

Section II

Budget Summary

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Section Overview:

This Budget Summary contains charts, schedules, and narratives that describe the FY10 Budget and the Town's Finances in general. The level of detail used in this summary section hopefully allows the reader to grasp the "big picture" relating to the Town's recent-past, present, and near-future.

The sub-sections found in this summary are:

- Overview** **II-1 to II-5**
- Property Taxes** **II-6 to II-11**
- Revenues** **II-12 to II-15**
- Expenses** **II-16 To II-29**
- Capital Outlay** **II-30 To II-37**
- Debt** **II-38 To II-47**

FY10 Finance Committee Guidelines

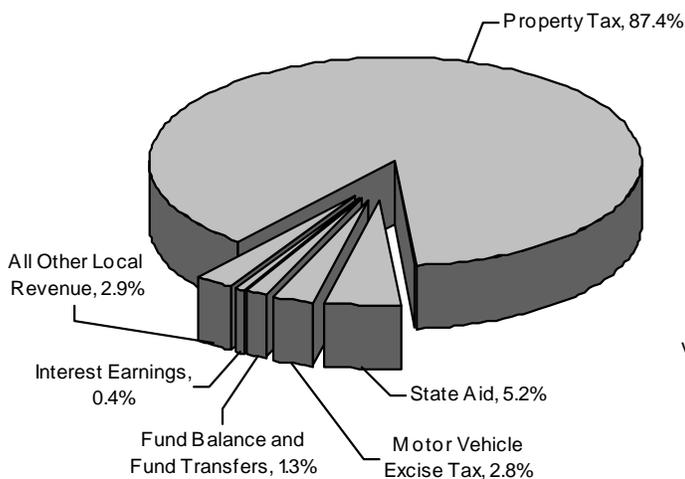
The Finance Committee's guideline for the total General Fund budget of FY10 is:

\$75,241,186

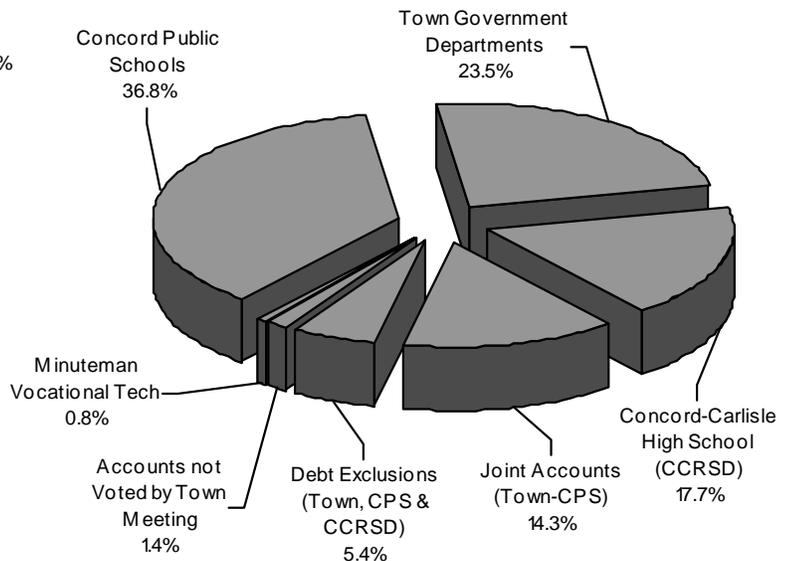
The Town Manager's FY10 Proposed Budget follows this recommendation.

*See page III-41 for more on the Finance Committee.

FY10 General Fund Revenues
Totaling \$75,241,186



FY10 General Fund Expenses
Totaling \$75,241,186



Fiscal Balance:

This FY10 Proposed Budget represents a balanced budget. Both budgeted revenues and expenses equal the Finance Committee's Guideline of \$75,241,186.

Recent Trends:

The two charts below speak to the overall financial health of the Town over the past few years.

The first, comparing nominal and real budgeted dollars, shows that when adjusted for inflation, the Town's level of spending has been very stable.

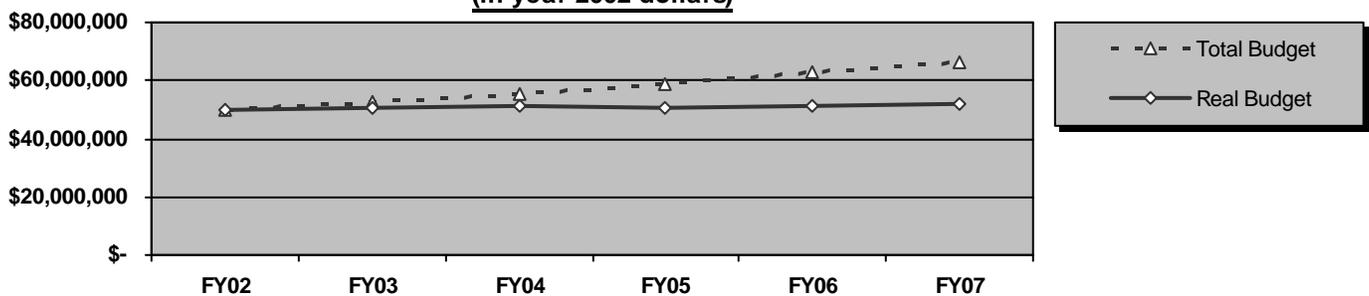
The second, describing the Town's Free Cash, shows that finances have been managed in such a way as to allow the Town a "cushion," which can help it address emergencies and to prepare for the future.

Trend Highlights

The recent good fortune of the Town (i.e. the receipt of unbudgeted State Revenues, better-than-budgeted interest earnings and building permit revenue, unexpended reserves, and unexpended appropriations) did effect Town finances in a positive manner, and as a result, the Town's Free Cash has experienced healthy growth in recent years (see Certified Free Cash chart below). However, these occurrences are not likely to be repeated in the coming years.

Financial History: Nominal vs. Real Total Budget - FY02 to FY07

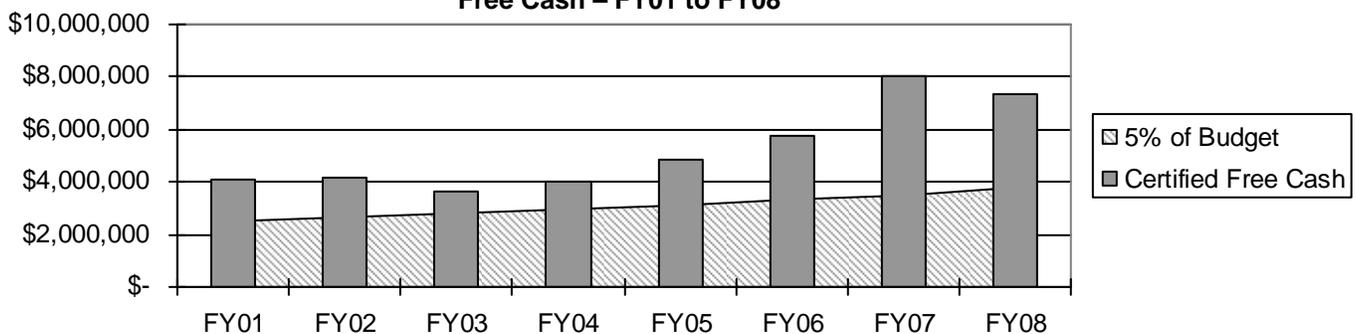
(in year 2002 dollars)



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

*Real values based on the Bureau of Economic Analysis' Table 1.1.9. Implicit Price Deflators for Gross Domestic Product, 2002-2007 (Annual), State and Local governments, viewed: 1/26/2009.

Free Cash – FY01 to FY08



Discussion: Free Cash refers to the Town's available undesignated General Fund balance. It is an important component of the Town's financial policies as it helps the Town respond to emergencies, promote the stability of services, and manage the rate of tax levy changes.

The Finance Committee has committed to a policy of keeping Free Cash at or above 5% of the upcoming total budget. As is shown in the graph above, Free Cash is in excess of this 5% benchmark.

The 2008 Annual Town Meeting passed Article 10, which appropriated \$2.5 million of Free Cash to a Debt Stabilization Fund. This will help offset the expected rise in debt service costs resulting from construction of the new Willard Elementary School.

As a result of this one-time event, there was a decrease in Free Cash levels from FY07 to FY08.

Free Cash

| Undesignated Fund Balance | | | | | |
|----------------------------------|--------------|------------------------|-----------------|-----------------------|-----------------------|
| BALANCE | | | USED | | |
| As of June 30 | Certified | As % of next budget | Fiscal Year | To reduce tax rate | As percent of levy |
| 2002 | \$ 4,141,512 | 7.9% | 2004 | \$ 810,399 | 1.7% |
| 2003 | 3,638,239 | 6.5% | 2005 | 459,000 | 0.9% |
| 2004 | 3,994,445 | 6.8% | 2006 | 500,000 | 0.9% |
| 2005 | 4,880,193 | 7.8% | 2007 | 500,000 | 0.9% |
| 2006 | 5,730,609 | 8.6% | 2008 | 500,000 | 0.8% |
| 2007 | \$ 8,003,063 | 11.5% | 2009 | \$ 600,000 | 1.0% |
| | | | <i>proposed</i> | | |
| 2008 | \$ 7,371,061 | 10.1% | 2010 | \$ 600,000 | 0.9% |

| | | | | |
|--------------------------|------|------|------|------|
| The Town's Credit Rating | FY05 | FY06 | FY07 | FY08 |
| Moody's Credit Rating | Aaa | Aaa | Aaa | Aaa |

Summary of the Town Budget

In FY10, the Total Budget for the Town of Concord is proposed to be \$75,241,186, an increase of 2.8% from the previous year. This compares with an increase of 5.4% in FY09 and 4.7% in FY08.

In many ways, revenues are driving the FY10 budget. State aid is anticipated to decrease by 13%, motor vehicle excise tax by 2%, investment earnings by 60%, and other local revenue by 2%.

For expenditures, spending for the operations of Town Government is proposed to increase by 2.8%, Concord Public Schools by 1.8%, and Concord-Carlisle Regional High School by 4.1% (though at the time of this printing, the Regional School Committee is recommending a higher level of spending.) To comply with statutory requirements, the Town is presenting a budget in which total expenditures are matched by total revenues.

There are several positive aspects to the budgetary picture. First, free cash, the total amount of undesignated reserves, has been certified as of July 1, 2008 to be \$7,371,061, which is 10.1% of the FY09 budget. It is the policy of the Town for free cash to be at least 5% of the following year's budget. Second, the estimates for FY10 revenues are on the conservative side. Next, for the Town Government, the spending plan that is being proposed does not include any reductions in current full-time staff. Finally, the budget as specified by the Finance Committee Guidelines does not include a Proposition 2½ operating override.

As a result of this sound financial management, the Town of Concord has been able to retain its Aaa credit rating from Moody's Investors Service. This credit rating has allowed the Town to borrow funds at very favorable interest rates.

**General Fund Budget - All Accounts
Five Years: FY06 - FY09 Budgets and FY10 Guidelines**

| Line # | | FY06 Budget | FY07 Budget | FY08 Budget | FY09 Budget | FY10 Guidelines | Percent Change | Percent Of Total |
|------------------------|--------------------------------|---------------|---------------|---------------|---------------|-----------------|----------------|------------------|
| Town Government | | | | | | | | |
| 1 | personnel services | \$ 10,835,602 | \$ 11,335,704 | \$ 11,876,664 | \$ 12,390,155 | \$ 12,963,627 | 4.6% | |
| 2 | O & M | 2,609,398 | 2,841,710 | 2,940,310 | 3,108,858 | 3,112,886 | 0.1% | |
| 3 | capital outlay | 1,186,000 | 1,271,000 | 1,356,000 | 1,466,000 | 1,370,500 | -6.5% | |
| 4 | Reserve Fund | 200,000 | 200,000 | 225,000 | 225,000 | 225,000 | 0.0% | |
| 5 | Total | \$ 14,831,000 | \$ 15,648,414 | \$ 16,397,974 | \$ 17,190,013 | \$ 17,672,013 | 2.8% | 23.5% |
| 6 | Concord Public Schools | \$ 24,285,000 | \$ 25,460,285 | \$ 26,423,840 | \$ 27,206,200 | \$ 27,699,200 | 1.8% | 36.8% |
| 7 | Concord-Carlisle RSD | \$ 10,817,878 | \$ 11,858,857 | \$ 12,191,417 | \$ 12,803,885 | \$ 13,322,885 | 4.1% | 17.7% |
| 8 | Total Operating Budgets | \$ 49,933,878 | \$ 52,967,556 | \$ 55,013,231 | \$ 57,200,098 | \$ 58,694,098 | 2.6% | 78.0% |
| 9 | Group Insurance | \$ 2,820,000 | \$ 3,195,000 | \$ 3,600,000 | \$ 3,845,000 | \$ 4,152,600 | 8.0% | |
| 10 | Retirement | 2,242,250 | 2,310,000 | 2,380,000 | 2,450,000 | 2,500,000 | 2.0% | |
| 11 | Debt Service | 2,650,000 | 2,750,000 | 2,909,750 | 3,100,000 | 3,150,000 | 1.6% | |
| 12 | Social Security/Medicare | 475,000 | 508,000 | 522,000 | 510,000 | 545,000 | 6.9% | |
| 13 | Other Fixed & Mandated | 400,000 | 425,000 | 425,000 | 425,000 | 400,000 | -5.9% | |
| 14 | subtotal | \$ 8,587,250 | \$ 9,188,000 | \$ 9,836,750 | \$ 10,330,000 | \$ 10,747,600 | 4.0% | 14.3% |
| 15 | Minuteman Voc Tech | \$ 431,529 | \$ 502,317 | \$ 604,702 | \$ 486,660 | \$ 592,000 | 21.6% | 0.8% |
| 16 | High School Debt Exclusion | 378,169 | 477,889 | 476,557 | 684,143 | 539,239 | -21.2% | 0.7% |
| 17 | Town Debt Exclusion | 2,108,374 | 2,219,677 | 2,550,432 | 3,247,193 | 3,533,519 | 8.8% | 4.7% |
| | | \$ 2,918,072 | \$ 3,199,883 | \$ 3,631,691 | \$ 4,417,996 | \$ 4,664,758 | | |
| 18 | TOWN MEETING VOTE | \$ 61,439,200 | \$ 65,355,439 | \$ 68,481,672 | \$ 71,948,094 | \$ 74,106,456 | 3.0% | |
| 19 | State assessments | \$ 353,815 | \$ 368,084 | \$ 367,696 | \$ 382,563 | \$ 395,000 | 3.3% | 0.5% |
| 20 | Snow/Ice & other deficits | 338,937 | 111,857 | 0 | 358,915 | 239,730 | | 0.3% |
| 21 | Overlay | 481,979 | 453,991 | 588,461 | 523,555 | 500,000 | -4.5% | 0.7% |
| 22 | subtotal | \$ 1,174,731 | \$ 933,932 | \$ 956,157 | \$ 1,265,033 | \$ 1,134,730 | -10.3% | |
| 23 | TOTAL BUDGET PLAN | \$ 62,613,931 | \$ 66,289,371 | \$ 69,437,829 | \$ 73,213,127 | \$ 75,241,186 | 2.8% | |

"Concord-Carlisle RSD" is Concord's share of the assessable portion of the High School budget.

"Other Fixed & Mandated" includes: Property & Liability Insurance, Unemployment and Worker's Compensation).

Financing the Budget Plan

| | | FY06 Budget | FY07 Budget | FY08 Budget | FY09 Budget | FY10 Guidelines | FY10 Percent Change | FY10 Percent of Total |
|----|------------------------------------|----------------|----------------|----------------|----------------|--------------------|---------------------------|-----------------------------|
| 24 | state aid | \$ 3,644,019 | \$ 4,122,776 | \$ 4,234,876 | \$ 4,477,986 | \$ 3,882,000 | -13.3% | 5.2% |
| 25 | motor vehicle excise tax | 2,350,000 | 2,350,000 | 2,300,000 | 2,150,000 | 2,100,000 | -2.3% | 2.8% |
| 26 | investment earnings | 630,000 | 900,000 | 1,000,000 | 750,000 | 300,000 | -60.0% | 0.4% |
| 27 | other local revenue | 1,876,825 | 2,010,875 | 2,116,500 | 2,246,500 | 2,206,500 | -1.8% | 2.9% |
| 28 | transfers to General Fund: | | | | | | | |
| 29 | from CMLP (Light Fund) | 340,000 | 340,000 | 340,000 | 340,000 | 355,000 | 4.4% | 0.5% |
| 30 | "free cash" transfer | 500,000 | 500,000 | 500,000 | 600,000 | 600,000 | 0.0% | 0.8% |
| 31 | subtotal | \$ 9,340,844 | \$ 10,223,651 | \$ 10,491,376 | \$ 10,564,486 | \$ 9,443,500 | -10.6% | 12.6% |
| | Property Tax: | | | | | | | |
| 32 | property tax base | \$ 49,216,147 | \$ 51,811,551 | \$ 54,550,950 | \$ 57,769,554 | \$ 61,124,928 | | |
| 33 | override voted | 752,480 | 657,538 | 0 | 0 | 0 | | |
| 34 | new growth | 817,917 | 894,270 | 1,368,514 | 947,751 | 600,000 | | |
| 35 | total within the Levy Limit | \$ 50,786,544 | \$ 53,363,359 | \$ 55,919,464 | \$ 58,717,305 | \$ 61,724,928 | 5.1% | |
| 36 | debt exclusion | 2,486,543 | 2,702,361 | 3,026,989 | 3,931,336 | 4,072,758 | 3.6% | |
| 37 | total property tax | \$ 53,273,087 | \$ 56,065,720 | \$ 58,946,453 | \$ 62,648,641 | \$ 65,797,686 | 5.0% | 87.4% |
| | TOTAL RESOURCES | \$ 62,613,931 | \$ 66,289,371 | \$ 69,437,829 | \$ 73,213,127 | \$ 75,241,186 | 2.8% | |

Property Taxes:

The total projected property tax levy for FY10 is:

\$65,797,686

This represents 87.4% of the total revenues supporting the FY10 budget.

It also represents an increase of 5.03% over the FY09 projected tax levy of \$62,648,641.

This, however, *does not* mean that the property tax rate will increase by 5.03%, as \$600,000 of the increase is due to New Growth (see chart on page II-7 for a further break-out of the components of the total levy).

The resulting impact on the property tax rate will be:

+ 4.07%

Property Tax Highlights

The FY10 property tax levy is projected to increase by 4.07% over the FY09 levy.

