.50% | 23.35% |
| Employee Benefits (Town & CPS only) | | | | | |
| Group Insurance | Art. 10, Item 11A | \$ 9,405,564 | \$ 10,097,630 | 7.36% | 6.83% |
| Retirement (pension funding) | Art. 10, Item 12A&B | 5,151,281 | 5,345,564 | 3.77% | 3.62% |
| Medicare | Art. 10, Item 11E | 905,172 | 941,379 | 4.00% | 0.64% |
| Total Employee Benefits | | <u>\$ 15,462,016</u> | <u>\$ 16,384,573</u> | 5.97% | 11.08% |
| Town & School (CPS) Debt Service | | | | | |
| Debt repayment within levy limit | Art. 10, Item 13A | \$ 5,568,546 | \$ 4,713,397 | -15.36% | 3.19% |
| Debt excluded from levy limit | Art. 10, Item 13B | 7,966,183 | 8,591,735 | 7.85% | 5.81% |
| Total Tax-Supported | | <u>13,534,729</u> | <u>13,305,131</u> | -1.70% | 9.00% |
| Total Debt Service | | <u>\$ 13,534,729</u> | <u>\$ 13,305,131</u> | | |
| Property & Liability Insurance | | | | | |
| Property & Liability Insurance | Art. 10, Item 11B | \$ 617,087 | \$ 701,151 | 13.62% | 0.47% |
| Unemployment/Workers Comp | Art. 10, Items 11C&D | 337,339 | 419,750 | 24.43% | 0.28% |
| Article 10, total: | | <u>\$ 63,630,061</u> | <u>\$ 65,331,467</u> | 2.67% | 44.19% |
| OPEB Trust, General Fund | | | | | |
| OPEB Trust, General Fund | Art. 22 | \$ 1,467,851 | \$ 1,387,565 | -5.47% | 0.94% |
| Capital Outlay, Cash | | | | | |
| Capital Outlay, Cash | Art. 11 | \$ 2,520,150 | \$ 2,294,420 | -8.96% | 1.55% |
| Minuteman Tech Regional HS | | | | | |
| Minuteman Tech Regional HS | Art. 17 | \$ 1,772,373 | \$ 1,886,548 | 6.44% | 1.28% |
| Concord Public Schools (CPS) | | | | | |
| Concord Public Schools (CPS) | Art. 13 | \$ 47,632,034 | \$ 48,941,915 | 2.75% | 33.10% |
| CPS Capital Improvement Plan | Art. 14 | 291,570 | 501,430 | 71.98% | 0.34% |
| | | <u>\$ 47,923,604</u> | <u>\$ 49,443,345</u> | 3.17% | 33.44% |
| Concord-Carlisle Regional HS | | | | | |
| Concord-Carlisle Regional HS (Concord's assessment share) | Art. 15 | \$ 27,209,557 | \$ 26,995,441 | -0.79% | 18.26% |
| Other Articles | | | | | |
| Other Articles | | \$ 4,943 | \$ 0 | | 0.00% |
| Town Meeting appropriations | | <u>\$ 144,528,538</u> | <u>\$ 147,338,786</u> | | |
| NOT Appropriated: | | | | | |
| Snow & Ice expense account deficit | | \$ 0 | \$ 0 | | 0.00% |
| Overlay for tax exemptions and abatements | | 514,236 | 500,000 | -2.77% | 0.34% |
| | | <u>\$ 514,236</u> | <u>\$ 500,000</u> | | |
| TOTAL SPENDING PLAN | | <u>\$ 145,042,774</u> | <u>\$ 147,838,786</u> | 1.93% | |

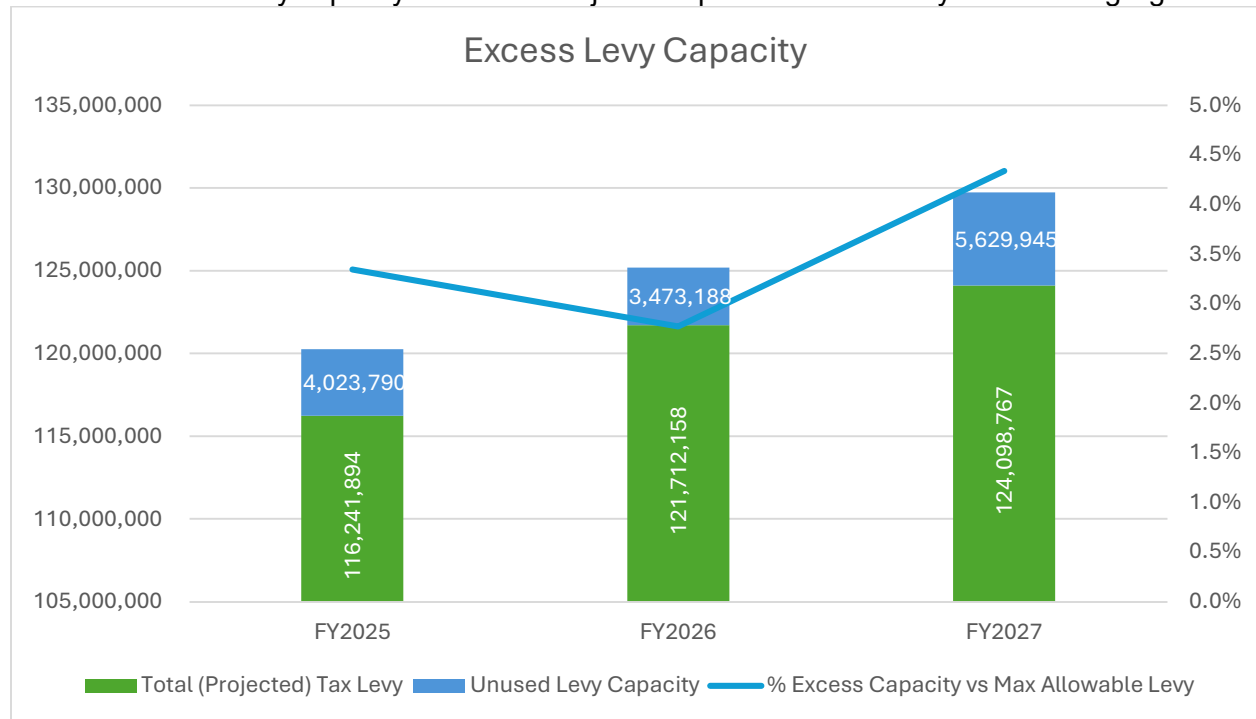
3.5 Impact of FY27 Budget on Proposition 2 ½ Levy Limit

