

UNAPPROPRIATED:

Section III

Budget Detail – Unappropriated

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Mission Statement:

This account funds certain charges that are levied on the Town by state law, which are not subject to Town Meeting appropriation. The primary item (constituting 83% of the General Fund assessment in FY16) is the Town's share of MBTA operating support.

Budget Highlights:

- The fiscal plan projects a 1.0% increase in the State Assessment, to \$500,500.

Expenditure Summary

	FY15 Actual	FY16 Actual	FY17 Budgeted	FY18 Proposed
General Fund	\$ 476,551	\$ 492,837	\$ 478,210	\$ 500,500
Other Funds	\$ 17,100	\$ 17,100	\$ 17,100	
Total Expenditures	\$ 493,651	\$ 509,937	\$ 495,310	\$ 500,500

Description:

Certain charges are levied on the Town by state law and are not subject to Town Meeting appropriation. The principal item is the Town's assessment for MBTA services, which is \$417,083 for FY17 and is estimated at \$422,609 for FY18. While existing state law stipulates that assessments on cities and towns in the aggregate cannot rise more than 2 ½% per year, the allocations to individual municipalities are determined in part by relative equalized property valuation. A portion of the MBTA charge is allocated by periodic passenger boarding counts. Thus, the forecasted charges to an individual municipality are not precisely predictable. Further, the state legislature has acted on occasion to exceed this overall 2 ½% growth limit.

Legislation enacted in 1999 as part of the state budget established a new structure for financing the MBTA. Over the ensuing years, this legislation promised a modest reduction in Concord's assessment as the paying district was enlarged beyond the prior 78 cities and towns previously comprising the assessment area. The assessment paid in FY01 was \$364,828. It declined to \$316,373 in FY06, but has since increased at an average annual rate of 2 ½%. The MBTA assessment for FY18 is budgeted to increase by 1.3%.

Detail – General Fund Charges

	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Budget	FY18 Est.
MBTA Assessment	\$377,365	\$403,424	\$403,424	\$417,083	\$422,609
Air Pollution Control District	8,543	8,704	9,124	9,353	9,557
Metro Area Planning Council	5,365	8,955	9,023	9,249	9,482
Charter School Assessment	31,141	45,225	48,312	15,725	16,242
School Choice Assessment	10,000	10,243	13,400	26,800	13,400
Total	\$432,414	\$476,551	\$492,837	\$478,210	\$471,290

UNAPPROPRIATED: State & County Assessments

Item 101

Expenditure Detail					
	Previous Fiscal Years			FY18 Proposed	
	FY15 Actual	FY16 Actual	FY17 Budgeted	Department Request	Town Manager's Proposed
State Assessments	\$ 476,551	\$ 492,837	\$ 478,210	\$ 500,500	\$ 500,500
Parking Surcharge	10,780	10,780	10,780		
Excise Tax Clears	6,320	6,320	6,320		
Totals	<u>\$ 493,651</u>	<u>\$ 509,937</u>	<u>\$ 495,310</u>	<u>\$ 500,500</u>	<u>\$ 500,500</u>

Funding Plan					
	FY17 Budgeted	% of Budget	FY18 Proposed	% of Budget	% Change in Dollars
General Fund	\$ 478,210	96.55%	\$ 500,500	100.00%	4.66%
Parking Meter Fund	10,780	2.18%	-	0.00%	-100.00%
Agency Fund	6,320	1.28%	-	0.00%	-100.00%
Totals	<u>\$ 495,310</u>	100.00%	<u>\$ 500,500</u>	100.00%	1.05%

Mission Statement:

This account covers the costs of property tax abatements, exemptions, abatements granted by the local Board of Assessors, and appeals made to the State Appellate Tax Board or the courts.

Budget Highlights:

•About \$125,000 of the Overlay account covers the expected cost of property tax exemptions granted to eligible taxpayers by state law.

Expenditure Summary

	FY15 Actual	FY16 Actual	FY17 Budgeted	FY18 Proposed
Original Overlay	\$ 555,513	\$ 543,663	\$ 552,900	\$ 550,000

Description:

"Overlay" is the amount added to the property tax levy in excess of the sum required to meet appropriations, state assessments, and deficits (if any). It cannot exceed five percent of the levy and is used to cover abatements and exemptions granted by the Board of Assessors or as a result of appeals to the State Appellate Tax Board or to the courts. The overlay amount is counted in the total tax levy subject to the limitations of "Proposition 2 ½."

After all abatements and exemptions have been settled for a given year, any surplus remaining in that year's overlay account is first applied to any deficit balances from other years. Funds remaining after such transfer become part of the Town's fund balance available for appropriation by Town Meeting ("Free Cash"). The overlay amount itself is not subject to Town Meeting appropriation or ratification. It is, however, a part of the Town's budget plan. A deficit overlay balance which cannot be met from any other year's overlay account surplus must be raised as part of the next tax levy. This allocation must, by state law, also remain within the annual levy limit prescribed by "Proposition 2 ½."