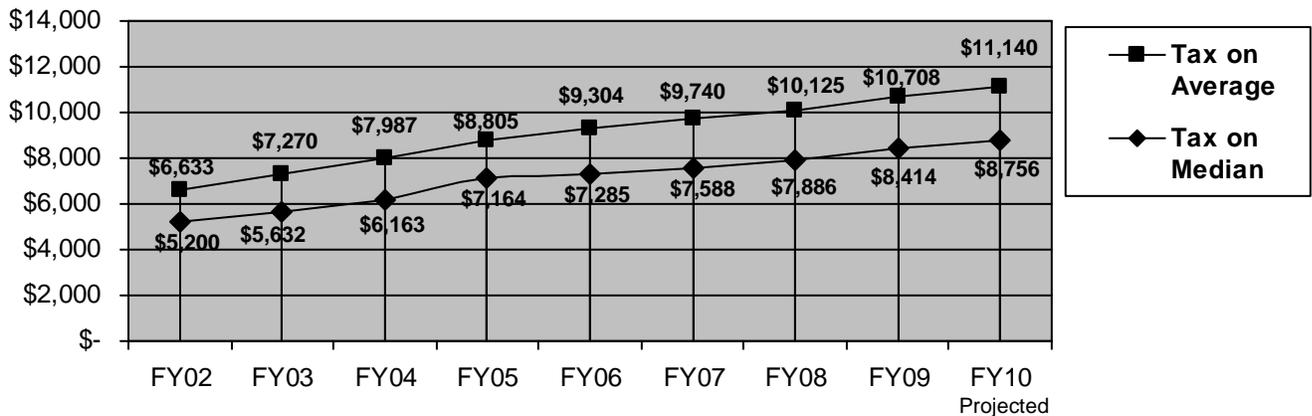
The effects of this rate increase can be understood in the following ways:

- The median single family residential tax bill for FY10 is projected to increase by \$342 from \$8,414 in FY09 to \$8,756 in FY10 (based on a median assessed value of \$707,100).

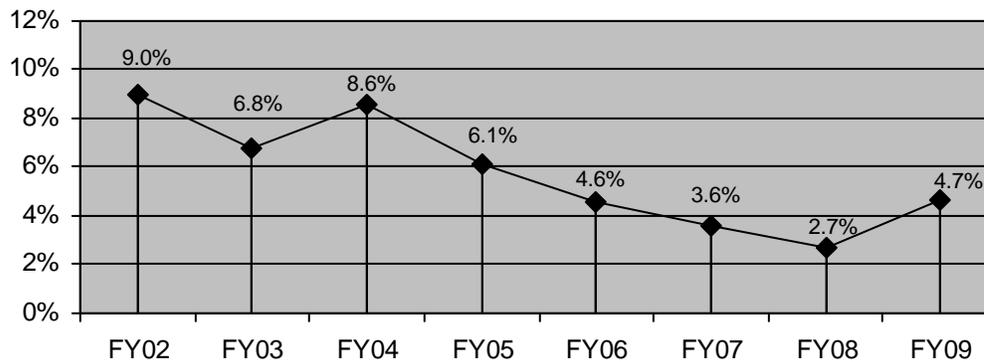
Or...

- The tax bill per \$100,000 of assessed value will increase by \$48 from \$1,190 in FY09 to \$1,238 in FY10.

Sample Tax Bills on Single Family Parcels



Historic Tax Revenue Increases
(Borne by Existing Taxpayers)



Property Tax Details:

In the area below, there is information that details how the Levy Limit has been calculated (for the proposed budget, as well as for the current and previous fiscal year budgets).

For FY10, the first number shown is the FY09 Levy Limit of \$59,634,076. As authorized by Prop 2½, the FY09 Levy Limit is multiplied by 2.5% to get 1,490,852. New building construction (New Growth) is estimated to be \$600,000. The sum of these three numbers is the new FY10 Levy Limit of \$61,724,928. After adding the excluded debt of \$4,072,759, the maximum allowable levy equals \$65,797,687. In some years, the Town does not raise revenue up to the Levy Limit and there is unused levy limit capacity. However, this year, the FY10 proposed budget is *at* the levy limit.

Proposition 2½

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

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

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

Levy Limit Calculations

FY08 Actual

| | |
|----------------------|-----------------------------|
| \$ 54,523,353 | F07 Levy Limit |
| 1,363,084 | plus 2½% |
| <u>\$ 55,886,437</u> | |
| 1,368,514 | New Growth |
| \$ 57,254,951 | FY08 Levy Limit |
| <u>3,026,989</u> | FY08 debt exclusion levy |
| \$ 60,281,940 | est. Maximum allowable levy |

Projected tax levy \$58,946,453
Unused Levy Limit 1,335,487

FY09 Actual

| | |
|----------------------|---------------------------------|
| \$ 57,254,951 | F08 Levy Limit |
| 1,431,374 | plus 2½% |
| <u>\$ 58,686,325</u> | |
| 947,751 | New Growth |
| \$ 59,634,076 | Projected FY09 Levy Limit |
| <u>3,931,336</u> | FY09 debt exclusion levy (est.) |
| \$ 63,565,412 | est. Maximum allowable levy |

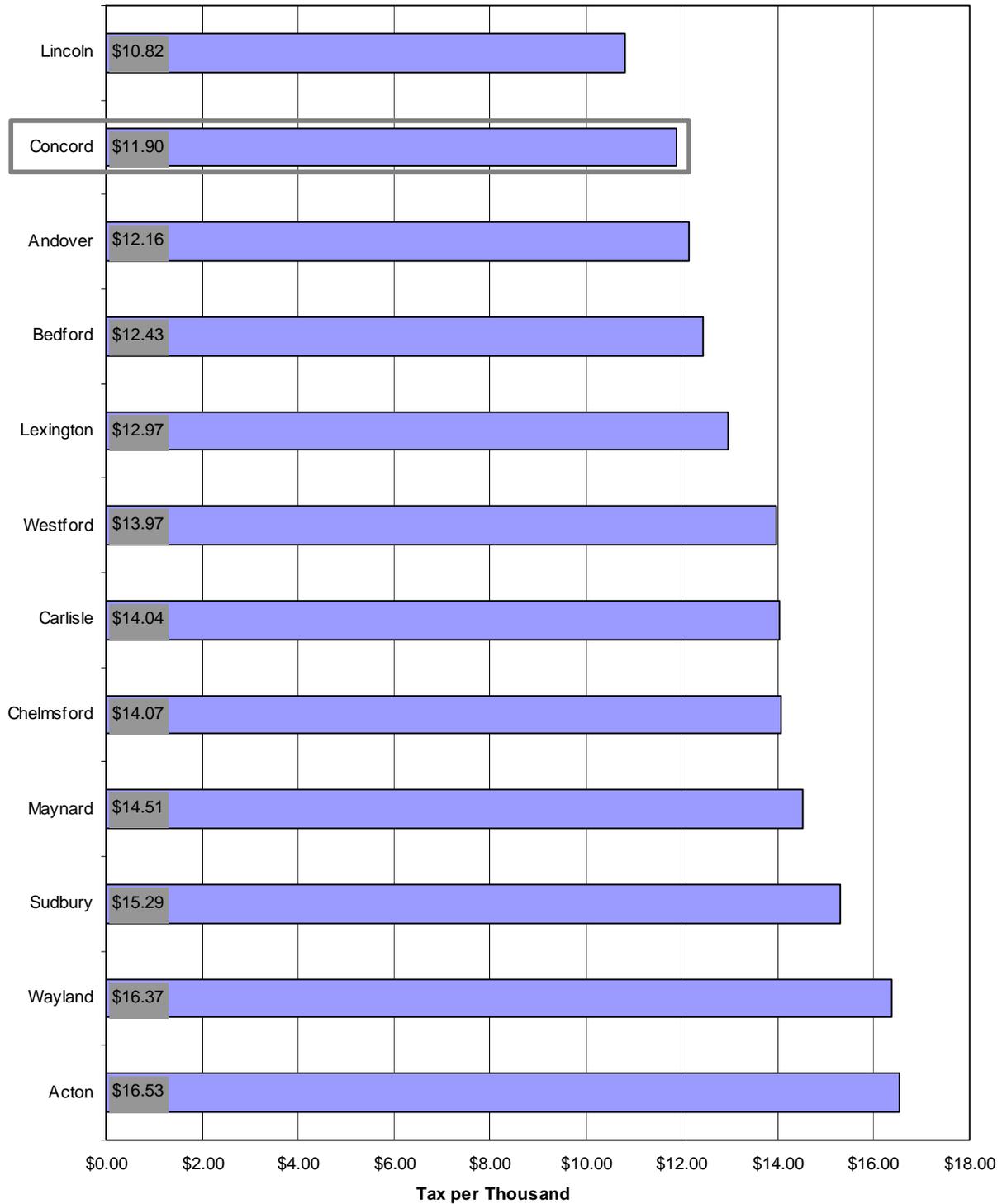
Projected tax levy \$62,648,641
Unused Levy Limit 916,771

FY10 Projection

| | |
|----------------------|--------------------------|
| \$ 59,634,076 | FY09 Levy Limit |
| 1,490,852 | plus 2½% |
| <u>\$ 61,124,928</u> | subtotal |
| 600,000 | Estimated New Growth |
| \$ 61,724,928 | FY10 Levy Limit |
| <u>4,072,759</u> | FY10 debt exclusion levy |
| \$ 65,797,687 | Maximum allowable levy |

Actual tax levy \$ 65,797,687
Unused Levy Limit 0

**FY09 Residential Property Tax Rates
(Community Comparison)**



Concord continues to have one of the lowest residential property tax rates relative to similar communities in the area.

| Assessment Date | Fiscal Year | Median single family parcel value | Tax rate | Tax Bill | Average. Single family value | Average Tax Bill | impact on existing taxpayers | | | | |
|--|-------------|-----------------------------------|----------|----------------------------|------------------------------|-------------------------------|------------------------------|---------------------------------|--------------|-------------------------|--|
| | | | | | | | Total Tax Levy | New Growth Levy | Net Levy | % over prior total levy | |
| Jan. 1, 2001 | (b) 2002 | \$529,000 | \$9.83 | \$5,200 | \$674,799 | \$6,633 | \$39,068,686 | 1,010,486 (a) | 38,058,200 | +9.0% | |
| Jan. 1, 2002 | 2003 | 584,250 | \$9.64 | 5,632 | 754,153 | 7,270 | 42,496,029 | 760,672 | 41,735,357 | +6.8% | |
| Jan. 1, 2003 | 2004 | 581,950 | \$10.59 | 6,163 | 754,200 | 7,987 | 46,721,518 | 578,456 | 46,143,062 | +8.6% | |
| Jan. 1, 2004 | (b) 2005 | 731,000 | \$9.80 | 7,164 | 898,455 | 8,805 | 50,147,585 | 558,743 | 49,588,842 | +6.1% | |
| Jan. 1, 2005 | 2006 | 712,100 | \$10.23 | 7,285 | 909,447 | 9,304 | 53,273,087 | 817,917 | 52,455,170 | +4.6% | |
| Jan. 1, 2006 | 2007 | 718,550 | \$10.56 | 7,588 | 922,372 | 9,740 | 56,065,720 | 894,270 | 55,171,450 | +3.6% | |
| Jan. 1, 2007 | (b) 2008 | 735,650 | \$10.72 | 7,886 | 944,487 | 10,125 | 58,946,453 | 1,368,514 | 57,577,939 | +2.7% | |
| current year | | | | | | | | | | | |
| Jan. 1, 2008 | 2009 | 707,100 | \$11.90 | 8,414 | 899,866 | 10,708 | \$62,648,641 | \$947,751 | \$61,700,890 | +4.7% | |
| forecasted | | | | | | | | | | | |
| Jan. 1, 2009 | 2010 | | | \$8,756 | | | \$65,797,686 | \$600,000 | \$65,197,686 | +4.1% | |
| <p><i>notes:</i> (a) reflects 18-months new growth due to change to June 30th valuation date for new construction (2001 Annual Town Meeting, Article 21, adopting MGL Ch 59, section 2A(a)) (b) valuation certification year, Mass. Dept. of Revenue on-site review</p> | | | | | | | | | | | |
| Operating overrides and debt exclusion levy impact | | Voted Operating Override | | Debt Exclusion Levy | | Change from prior year | | Total change in tax levy | | | |
| Fiscal Year | | levy | | % incr. in levy | | | | | | | |
| 2002 | | \$2,249,222 | | 6.44% | | \$842,228 | | \$160,658 | | \$4,161,791 | |
| 2003 | | 1,478,773 | | 3.79% | | 713,204 | | (129,024) | | 3,427,343 | |
| 2004 | | 1,532,364 | | 3.61% | | 1,560,304 | | 847,100 | | 4,225,489 | |
| 2005 | | 1,858,160 | | 3.98% | | 1,854,324 | | 294,020 | | 3,426,067 | |
| 2006 | | 752,480 | | 1.50% | | 2,486,543 | | 632,219 | | 3,125,502 | |
| 2007 | | 657,538 | | 1.23% | | 2,702,361 | | 215,818 | | 2,792,633 | |
| 2008 | | <i>none</i> | | | | 3,026,989 | | 324,628 | | 2,880,733 | |
| budget 2009 | | <i>none</i> | | | | 3,931,336 | | 904,347 | | 3,702,188 | |
| proposed 2010 | | <i>none</i> | | | | \$4,072,758 | | \$141,422 | | \$3,149,045 | |

Proposed FY10 Budgets Property Tax impact

incremental and total tax levy and budget changes

| | FY09 | FY10 at Guidelines | | □ |
|---------------------------------------|----------------|--------------------|---|-------|
| | | plus | at Levy Limit | |
| Town Government operations | \$17,190,013 | +\$ 482,000 = | \$ 17,672,013 | +2.8% |
| Concord Public Schools (K-8) | \$27,206,200 | +\$ 493,000 = | \$ 27,699,200 | +1.8% |
| CCHS assessment: | | | | |
| without debt exclusion | \$ 12,803,885 | +\$ 519,000 = | \$ 13,322,885 | +4.1% |
| debt exclusion | <u>684,143</u> | | <u>539,239</u> | |
| total assessment | \$ 13,488,028 | | \$ 13,862,124 | |
| <i>Concord's assessment share:</i> | | | | |
| | FY08: 71.99% | | | |
| | FY09: 71.82% | | | |
| Sum for all operating budgets: | | | <u>\$ 1,494,000</u> | |
| Projected Tax rate Impact | | | + 4.07% | |
| Tax Bill at median \$707,100 value | \$ 8,414 | + 342 = | \$ 8,756 | |
| Tax Bill per \$100,000 a.v. | \$ 1,190 | + 48 = | \$ 1,238 | |

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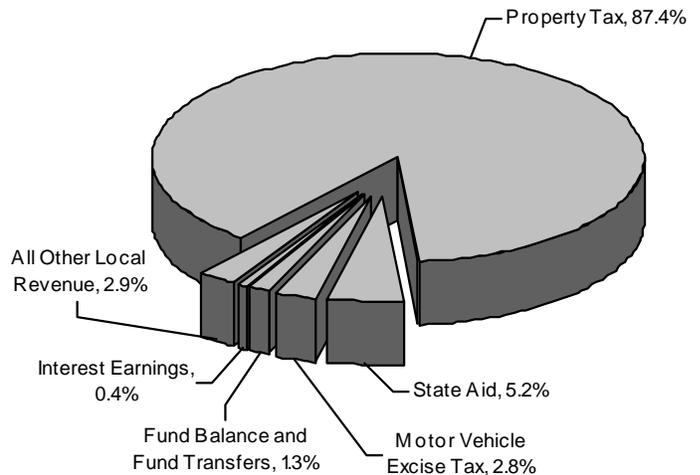
Revenues – Financing the Budget:

The General Fund budget is financed with funds generated from property taxes, local motor vehicle excise taxes, state aid, transfers from other local sources, investment earnings on temporarily available cash balances, and other local fees and charges.

The Revenues Section contains the following:

- Revenue Category Descriptions II-12
- Resource Detail (Revenue Detail) II-13 to II-15

FY10 General Fund Revenues
Totaling \$75,241,186



Property Tax – Property taxes constitute over 85% of the total annual resources of the Town budget and may be levied only up to a calculated levy limit (which is certified by the state Department of Revenue). This limit can only increase by 2.5% from the previous year’s levy limit. However, taxes generated from “new growth”, the increased property values resulting from new construction and change of property use, is added to the annual limit. In addition, any override or debt exclusion amount approved by a majority vote of the electorate is added to the annual levy limit (page II-14, section A).

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

Motor Vehicle Excise Tax – These resources are raised from a tax on each individual vehicle garaged in the Town, according to a schedule of depreciated value set by state statute and administered by the state Registry of Motor Vehicles (page II-13, section B, line 1).

Investment Earnings – Throughout the year, the Town has temporarily available operating cash balances allowed by state law to be invested in money market accounts or investments with a maximum term of one year. The return from these accounts is subject to the prevailing short-term interest rates. This revenue source has been subject to considerable volatility in the past several years (page II-13, section D, line 6).

Other Local Revenue – A detail these resources can be found in the Resource Detail – General Fund Schedule on pages II-13 through II-14.

Transfer from CMLP – the Concord Town Meeting authorizes the Concord Municipal Light Plant (an enterprise department of the town) to make a transfer to the General Fund from the Light Fund. By local practice, this amount is determined as the amount that the CMLP would have paid in property taxes were it a private utility (page II-14, section H, line 1).

Free Cash Transfer – This transfer represents the amount proposed to be allocated by the Concord Town Meeting from the Town’s state-certified Undesignated Fund Balance of the prior year-end. In effect, this transfer lowers the property tax levy that would otherwise be required. Typically, only a small portion of the Undesignated Fund Balance is applied for this purpose, in accordance with fund balance retention policies (page II-14, section H, line 3).