State law (Proposition 2½) limits the annual and absolute increases in the property tax levy. The annual limit, called the Levy Limit, increases by 2½% plus the tax value of new construction in the past year. 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”).

For further information: Proposition 2½ – The Levy Explained: <https://www.mass.gov/doc/levy-limits-a-primer-on-proposition-2-12-0/download>

Concord’s projected property tax levy for FY27 is approximately \$124,098,767, or a 1.96% increase, under our estimated FY27 Proposition 2½ Maximum Allowable Levy Limit of \$129,728,712. The Prop 2½ levy limit is the maximum amount of property taxes that can be collected under state law before requiring that the citizens approve an override. If property tax revenues do not meet target spending levels, the gap to the Levy Limit will shrink, possibly causing a reduction of services or an override vote.

Based on the gap of \$5,629,945 (Excess Levy Capacity) between the Levy Limit and the Town Budget, the FY27 budget remains substantially below the allowable levy growth under Proposition 2½, thereby minimizing the potential need to pursue an override. A word of caution: Concord must continue to restrain its budget, increase its revenues, or both, in future years to continue the favorable excess levy capacity which is a major data point considered by Bond Rating Agencies.



Source: MA DOR DLS Gateway FY26 Tax Rate Recapitulation [Mass Dept. of Revenue - DLS Gateway](#) -.

This chart shows the recent fluctuation in excess levy capacity in real dollars and as a percentage of maximum levy. Excess levy capacity is the difference between the actual levy and the levy limit. The projected FY27 Excess Levy capacity is 4.34%, as a percent of the maximum levy.

Free Cash – For FY27, the Town’s Free Cash amount was certified on February 26, 2026, at \$17,040,810. For 2026 Annual Town Meeting, the following FY2027 Warrant Articles seek funding from Free Cash:

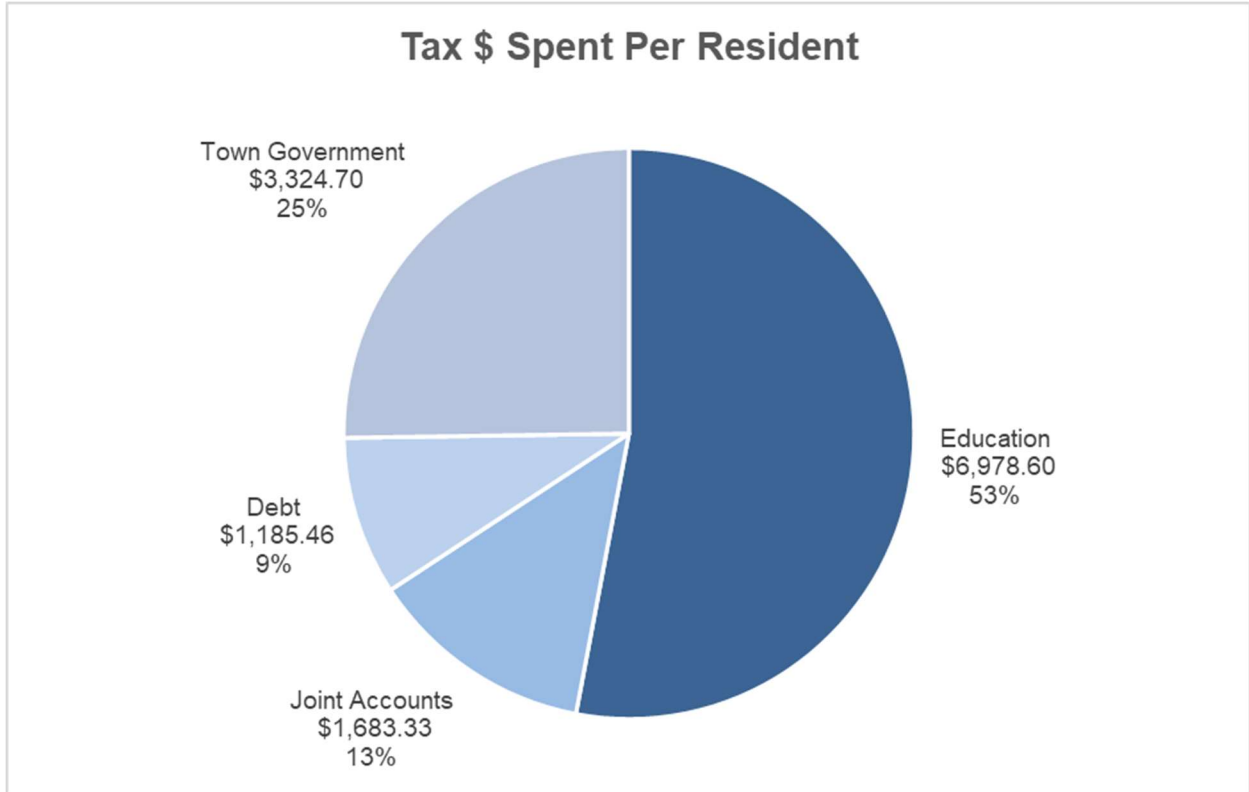
| Article Number | Title | Amount Requested from Free Cash |
|----------------|--|---------------------------------|
| 7 | Restore Balances Closed to Free Cash | \$ 948,791 |
| 9 | Grant Fund Balance Deficit – 2020 – 2022 Expenses | \$ 676,243 |
| 11 | Capital Improvement Plan | \$1,550,000 |
| 12 | Municipal Facilities Planning | \$ 600,000 |
| 13 | Concord Public Schools Operating Budget (McKinney-Vento Homeless Transportation Reimbursement) | \$ 183,680 |
| 20 | Appropriation to Capital Stabilization Fund | \$1,250,000 |
| 21 | Appropriation to General Stabilization Fund | \$ 750,000 |
| | TOTAL | \$5,958,714 |