Overlay Details

Fiscal Year	Original Tax Levy	Overlay	Overlay as % of Levy	Used as of 6/30/16		Balance as of 6/30/16
				\$	% of Levy	
FY06	53,273,087	481,979	0.90%	384,565	0.72%	97,414
FY07	56,065,720	453,991	0.81%	235,668	0.42%	218,323
FY08	58,946,964	588,461	1.00%	353,342	0.60%	235,119
FY09	62,648,641	523,555	0.84%	298,521	0.48%	225,034
FY10	65,797,569	506,857	0.77%	511,071	0.78%	(4,214)
FY11	66,545,397	545,082	0.82%	408,690	0.61%	136,392
FY12	69,122,997	500,183	0.72%	304,279	0.44%	195,904
FY13	71,123,429	538,810	0.76%	206,724	0.29%	332,086
FY14	74,135,633	539,880	0.73%	135,198	0.18%	404,682
FY15	77,341,746	555,513	0.72%	128,398	0.17%	427,115
FY16	81,319,099	543,663	0.67%	156,682	0.19%	386,981
FY17 Budgeted	84,050,189	552,900	0.66%			
FY18 Forecast	87,793,273	550,000	0.63%			

UNAPPROPRIATED: Overlay

Item 102

Expenditure Detail					
	Previous Fiscal Years			FY18 Proposed	
	FY15 Actual	FY16 Actual	FY17 Budgeted	Department Request	Town Manager's Proposed
Original Overlay	\$ 555,513	\$ 543,663	\$ 552,900	\$ 550,000	\$ 550,000
<u>Plus</u> : Amount to be raised from recap	-	-	-	-	-
<u>Less</u> : Used for abatements and exemptions thru 6/30/16.	(128,398)	(156,682)	-	-	-
Transferred to (from) other years	-	-	-	-	-
Transferred to unreserved fund balance	-	-	-	-	-
Balance as of June 30, 2016	<u>\$ 427,115</u>	<u>\$ 386,981</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Funding Plan					
	FY17 Budgeted	% of Budget	FY18 Proposed	% of Budget	% Change in Dollars
General Fund	\$ 552,900	100.00%	\$ 550,000	100.00%	-0.52%
Totals	<u>\$ 552,900</u>	100.00%	<u>\$ 550,000</u>	100.00%	-0.52%

Account Summary:

This account helps the Town address snow removal expense that can vary substantially from year to year. State law permits the appropriation for snow and ice removal to be overspent. The budget plan each year makes allowance for this possibility. This account also handles Overlay Account deficits, covering property tax abatements and exemptions.

Budget Highlights:

- The average annual expenditures for FY07-FY16 is \$639,969.
- The budget objective is to appropriate at or close to the 10-year average (see Account Item 18 Snow & Ice Removal). The FY18 proposed budget is \$13,067 short of this objective.
- Variance from the average annual cost is significant; the average deviation for the past ten years is \$182,901.
- When deficits occurred, the average annual snow account deficit for the past 5 years is \$232,695.

Expenditure Summary - Snow Account Deficit

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Budget Plan
General Fund	285,362	\$ 310,772	\$ (101,012)	\$ 178,656

Description:

Snow removal expense is unpredictable from year to year and is subject to wide variations. The budget strategy is to recognize long-term trends without assuming a "worst-case" situation. As long as the amount originally appropriated is at least equal to the prior year's original appropriation, the state law permits deficit spending for this purpose. The amount of any deficit is then added to the following year's levy. However, this is subject to the levy limit, so budget changes could be required if the size of the snow removal deficit is greater than the budget plan allowance. By the time of the Annual Town Meeting, the size of the deficit is known or at least susceptible to more precise estimation and is considered in making any final revisions to the proposed budget. Authorization to spend in excess of the appropriated budget for Snow and Ice Removal requires the joint approval of the Town Manager and the Finance Committee.

The amounts shown above as an "expenditure" represent budget overruns of the prior year added to the budget plan of the year shown, as authorized by MGL Ch.44, s31D. For example, the FY17 snow and ice deficit budget covers the deficit that may be incurred during FY17 (July 1, 2016 - June 30, 2017) which would have to be funded as part of the FY18 tax levy. This is only an estimate at this stage of the FY18 Budget process.