RESOURCE DETAIL - GENERAL FUND

FY05-07 actual, FY08 budget and actual, FY09 budget and FY10 projected

| | <u>ACTUAL</u> <u>FY2005</u> | <u>ACTUAL</u> <u>FY2006</u> | <u>ACTUAL</u> <u>FY2007</u> | <u>Budget</u> <u>FY2008</u> | <u>ACTUAL</u> <u>FY2008</u> | <u>Budget</u> <u>FY2009</u> | <u>PROJECTED</u> <u>FY2010</u> |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------------------------|
| A. State Aid: | | | | | | | |
| 1. Abatements: | | | | | | | |
| Veterans, blind & surviving spouses | 12,105 | 9,663 | 22,325 | 22,338 | 21,025 | 22,325 | 22,325 |
| 2. Police Career Incentive ("Quinn") | 141,396 | 142,813 | 158,496 | 147,639 | 158,314 | 163,855 | 177,580 |
| 3. Elderly Persons Abatements | 14,056 | 14,558 | 15,562 | 15,562 | 15,562 | 15,562 | 15,562 |
| 4. School Aid (Ch.70) | 1,542,930 | 1,641,558 | 1,788,314 | 1,975,049 | 1,975,049 | 2,154,784 | 2,154,784 |
| Charter School tuition reimbursement | 4,329 | 30,414 | 6,353 | 11,318 | 12,741 | 17,830 | 0 |
| Charter School Capital Facility reimb. | 446 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Construction of School Projects: | | | | | | | |
| Thoreau & Willard (1996) | 148,618 | 148,618 | 148,615 | 0 | 0 | 0 | 0 |
| Peabody School Roof (1998) | | | 139,427 | 0 | 0 | 0 | 0 |
| 6. State-Owned Land | 300,286 | 370,131 | 546,166 | 610,209 | 610,209 | 654,273 | 654,273 |
| 7. Additional Assistance | 383,959 | 383,959 | 396,665 | 383,959 | 383,959 | 383,959 | 383,959 |
| 8. Lottery | 817,244 | 905,186 | 1,045,180 | 1,059,887 | 1,059,887 | 919,155 | 919,155 |
| 9. Additional lottery distribution | 60,044 (a) | 0 | 0 | 0 | 0 | 140,732 (b) | 0 |
| 10. Veterans Benefits | 4,509 | 4,874 | 13,095 | 8,915 | 5,780 | 5,511 | 5,000 |
| FY10 anticipated reduction | | | | | | | (450,638) |
| Total State Aid | \$3,429,922 | \$3,651,774 | \$4,280,198 | \$4,234,876 | \$4,242,526 | \$4,477,986 | \$3,882,000 |
| B. Local Excise Taxes: | | | | | | | |
| 1. Motor Vehicle Excise | 2,415,450 | 2,458,012 | 2,279,324 | 2,300,000 | 2,323,178 | 2,150,000 | 2,100,000 |
| 2. Hotel/Motel Room Excise | 160,952 | 155,712 | 171,424 | 170,000 | 191,800 | 170,000 | 170,000 |
| 3. Jet Fuel Excise | 102,249 | 96,190 | 184,310 | 120,000 | 155,488 | 120,000 | 120,000 |
| retroactive payment | | | 169,568 | | | | |
| 4. Farm Animal & Machinery | 928 | 1,040 | 1,099 | 1,000 | 1,129 | 1,000 | 1,000 |
| Total Local Excise | \$2,679,579 | \$2,710,954 | \$2,805,725 | \$2,591,000 | \$2,671,595 | \$2,441,000 | \$2,391,000 |
| C. Fines and Forfeitures: | | | | | | | |
| 1. Tax Penalties & Interest | 70,595 | 108,128 | 105,082 | 80,000 | 108,495 | 80,000 | 80,000 |
| 2. Court Fines | 125,525 | 118,319 | 122,570 | 120,000 | 150,358 | 120,000 | 120,000 |
| Total Fines & Forfeits | \$196,120 | \$226,447 | \$227,652 | \$200,000 | \$258,853 | \$200,000 | \$200,000 |
| D. Uses of Money & Property: | | | | | | | |
| 1. Rental - Nextel tower | 16,450 | 16,450 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| 2. Rental - other wireless towers | 75,841 | 85,701 | 86,401 | 75,000 | 90,342 | 115,000 | 125,000 |
| 3. Rental - Ripley Building | 10,240 | 11,973 | 11,954 | 13,000 | 12,511 | 13,000 | 13,000 |
| 4. Rental - Harvey Wheeler | 4,093 | 11,803 | 12,148 | 10,000 | 15,908 | 10,000 | 10,000 |
| 5. Rental - miscellaneous | 402 | 8 | 402 | 500 | 402 | 500 | 500 |
| 6. Investment Earnings | 566,680 | 1,033,099 | 1,322,697 | 1,000,000 | 1,241,697 | 750,000 | 300,000 |
| Total Uses of Money & Prop. | \$673,706 | \$1,159,034 | \$1,453,602 | \$1,118,500 | \$1,380,860 | \$908,500 | \$468,500 |

NOTE

Line A.9. Additional Lottery Distribution

(a) **FY05:** one-time Municipal Relief Aid using Lottery formula

(b) **FY09:** Supplemental from state's General Fund, per enacted FY09 state budget

| | <u>ACTUAL</u> <u>FY2005</u> | <u>ACTUAL</u> <u>FY2006</u> | <u>ACTUAL</u> <u>FY2007</u> | <u>Budget</u> <u>FY2008</u> | <u>ACTUAL</u> <u>FY2008</u> | <u>Budget</u> <u>FY2009</u> | <u>PROJECTED</u> <u>FY2010</u> |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------------------------|
| E. Licenses & Permits: | | | | | | | |
| 1. Building Permits | 520,311 | 681,853 | 719,895 | 400,000 | 571,197 | 400,000 | 350,000 |
| 2. Other Health & Inspections | 221,933 | 220,896 | 255,038 | 200,000 | 212,771 | 200,000 | 200,000 |
| 3. Alcoholic Beverage | 64,490 | 67,655 | 66,915 | 64,000 | 65,480 | 64,000 | 64,000 |
| 4. Trailer Park | 24 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Miscellaneous | 28,863 | 27,796 | 27,693 | 25,000 | 26,606 | 25,000 | 25,000 |
| Total Licenses & Permits | \$835,621 | \$998,200 | \$1,069,541 | \$689,000 | \$876,054 | \$689,000 | \$639,000 |
| F. Departmental Fees: | | | | | | | |
| 1. Town Clerk | 100,222 | 119,064 | 123,647 | 120,000 | 121,317 | 120,000 | 120,000 |
| 2. Planning | 3,715 | 7,790 | 4,533 | 3,000 | 12,500 | 3,000 | 3,000 |
| 3. Collector-Treasurer | 28,210 | 33,729 | 39,420 | 30,000 | 54,226 | 30,000 | 30,000 |
| 4. Fire - Ambulance | 357,707 | 398,162 | 480,376 | 475,000 | 524,736 | 550,000 | 550,000 |
| 5. Public Safety | 44,629 | 58,074 | 58,194 | 50,000 | 80,750 | 75,000 | 75,000 |
| 6. Library - Late Fines | 31,498 | 40,860 | 45,392 | 40,000 | 35,864 | 35,000 | 35,000 |
| 7. School Department | 19,288 | 57,813 | 61,162 | 20,000 | 98,745 | 20,000 | 20,000 |
| 8. Miscellaneous | 41,130 | 20,835 | 48,624 | 20,000 | 28,541 | 20,000 | 20,000 |
| Total Departmental Fees | \$626,399 | \$736,327 | \$861,348 | \$758,000 | \$956,679 | \$853,000 | \$853,000 |
| G. All Other Revenue: | | | | | | | |
| 1. Payments in Lieu of Taxes (PILOT) (Fed.Govt., Housing Authority) | 24,150 | 24,588 | 24,358 | 25,000 | 20,623 | 20,000 | 20,000 |
| 2. PILOT on sale of town land | 12,129 | 0 | 0 | 0 | 46,910 | 0 | 0 |
| 3. Premium on Sale of Bonds & Notes | 58,072 | 0 | 0 | 0 | 22,352 | 0 | 0 |
| 4. (41A) Redemptions | 0 | 47,551 | 25,949 | 0 | 85,644 | 0 | 0 |
| 5. (61A) Rollback Tax | 0 | 0 | 25,019 | 0 | 107,691 | 0 | 0 |
| 6. Betterments | 3,337 | 3,761 | 1,456 | 0 | 1,413 | 0 | 0 |
| 7. Supplemental tax on new construction | 0 | 71,698 | 26,447 | 35,000 | 54,824 | 35,000 | 35,000 |
| 8. Miscellaneous | 0 | 0 | 0 | 0 | 27,774 | 0 | 0 |
| Total Other Revenue | \$97,688 | \$147,598 | \$103,229 | \$60,000 | \$367,231 | \$55,000 | \$55,000 |
| TOTAL LOCAL (B-G) | \$5,109,113 | \$5,978,560 | \$6,521,097 | \$5,416,500 | \$6,511,272 | \$5,146,500 | 4,606,500 |
| H. Available Funds | | | | | | | |
| 1. Municipal Light Plant (Electric Fund) | 340,000 | 340,000 | 340,000 | 340,000 | 340,000 | 340,000 | 355,000 |
| 2. Free Cash appropriated to reduce tax rate | 459,000 | 500,000 | 500,000 | 500,000 | 500,000 | 600,000 | 600,000 |
| TOTAL AVAILABLE FUNDS | \$799,000 | \$840,000 | \$840,000 | \$840,000 | \$840,000 | \$940,000 | \$955,000 |
| I. Property Tax: | | | | | | | |
| 1. Base | 45,876,358 | 49,216,147 | 51,791,455 | 54,550,950 | 54,550,950 | 57,769,554 | 61,124,928 |
| 2. Operating Override | 1,858,160 | 752,480 | 657,538 | 0 | 0 | 0 | 0 |
| 3. New Growth | 558,743 | 817,917 | 894,270 | 1,368,514 | 1,368,514 | 947,751 | 600,000 |
| 4. Within levy limit | \$48,293,261 | \$50,786,544 | \$53,343,263 | \$55,919,464 | \$55,919,464 | \$58,717,305 | \$61,724,928 |

| | <u>ACTUAL</u> FY2005 | <u>ACTUAL</u> FY2006 | <u>ACTUAL</u> FY2007 | <u>Budget</u> FY2008 | <u>ACTUAL</u> FY2008 | <u>Budget</u> FY2009 | <u>PROJECTED</u> FY2010 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------------------|
| Debt Exclusion: | | | | | | | |
| 5. Concord-Carlisle High School | 388,064 | 378,169 | 477,889 | 476,557 | 476,557 | 684,143 | 539,239 |
| 6. Land acquisition - Mattison Field | 150,650 | 145,463 | 140,213 | 134,838 | 134,838 | 104,400 | 0 |
| 7. School Building Design (2000) - Bond | 954,628 | 927,744 | 0 | 0 | 0 | 0 | 0 |
| 8. Harvey Wheeler CC renovations | 134,161 | 129,728 | 127,757 | 126,280 | 126,280 | 124,309 | 122,191 |
| 9. Alcott School - BAN interest, phase 1 | 113,081 | 124,486 | 215,745 | 0 | 0 | 0 | 0 |
| 10. Alcott School - BAN interest, phase 2 | | | 80,267 | 0 | 0 | 0 | 0 |
| 11. Alcott School - Bond, Sept. '04 (\$7m) | 112,945 | 592,056 | 583,308 | 574,560 | 574,560 | 564,520 | 554,706 |
| 12. Alcott School - BAN paydown, Sept. '06 | | | 24,003 | 0 | 0 | 0 | 0 |
| 13. Alcott School - BAN paydown, Mar. '07 | | | 235,000 | 0 | 0 | 0 | 0 |
| 14. Alcott School - Ph 2 bond, Mar. '07 (\$2.35m) | | | | 256,017 | 256,017 | 248,079 | 241,333 |
| 15. Thoreau School - BAN interest | 795 | 173,945 | 505,463 | 212,545 | 212,545 | 0 | 0 |
| 16. Thoreau design - Bond, Feb. '06 (\$35k) | | | 36,142 | 0 | 0 | 0 | 0 |
| 17. Thoreau School - Bond, Sept. 06 (\$10m) | | | 184,470 | 943,765 | 943,765 | 918,624 | 891,376 |
| 18. Thoreau School - Bond, Sept. '07 (\$6.8m) | | | | 141,017 | 141,017 | 652,039 | 634,487 |
| 19. Willard School Design - BAN interest | | | | 59,301 | 59,301 | 0 | 0 |
| 20. Willard School Design - Bond Spr. '08 | | | | 0 | 0 | 242,977 | 237,528 |
| 21. Willard School Construction - BAN interest | | | | | | 240,426 | 750,000 |
| 22. Phase 1, WPAT State Loan | | 14,952 | 112,200 | 102,109 | 102,109 | 102,005 | 101,898 |
| 23. Willard Note paydown | | | | | | 49,814 | 0 |
| 24. subtotal, debt exclusion | <u>\$1,854,324</u> | <u>\$2,486,543</u> | <u>\$2,722,457</u> | <u>\$3,026,989</u> | <u>\$3,026,989</u> | <u>\$3,931,336</u> | <u>4,072,758</u> |
| 25. TOTAL PROPERTY TAX | \$50,147,585 | \$53,273,087 | \$56,065,720 | \$58,946,453 | \$58,946,453 | \$62,648,641 | 65,797,686 |
| GRAND TOTAL | | | | | | | |
| 26. GENERAL FUND RESOURCES | <u>\$59,485,620</u> | <u>\$63,743,421</u> | <u>\$67,707,015</u> | <u>\$69,437,829</u> | <u>\$70,540,251</u> | <u>\$73,213,127</u> | <u>75,241,186</u> |
| <i>Increase over prior year</i> | +6.7% | +6.9% | +6.2% | +2.6% | +4.2% | +5.4% | +2.8% |
| FY05-09 increase over prior year actual | | | | | | | |

Projected Property Tax change % = change in levy component divided by prior year Total Tax Levy.

| FY2010 AT PROJECTED LEVY | percent | amount | |
|---------------------------------|----------------|--------------------|--|
| Base | 3.84% | \$2,407,623 | "FY2010 Base" minus "FY2009 Within levy limit" |
| Debt Exclusion | 0.23% | 141,422 | |
| | <u>4.07%</u> | <u>\$2,549,045</u> | Change in Levy from current taxpayers |
| New Growth | 0.96% | 600,000 | Projected "New Growth" for FY2010 |
| | <u>5.03%</u> | <u>\$3,149,045</u> | Change in Total Levy |

SECTION II: Budget Summary

Expenses

Expenses – General Fund Budget:

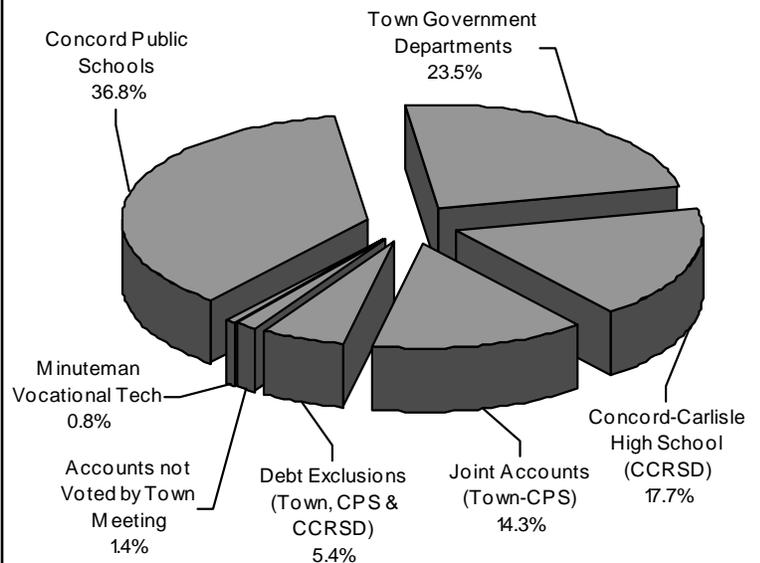
The General Fund budget is organized into 3 major organizational categories:

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

This section contains the following:

- | | |
|----------------------------------|----------------|
| •Major Organizational Categories | II-16 to II-17 |
| •Joint Accounts | II-18 |
| •Other Obligations | II-19 |
| •Appropriations (Warrant) | II-20 to II-22 |
| •Town Gov. Budget Summary | II-23 to II-29 |

FY10 General Fund Expenses **Totaling \$75,241,186**



Town Government (Page II-3, line 5 – \$17,672,013 proposed for FY10)

This budget category relates to all sections of Town Government services that are under the direction and control of the Town Manager in accordance with the Town Charter, including general government, finance, public safety, public works, and human services. It should be noted that this number refers only to the amount appropriated by Town Meeting; it does not include resources transferred from other funds. For example, the Concord Municipal Light Plant (CMLP) uses various services of the Finance Department. The cost for these services is charged to the Light (CMLP) Fund. The budget presentation shows these other funding sources but they are not part of the General Fund appropriation.

Concord Public Schools (Page II-3, line 6 - \$27,699,200 proposed for FY10)

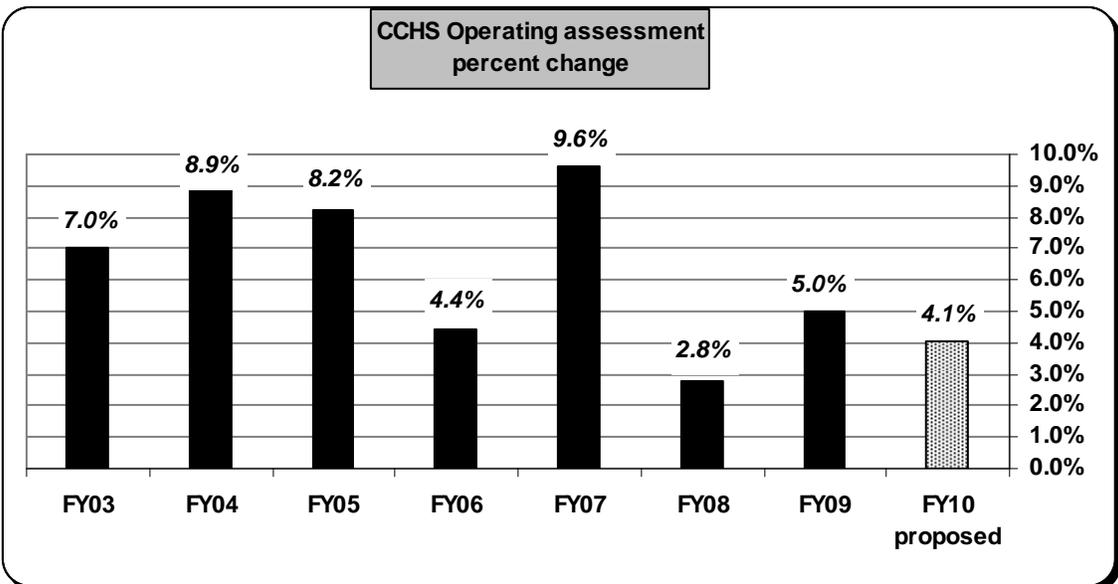
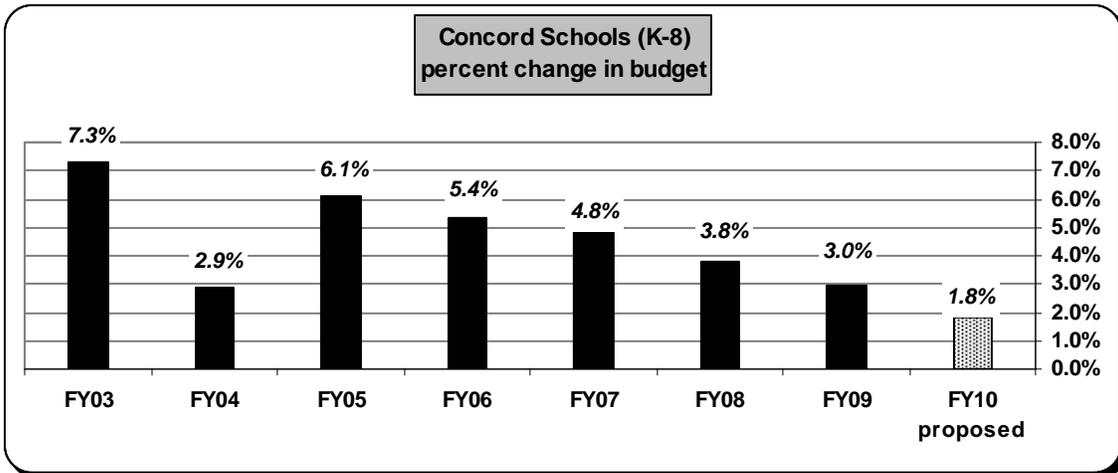
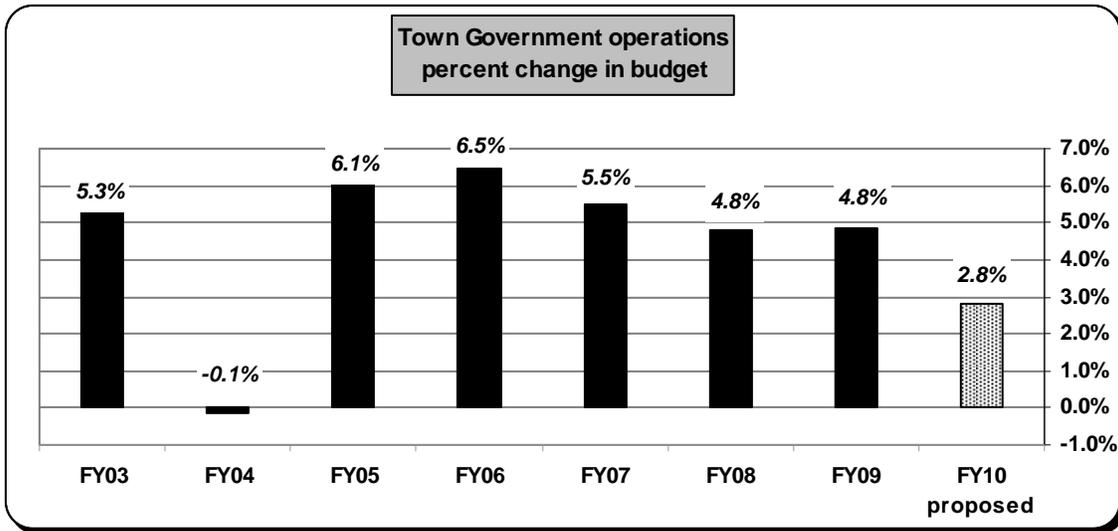
Summary information is found on pages VI-1 and VI-2. Separate School Department documents provide a more detailed analysis of the CPS budget, which is under the control and direction of the elected School Committee and the administrative direction of the School Superintendent.