Note: If all the above Warrant Articles are passed, the FY27 Free Cash balance will be reduced to \$11,082,096, which is 8.2% of the total FY27 budget less excluded debt.

4.0 Five-Year Projection of Real Estate Taxes

Below is a five-year projection of property taxes for \$1 million in assessed value. These projections do not reflect 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.

| | FY27 | FY28 | FY29 | FY30 | FY31 |
|--|----------|----------|----------|----------|----------|
| Tax bill estimate | \$13,308 | \$13,641 | \$14,042 | \$14,467 | \$14,894 |
| Add 2.5% levy increase | \$333 | \$341 | \$351 | \$362 | \$372 |
| Additional tax levy used not including approved excluded debt service charge | - | - | \$14 | \$6 | \$4 |
| Total approved excluded debt service charge year-over-year | - | \$60 | \$60 | \$60 | \$60 |
| Next year’s tax bill | \$13,641 | \$14,042 | \$14,467 | \$14,894 | \$15,331 |
| Percent Increase | 1.96% | 2.94% | 3.03% | 2.96% | 2.93% |



Note: Total FY27 projected spending per resident: \$13,172.09

5.0 Future Growth, Capital Plan and Debt Load

Important considerations for budgeting are our population growth potential, future capital needs, and the debt load (tax burden) that may be created when funding those capital expenditures. Tax base growth and new revenues will come from new construction projects such as the NOVO Riverside Commons Avenue, the Residences at Thoreau, 1449 Main Street, and others. New Growth is based on the increased valuations caused by new construction, renovations, or land use changes. Routinely, the Town estimates \$1M in annual new growth revenues. For FY27, the New Growth revenue estimate is \$1M.

The following chart reflects Concord’s population change from 2018 to 2025.

| Year | Jan. 2018 | Jan. 2019 | Jan. 2020 | Jan. 2021 | Jan. 2022 | Jan. 2023 | Jan. 2024 | Jan. 2025 |
|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Population | 16,777 | 16,365 | 16,091 | 15,611 | 15,611 | 15,435 | 15,435 | 15,013 |

Source: Concord Town Census 2018 - 2025 - per Town of Concord Annual Reports.

Population change can impact school enrollments and school budgets. While recent school enrollments have dropped compared to prior years, new growth (and the new Middle School building) may reverse that trend.

| Student Population | FY25 | FY26 | FY27 |
|--|-------|-------|-------|
| Concord Public Schools (K-8) | 1,914 | 1,868 | 1,818 |
| Concord-Carlisle Regional High School | 885 | 859 | 812 |
| Minuteman Vocational Technical High School | 38 | 38 | 39 |

Source: CPS: DESE website (FY25/26), FY27 budget presentation; CCRSD and Minuteman budget presentations; verifications from schools.

Concord’s public school system investment reflects these average cost-per-pupil estimates:

| | FY25 | FY26 | FY27 |
|--|----------|----------|----------|
| Concord Public Schools (K-8) | \$24,303 | \$25,499 | \$26,921 |
| Concord-Carlisle Regional High School | \$29,538 | \$31,675 | \$33,245 |
| Minuteman Vocational Technical High School | \$45,600 | \$46,641 | \$48,373 |

5.1 Ten-Year Projection of Capital Requests

As part of the FY27 budget process, the Town and Schools prepared ten-year projections of their current Tier I and II capital requests.

| | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 | FY34 | FY35 | FY36 |
|-------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|
| Town | \$4.7M | \$4.1M | \$4.6M | \$4.9M | \$6.5M | \$3.8M | \$4.1M | \$4.4M | \$3.9M | \$2.3M |
| CPS | \$501K | \$986K | \$863K | \$767K | \$1.29M | * | * | * | * | * |
| CCRSD | \$294K | \$926K | \$147K | \$57K | \$98K | ** | ** | ** | ** | ** |
| Total | \$5.49M | \$6.01M | \$5.61M | \$5.72M | \$7.89M | N/A | N/A | N/A | N/A | N/A |

Source: Finance Department; CPS and CCRSD Capital Plans presented to Finance Committee on December 11, 2025.