Surplus (Deficit) History		Snow Appropriation	Snow Expenditure	State and Federal Aid	Net Expenditure	Surplus (Deficit)
	FY06	405,000	516,857	-	516,857	(111,857)
	FY07	430,000	401,226	-	401,226	28,774
	FY08	444,750	803,665	-	803,665	(358,915)
	FY09*	500,255	739,985	-	739,985	(239,730)
	FY10	455,000	554,198	-	554,198	(99,198)
	FY11	495,000	722,017	69,179	652,838	(157,838)
	FY12	513,000	291,685		291,685	221,315
	FY13	525,000	626,951		626,951	(101,951)
	FY14	540,000	825,362		825,362	(285,362)
	FY15	555,000	965,611	99,839	865,772	(310,772)
	FY16	570,000	468,988		468,988	101,012
Budgeted	FY17	597,500			-	597,500
Proposed	FY18	610,000			-	610,000

*FY09 includes \$48,255 transfer from the Reserve Fund.

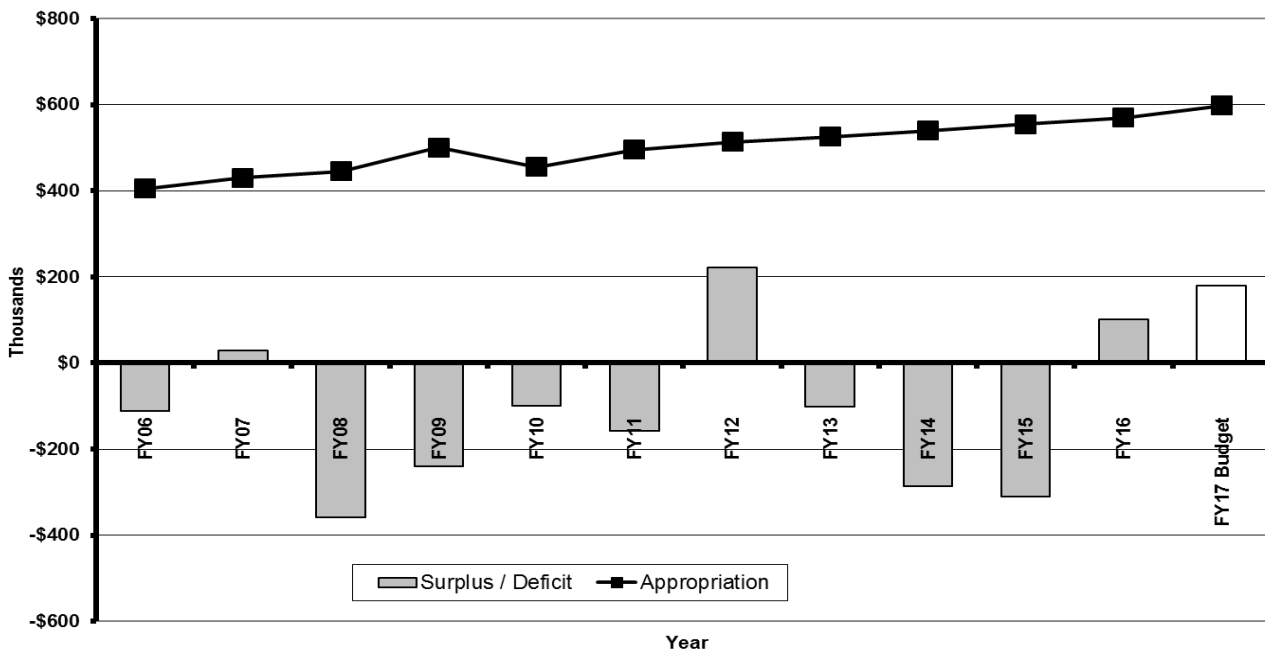
UNAPPROPRIATED: Snow and Ice Deficit/Other Deficits

Item 103

Expenditure Detail					
	Tax Levy for Prior Year Deficit			FY18 Proposed (Deficit for FY17)	
	FY15 (Deficit of FY14)	FY16 (Deficit of FY15)	FY17 (Deficit of FY16)	Department Request	Town Manager's Proposed
Snow and Ice Deficit of Prior Year (raised in current tax levy)	\$ 285,362	\$ 310,772	\$ (101,102)	\$ 178,656	\$ 178,656
Totals	\$ 285,362	\$ 310,772	\$ (101,102)	\$ 178,656	\$ 178,656

Funding Plan					
	FY17 Actual	% of Budget	FY18 Budget Plan	% of Budget	% Change in Dollars
General Fund	\$ (101,102)	100.00%	\$ 178,656	100.00%	-276.71%
Totals	\$ (101,102)	100.00%	\$ 178,656	100.00%	-276.71%

Snow and Ice Appropriation and Surplus/Deficit History



Discussion: The above chart demonstrates that while the Town’s snow and ice removal appropriation has risen steadily over the past 10 years (see the above line-graph), the actual cost of snow and ice removal is unpredictable (see the above bar graph). During the past 5 years (FY12 to FY16), the actual cost has exceeded the appropriation 3 times for an average of approximately \$232,000.

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