Concord-Carlisle Regional School District (page II-3, line 7 - \$13,322,885 proposed for FY10 as Concord's share of the Districts operating budget)

Since the CCRSD is a separate political subdivision but not a taxing authority, the Town budget includes an assessment payable to CCRSD based on Concord's share of the previous year's enrollment figures. That assessment amount is shown in this category. Summary information is found on pages VI-3 and VI-4. Separate budget documents of the CCRSD provide a more detailed analysis of the Regional School District's budget, which is under the control and direction of the elected School Committee and the administrative direction of the School Superintendent. The Concord K-8 administration also administers the CCRSD which operates a High School for grades 9-12.

Total of Above Operating Budgets:

\$58,694,098



Joint Accounts

To take advantage of efficiencies and economies of scale, certain accounts of the Town Government and the Concord Public Schools are combined into joint accounts and administered by the Town Manager. The Concord-Carlisle Regional School District is not part of these joint accounts because it is a separate political subdivision.

The joint accounts are as follows:

Group Insurance (Page II-3, line 9 - \$4,152,600 proposed for FY10)

Group Insurance refers to employee health, dental, and basic life insurance. This account covers the Town's contribution for Town Government and Concord Public School employees and retirees who are enrolled in these programs.

Retirement (Page II-3, line 10 - \$2,500,000 proposed for FY10)

This account contains the Town's portion of the annual funds transferred to the control of the contributory retirement system. With the exception of teachers, who are part of the State Teachers Retirement System, substantially all municipal employees who work at least 25 hours per week are covered by the Town's contributory retirement system operated in accordance with Chapter 32 of the Massachusetts General Laws.

Debt Service (Page II-3, line 11 - \$3,150,000 proposed for FY10)

The issuance of debt to finance capital expenditures for both the Town Government and the Concord Public Schools is authorized by the Concord Town Meeting (by two-thirds majority vote) and is issued through the Concord Town Treasurer's office. This account covers the portion of annual principal and interest owed on the borrowing that is financed within the property tax levy limit.

Social Security / Medicare (Page II-3, line 12 - \$545,000 proposed for FY10)

All town and school employees hired after April 1, 1986 are subject to the 1.45% Medicare payroll tax. Employees who are not required to be members of the Town's retirement system (part-time employees working fewer than 25 hours per week and other non-permanent employees) are covered by Social Security and are subject to the 6.2% payroll tax. By federal law, the Town must match all employees' contributions and this account provides the matching funds.

Other Fixed & Mandated Items (Page II-3, line 13 - \$400,000 proposed for FY10)

These items are made up of the following: Property & Liability Insurance for the Town Government (not including the School Department); and Unemployment & Workers Compensation for the Town Government and the Concord Public Schools (grades K-8).

FY10 Joint Account Subtotal: \$10,747,600

Other Obligations

There are also several accounts which are either assessments to other political jurisdictions or payments of debt service authorized by the electorate to be funded outside the constraints of the levy limit ("excluded debt").

- Minuteman Voc Tech (Page II-3, line 15 - \$592,000 estimated for FY10)

In a similar manner in which funds are transferred to the Concord-Carlisle Regional School District, the Town pays an assessment to the 13-town Minuteman Regional Vocational Technical School District calculated in part based on the number of Concord students enrolled in the prior year.

- High School Debt Exclusion (Page II-3, line 16 - \$539,239 proposed for FY10)

As approved by a Proposition 2½ debt exclusion ballot vote of the Concord electorate, the amount to cover the principal and interest on debt issued by the Concord-Carlisle Regional School District and assessed to the Town of Concord is included in this account.

- Town Debt Exclusion (Page II-3, line 17 - \$3,533,519 proposed for FY10)

This budget covers the debt service on bonds issued by the Town of Concord for major capital investments of the Town Government and the Concord Public Schools that have been voted by the electorate to be exempt from the property tax levy limit. Major components of this cost are principal and interest amounts due on borrowings made to finance the new Alcott (2004 and 2007 bonds) and Thoreau (2006 and 2007 bonds) elementary school buildings.

FY10 Other Obligations Subtotal: \$4,664,758

Budget Subject to Town Meeting Vote: \$74,106,456

The total Town budget plan includes some items that do not require the approval of Town Meeting:

- State Assessments (Page II-3, line 19 - \$395,000 estimated for FY10)

By state law, these state charges are not subject to Town Meeting appropriation but must be financed within the property tax levy limit. The largest item is the assessment for the Massachusetts Bay Transit Authority which accounts for 92% of the budgeted amount.

- Snow/Ice & Other Deficits (Page II-3, line 20 – \$239,730 estimated for FY10)

Because snow removal expense is unpredictable, state law permits deficit spending for this purpose as long as the current amount appropriated in the CPW Snow & Ice Removal account (account #21, page IV-95) is at least as much as the previous year's appropriation. This account provides for added room for a current year deficit which would be required to be added to the next year's tax levy, within the limit. The budget estimate is based upon an average of historical experience. It is subject to wide variation. Only the actual deficit of the current year ending June 30, 2008, if any, will be raised in the FY09 tax levy.

- Overlay (Page II-3, line 21 – \$500,000 estimated for FY10)

The Overlay account is the amount added to the property tax levy in excess of the sum required to meet appropriations, state assessments, and permitted deficits. The Overlay is used to cover property tax abatements and exemptions granted in each tax year by the local Board of Assessors. The proposed amount is based upon historical experience and is added to the tax levy within the levy limit.

Total Budget Plan: \$75,241,186

SECTION II: Budget Summary

Expenses

| General Fund Operating Budget | | | | |
|-------------------------------------|---|--------------------------|---------------------------|----------------------|
| Item No. | Department | Fiscal 2008 Expenditures | Fiscal 2009 Appropriation | Fiscal 2010 Proposal |
| General Government | | | | |
| \$2,176,677 is 6.8% of Total | | | | |
| 1 | Town Manager's Office | | | |
| | A. Town Manager | 258,852 | 306,181 | 301,977 |
| | B. Town-Wide Building Maintenance | 120,000 | 135,000 | 135,000 |
| | C. Human Resources | 132,930 | 156,060 | 155,952 |
| | Total | 511,782 | 597,241 | 592,929 |
| 2 | Legal Services | 379,794 | 270,000 | 250,000 |
| 3 | Elections and Registrars | | | |
| | A. Elections | 43,644 | 49,003 | 23,706 |
| | B. Registrars | 7,505 | 10,677 | 10,062 |
| | Total | 51,149 | 59,680 | 33,768 |
| 4 | Town Meeting and Reports | 64,080 | 77,800 | 77,800 |
| 5 | Planning | | | |
| | A. Planning Administration | 232,778 | 230,429 | 341,652 |
| | B. Board of Appeals | 40,231 | 45,143 | 45,149 |
| | C. Natural Resources | 168,630 | 185,956 | 191,141 |
| | D. Inspections | 313,571 | 348,563 | 349,511 |
| | E. Health | 202,120 | 219,999 | 223,732 |
| | Total | 957,330 | 1,030,090 | 1,151,185 |
| 6 | 141 Keyes Road | 54,702 | 63,993 | 70,995 |
| | Total General Government | 2,018,838 | 2,098,804 | 2,176,677 |
| Finance and Administration | | | | |
| \$1,653,705 is 5.2% of Total | | | | |
| 7 | Finance Committee | 1,275 | 1,275 | 3,100 |
| 8 | Finance | | | |
| | A. Finance Administration | 194,759 | 272,638 | 258,545 |
| | B. Treasurer-Collector | 213,204 | 233,560 | 240,255 |
| | C. Town Accountant | 113,560 | 124,333 | 124,638 |
| | D. Assessors | 252,229 | 371,513 | 377,787 |
| | E. Town Clerk | 177,932 | 201,083 | 206,434 |
| | Total | 951,684 | 1,203,127 | 1,207,659 |
| 9 | Information Systems | 301,205 | 355,300 | 349,089 |
| 10 | Town House | 95,354 | 93,897 | 93,857 |
| | Total Finance and Administration | 1,349,518 | 1,653,599 | 1,653,705 |

SECTION II: Budget Summary

Expenses

| Public Safety | | | | |
|--------------------------------------|--|------------------|------------------|------------------|
| \$7,154,398 is 22.4% of Total | | | | |
| 11 | Police Department | 3,284,855 | 3,669,176 | 3,610,385 |
| 12 | Fire Department | 2,948,130 | 3,268,212 | 3,250,394 |
| 13 | West Concord Fire Station | 45,433 | 42,071 | 47,594 |
| 14 | Police-Fire Station | 249,824 | 266,514 | 215,064 |
| 15 | Emergency Management | 29,971 | 15,810 | 12,810 |
| 16 | Dog Officer | 17,607 | 17,626 | 18,151 |
| | Total Public Safety | 6,575,819 | 7,279,409 | 7,154,398 |
| Public Works and Facilities | | | | |
| \$3,341,601 is 10.5% of Total | | | | |
| 17 | Public Works | | | |
| | A. CPW Administration | 137,996 | 146,317 | 146,060 |
| | B. Engineering | 326,449 | 411,660 | 304,373 |
| | C. Highway Maintenance | 1,016,005 | 1,079,710 | 1,083,487 |
| | D. Parks and Trees | 516,401 | 516,351 | 544,733 |
| | E. Cemetery | 57,063 | 64,374 | 66,653 |
| | Total | 2,053,913 | 2,218,412 | 2,145,306 |
| 18 | Snow and Ice Removal | 803,665 | 452,000 | 455,000 |
| 19 | Street Lighting | 59,605 | 62,660 | 64,120 |
| 20 | CPW Equipment | 265,000 | 278,000 | 278,000 |
| 21 | Drainage Program | 160,000 | 105,000 | 205,000 |
| 22 | Sidewalk Management | 90,000 | 90,000 | 100,000 |
| 23 | 133/135 Keys Road | 95,477 | 95,281 | 94,175 |
| | Total Public Works and Facilities | 3,527,661 | 3,301,353 | 3,341,601 |
| Human Services | | | | |
| \$2,398,632 is 7.5% of Total | | | | |
| 24 | Library | 1,592,482 | 1,769,465 | 1,781,235 |
| 25 | Recreation Administration | 82,308 | 94,731 | 94,731 |
| 26 | Hunt Recreation Center | 85,009 | 130,718 | 75,508 |
| 27 | Harvey Wheeler Community Ctr. | 119,115 | 126,847 | 131,456 |
| 28 | Council on Aging | 202,404 | 219,997 | 229,177 |
| 29 | Veterans | 31,164 | 30,335 | 31,668 |
| 30 | Ceremonies and Celebrations | 23,844 | 23,865 | 23,650 |
| 31 | Visitors' Center and Restroom | 25,700 | 28,414 | 31,207 |
| | Total Human Services | 2,162,026 | 2,424,372 | 2,398,632 |

SECTION II: Budget Summary

Expenses

| Unclassified | | | | |
|---|---|-------------------|-------------------|-------------------|
| \$947,000 is 3.0% of Total | | | | |
| 32 | Town Employee Benefits | | | |
| | A. Unused Sick Leave | 42,367 | 60,000 | 60,000 |
| | B. Public Safety Disability | 1,898 | 4,000 | 4,000 |
| | C. Employee Assistance Program | 7,650 | 8,000 | 8,000 |
| | Total | 51,915 | 72,000 | 72,000 |
| 33 | Reserve Fund* | - | 225,000 | 225,000 |
| *Transfers totaling \$183,709 were made to other accounts in Fiscal Year 2008 | | | | |
| 34 | Salary Reserve** | 60,000 | 50,475 | 550,000 |
| **Transfers totaling \$365,858 in Fiscal Year 2008 and \$549,525 in Fiscal Year 2009 (to date) were made to other accounts. | | | | |
| 35 | Land Fund | - | - | 15,000 |
| 36 | Road Improvements | 80,000 | 85,000 | 85,000 |
| | Total Unclassified | 191,915 | 432,475 | 947,000 |
| SUBTOTAL FOR REFERENCE ONLY Account 1-36 | | 15,825,777 | 17,190,013 | 17,672,013 |
| Joint (Town - CPS) | | | | |
| \$14,281,119 is 44.7% of Total | | | | |
| 37 | Insurance | | | |
| | A. Group Insurance | 3,600,000 | 3,845,000 | 4,152,600 |
| | B. Property/Liability | 225,000 | 225,000 | 200,000 |
| | Total | 3,825,000 | 4,070,000 | 4,352,600 |
| 38 | Unemployment/Workers' Comp. | | | |
| | A. Unemployment Comp. | 74,079 | 100,000 | 100,000 |
| | B. Workers' Comp. | 51,934 | 100,000 | 100,000 |
| | Total | 126,014 | 200,000 | 200,000 |
| 39 | Retirement | 2,380,000 | 2,450,000 | 2,500,000 |
| 40 | Social Security and Medicare | 494,879 | 510,000 | 545,000 |
| 41 | Debt Service | | | |
| | A. Long-Term Debt | | | |
| | Town Principal and Interest | 1,816,152 | 2,051,183 | 2,027,885 |
| | School Principal and Interest | 830,271 | 773,271 | 991,461 |
| | Subtotal | 2,646,423 | 2,824,454 | 3,019,346 |
| | Interest on Notes and Other Debt Expense | 134,750 | 275,546 | 130,654 |
| | Subtotal Within Levy Limit | 2,781,173 | 3,100,000 | 3,150,000 |
| | B. Excluded Debt | 2,550,432 | 3,247,193 | 3,533,519 |
| | Total Debt Service | 5,331,605 | 6,347,193 | 6,683,519 |
| | Total Joint (Town - CPS) | 12,157,497 | 13,577,193 | 14,281,119 |
| | Total Appropriation | 27,983,274 | 30,767,206 | 31,953,132 |

SECTION II: Budget Summary

Expenses

Town Government Operations (accounts 1- 36) Budget Changes Recommended

The budget recommended by the Town Manager at the Finance Committee's Guideline for accounts 1-36, \$17,672,013, is referred to as the "Town Government Operating Budget." It consists of several basic categories of expense: **Personal services, Operations and Maintenance ("O&M")**, the **Reserve Fund** overseen by the Finance Committee and **Capital Outlay**. The summary table below reviews the breakdown between the categories of expense and presents the budget in further detail by functional area. Function Summary pages in the main body of the document provide specific detail for each appropriation account.

Town Government Operations Accounts 1- 36

| | FY08 Budget | FY09 Budget | FY10 Proposed | FY09 to FY10 Dollar Change | FY09 to FY10 Percent Change |
|----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------------|-----------------------------------|
| Personnel Services | \$ 11,876,664 | \$ 12,390,155 | \$ 12,963,627 | \$ 573,472 | 4.6% |
| O & M Expenses | 2,940,310 | 3,108,858 | 3,112,886 | 4,028 | 0.1% |
| Reserve Fund | 225,000 | 225,000 | 225,000 | 0 | 0.0% |
| Capital Outlay | <u>1,356,000</u> | <u>1,466,000</u> | <u>1,370,500</u> | <u>- 95,500</u> | <u>- 6.5%</u> |
| Total (Accts. 1-36) | \$ <u>16,397,974</u> | \$ <u>17,190,013</u> | \$ <u>17,672,013</u> | \$ <u>482,000</u> | <u>+ 2.8%</u> |

| <i>by functional area</i> | FY08 Budget | FY09 Budget | FY10 Proposed | FY09 to FY10 Dollar Change | FY09 to FY10 Percent Change |
|----------------------------------|---------------------|---------------------|---------------------|----------------------------------|-----------------------------------|
| General Government:* | | | | | |
| Operations | \$ 1,814,941 | \$ 1,941,800 | \$ 1,887,677 | \$ (54,123) | - 2.8 % |
| Capital Outlay | <u>137,500</u> | <u>157,000</u> | <u>289,000</u> | <u>132,000</u> | |
| | \$ 1,952,441 | \$ 2,098,800 | \$ 2,176,677 | \$ 77,877 | + 3.7 % |
| Finance:* | | | | | |
| Operations | \$ 1,349,289 | \$ 1,511,599 | \$ 1,523,705 | \$ 12,106 | + 0.8 % |
| Capital Outlay | <u>120,000</u> | <u>142,000</u> | <u>130,000</u> | <u>(12,000)</u> | |
| | \$ 1,515,289 | \$ 1,653,599 | \$ 1,653,705 | \$ 106 | + 0.0 % |
| Public Safety: | | | | | |
| Operations | \$ 6,535,255 | \$ 6,926,405 | \$ 6,978,398 | \$ 51,993 | + 0.8 % |
| Capital Outlay | <u>301,500</u> | <u>353,000</u> | <u>176,000</u> | <u>(177,000)</u> | |
| | \$ 6,836,755 | \$ 7,279,405 | \$ 7,154,398 | \$ (125,007) | - 1.7% |
| Public Works: | | | | | |
| Operations | \$ 2,565,206 | \$ 2,635,354 | \$ 2,668,601 | \$ 33,247 | + 1.3 % |
| Capital Outlay | <u>674,500</u> | <u>666,000</u> | <u>673,000</u> | <u>7,000</u> | |
| | \$ 3,239,706 | \$ 3,301,354 | \$ 3,341,601 | \$ 40,247 | 1.2 % |
| Human Services: | | | | | |
| Operations | \$ 2,244,961 | \$ 2,361,369 | \$ 2,381,132 | \$ 19,763 | + 0.8% |
| Capital Outlay | <u>42,500</u> | <u>63,000</u> | <u>17,500</u> | <u>(45,500)</u> | |
| | \$ 2,287,461 | \$ 2,424,369 | \$ 2,398,632 | \$ (25,737) | - 1.0 % |
| Unclassified: | | | | | |
| Operations | \$ 486,322 | \$ 347,486 | \$ 862,000 | \$ 410,678 | |
| Capital Outlay | <u>80,000</u> | <u>85,000</u> | <u>85,000</u> | <u>5,000</u> | |
| | \$ 566,322 | \$ 432,486 | \$ 947,000 | \$ 415,678 | |

* The Human Resources Department has been moved from Finance to General Government.