*CPS estimates \$9.9M in Tier I and II capital spending for FY32-36.

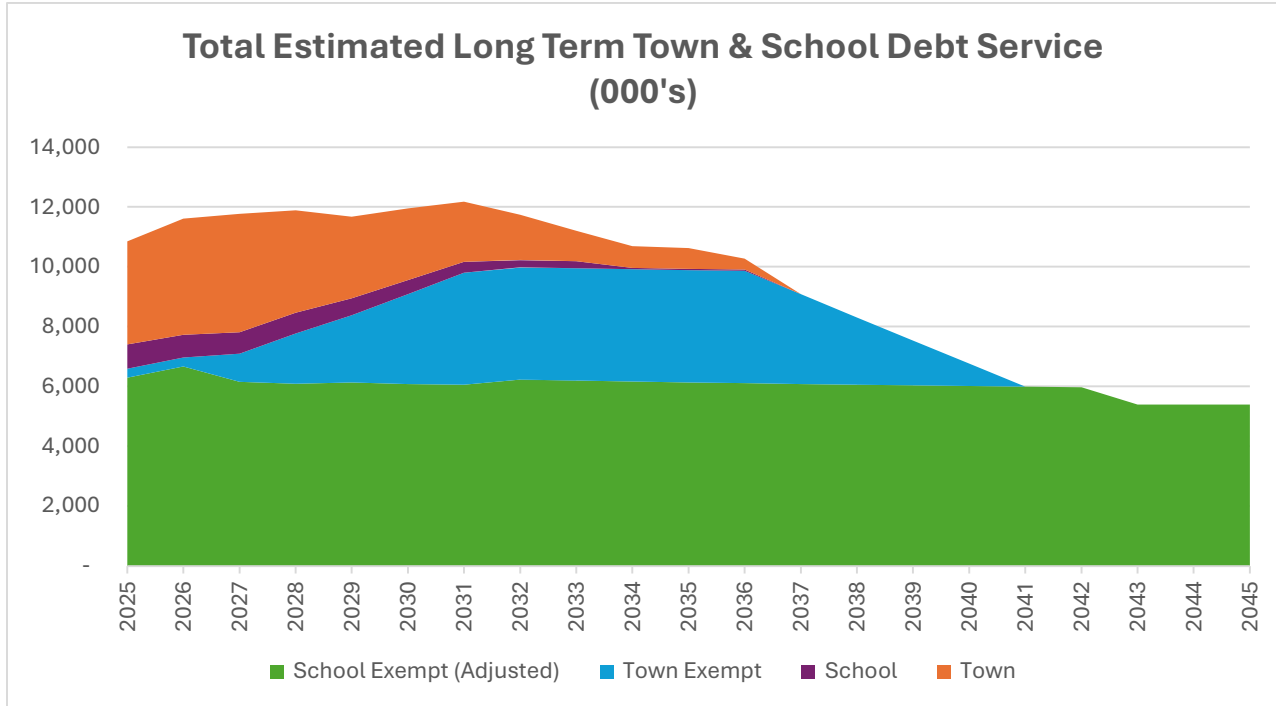
**CCRSD has not estimated capital spending for FY32-36.

Per Town financial policy, total annual capital financing should be 7-8% of the total budget (less Regional School Assessments & Excluded Debt); of that amount, at least 2-3% should be funded by cash (Tier I) and no more than 5% should be funded by debt (Tier II).

For FY27, the proposed capital spending is \$5,917,739 (4% of the total FY27 budget, which was \$147,838,786). Of that amount, \$2,294,420 is Tier I capital (1.6%) and \$2,400,000 is Tier II capital (1.6%). The remainder (\$1,223,319) is funded through revolving funds, grant funding, and enterprise funds. There is no Tier III capital borrowing proposed for FY27.

5.2 Concord Taxpayer Debt Load and Projections

The total FY27 debt will be \$13,305,131, a 1.7% decrease from FY26. Of this amount, \$8.6 million is attributed as excluded debt (primarily from the Middle School borrowing), \$4.7 million is debt within the levy. Additional debt is funded by the Light Plant/Electric Fund, Water Fund, and Sewer Fund.



Graphic above includes current approved debt service only. Town exempt borrowing includes the \$27.5M Roads Program funding approved at 2025 Annual Town Meeting.

6.0 Reserve Policies – Financial Policy Working Group Report Summary

In response to concerns about the Town’s high level of debt, the Select Board established the Financial Policy Working Group. The Working Group was tasked with reviewing existing documentation on Town financial policies, reserve accounts, and stabilization funds, and identifying strategically important policies that may require revision or refinement.

The Working Group has developed and prepared recommendations for finance policy changes and provided a written report of its findings and recommendations. It is expected that the approved policy changes will also be incorporated as updates to the Finance Department’s Financial Policies document. The Working Group identified the need to create or enhance stabilization funds for 2026 Town Meeting. Two members of the Finance Committee, Lois Wasoff and Don Kupka, along with Chief Financial Officer Jennifer Barrett, Assistant Chief Financial Officer Ryan Ferrara, and Select Board member Wendy Rovelli, served as the Working Group.

Here are the Working Group’s recommendations on financial reserve policies:

| Fund Type | Minimum Funding Target* | When Available | How To Access | Examples of Appropriate Usage | Description |
|--------------------------------------|---|--|-------------------------------|--|--|
| Annual Reserve Fund | 6/10 th of 1% of Town Op. Budget | July 1 st through June 30 | Finance Committee Approval | Unforeseen operating budget expenditures | Amount set aside as part of the annual budget to provide for unforeseen or extraordinary costs |
| Free Cash | 4% | From State certification through the end of the fiscal year | Majority vote at Town Meeting | Stabilization fund appropriation; capital projects: retirement & OPEB | Amount remaining from the prior fiscal year, as certified by the Commonwealth |
| General Stabilization Fund | 4% | After creation by 2/3 vote at Town Meeting; additions to fund by majority vote | 2/3 vote at Town Meeting | Emergency and unexpected events; non-recurring annual expenditures | Fund established by Town Meeting to accumulate funds for future appropriation; investment returns stay with and potentially increase the fund |
| Overlay Surplus | No target | When Declared by Board of Assessors | Majority vote at Town Meeting | May be appropriated for any legally permitted purpose, including stabilization funds | Excess amount of the Overlay Reserve certified by the Board of Assessors as available for appropriation |
| Special Purpose Stabilization | Target to be set for each fund | After creation by 2/3 vote at Town Meeting; additions to fund by majority vote | Majority vote at Town Meeting | Capital expenditures; funding debt service | Fund or Funds established by Town Meeting to accumulate funds for specified purposes; investment returns stay with and potentially increase the fund |

* As a percentage of the ensuing General Fund Budget

The full Report is available at: [Financial Policies | Concord, MA](#).

The Working Group has recommended establishing a Capital Stabilization Fund and transferring \$1.25 million from Free Cash to that fund, and adding \$750,000 funding from Free Cash to the General Stabilization Fund. See 2026 ATM Warrant Articles #20 and #21.

7.0 Fund Balances

Pension Reserve Fund Balance: \$7,871,974 as of March 1, 2026

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

The FY27 Town Budget expects to draw \$1,618,041 from this account as a funding component of its overall expenses. The final payment towards the Unfunded Actuarial Accrued Liability is projected to occur in Fiscal Year 2032.

General Stabilization Fund Balance: \$1,110,385 as of March 10, 2026

Insurance Reserve Fund Balance: \$2,339,616 as of March 10, 2026

Salary Reserve Fund Balance: \$187,915 as of March 20, 2026

Articles 7, 8, 10 and 21 add to and draw from these balances.

Assessor’s Overlay Account Summary

The Assessor’s Overlay Account is used to cover pending abatements and exemptions in the property tax appeal process. The balance of the Assessor’s Overlay Account as of June 30, 2025, was \$2,733,825. In FY26, the Town contributed another \$514,236, raising the balance to \$3,248,061. For FY27, the existing potential exposure for abatements and exemptions for 2024-2026 is estimated at \$1,001,965, leaving a net unobligated balance in the Overlay account of \$2,246,096. For FY27, the Town Budget allocates \$500,000 to this account, bringing the unobligated balance to \$2,746,096. Annual expenditures from the Overlay Account from FY21-26 were:

| | FY21 | FY22 | FY23 | FY24 | FY25 |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Contributions raised via taxation | \$522,088 | \$520,333 | \$513,684 | \$740,487 | \$617,351 |
| Abatements and exemptions granted | \$205,781 | \$230,532 | \$416,537 | \$219,814 | \$224,713 |

Note: On March 3, 2026, the Board of Assessors voted to release \$909,000 of the Overlay Account to Overlay Surplus. The Town intends to apply those funds to pay for a Tier II capital project involving the expansion of Sleepy Hollow Cemetery (\$850,000) and for the costs of the FY27-29 property revaluation contract (\$59,000). Source: Town of Concord Finance Department; March 5, 2026, Finance Committee public hearing.

OPEB (Other Post-Employment Benefits) Summary

The balance of the Town’s OPEB trust as of June 30, 2025, was \$44.2 million and its OPEB liability was \$59.1 million, reflecting a 74.9% funding level. The balance of CCRSD’s OPEB account as of June 30, 2024, was \$10,382,872 and its OPEB liability was \$17,421,857, reflecting a 60% funding level. The Minuteman Vocational Technical High School OPEB trust as of January 31, 2026, was \$3,125,000 and its OPEB liability was \$17,112,000, reflecting an 18% funding level. Source: March 5, 2026, Finance Committee hearing presentations.

Enterprise Funds Summary

The following chart shows the enterprise fund balances

| Fund (as of March 3, 2026) | Fund Balance |
|--|--------------|
| Electric Fund | \$23,027,210 |
| Stormwater Fund | \$ 63,407 |
| Solid Waste Fund | \$ 502,250 |
| Sewer System and Sewer Improvement Fund | \$ 3,445,126 |
| Water System Fund | \$15,944,287 |
| PEG Access / Minuteman Media Fund | \$ 2,035,364 |
| Beede Fitness Center / Swim and Fitness Fund | \$ 5,933,359 |
| Recreation Revolving Fund | \$ 1,406,133 |

Source: FY27 Town Budget Book; FY27 Enterprise Fund Budget Book

8.0 Finance Committee Recommendations on 2026 Warrant Articles

The Finance Committee conducted public hearings on March 5, 10, and 12, 2026, on Articles with a spending or borrowing component and subsequently voted to offer **Affirmative Action** recommendations as shown in the table presented below.