Staffing changes in the Town Manager's Proposed Budget:

For FY10, there are no significant **tax supported** proposed staffing changes.

Budget Changes

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

Acct # - Account Title**1A Town Manager**

For the second year, funding is proposed for special projects related to the Adult and Community Education Program (\$12,000). However, due to budget constraints, the Youth Coordinator position (\$5,000) was cut from this budget.

1B Town-wide Building Maintenance

This account was established with the FY05 budget in an effort to set up a central pool of funds with which to monitor building conditions, establish renovation priorities, and fund repairs and improvements. Since FY05 when the account was budgeted at \$40,000, the funding level has gradually been increased to \$135,000 in FY09. The recommended level in FY10 is \$135,000. Nevertheless, the five-year Capital Outlay plan raises this funding target to \$260,000 by FY14. At some point, this account may support a professional Facilities Manager staff position. An interdepartmental committee under the direction of the Assistant Town Manager manages the fund.

1C Human Resources

Formerly referred to as the Personnel Department, the Human Resources Department has been renamed and moved from the Finance group to the General Government group, under the Town Manager's budgetary control. As a result of a recalculation of credits that the Human Resources Department receives for its services from other funds, the appropriation amount for this account is decreasing from FY09 to FY10. Due to an increased workload, a new 18 hour-a-week Office Assistant position is being proposed for the Human Resources Department and this position is paid for by these credits.

2 Legal Services

The Legal Services account is proposed to be funded at the \$250,000, a \$20,000 decrease from FY09. It is expected that this amount is sufficient to cover the FY10 legal costs for the Town.

3A Elections

With no state or federal election planned for FY10, the proposal for the Elections account is to only provide funding for the annual town election and a special town election. The cost for any additional elections would be provided by a Reserve Fund transfer.

4 Town Meeting and Reports

The budget allows for a four-session Annual Town Meeting in April 2009 and also funds a one-day Special Town Meeting. While there are no specific plans for a Special meeting, it has been common in the past several years for one to take place.

5A Planning Division, DPLM

In addition to funding the work of the Planning Division staff, this account is proposed to provide money to assist with the design of the Bruce Freeman Rail Trail (\$70,000) and the preparation of the West Concord Master Plan (\$42,000).

5C Natural Resources Division, DPLM

This recommended budget provides for continued funding of the conservation crew (\$12,000) and one part-time ranger (\$4,992) to assist with conservation land management and natural resources education. In addition, there is funding for pond and stream management (\$5,000) and conservation restriction baseline documentation (\$20,000).

5D Building Inspections Division, DPLM

Most of the allocation in this account goes toward funding the Building Inspections staff which includes the full-time positions of Building Inspector, Local Inspector, Assistant Local Inspector, Administrative Assistant, as well as the part-time positions of Plumbing and Gas Inspector and Electrical Inspector. Although the number of building permits fell slightly from 739 in CY07 to 711 in CY08, the amount of revenue generated from all permit fees was down from \$781,693 in CY07 to \$506,070 in CY08.

5E Health Division, DPLM

The increase in the budget of this Division is a result of added hours for the Sealer of Weights and Measures (\$1,450) and the costs associated with the development and maintenance of a new permitting database (\$2,800)

8A Finance Administration Division, Finance Department

The appropriated amount for the Finance Administrative Division is proposed to decrease by 5.1% due to savings in not budgeting for a summer intern (\$5,140), eliminating money in the Other Professional Services account (\$12,000) for various projects, and not funding a capital account (\$10,000) used for office improvements.

8B Treasurer-Collector, Finance Department

Since this account includes funding for much of the Town's postage expenses (\$53,000) and banking service charges (\$68,700), the FY10 operating budget is greater than the previous year by 2.6% due to expected increases in postage rates and banking service charges (both in terms of higher unit charges and greater transaction volume).

8D Assessing Division, Finance Department

Although FY11 is the next revaluation year, it is necessary to do a significant portion of the work in FY10 to prepare for it. The next re-certification will involve expanding and accelerating our re-inspection cycle of all properties as well as special projects related to land valuation modeling and the valuation of tax-exempt properties. Funding of \$107,000 is proposed for contracted services and related expenses to assist with this effort. A major portion of this funding will also provide for an ongoing accelerated interior property inspection program, also a requirement of the recertification process. At the same time, the FY10 Interim Year Adjustment must be completed.

9 Information Systems

The proposed funding level for the Town-wide Technology Fund is \$120,000. This fund has proven crucial in maintaining current technology throughout the Town departments as well as supporting the basic network infrastructure linking all town buildings and connecting more than 200 desktop computers to the web with a secure and reliable system. The Technology Administrator and the Finance Director jointly manage this fund.

11 Police Department

Total FY10 budgeted expenditures for the Police Department are proposed to decrease by 1.5%, with much of this reduction (\$64,000) in capital items. Nevertheless, funding is available for the replacement of three police vehicles (\$87,000), upgrade and maintenance of public safety equipment (\$10,000) and the purchase of new handguns for officers (\$7,000).

12 Fire Department

Total FY10 budgeted expenditures for the Fire Department is proposed to decrease by 1.8%, with much of this reduction (\$69,000) in capital items. Although replacement overtime (\$416,995) remains a large part of the budget, the FY10 budget reduces the replacement overtime by 111 hours, while keeping with the staffing goal of having a minimum of 8 firefighters on duty all the time and 9 firefighters on duty 30% of the time.

14 Police/Fire Station

This budget is to fund the operations of the Police and Fire Department headquarters on Walden Street. As compared to FY09, the budget represents a 1.0% decrease in operating costs (excluding capital expenditures). An additional \$900,000 is being requested as a borrowing with Article 45 of the 2009 Annual Town Meeting to renovate the Fire Department side of the building.

15 Emergency Management

In order to have an action plan in place in the event of an emergency, the Town is proposing to continue to fund Concord's Emergency Management Agency at a level this year of \$12,810. The Fire Chief serves as the Emergency Management Director.

17A Public Works Administration, CPW

Although the total budget for Public Works Administration is proposed to increase by 1.7%, the appropriated amount decreases slightly due to a recalculation of credits from the Solid Waste Fund, which provides resources for 50% of an Administrative Assistant position and 13.5% for all remaining expenditures.

17B Engineering, CPW

The Engineering Division's operating budget is proposed to be 0.7% less in FY10 than in FY9. Despite the decrease in funding, money is available to provide design and contract management services for the Town and to fund ground water and landfill monitoring at the Landfill (\$16,000) and GIS software maintenance and training services (\$24,000).

17C Highway Maintenance, CPW

Due to the reliance of oil-based products such as gasoline and diesel for transportation and crack sealing supplies for road repair, the budget is very dependent on the volatile price of oil. Still, the operating budget is only proposed to rise by 0.1%. Increases in these oil-related costs are being offset by eliminating funding for temporary employees (\$9,600) and by reducing the scope of crack sealing work.

17D Parks & Trees, CPW

The Parks & Trees FY10 operating budget is essentially 4.1% above the funding level proposed in FY09. The major increases are in the supplies area with the budget for fertilizer going up by \$5,750 and field supplies by \$9,160.

17E Cemetery, CPW

The Cemetery Fund supports the Cemetery Division by providing resources for 65% of all operating expenditures and 100% of all capital improvements. With this support, the Cemetery Division is planning to fund a gravemarker preservation project (\$10,000) and cemetery master plan improvements (\$30,000).

18 Snow Removal, CPW

The snow removal budget is proposed to be funded at \$455,000. For comparison, the 10-year average of actual net winter annual maintenance expenditures is \$500,391. Commodity prices are having an effect on this account with the amount budgeted for road salt increasing from \$79,990 in FY09 to \$241,310 in FY10. If the actual FY10 expenditure exceeds the budgeted amount, the Town is allowed by State statute to make up the difference with the following year's tax levy.

19 Street Lights, CPW

Due to the elimination of several hundred street lights, the FY10 proposed budget of \$64,500 is about \$24,000 below the amount spent in FY02.

20 Public Works Equipment, CPW

This Public Works Equipment budget of \$278,000 funds the Town's well-planned schedule of equipment replacement. In FY10, vehicles that are scheduled to be replaced include a 10-ton multiple-use dump truck, a street sweeper, and 1.25-ton dump truck.

21 Drainage, CPW

The FY10 funding of \$205,000 for this program will provide for the design of the Spencer Brook and Westford Road culvert replacements, completion of the Mill Brook culvert rehabilitation project, reconstruction of the failing 30-inch Wheeler Road culvert, drainage improvements on Plainfield Road, Academy Lane, Middle Street and Whittemore Street, as well as an inventory review of all culverts in the Town.

22 Sidewalk Management, CPW

The proposed FY10 budget calls for \$100,000 to maintain the Town's existing sidewalks. Although this appropriated budget provides no funding for sidewalk expansion, Article 31 of the 2009 Annual Town Meeting requests that the Town Meeting authorize a borrowing of \$250,000 for sidewalk expansion.

24 Library

As set forth in a long-standing agreement, the Trustees of the Concord Free Public Library Corporation, which own the Main library and the Fowler Branch, are responsible for maintenance and capital improvements of the buildings and grounds; the Town covers the operating costs. In FY10, the budget is proposed to be \$1.79 million, an increase of 0.7% from FY09. The organizational chart for the Library is slightly altered with new Assistant Library Director position being created and a vacant Public Services Coordinator position being eliminated. Total full-time equivalent positions remain at the FY09 level of 25.68 FTEs.

25 Recreation Administration

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

26 Hunt Recreation Center

Due to lower than anticipated utility expenses and janitorial supply costs, it is proposed that the FY10 operating budget for the Hunt Recreation Center be reduced by 7.4% from the FY09 budgeted level.

27 Harvey Wheeler Community Center

The Harvey Wheeler Community Center continues to be a great resource for the Town in providing space for the Council on Aging office and Recreation Department programs, as well as a meeting area for Town departments, not-for-profit groups, and private individuals. The proposal is for operating costs to increase by 3.8% due in large part to the need to allocate adequate funds for HVAC and Fire Equipment maintenance.

28 Council on Aging

The FY10 budget for the Council on Aging is proposed to rise by 1.6% and the increase will provide additional money for gasoline and vehicular maintenance. Since several COA coordinator positions are proposed to be funded by a State Formula Grant, reductions in the grant money could jeopardize these positions.

31 Visitors Center

The annual operating cost to maintain the Visitors Center is proposed to be \$31,207 in FY10. These resources will be used for daily cleaning of the restrooms, minor repair and maintenance of the building and a payment of \$2,500 to the Chamber of Commerce for providing information services to residents and visitors.

32 Town Employee Benefits

The proposed budget provides \$60,000 to cover unused sick leave buyback for some employees at retirement. This payment is restricted to non-union employees hired prior to July 1, 1992 and to uniformed Police and Fire personnel subject to the collective bargaining agreements. In all eligible cases, the benefit is capped at 62 days (65 for firefighters). Based upon the accumulated liability and the age and service term of eligible employees, this account likely will need to be increased over the next several years to approximately \$100,000 annually.

33 Reserve Fund

As budgets are reduced due to the economic situation and there are fewer resources available to cover unexpected events, the Reserve Fund appropriation becomes a crucial part of the budgeting process. By statute, this fund is to be used to meet "extraordinary or unforeseen expenditures" as approved by the Finance Committee. A funding level of \$225,000 is proposed for this purpose.

34 Salary Reserve

The allocation in this account provides for the funding of collective bargaining agreements as well as the provision for a 2.0% adjustment to the salary schedules applicable to non-union employees effective July 1, 2009. Also, the recommendation supports a 2.5% step increase for those eligible non-union staff. Transfers from this account to the individual departmental operating accounts are reported to the Finance Committee and Board of Selectmen in accordance with the vote of Town Meeting adopting the budget article. This budgetary practice avoids providing for prospective salary adjustments in various appropriation accounts, as the ability to transfer between appropriation accounts is restricted by state law. Funds not needed in the Police budget cannot be used to cover needs in the Council on Aging budget, for example. This account is proposed to be funded at \$550,000 in order also to provide limited resources for such compensation adjustments.

36 Road Improvements

The Road Improvement program is funded by three sources: the Town's General Fund appropriation, the Town's borrowing authorization, and the State's Chapter 90 grant. It is proposed in the FY10 budget that the Town provide \$85,000 in General Fund appropriation for related design and inspection services and \$1.4 million in borrowing authorization for rehabilitation of Town roads (\$700,000 – 2009 AMT Article 29), design of Cambridge Turnpike reconstruction (\$300,000 – 2009 AMT Article 33), extension of sidewalks (\$250,000 – 2009 AMT Article 31), and reconfiguration / signalization of the Thoreau Street / Sudbury Road intersection (\$150,000 – 2009 AMT Article 32). The State Chapter 90 money is expected to be level funded at \$525,100. From these sources, the Road Improvement program is proposed to be funded at \$2,010,144, an increase of \$700,000 from FY09 due to the additional requests in borrowing authorization for Cambridge Turnpike, sidewalks extensions, and Thoreau Street.

37A Group Insurance

Group insurance costs continue to increase. The budget anticipates an 8.0% increase in FY10 group insurance costs supported from the General Fund. As part of the 17-member Minuteman Nashoba Health Group, the Town is totally self-insured for active employee health coverage and the cost increase directly reflects actual claims experience.

Despite the recent increases, plan rates remain comparatively favorable. The dramatic escalation of health insurance costs has been a nation-wide phenomenon. The Town pays about 55% of active employee costs (62% of individual plan costs and 53% of family plan costs, on average), and 50% of retiree costs. State law sets a 50% floor for the municipal share of active employee costs. Retiree coverage was voted by the Town electorate in 1960 and there is no provision in the state law to reverse such a vote. Retiree coverage costs represent about 25% of the group health insurance budget.

38 Unemployment & Workers Compensation

An amount of \$100,000 is allocated for the Unemployment Compensation account. The Town pays only for actual claimants, not as a percent of payroll (since the minimum available “experience rating” percentage would be far in excess of our actual historical costs).

In addition, an amount of \$100,000 is provided for Worker’s Compensation to fund a stop-loss reinsurance policy covering wage and other claims, and the payment of miscellaneous medical expenses resulting from employee injury on the job. This account handles both Town and Concord Public School employee matters.

39 Retirement

As a result of the sharp economic downturn in the financial markets during the Fall of 2008, resources in the Concord Retirement System declined from \$85.7 million on June 30, 2008 to \$71.1 million on December 31, 2008, a drop in value of 17%. It is likely that the next biennial actuarial valuation on January 1, 2010 will result in a significant extension of the funding schedule. In FY10, the General Fund appropriation is \$2.5 million, an increase of 2% from FY09.

The retirement system is a “Defined Benefit” plan that provides a pension benefit based upon the highest three-year average annual pay and years of service. The structure of the employee required payroll deductions is set up so that employees and the employer are each paying about 1/3 of the actuarial cost, with investment earnings intended to make up the remaining third.

Capital Expenditure:

A capital expenditure involves the use of funds to acquire or enhance productive assets, such as structures, land, and equipment (including related plans, designs, and studies), which have a life expectancy of at least 2 years and a cost of at least \$5,000, and procured with the intention of increasing service capacity or efficiency.