Note: “Estimated tax impact” is a projection of the increase on property taxes for \$1 million in assessed value.

| Article | Estimated Tax Impact per \$1M Value | Finance Committee Recommendation |
|---|---|---|
| Article 3. Meeting Procedure | Does not change property taxes. | The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. This article is sponsored by the Finance Committee to ensure that all Articles and amendments moved by Town Meeting comply with the requirements of the Mass. Gen. Laws c. 59, § 21C. |
| Article 6. FY26 Budget Line-Item Adjustments | Does not change property taxes. | This Article will not be moved at Town Meeting because there are no unpaid bills for FY26. |
| Article 7. Restore Fund Balances Erroneously Returned to Free Cash \$978,791 | \$103 if included in the tax rate; \$0 as proposed with Free Cash | The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. This Article is a vote to transfer from Free Cash of \$948,791 to reserves. This amount consists of \$519,696 to be transferred to insurance reserves due to Health Insurance expenses less than budgeted in FY24; and \$429,095 to the Salary Reserve Fund, the amount of the earned FY25 payments that were paid in FY26 payroll. |

| Article | Estimated Tax Impact per \$1M Value | Finance Committee Recommendation |
|---|---|--|
| <p>Article 8. Retroactive salary Dispatch Union Collective Bargaining Agreement \$58,710</p> | <p>\$1 if included in the tax rate; \$0 as proposed with FY26 funds</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. This Article is a vote to appropriate \$58,710 from the Salary Reserve to fund the FY25 obligations under the Collective Bargaining Agreement for the Teamsters Local #25 Public Safety Dispatchers. The Collective Bargaining negotiations were completed in December 2025 and have an average increase of 9.43% which includes Market Rate Adjustment, Internal Equity Step Placement and COLA. The contract period is July 1, 2024 – June 30, 2027. This appropriation is required for FY2025 retroactive salary.</p> |
| <p>Article 9. Grant Fund Balance Deficit – 2020-2022 Expenses \$676,242.77</p> | <p>\$49 if included in the tax rate; \$0 as proposed with Free Cash</p> | <p>The Finance Committee voted to recommend Affirmative Action on this article by a unanimous vote. This Article is a vote for the Town to transfer \$676,242.77 from Free Cash to the Special Revenue account, FEMA Corona Virus Relief. This transfer is due to un-reimbursed expenses spent by the town from FY2020-FY2022 due to the Corona Virus Pandemic. Sources of funding for vaccines and first responders were both state and federal and all reimbursements have either been granted or denied. The unreimbursed funds are \$676,242.77. The two options to close these expenses are to raise via taxes next year or appropriate from free cash. The Finance Committee recommends an affirmative vote to use Free Cash.</p> |
| <p>Article 10. FY27 Town Budget \$65,331,467</p> | <p>\$113</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. The town budget Article for \$65,331,467 includes the Town guideline spending of \$34,520,861 (which met the Finance Committee’s FY27 guideline for spending of a 2.50% increase over FY26).</p> |
| <p>Article 11. FY27 Capital Improvement and Debt Plan \$4,628,420</p> | <p>\$4 for Tier I; \$0 for Tier II, using Overlay Surplus and Free Cash</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. It includes \$2,228,420 in Tier I capital projects and \$2,400,000 in Tier II capital projects, all which align with departments’ needs and with the Town’s bigger picture capital plan. Of note, the Town will apply \$909,000 of the Overlay Surplus towards one Tier I and one Tier II capital projects. The Finance Committee recommended that \$1,550,000 of Free Cash be used to pay the remainder of the Tier II capital projects, rather than borrowing.</p> |

| Article | Estimated Tax Impact per \$1M Value | Finance Committee Recommendation |
|--|---|---|
| <p>Article 12. Municipal Facilities Planning \$600,000</p> | <p>\$39 if included in the tax rate; \$0 as proposed with Free Cash</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a vote of 13 Yes, 1 No, 0 Abstentions. These funds are necessary to further the work begun by the Land Use Working Group for feasibility studies and other consulting needs regarding the repurposing, renovation, construction or other actions needed for our various municipal facilities. Actions are needed as soon as possible for multiple municipal facilities, including MCI – Concord. This Article will be paid from Free Cash. Finance Committee questions focused on whether competitive bidding would be used on the projects, whether the funding will be fully spent, the level of detail for the expenses, seeking a mid-year update on the projects, and timing of use of the funds.</p> |
| <p>Article 13. Concord Public Schools Operating Budget \$48,941,915 and \$183,680</p> | <p>\$85</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. The Concord Public School's FY27 operating budget, \$48,941,915, represents an increase of 2.75% over FY26, which meets the Finance Committee's guideline of 2.75%. This is a fiscally conservative, level-services budget that meets the school district's needs as student enrollment declines while also delivering value for the taxpayers of Concord. This Article also requests a transfer of \$183,680 from Free Cash to cover the homeless transportation program costs for 2025-26 school year, which are expected to be reimbursed to the Town by the State in June 2026.</p> |
| <p>Article 14. Concord Public Schools Capital Budget \$501,430</p> | <p>\$1</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. The projects included in the Concord Public School's FY27 capital budget are reasonable requests to refresh and/or maintain capital assets while aligning with capital spending policy and delivering value for the taxpayers of Concord.</p> |

| Article | Estimated Tax Impact per \$1M Value | Finance Committee Recommendation |
|---|---------------------------------------|--|
| <p>Article 15. Concord-Carlisle Regional School District Budget \$26,995,441</p> | <p>\$47</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. The Concord-Carlisle Regional School District's FY27 budget represents a decrease of -0.79% over FY26, which meets the Finance Committee's guideline of -0.79%. This budget decrease - which appears to be a first for Concord's share of the CCRSD budget - is driven by simultaneous enrollment changes: a significant decrease in the Concord student population and a significant increase in the Carlisle student population. This is a fiscally conservative, level-services budget that meets the school district's needs in the midst of this dramatic enrollment shift while also delivering value for the taxpayers of Concord.</p> |
| <p>Article 16. Establish Special Education Reserve Fund</p> | <p>Does not impact property taxes</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. The Finance Committee views the establishment of a stabilization mechanism such as a reserve fund for expenses that can swing unpredictably from one year to the next as prudent fiscal policy. If managed effectively, this fund will enable Concord Public Schools to meet future special education needs while mitigating budget risks and exposure for the taxpayers of Concord.</p> |
| <p>Article 17. Minuteman Regional Technical School District Budget \$1,886,548</p> | <p>\$3</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a 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 reflects and authorizes the payment of Concord's FY27 assessment.</p> |

| Article | Estimated Tax Impact per \$1M Value | Finance Committee Recommendation |
|--|---------------------------------------|---|
| <p>Article 18. FY27 Middle School Stabilization Fund Transfer \$1,500,000</p> | <p>(\$241) net decrease</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. The Middle School Stabilization Fund was created by Annual Town Meeting (ATM) in 2020 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. At ATM in 2020, 2022 and 2023, a total of \$4,500,000 was transferred, by vote of Town Meeting, into the stabilization fund from Free Cash and from Overlay Surplus. With accrued interest, and after the transfer out of the fund of \$1,000,000 authorized by 2025 ATM to offset the debt impact in FY2026, the current balance of the Middle School Stabilization Fund is \$4,210,010.70. This Article applies \$1,500,000 toward the cost of debt service in FY2027. The funding source of this Article will be the Middle School Stabilization Fund.</p> |
| <p>Article 19. Establish a Capital Stabilization Fund</p> | <p>Does not change property taxes</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. The establishment of stabilization funds was a key recommendation of the Financial Policy Working Group (FPWG), which developed a Financial Reserves Policy that was adopted by the Select Board on December 11, 2025. Massachusetts General Laws Chapter 40, Section 5B authorizes the creation of reserve accounts by towns to provide financial stability and flexibility, and as a means of setting aside funds for future needs such as long-term capital improvements. Concord is anticipating the need to make substantial capital expenditures to address aging Town infrastructure and to accomplish efficiencies as a way of managing costs. Establishing this Capital Stabilization Fund is the first step in accomplishing those goals and minimizing the impact of those future capital expenditures on property taxes.</p> |

| Article | Estimated Tax Impact per \$1M Value | Finance Committee Recommendation |
|---|--|---|
| <p>Article 20. Appropriation to Capital Stabilization Fund \$1,250,000</p> | <p>\$168 if included in the tax rate; \$0 as proposed with Free Cash</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. The Financial Reserves Policy adopted by the Select Board sets a minimum target for the amounts to be maintained as Free Cash as 4% of the ensuing General Fund Budget. When the total amount of Free Cash and General Stabilization Funds (discussed below) exceeds 10%, the Policy recommends that excess be used to fund Special Purpose Stabilization Funds, such as Capital Stabilization Funds. Given the amount of Free Cash available for appropriation this year, that metric has been met, and the amount to be appropriated under this Article is consistent with the Financial Reserves Policy. The Town’s anticipated capital needs will become clearer as the planning process for upcoming capital projects progresses, and additional appropriations to the fund will be requested at future town meetings when the requirements of the Financial Reserves Policy are met. The funding source of this Article will be Free Cash.</p> |
| <p>Article 21. Appropriation to General Stabilization Fund Appropriation \$750,000</p> | <p>\$60 if included in the tax rate; \$0 as proposed with Free Cash</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. Funds can be appropriated from General Stabilization Funds by future Town Meetings for any legally permissible purpose but are usually appropriated to address situations such as natural disasters, an unanticipated decrease in revenue, damage to a capital asset or an uninsured loss. General Stabilization Funds are available for appropriation at all times (unlike Free Cash), retain their investment earnings as part of the Fund, and are a key consideration in maintaining the Town’s favorable bond rating. The current balance in the Town General Stabilization Fund is below the minimum target of 4% of the ensuing General Fund Budget. Although this appropriation will not bring the balance to that level, it is the second installment in a multiyear plan to increase the balance to that target level. The funding source of this Article will be Free Cash.</p> |