The Capital Section includes the following:

- Capital Overview II-30
- FY10 Capital Plan II-31
- FY10 – 14 Capital Outlay Plan II-32 to II-34
- FY10 Capital by Account II-35 to II-37

FY10 Capital Improvement Plan

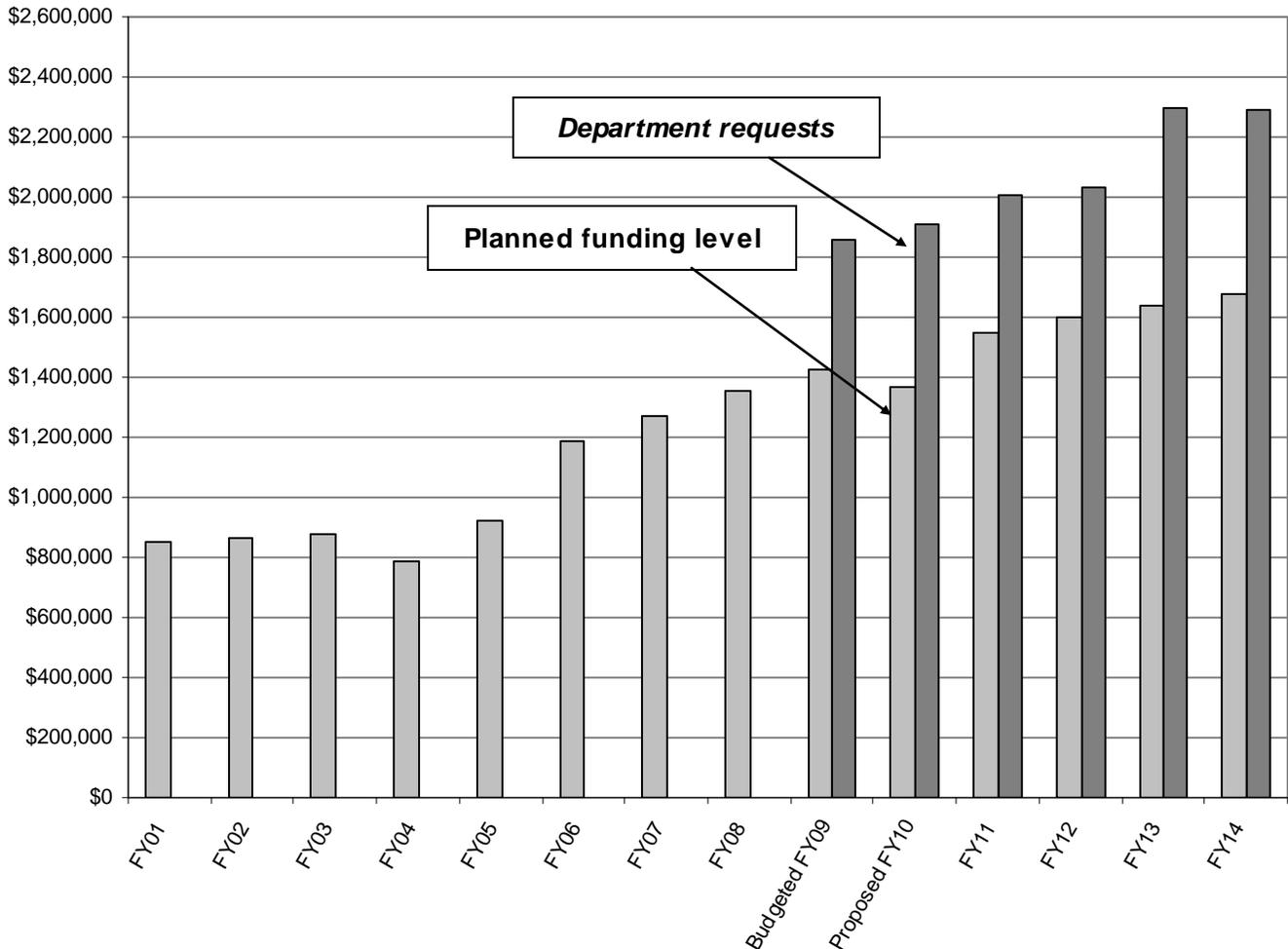
Capital Outlay Expenditures Supported Within the FY10 Levy Limit:

\$1,370,500

Capital Expenditures Supported via FY10 Debt Authorizations:

\$3,350,000

Historic, Current, and Projected Capital Expenditures Within the Levy Limit



**Capital Improvement Program FY10-14
FY10 General Fund Budget Component**

1. Borrowing authorizations submitted to the 2009 Annual Town Meeting

- *General Fund only*
- *future tax-supported debt service to be funded within the Levy Limit*

| <u>Warrant Article</u> | <u>Recommended New Borrowing Authorizations</u> |
|--|---|
| 11 Concord Public Schools (K-8) | \$ 600,000 |
| 29 Road Improvements | 700,000 |
| 31 Sidewalk Extensions | 250,000 |
| 32 Traffic Control Devices | 150,000 |
| 33 Cambridge Turnpike - Design | 300,000 |
| 45 Police/Fire Station - Renovations | 900,000 |
| 46 Engine – West Concord Fire Station (1990) | 450,000 |
| TOTAL | \$ 3,350,000 |

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

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

| | |
|--|---------------------|
| Town Government Departments (accounts #1-36) | \$ 1,370,500 |
| Concord Public Schools: | \$ 190,000 |
| <i>(based on Dec. 16, 2008 School Committee proposed budget)</i> | |

Capital Financing Policy

General Fund – within the Levy Limit

Target: 7% to 8% of the total budget net of excluded debt levy

- Total Guideline Budget appropriation proposed at **\$75,241,186**
less \$4,072,758 excluded debt = \$71,168,428 net
 - 7% to 8% target range equals **\$4,982,000 to \$5,693,000**
 - **FY10 Proposed Budget for capital expenditure financing:**

| | |
|---|------------------------|
| Debt service budget ("within levy limit" portion) | \$3,150,000 (a) |
| Capital outlay, Town Departments | 1,370,500 |
| Capital outlay, Concord Public School | 190,000 |
| Total | \$4,710,500 |
- Capital financing as percent of Proposed Total Budget,
net of excluded debt levy: **6.62%**

FOOTNOTE

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

| FY2010-14 Capital Outlay Plan (General Fund) | | | | | | | | | | | | | | |
|--|-----------------------------|------------------------------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|-------------|------------|
| | | ANNUAL PLANS | | | | | | | | | | SUMMARY | | |
| Ref # | Item | FY10-14 5-yr total requested | FY2010 | | FY2011 | | FY2012 | | FY2013 | | FY2014 | | Total | Total |
| | | | Requested | Recommended | Recommended | Deferred |
| <i>Town Manager</i> | | | | | | | | | | | | | | |
| A-1 | Town-Wide Bldg. Improv. | \$ 1,600,000 | \$ 240,000 | \$ 135,000 | \$ 280,000 | \$ 170,000 | \$ 320,000 | \$ 200,000 | \$ 360,000 | \$ 230,000 | \$ 400,000 | \$ 260,000 | \$ 995,000 | \$ 605,000 |
| A-2 | ADA Compliance | 50,000 | 10,000 | 5,000 | 10,000 | 5,000 | 10,000 | 5,000 | 10,000 | 5,000 | 10,000 | 5,000 | 25,000 | 25,000 |
| A-3 | Town House Improv. | 75,000 | 15,000 | 10,000 | 15,000 | 10,000 | 15,000 | 10,000 | 15,000 | 15,000 | 15,000 | 15,000 | 60,000 | 15,000 |
| A-4 | Info Center Improv. | 25,000 | 5,000 | 2,500 | 5,000 | 2,500 | 5,000 | 2,500 | 5,000 | 2,500 | 5,000 | 2,500 | 12,500 | 12,500 |
| <i>Planning</i> | | | | | | | | | | | | | | |
| B-1 | Building Improvements | 45,000 | 5,000 | 5,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 45,000 | - |
| B-2 | Storage shed | 7,000 | 7,000 | 7,000 | | | | | | | | | 7,000 | - |
| B-3 | Pond & stream management | 75,000 | 15,000 | 5,000 | 15,000 | 5,000 | 15,000 | 5,000 | 15,000 | 5,000 | 15,000 | 5,000 | 25,000 | 50,000 |
| B-4 | Study of path extensions | 25,000 | | | | | | | | | 25,000 | - | - | 25,000 |
| B-5 | Parking areas/cons. land | 50,000 | | | | | | | 50,000 | - | | | - | 50,000 |
| B-6 | Vehicle replacement | 50,000 | | | 25,000 | 20,000 | | | 25,000 | - | | | 20,000 | 30,000 |
| B-7 | CLRP studies | 42,000 | 42,000 | 42,000 | | | | | | | | | 42,000 | - |
| B-11 | Conserv. Restrictions D.B. | 100,000 | 25,000 | 20,000 | 25,000 | 20,000 | 25,000 | 20,000 | 25,000 | 20,000 | | | 80,000 | 20,000 |
| B-12 | Community Health Assess. | 25,000 | | | 25,000 | 25,000 | | | | | | | 25,000 | - |
| B-13 | BFRT Design Funding | 70,000 | 70,000 | 70,000 | | | | | | | | | 70,000 | - |
| B-14 | White Pond Mngmt. Plan | 30,000 | 30,000 | - | | | | | | | | | - | 30,000 |
| B-15 | Slate Roof - 141 Keyes | 75,000 | | | | | | | | | 75,000 | 50,000 | 50,000 | 25,000 |
| B-16 | Mill Brook Streambank | 39,000 | | | 39,000 | - | | 6,500 | | | | | 6,500 | 32,500 |
| B-17 | HVAC - 141 Keyes Road | 30,000 | | | | | 30,000 | 30,000 | | | | | 30,000 | - |
| B-18 | Open Space and Rec. Plan | 5,000 | 5,000 | - | | | | | | | | | - | 5,000 |
| <i>Finance & Admin</i> | | | | | | | | | | | | | | |
| C-1 | Technology Fund | 1,000,000 | 150,000 | 120,000 | 175,000 | 150,000 | 200,000 | 165,000 | 225,000 | 180,000 | 250,000 | 195,000 | 810,000 | 190,000 |
| C-3 | Voice-over-internet | 100,000 | | | | | | | | | 100,000 | 100,000 | 100,000 | - |
| <i>Police</i> | | | | | | | | | | | | | | |
| <u>Police Dept. operations acct</u> | | | | | | | | | | | | | | |
| D-1 | Police Vehicles | 506,000 | 87,000 | 87,000 | 114,000 | 114,000 | 87,000 | 87,000 | 104,000 | 104,000 | 114,000 | 114,000 | 506,000 | - |
| D-2 | Public Safety Equipment | 70,000 | 10,000 | 10,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 70,000 | - |
| D-4 | Replace cruiser laptops | 30,000 | | | | | | | 30,000 | 30,000 | | | 30,000 | - |
| D-5 | Digital Radio Upgrade | 209,000 | | | 32,000 | 32,000 | 66,000 | 66,000 | 21,000 | 21,000 | 90,000 | - | 119,000 | 90,000 |
| D-6 | Cruiser Video Recorders | 40,000 | 40,000 | - | | | | | | | | | - | 40,000 |
| D-8 | Handgun replacement | 7,238 | 7,238 | 7,000 | | | | | | | | | 7,000 | 238 |
| D-9 | Vest replacement | 31,500 | | | | | 31,500 | 31,500 | | | | | 31,500 | - |
| D-10 | Lic. Plate Recognition Sys. | 43,000 | | | | | | | | | 43,000 | - | - | 43,000 |

| Ref # | Item | FY10-14 5-yr total requested | FY2010 | | FY2011 | | FY2012 | | FY2013 | | FY2014 | | Total | Total |
|---------------------------------|------------------------------|------------------------------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-------------|----------|
| | | | Requested | Recommended | Recommended | Deferred |
| <u>Police/Fire Station 1</u> | | | | | | | | | | | | | | |
| E-1 | Building Improvement | 50,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 50,000 | - |
| E-4 | Detective Division furniture | 18,000 | 18,000 | 10,000 | | | | | | | | | 10,000 | 8,000 |
| E-7 | Air Condition 1st Floor | 45,000 | 45,000 | - | | | | | | | | | - | 45,000 |
| E-9 | Replace Fire Alarm System | 16,000 | 16,000 | - | | | | | | | | | - | 16,000 |
| E-10 | Replace Overhead Doors | 25,000 | 25,000 | - | | | | | | | | | - | 25,000 |
| E-11 | back-up comm. sys. | 120,000 | | | 120,000 | - | | | | | | | - | 120,000 |
| E-12 | Radio Room Renovation | 80,000 | | | | | | 80,000 | 40,000 | | | | 40,000 | 40,000 |
| E-13 | Remote Radio Upgrades | 3,000 | | | | | | 3,000 | 3,000 | | | | 3,000 | - |
| E-14 | Cell Block Monitor | 5,500 | 5,500 | 5,500 | | | | - | - | | | | 5,500 | - |
| Fire | | | | | | | | | | | | | | |
| F-1 | Miscellaneous Equipment | 98,000 | 18,000 | 18,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 98,000 | - |
| F-9 | Radio/Repeaters | 42,000 | | | 42,000 | 42,000 | | | | | | | 42,000 | - |
| F-10 | Car 53 (1997) / Captains | 30,000 | 30,000 | 15,000 | | | | | | | | | 15,000 | 15,000 |
| F-12 | Car 1 (2003) | 32,000 | | | 32,000 | 26,000 | | | | | | | 26,000 | 6,000 |
| F-13 | truck with stack loader unit | 120,000 | | | | | 120,000 | - | | | | | - | 120,000 |
| F-14 | Upgrade Community AED's | 8,000 | | | | | 8,000 | 8,000 | | | | | 8,000 | - |
| F-15 | Replace Car 4 (2002 sedan) | 35,000 | | | | | | | 35,000 | 28,000 | | | 28,000 | 7,000 |
| F-16 | Replace Car 5 (2002 Pickup) | 35,000 | | | | | 35,000 | 30,000 | | | | | 30,000 | 5,000 |
| F-17 | Pumper Repairs | 30,000 | | | | | 30,000 | 30,000 | | | | | 30,000 | - |
| <u>Emergency management</u> | | | | | | | | | | | | | | |
| G-1 | Shelter Skid Unit | 4,500 | | | | | 4,500 | - | | | | | - | 4,500 |
| G-2 | Tech Ops Skid Unit | 3,500 | | | | | 3,500 | - | | | | | - | 3,500 |
| G-3 | Spec Ops Skid Unit | 3,500 | | | | | 3,500 | - | | | | | - | 3,500 |
| G-4 | back-up power installation | 75,000 | | | | | | | 75,000 | - | | | - | 75,000 |
| G-5 | CCHS Emergency Electricity | 12,500 | 12,500 | - | | | | | | | | | - | 12,500 |
| <u>Fire Station (station 2)</u> | | | | | | | | | | | | | | |
| H-1 | Building Improvement | 42,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 42,500 | - |
| H-2 | Station 2 Fire Alarm | 12,000 | 12,000 | - | | | | | | | | | - | 12,000 |
| H-3 | Station 2 Sprinklers | 40,000 | | | 40,000 | 40,000 | | | | | | | 40,000 | - |
| H-4 | Radio Room Upgrade | 65,000 | | | | | | | 65,000 | - | | | - | 65,000 |
| H-5 | Remote Radio Upgrades | 3,000 | | | | | | | 3,000 | - | | | - | 3,000 |
| H-6 | Exterior Preserv. of Station | 8,000 | 8,000 | 5,000 | | | | | - | - | | | 5,000 | 3,000 |

SECTION II: Budget Summary

Capital

| Ref # | Item | FY10-14 5-yr total requested | FY2010 | | FY2011 | | FY2012 | | FY2013 | | FY2014 | | Total | Total |
|---------------------------------|---------------------------|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | | Requested | Recommended | Recommended | Deferred |
| <i>PUBLIC WORKS</i> | | | | | | | | | | | | | | |
| Facilities & Systems | | | | | | | | | | | | | | |
| I-1 | Building Improvements | 81,250 | 16,250 | 5,000 | 16,250 | 5,000 | 16,250 | 5,000 | 16,250 | 5,000 | 16,250 | 5,000 | 25,000 | 56,250 |
| I-2 | GIS System | 138,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 28,000 | 28,000 | 50,000 | 50,000 | 138,000 | - |
| Public Ways | | | | | | | | | | | | | | |
| J-1 | Road Reconstruction | 450,000 | 85,000 | 85,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 95,000 | 95,000 | 450,000 | - |
| J-2 | Traffic Control Devices | 290,000 | 20,000 | 20,000 | 20,000 | 20,000 | 50,000 | 20,000 | 100,000 | 20,000 | 100,000 | - | 80,000 | 210,000 |
| J-3 | Guardrail Replacement | 100,000 | 20,000 | 10,000 | 20,000 | 10,000 | 20,000 | 10,000 | 20,000 | 10,000 | 20,000 | 10,000 | 50,000 | 50,000 |
| J-4 | Small Equipment | 37,500 | 7,500 | 5,000 | 7,500 | 5,000 | 7,500 | 5,000 | 7,500 | 5,000 | 7,500 | 5,000 | 25,000 | 12,500 |
| J-5 | Drainage Improvements | 525,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 525,000 | - |
| J-6 | Culvert Improvement | 500,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 500,000 | - |
| J-8 | Sidewalks - Maintenance | 500,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 500,000 | - |
| J-9 | Sidewalks - Extensions | 300,000 | 60,000 | - | 60,000 | - | 60,000 | - | 60,000 | - | 60,000 | - | - | 300,000 |
| Park & Tree | | | | | | | | | | | | | | |
| K-1 | Public Shade Trees | 125,000 | 25,000 | 25,000 | 25,000 | 20,000 | 25,000 | 20,000 | 25,000 | 20,000 | 25,000 | 20,000 | 105,000 | 20,000 |
| K-2 | Turf Improv./Park Rehab. | 150,000 | 30,000 | - | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | - | 90,000 | 60,000 |
| K-3 | Small Equipment | 37,500 | 7,500 | 5,000 | 7,500 | 5,000 | 7,500 | 5,000 | 7,500 | 5,000 | 7,500 | 5,000 | 25,000 | 12,500 |
| Equipment | | | | | | | | | | | | | | |
| L-1 | Vehicles and Heavy Equip. | 1,580,000 | 290,000 | 278,000 | 300,000 | 300,000 | 310,000 | 310,000 | 330,000 | 330,000 | 350,000 | 350,000 | 1,568,000 | 12,000 |
| Library | | | | | | | | | | | | | | |
| M-1 | Computer Equipment | 50,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 50,000 | - |
| Council on Aging | | | | | | | | | | | | | | |
| O-1 | Building Improv - HWCC | 45,000 | 5,000 | 5,000 | 10,000 | 5,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 40,000 | 5,000 |
| O-2 | Bus - 10-Passenger (2003) | 25,000 | | | 25,000 | - | | | | | | | - | 25,000 |
| O-3 | Bus - 14-Passenger | 47,000 | | | | | | | 47,000 | 25,000 | | | 25,000 | 22,000 |
| GENERAL FUND TOTAL | | \$ 10,497,988 | \$ 1,872,988 | \$ 1,370,500 | \$ 2,003,750 | \$ 1,550,000 | \$ 2,033,750 | \$ 1,600,000 | \$ 2,295,750 | \$ 1,640,000 | \$ 2,291,750 | \$ 1,675,000 | \$ 7,835,500 | \$ 2,662,488 |
| Target | | 7,955,500 | 1,490,500 | | 1,550,000 | | 1,600,000 | | 1,640,000 | | 1,675,000 | | | |
| Not funded in FY10-14 plan | | 2,542,488 | 382,488 | | 453,750 | | 433,750 | | 655,750 | | 616,750 | | | |

SECTION II: Budget Summary

Capital

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

| Acct # | Category | Budget FY09 | Dept. Request FY10 | Town Mgr Proposed FY10 | \$ Change FY09 Budget to FY10 Proposed |
|-----------------------------------|------------------------------------|-------------|--------------------|------------------------|--|
| Town Manager: | | | | | |
| 1A | ADA Compliance | 5,000 | 10,000 | 5,000 | - |
| 1B | Building Improv - Townwide Fund | 135,000 | 240,000 | 135,000 | - |
| | Total - account #1 | 140,000 | 250,000 | 140,000 | - |
| Elections: | | | | | |
| 3A | Voting machine for disabled | 7,000 | - | - | (7,000) |
| Planning Administration: | | | | | |
| 5A | CLRP implementation studies | - | 42,000 | 42,000 | 42,000 |
| 5A | BFRT Design Funding | - | 70,000 | 70,000 | 70,000 |
| | Total - account #5A | - | 112,000 | 112,000 | 112,000 |
| 5C Natural Resources: | | | | | |
| | Pond & stream management | 5,000 | 15,000 | 5,000 | - |
| | Conservation Restrictions database | - | 25,000 | 20,000 | 20,000 |
| | White Pond Management Plan | - | 30,000 | - | - |
| | Open Space and Rec. Plan | - | 5,000 | - | - |
| | Total - account #5C | 5,000 | 75,000 | 25,000 | 20,000 |
| 6 141 Keyes Road Building: | | | | | |
| | Building Improv - 141 Keyes Road | 5,000 | 5,000 | 5,000 | - |
| | Storage shed @ 141 Keyes Road | - | 7,000 | 7,000 | 7,000 |
| | Total - account #6 | 5,000 | 12,000 | 12,000 | 7,000 |
| Finance Administration | | | | | |
| 8A | Furnishings & equipment | 10,000 | | | (10,000) |
| 9 | Town-wide Technology Fund | 122,000 | 150,000 | 120,000 | (2,000) |
| 10 | Building Improv - Town House | 10,000 | 15,000 | 10,000 | - |
| Police Department: | | | | | |
| 11 | Police Vehicles | 114,000 | 87,000 | 87,000 | (27,000) |
| 11 | Public Safety Equipment | 10,000 | 10,000 | 10,000 | - |
| 11 | Replace cruiser laptops | 24,000 | | | (24,000) |
| 11 | Cruiser Video Recorders | - | 40,000 | - | - |
| 11 | Thermal Imaging Camera | 5,000 | | | (5,000) |
| 11 | Handgun replacement | - | 7,238 | 7,000 | 7,000 |
| 11 | Vest replacement | 15,000 | | | (15,000) |
| | Total - account #11 | 168,000 | 144,238 | 104,000 | (64,000) |
| Fire Department: | | | | | |
| 12 | Miscellaneous Equipment | 17,000 | 18,000 | 18,000 | 1,000 |
| 12 | Base Station Radio/Repeaters | - | | | - |
| 12 | Car 53 (1997) / Captains | - | 30,000 | 15,000 | 15,000 |
| 12 | Engine 4 (1998) | 85,000 | | | (85,000) |
| | Total - account #12 | 102,000 | 48,000 | 33,000 | (69,000) |

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

| Acct # | Category | Budget | Dept. Request | Town Mgr Proposed | \$ Change |
|---|---------------------------------------|----------------|----------------|-------------------|------------------------------|
| | | FY09 | FY10 | FY10 | FY09 Budget to FY10 Proposed |
| West Concord Fire Station: | | | | | |
| 13 | Building Improv - W. Concord | 8,000 | 8,500 | 8,500 | 500 |
| 13 | Install Fire Alarm System Sta. 2 | - | 12,000 | - | - |
| 13 | Exterior Preserv. of Station | - | 8,000 | 5,000 | 5,000 |
| | Total - account #13 | 8,000 | 28,500 | 13,500 | 5,500 |
| Police/Fire Station (Walden Street): | | | | | |
| 14 | Building Improv - Walden St | 10,000 | 10,000 | 10,000 | - |
| 14 | Detective Division furniture | - | 18,000 | 10,000 | 10,000 |
| 14 | Station 1 (Fire) Renovations | 50,000 | | | (50,000) |
| 14 | Annex improvements | 15,000 | | | (15,000) |
| 14 | Air Condition 1st Floor Sta. 1 | - | 45,000 | - | - |
| 14 | Replace Fire Alarm System Sta 1 | - | 16,000 | - | - |
| 14 | Replace Overhead Doors Sta 1 | - | 25,000 | - | - |
| 14 | Cell Block Monitor | - | 5,500 | 5,500 | 5,500 |
| | Total - account #14 | 75,000 | 119,500 | 25,500 | (49,500) |
| Emergency Management | | | | | |
| 15 | CCHS Emergency Electricity | - | 12,500 | - | - |
| Engineering: | | | | | |
| 17B | GIS System | 27,000 | 20,000 | 20,000 | (7,000) |
| 17B | Traffic Control Devices | 30,000 | 20,000 | 20,000 | (10,000) |
| 17B | Structural Repairs - Rt 62@ Damon Mil | 86,000 | | | (86,000) |
| | Total - account #17B | 143,000 | 40,000 | 40,000 | (103,000) |
| Highway Maintenance: | | | | | |
| 17C | Guardrail Replacement | 10,000 | 20,000 | 10,000 | - |
| 17C | Small Equipment | 5,000 | 7,500 | 5,000 | - |
| | Total - account #17C | 15,000 | 27,500 | 15,000 | - |
| Parks & Trees: | | | | | |
| 17D | Public Shade Trees | 25,000 | 25,000 | 25,000 | - |
| 17D | Turf Improv./Park Rehab. | - | 30,000 | - | - |
| 17D | Small Equipment | 5,000 | 7,500 | 5,000 | - |
| | Total - account #17D | 30,000 | 62,500 | 30,000 | - |
| Public Works equipment: | | | | | |
| 20 | Vehicles and Heavy Equipment | 278,000 | 290,000 | 278,000 | - |
| Drainage: | | | | | |
| 21 | Drainage Improvements | 55,000 | 105,000 | 105,000 | 50,000 |
| 21 | Culvert Improvement | 50,000 | 100,000 | 100,000 | 50,000 |
| | Total - account #21 | 105,000 | 205,000 | 205,000 | 100,000 |
| Sidewalks: | | | | | |
| 22 | Sidewalks - Maintenance | 90,000 | 100,000 | 100,000 | 10,000 |
| 22 | Sidewalks - Extensions | - | 60,000 | - | - |
| | Total - account #22 | 90,000 | 160,000 | 100,000 | 10,000 |
| 133/135 Keyes Road building: | | | | | |
| 23 | Building Improv - 133/135 Keyes | 5,000 | 16,250 | 5,000 | - |
| | Total - account #23 | 5,000 | 16,250 | 5,000 | - |

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

| Acct # | Category | Budget FY09 | Dept. Request FY10 | Town Mgr Proposed FY10 | \$ Change FY09 Budget to FY10 Proposed |
|-----------|-------------------------------------|----------------|--------------------------|------------------------------|--|
| | Library: | | | | |
| 24 | Computer Equipment | 10,000 | 10,000 | 10,000 | - |
| | Recreation: | | | | |
| 26 | resurfacing Emerson Track | 48,000 | | | (48,000) |
| | Harvey Wheeler Building: | | | | |
| 27 | Building Improv - Harvey Wheeler | 5,000 | 5,000 | 5,000 | - |
| | Information/Visitors Center: | | | | |
| 31 | Building Improv - Info Center | - | 5,000 | 2,500 | 2,500 |
| | Road Improvements | | | | |
| 36 | Road Reconstruction | 85,000 | 85,000 | 85,000 | - |
| | TOTAL | 1,466,000 | 1,867,988 | 1,370,500 | (98,000) |

Debt:

At the end of FY09 (June 30th, 2009), the Town of Concord’s outstanding tax-supported long-term debt is projected to total: **\$49,808,220**.

This total represents 0.95% of assessed value, or \$2,931 of debt per capita.

The Debt Section includes the following:

- Debt Overview II-38
- FY10-14 Debt Authorization II-39 to II-40
- Long-Term Debt II-41
- Outstanding Debt Detail II-42 to II-43
- Excluded Debt Detail II-44 to II-46
- Debt Exclusion Tax Levy II-47
- Authorized and Unissued Debt II-48

Rapid Debt Repayment

The Town aims for a rapid debt repayment schedule for tax-supported debt, with a goal (for “within the levy limit” debt) of 65% repayment within 5 years and 90% repayment within 10 years.

This policy serves the following purposes:

- To hold down the amount expended in the form of interest costs;
- To provide new capacity for debt issuance on a regular basis and thereby enable newly recognized capital needs to be addressed annually;
- To maintain the Town’s credit rating of Aaa, which reduces the cost of borrowing.
- See page III-165 for details on the Town’s annual Debt Service account.**

| Debt Retirement Policy Compliance for Debt Issued as of June 30,2008 | | | | |
|---|--------------------|----------|----------------------|-------|
| Percent of Principal Repaid | Tax-Supported Debt | | Enterprise and Other | Total |
| | Within Limit | Excluded | | |
| @ 5 yrs. | 77% | 32% | 38% | 42% |
| @ 10 yrs. | 100% | 63% | 64% | 70% |
| @ 15 yrs. | | 89% | 84% | 89% |
| @ 20 yrs. | | 100% | 100% | 100% |

GENERAL OBLIGATION DEBT POLICIES

1. As a general policy, the threshold for an item for debt financing shall be an expenditure of at least \$100,000 and a useful life in excess of 5 years.
2. The term of long-term debt shall not exceed the expected useful life of the capital asset being financed, and in general it shall not exceed 20 years.
3. A rapid debt repayment schedule shall be maintained, with a goal of 60% principal repayment within 5 years and 90% repayment within 10 years, for tax-supported non-excluded debt.
4. Debt supported outside the levy limit—that is, through a debt exclusion—may be above the 7-8% allocation limit, and may be structured for a longer repayment schedule; such debt shall be reserved for large capital improvements, generally those costing over \$1 million and bonded for 10 years or more.
5. For all debt exclusion items, the impact on property tax rates shall be calculated.
6. All debt of the Town shall be issued as general obligation debt. As a policy, debt for enterprises may be paid for from fee revenue rather than through taxes.

| FY10-14 Capital Program | | | | | | |
|--|--|------------------|--------------------|--------------------|--------------------|---------------------|
| DEBT AUTHORIZATION - Town Manager's Recommendations | | | | | | |
| Fiscal Year of Issuance Annual Town Meeting Year | FY2010 2009 | FY2011 2010 | FY2012 2011 | FY2013 2012 | FY2014 2013 | FY2010-14 Total |
| | Projected Amount Available for Authorization | | | | | |
| General Fund - within Levy Limit Financing | \$3,850,000 | 2,250,000 | \$3,825,000 | \$3,350,000 | \$3,200,000 | \$16,475,000 |
| <i>Town Manager</i> | | | | | | |
| Construction/acquisition of office space | | | | 1,900,000 | | 1,900,000 |
| Harvey Wheeler Building Roof Repairs | | | 100,000 | | | 100,000 |
| <i>Planning</i> | | | | | | |
| Land Acquisition | 500,000 * | 575,000 | 200,000 | | 200,000 | 1,475,000 |
| <i>Public Safety</i> | | | | | | |
| Police/Fire Station 1 - Renovations | 900,000 | | 500,000 | | | 1,400,000 |
| Ambulance A-2 (2003) | | 200,000 | | | | 200,000 |
| Engine - West Concord (1990) | 450,000 | | | | | 450,000 |
| Ladder 1 (1988) | | | 1,000,000 | | | 1,000,000 |
| <i>Public Works</i> | | | | | | |
| Road Reconstruction | 700,000 | 700,000 | 700,000 | 700,000 | 700,000 | 3,500,000 |
| Cambridge Turnpike - Design (Crosby's Corner project) | 300,000 | | | | | 300,000 |
| Traffic Control Devices - Sudbury Rd/Thoreau St. | 150,000 | | | | | 150,000 |
| Sidewalk extensions | 250,000 | | | | | 250,000 |
| Covered Storage - equipment & salt | | | 425,000 | | 450,000 | 875,000 |
| <i>Recreation</i> | | | | | | |
| Hunt Gym - HVAC | | | | | 245,000 | 245,000 |
| Rideout Playground Structure | | | 175,000 | | | 175,000 |
| Playing Fields - renovations, turf improvement | | 100,000 | | | | 100,000 |
| Subtotal - Town Projects | \$3,250,000 | 1,575,000 | 3,100,000 | 2,600,000 | 1,595,000 | 12,120,000 |

* There is not an article to appropriate the \$500,000 for Land Acquisition on the 2009 Annual Town Meeting Warrant. However, there is a possibility that such an article could be placed on a subsequent Special Town Meeting Warrant.

| | | | | | | |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Concord Public Schools (K-8) | | | | | | |
| <i>Peabody</i> | 80,000 | 150,000 | 200,000 | 350,000 | 860,000 | 1,640,000 |
| <i>Sanborn</i> | 455,000 | 0 | 425,000 | 375,000 | 600,000 | 1,855,000 |
| <i>Alcott</i> | | | | 25,000 | 70,000 | 95,000 |
| <i>Thoreau</i> | | | | | 75,000 | |
| <i>Ripley Administration Building:</i> | 65,000 | 525,000 | 100,000 | 0 | 0 | 690,000 |
| <i>Gross subtotal, CPS buildings</i> | 600,000 | 675,000 | 725,000 | 750,000 | 1,605,000 | 4,280,000 |
| Subtotal - School Projects allocation | \$600,000 | \$675,000 | \$725,000 | \$750,000 | \$1,605,000 | \$4,280,000 |
| General Fund Projected Total | \$3,850,000 | \$2,250,000 | \$3,825,000 | \$3,350,000 | \$3,200,000 | \$16,475,000 |
| Difference from Projected Available | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Funds | | | | | | |
| <u>Water</u> | | | | | | |
| Nagog Treatment Plant | 0 | 3,000,000 | 0 | 0 | 3,000,000 | 3,000,000 |
| <u>Light</u> | | | | | | |
| Smart Grid | 4,500,000 | 0 | 0 | 0 | 0 | 4,500,000 |
| <u>Betterment</u> | | | | | | |
| Title V Septic Loan Program (WPAT) | 2,000,000 | 0 | 0 | 0 | 0 | 0 |
| Potential New Authorizations - ALL FUNDS | \$10,350,000 | \$5,250,000 | \$3,825,000 | \$3,350,000 | \$6,200,000 | \$23,975,000 |

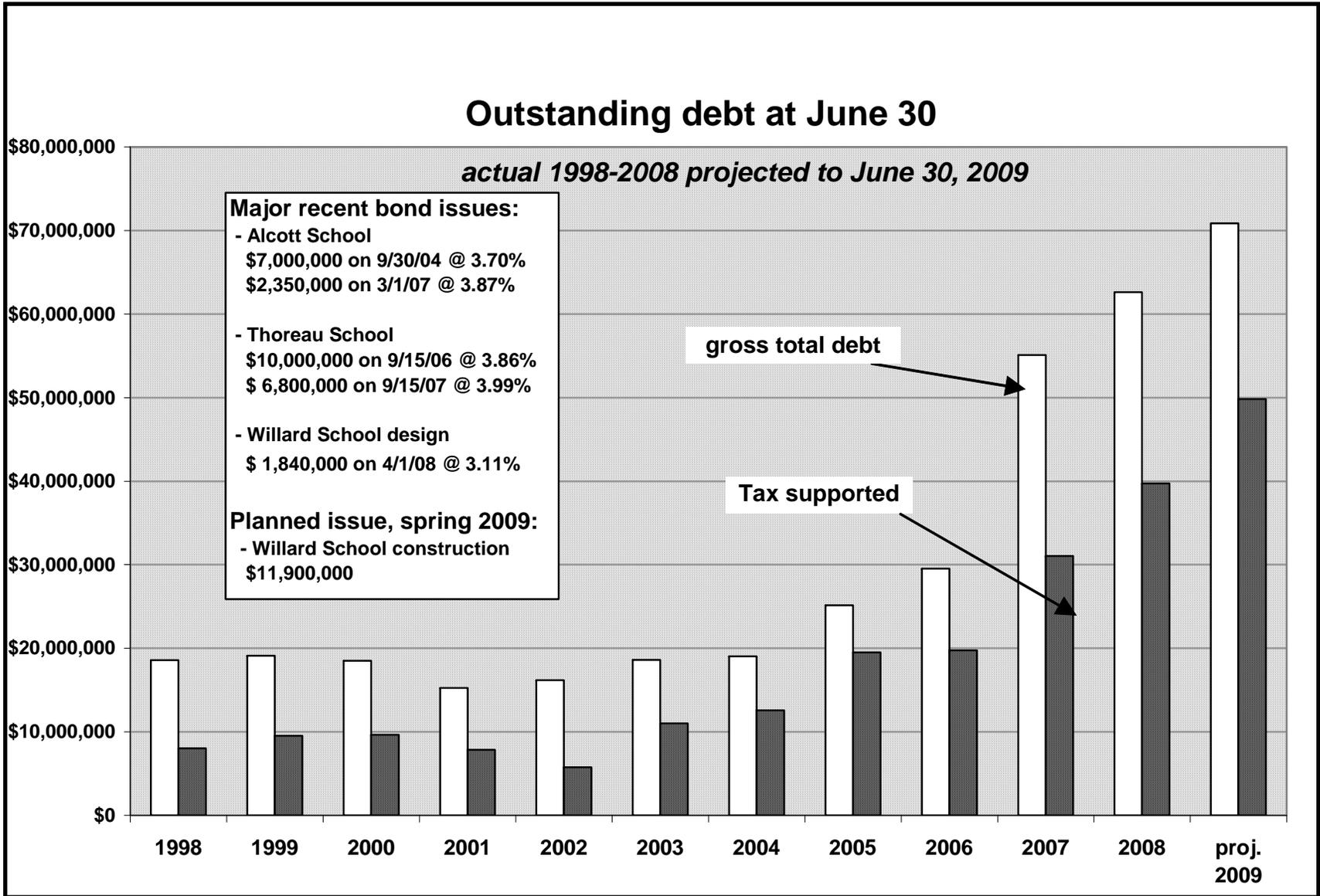
CONCORD'S LONG-TERM DEBT STATISTICS

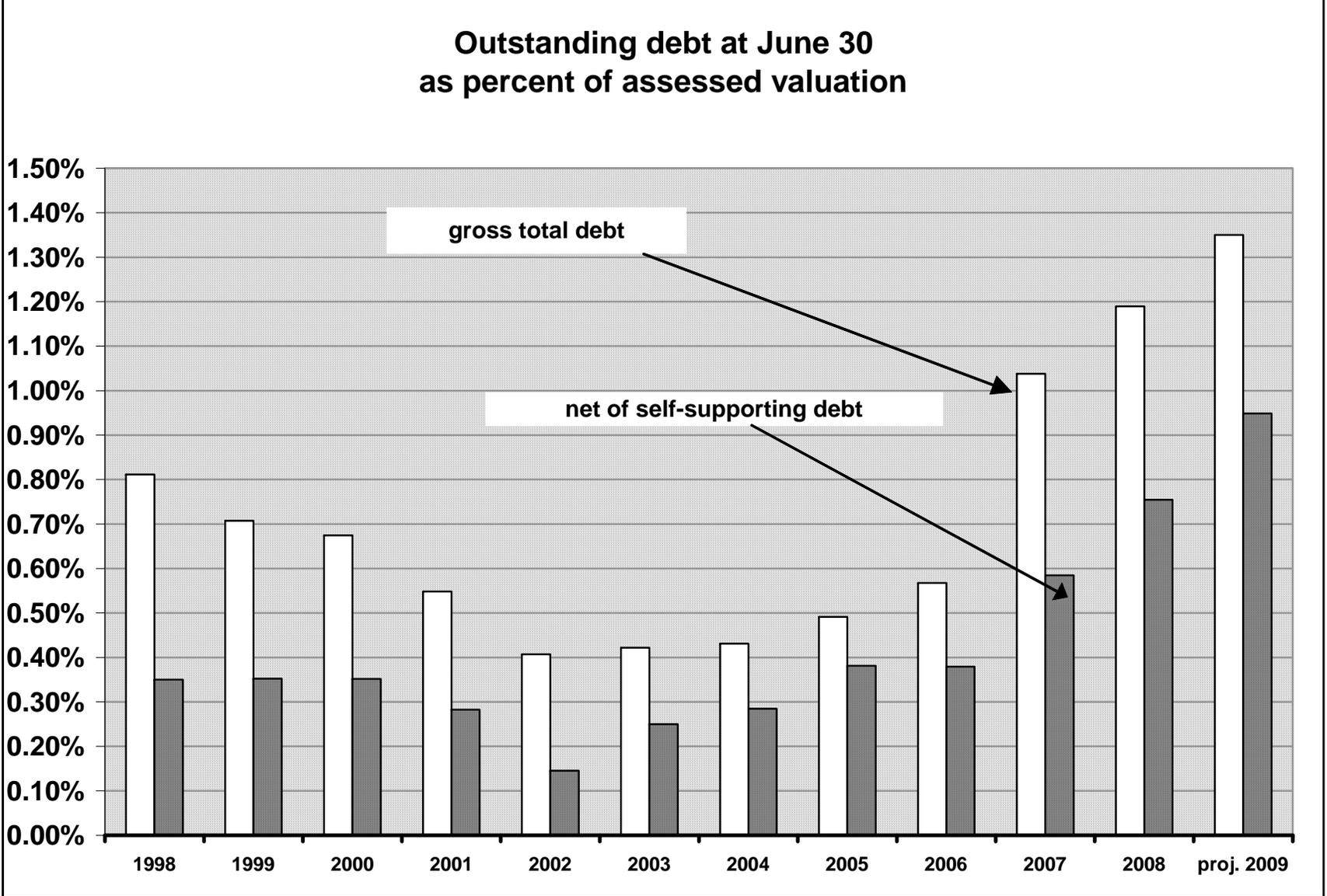
June 30, 1998 to June 30, 2008 actual, and projected to June 30, 2009