| | | |
|--|--|---|
| <p>Article 22. OPEB Trust Fund Appropriation \$1,467,851</p> | <p>\$3</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. Other Post Employment Benefits (OPEB) include retiree benefits other than pension (e.g., health insurance). Best practice is for the transfer of funds from the General Fund and enterprise funds. This year the proposed transfers are as follows: the General Fund (\$1,387,565), the Water Fund (\$21,431), the Sewer Fund (\$9,139), the Swim & Fitness Fund (\$10,410), and the Broadband Fund (\$39,306).</p> |
| <p>Article 23. OPEB Trust Fund Expense \$275,000</p> | <p>\$8 if included in the tax rate; \$0 as proposed with available funds.</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a 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> |
| <p>Article 24. Appropriation of PFAS Settlement Funds Received from Multi-District Litigation \$657,526.79</p> | <p>\$46 if included in the tax rate; \$0 as proposed with litigation funds</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. This fund is from settlements resulting from multi-district litigation against manufacturers of per- and polyfluoroalkyl substances (PFAS), including 3M, DuPont, BASF & Tyco. The fund will be used under the direction of the Town Manager to offset the costs associated with PFAS contamination in the Concord water supply, including water quality testing, treatment system design and installation, ongoing remediation efforts, and other capital expenses related to ensuring compliance with current and future drinking water standards.</p> |
| <p>Article 26. Community Preservation Appropriation Recommendations \$4,675,053</p> | <p>Article impact is reflected as a separate surcharge on property tax bills</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article (on all projects) by a unanimous vote. This Article also seeks to rescind \$482,978 in prior appropriations from the Community Preservation Fund and to appropriate those funds to the Open Space Reserve Fund. 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 29. Betterments for Temporary Improvements to a Private Way – Darton and Dover Streets \$195,000</p> | <p>\$0.02 (reflects impact due to the one Town-owned parcel)</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. The Town will serve as a funding mechanism for making roadway repairs on Darton and Dover Streets to correct flooding impacts. The abutting property owners will be assessed \$15,000 each, paid in installments, to reimburse the Town for these roadway improvements because the roads are private ways. The Town owns one of the impacted parcels.</p> |

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| <p>Article 39. 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 a 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 40. Light Fund Expenditures and PILOT Payment</p> | <p>Does not change property taxes</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. This annual action authorizes the Light Plant to expend its income from operations for the expenses of the Light Plant and further provides for the transfer of \$453,500 (PILOT) 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, 2027. The Light Board conducts an annual rate hearing to support these expenditures.</p> |
| <p>Article 41. Stormwater Enterprise Fund Expenditures \$ 991,421</p> | <p>Does not change property taxes</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a vote of 8 yes, 1 no, 0 abstention. This Article authorizes the Town Manager to use cash on hand in the Stormwater Enterprise Fund and FY27 revenues for the operation, maintenance, and improvement of the Town’s stormwater system. The fund was established during 2024 Annual Town Meeting, the Public Works Commission approved the stormwater rate schedule after a rate hearing, and the 2025 Annual Town Meeting approved an annual Stormwater Enterprise Budget. This is the first annual action authorizing the use of the fund to operate the Stormwater Enterprise Fund, which projects \$1.09 million in revenues and \$991,421 expenditures for FY27. The Public Works Commission conducted a rate hearing on these expenditures. The Finance Committee questions focused on the rates, terms, and conditions of the stormwater fees; the procedures used to set the rates and appeal procedures; and the scope of the Article.</p> |
| <p>Article 43. Solid Waste Disposal Fund Expenditures</p> | <p>Does not change property taxes</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. This article authorizes the Town Manager to allocate 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. The Public Works Commission conducts an annual rate hearing on these expenditures. 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> |

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| <p>Article 44. Sewer 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 authorizes the Town Manager to use cash on hand in the Sewer Fund and revenue generated within fiscal year 2027 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. The Public Works Commission conducts an annual rate hearing on these expenditures. This has been a routine annual action.</p> |
| <p>Article 45. Sewer Improvement Fund Expenditures</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. The Public Works Commission conducts an annual rate hearing on these expenditures.</p> |
| <p>Article 46. 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 2027 revenue for the operation and maintenance and improvement of the Town's water system. The Public Works Commission conducts an annual rate hearing on these expenditures.</p> |
| <p>Article 47. PEG Access and Cable Related Funds \$592,499</p> | <p>Does not change property taxes</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. This Article represents a routine annual action related to the PEG Access Fund which is a Special Revenue Account for which the cost of public access via the Minuteman Media Network. This action authorizes the Town Manager to use the PEG fund for the operation and maintenance of the PEG Access facilities. The Town has completed its contract negotiations with Comcast for a new franchise agreement which will extend until July 31, 2035.</p> |

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| <p>Article 48. Beede Swim and Fitness Center Enterprise Fund Budget \$4,108,679</p> | <p>Does not change property taxes</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. This article represents an annual action related to the operating budget of the Beede Swim & Fitness Center, which is an Enterprise Fund for which the entire cost of operations is borne by user fees. This action authorizes the Town Manager to use \$2,938,679 of the Beede Enterprise Fund revenues, and transfer \$1,170,000 from Certified Retained Earnings, for the operation of the Beede Swim & Fitness Center.</p> |
| <p>Article 49. Unpaid Bills</p> | <p>Does not change property taxes</p> | <p>This Article will not be moved at Town Meeting because there are no unpaid bills for FY26.</p> |
| <p>Article 50. Rescind Debt Authorization</p> | <p>Does not change property taxes</p> | <p>The Finance Committee voted to recommend Affirmative Action on this Article by a unanimous vote. This fund will be used to rescind \$429,001 in excess borrowing authorizations that were previously approved at Annual Town Meetings. There are three (3) debt authorizations made in prior years that are no longer needed. Finance Committee questions focused on policies regarding what authorizations can be rescinded and when.</p> |