| @ June 30 | Assessed Value | Outstanding Long-term Debt | | Population US census 2000 | per capita income US census 2000 | % of Assessed value | | Debt per capita | | Debt per capita as % of per capita income | |
|---------------|-----------------|----------------------------|--------------|---------------------------------|---|---------------------|----------|-----------------|----------|--|-------------|
| | | Gross | Net | | | Gross debt | net debt | Gross debt | net debt | Gross debt | net debt |
| 1998 | \$2,288,809,124 | \$18,570,000 | \$8,018,000 | 17,076 | \$31,655 | 0.81% | 0.35% | \$1,087 | \$470 | 3.44% | 1.48% |
| 1999 | \$2,704,003,171 | \$19,120,000 | \$9,533,000 | 17,076 | \$31,655 | 0.71% | 0.35% | \$1,120 | \$558 | 3.54% | 1.76% |
| 2000 | \$2,742,122,055 | \$18,500,000 | \$9,647,000 | 16,993 | \$51,477 | 0.67% | 0.35% | \$1,089 | \$568 | 2.11% | 1.10% |
| 2001 | \$2,783,643,972 | \$15,260,000 | \$7,865,000 | 16,993 | \$51,477 | 0.55% | 0.28% | \$898 | \$463 | 1.74% | 0.90% |
| 2002 | \$3,974,434,046 | \$16,185,000 | \$5,770,000 | 16,993 | \$51,477 | 0.41% | 0.15% | \$952 | \$340 | 1.85% | 0.66% |
| 2003 | \$4,408,301,807 | \$18,605,000 | \$11,020,000 | 16,993 | \$51,477 | 0.42% | 0.25% | \$1,095 | \$649 | 2.13% | 1.26% |
| 2004 | \$4,411,852,520 | \$19,019,237 | \$12,569,237 | 16,993 | \$51,477 | 0.43% | 0.28% | \$1,119 | \$740 | 2.17% | 1.44% |
| 2005 | \$5,117,100,515 | \$25,138,385 | \$19,515,000 | 16,993 | \$51,477 | 0.49% | 0.38% | \$1,479 | \$1,148 | 2.87% | 2.23% |
| 2006 | \$5,207,535,371 | \$29,542,533 | \$19,758,290 | 16,993 | \$51,477 | 0.57% | 0.38% | \$1,739 | \$1,163 | 3.38% | 2.26% |
| 2007 | \$5,309,253,833 | \$55,091,156 | \$31,052,480 | 16,993 | \$51,477 | 1.04% | 0.58% | \$3,242 | \$1,827 | 6.30% | 3.55% |
| 2008 | \$5,264,591,702 | \$62,606,176 | \$39,739,546 | 16,993 | \$51,477 | 1.19% | 0.75% | \$3,684 | \$2,339 | 7.16% | 4.54% |
| proj. 2009 | \$5,250,000,000 | \$70,867,734 | \$49,808,220 | 16,993 | \$51,177 | 1.35% | 0.95% | \$4,170 | \$2,931 | 8.15% | 5.73% |

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

EQV and Debt: The Town's 2008 Finalized Equalization Valuation (EQV), as set by the state, is \$5,775,460,600. By state law (M.G.L. c.44 §10), the Town's debt limit is set at 5% of its EQV. The Town's projected debt on July 30th, 2009 is \$70,867,734 (1.23% of EQV), well under its legal limit.





Detail of Excluded Debt Cost

Concord-Carlisle High School

Debt originally issued in 1992 and 1995 was refinanced by CCRSD in April 2003. This nine-year issue has a final maturity of April 2012 and was sold at an interest cost of 2.71%.

- A five-year bond was issued September 1, 2004 at a 3.90% rate in the sum of \$535,000.
- A five-year bond was issued December 1, 2005 at a 4.70% rate in the sum of \$590,000.
- A ten-year bond was issued December 15, 2007 at a 3.33% rate in the sum of \$2,445,000.

Fiscal year 2010 debt service and Concord's assessed share is:

| | Principal | Interest | Total |
|------------|------------------|---|--------------------|
| 2003 bonds | \$ 440,000 | \$ 42,900 | \$ 482,900 |
| 2004 bonds | \$ 107,000 | \$ 4,173 | \$ 111,173 |
| 2005 bonds | \$ 115,000 | \$ 10,810 | \$ 125,810 |
| 2007 bonds | \$ 245,000 | \$ 73,948 | \$ 318,948 |
| | | TOTAL | \$1,038,831 |
| | | Less SBA state aid: | <u>(288,950)</u> |
| | | Net debt excludable from levy limit by Concord and Carlisle: | \$ 749,881 |
| | | Concord's FY10 share at 71.91% | <u>\$ 539,239</u> |

Wastewater Management, Phase 1

A \$4,190,000 debt authorization was voted at the 2004 Town Meeting and the debt for this sewer extension project was approved by ballot on June 8, 2004. This debt is secured through the Water Pollution Abatement Trust (WPAT), Commonwealth of Massachusetts, at a subsidized interest rate of 2%. The long-term loan was executed in November 2005. The budgeted cost for FY10 is the fourth year of a twenty-year payment schedule, with the final maturity on July 15, 2025. The General Fund and Betterment funded shares are:

| | |
|---------------------------|-----------|
| General Fund (39.1%) | \$101,898 |
| Betterment funded (60.9%) | \$158,710 |

Harvey Wheeler Community Center

The long-term bond for this project was issued February 2004. \$1.2 million was the excluded debt portion. The bond was issued as a 12-year level principal maturity schedule at an interest cost of 2.87%, with a final maturity on Feb. 15, 2016. FY10 debt service is:

| | |
|-----------|---|
| Principal | \$ 100,000 |
| Interest | <u>22,191</u> |
| | \$ 122,191 (net of \$334 amortized premium) |

Thoreau School Construction

An 18-year bond in the principal sum of \$10,000,000 was issued September 15, 2006 at an interest cost of 3.86%, with a final maturity on Sept. 15, 2024. The FY10 debt service cost is \$891,376.

| | |
|-----------|---|
| Principal | \$ 555,000 |
| Interest | <u>336,376</u> |
| | \$ 891,376 (net of \$787 amortized premium) |

An 18-year bond in the principal sum of \$6,800,000 was issued September 15, 2007 at an interest cost of 3.99%, with a final maturity on Sept. 15, 2025. The FY10 debt service cost is \$634,487.

| | |
|-----------|---|
| Principal | \$ 380,000 |
| Interest | <u>254,487</u> |
| | \$ 634,487 (net of \$851 amortized premium) |

These bonds were issued pursuant to authorization voted by the 2004 Town Meeting (Article 27) and approved by ballot vote in June of 2004.

The total Thoreau debt expense provided in the FY10 budget is \$1,525,863 (2.32% of the projected tax levy).

On December 7, 2007, the Concord Public Schools received an invitation from the Massachusetts School Building Authority (MSBA) to participate in a "Project Scope and Budget Conference" for the new Thoreau School. Out of 423 school project applications from 162 different school districts received by the MSBA, the MSBA acted at its November 28, 2007 meeting to move 83 school projects into its "Feasibility Study" stage. Seven of these projects were advanced further into the "Project Scope and Budget Conference" stage, either because the projects had, like the Thoreau School, been completed already or were under construction or in advance pre-construction phase.

The Thoreau Project conference with the MSBA was held on January 18, 2008. Subsequently, the MSBA notified the Town that the Thoreau School project would be eligible as a "moratorium project". An audit of the project expenses incurred from the initial design work in 2000 to final completion in 2006 is being conducted currently, and a grant in the range of \$5 million is expected. Since the Town has already issued the long-term debt, regulations of the Massachusetts Department of Revenue will require that any MSBA grant be escrowed by the Town and be allocated proportionately to future debt service costs over the life of the bonds. If a grant is received prior to June 30, 2009, approximately \$300,000 could be available to reduce the Thoreau School debt service FY10 tax impact.

The Total Thoreau project cost, including the design cost incurred in 2000-2001 and bonded in 2002, was about \$17.5 million. The new school opened in September 2006.

Alcott School Construction

The Massachusetts School Building Authority paid a lump-sum grant to the Town on September 25, 2006, in the amount of \$7,175,997 (about 43% of total project expenses). The grant was used to redeem short-term project notes that came due September 30, 2006. The Town received the maximum grant for which it was eligible, based upon a per square foot maximum allowable cost of \$173, a building constructed area of 78,011 square feet, and a nominal 50% state grant (the percentage applies to allowable costs, not gross actual costs).

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

The total Alcott debt expense provided in the FY10 budget is \$796,039 (1.21% of the projected tax levy).

| | |
|--|----------------|
| \$10 million Bond issued September 2004: | |
| Principal | \$ 350,000 |
| Interest | <u>204,706</u> |
| | \$ 554,706 |

\$2.35 million Bond issued March 2007:

| | |
|-----------|---|
| Principal | \$ 160,000 |
| Interest | <u>81,333</u> |
| | \$ 241,333 (net of \$642 amortized premium) |

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

Willard School Design

\$1,840,000 was authorized by the 2006 Annual Town Meeting and by a subsequent debt exclusion ballot vote in June 2006 for the design of a new Willard Elementary School. Additionally, at the Special Town Meeting of November 5, 2007 and the ballot vote of November 14, 2007, \$29.4 million was authorized for construction of the new Willard School.

A 10-year bond in the principal sum of \$1,840,000 was issued April 1, 2008 at an interest cost of 3.11%, with a final maturity on April 1, 2018. The FY10 debt service cost is \$237,528.

| | |
|-----------|---|
| Principal | \$ 185,000 |
| Interest | <u>52,528</u> |
| | \$ 237,528 (net of \$978 amortized premium) |

The FY10 budget also provides \$750,000 for the estimated interest cost on short-term project financing for this purpose. Construction began April 2008 with an opening target date of September 2009. The project is presently on time and significantly under budget. It is currently anticipated that construction cost will be in the range of \$25 million compared to the authorized allocation of \$29.4 million.

Two construction period notes have been issued thusfar:

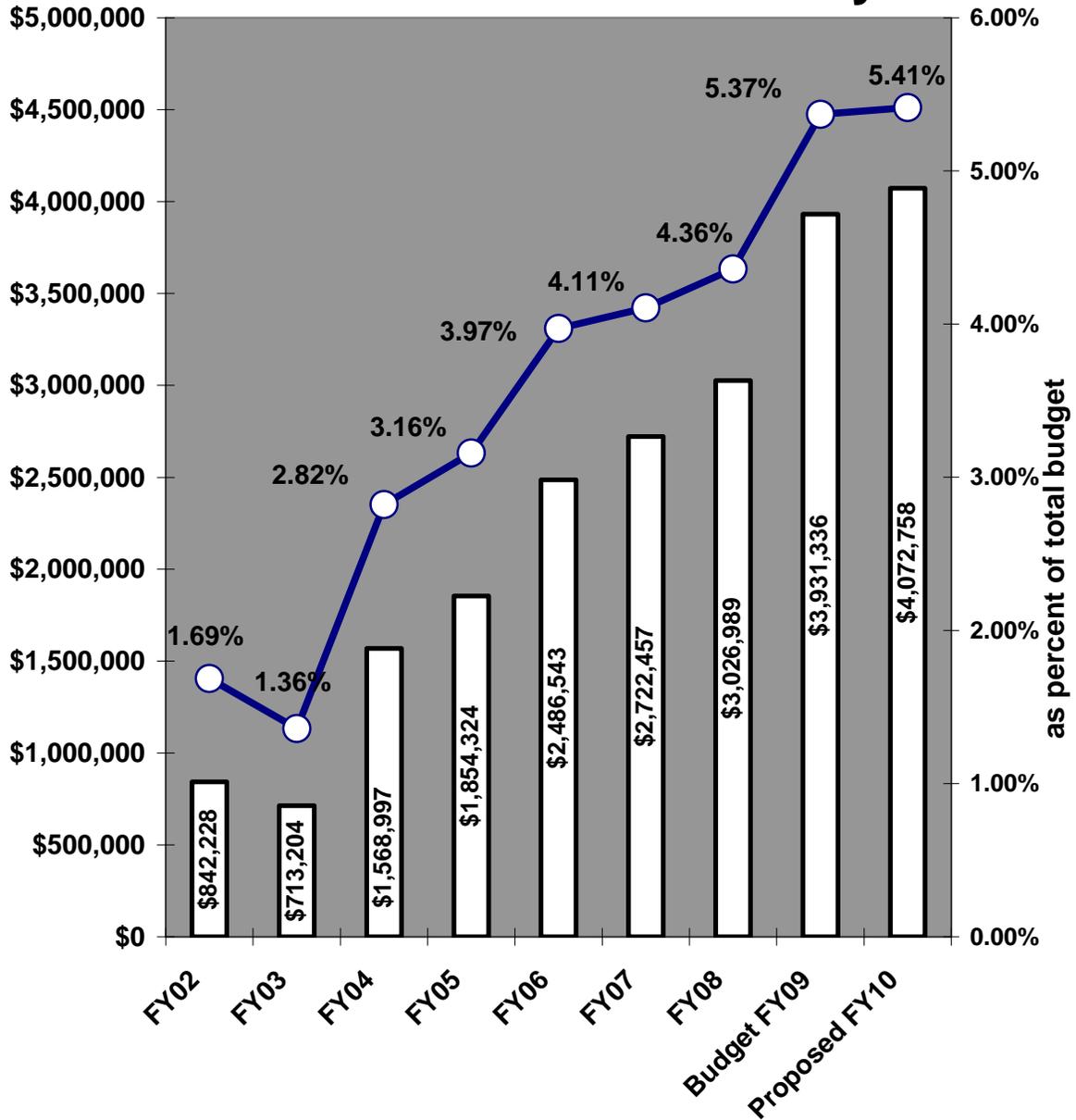
- \$12,000,000 issued May 16, 2008, due May 15, 2009 at 1.897%
- \$12,500,000 issued Jan. 29, 2009, due Jan. 28, 2010 at 0.5322%

Due to the unusual bond market conditions and the extraordinary and historically low interest rates presently, and perhaps only temporarily, available to high quality credits such as Concord, the Town Treasurer is currently evaluating whether to permanently finance the first half of the Willard Project when the first \$12 million of Notes is due on May 15, 2009. This decision will be made prior to the Town Meeting and may alter the FY10 excluded debt service appropriation requirements. In order to cover a first principal repayment in the next fiscal year, the FY10 debt service budget would need to be increased by about \$400,000. As this is excluded debt, we would be able to raise the property tax levy accordingly. While this would be to the Town's long-term benefit and would hedge against long-term interest rates moving up sharply over the next year, the immediate taxpayer impact will be significant.

We had anticipated selling the Willard Bonds in the spring of 2010, at the completion of the project, and tapping the Elementary School Debt Stabilization Fund beginning with the FY2011 budget. There is no Article on the 2009 Town Meeting Warrant to accomplish such an allocation for FY10. Therefore, we will be considering alternative funding options including, possibly, a direct appropriation of Free Cash under Warrant Article 14.

The Willard School project was not selected by the MSBA for a possible state grant in the 2008-09 application cycle, but the Town is permitted to renew its application annually.

Debt Exclusion Tax Levy



Authorized and Unissued Debt @ January 1, 2009

| debt category | Town Meeting Vote | Purpose | Debt Amount Authorized | Code | Note Issuance and other comment |
|--|---------------------|--|------------------------|--|--|
| Excluded | Art. 60, 2002 | Alcott School \$7M bond issued Sept. 2004 \$2.35M bond issued March 2007 | 1,110,000 | 030-300-000-0567 | bid contingency, \$668,430, cannot be used Bond 1-20 years @ 3.70% TIC, dated 9-15-04 Bond 1-15 yrs @3.87% TIC, dated 3-1-07 |
| betterment | Art. 50, 2004 | Septic Betterment Loan (Title 5) | 1,000,000 | 018-455-000-0916 | through SRF, funded from betterments |
| Water Fund | Art. 52, 2004 | Water Supply System Improvements \$1M bond issued March 2006 \$3.5 M bond issued March 2007 \$750K bond issued April 2008 | 500,000 | 061-450-000-0456 | |
| Excluded | Art. 40, 2006 | Thoreau School Excluded pursuant to 2004 vote, per DOR | 350,000 | 030-300-000-0594 | |
| within limit | Art. 51, 2006 | Police/Fire Station renovations - design \$100K bond issued April 2008 | 100,000 | 030-215-000-0679 | |
| within limit | Art. 53, 2006 | Building Improvements - Hunt Gym Roof \$45K bond issued April 2008 | 30,000 | 030-631-000-0681 | |
| within limit | Art. 24, 2007 | 2007 Road Improvements | 300,000 | 030-411-000-0296 | |
| within limit | Art. 25, 2007 | CPS School Building Improvements \$400K bond issued April 2008 | 460,000 | 030-300-000-0297 | |
| Excluded | Art. 5, STM 11/5/07 | Willard School | 28,185,000 | 030-300-000-0695 (net of \$1,215,000 bid contingency not needed) | |
| within limit | Art. 22, 2008 | 2008 Road Improvements | 700,000 | 030-429-000-0307 | |
| within limit | Art. 24, 2008 | Emerson Playground improvements | 150,000 | 030-631-000-0308 | |
| witnin limit | Art. 25, 2008 | CPS School Building Improvements | 800,000 | 030-300-000-0309 | |
| | | | \$ 33,685,000 | | |
| Detail: <u>Authorized & Unissued by Funding Source</u> | | | | <u>Tax-supported Debt detail:</u> | |
| | | Tax Supported to be issued | \$ 27,120,000 | | within levy limit (WLL) \$ 2,510,000 |
| | | Betterments | 1,000,000 | | excluded debt (Excl.) \$24,610,000 |
| | | to be rescinded | 5,565,000 | | \$27,120,000 |
| | | | \$ 33,685,000 | | |