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TOWN OF CONCORD FINANCE COMMITTEE REPORT FOR FISCAL YEAR 2023

100 Years!

CHANGES OF BYLAWS
Passed March 20, 1923

TOWN OF MAYNARD
The Board of Selectmen will meet on Wednesday evening at 7 P. M. at their rooms in Concord, Mass. for the presentation of such matters as may come before them.

UNDERTAKER—EUBANKER
GEORGE CARTER

HATCHING EGGS
Wholesale Island Birds For Sale

ANTIQUES
Write me for a list of antiques for sale at a special price of 25 cents per dozen.

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Report of the Finance Committee

Introduction

The Concord Finance Committee is pleased to present this annual report for Fiscal Year 2023. It summarizes the financial position of the Town, reviews the financial implications of warrant articles being considered at the 2022 Town Meeting and makes recommendations about those articles.

The Finance Committee is made up of 15 members, appointed by the Town Moderator for staggered three-year terms. The roles and responsibilities of the Committee are defined by town by-laws and past votes of Town Meeting. The Committee establishes fiscal guidelines for the Town Manager, the Concord Public School Committee and the Concord-Carlisle Regional School Committee to use in preparing their operating budgets. This is done by having conversations during the Committee's public meetings with each budgeting entity to understand its current requirements and future anticipated needs. The Committee conducts public hearings on finance-related warrant articles (that is, articles under which an appropriation or expenditure of money or the disposition of any Town property may be made) in advance of Town Meeting, getting input from the public to aid in preparing its recommendations on those proposals.

To help the Committee fulfill its responsibility of financial oversight and gain an understanding of the potential financial impact of initiatives under consideration by other Town boards and committees, each member of the Committee is assigned to act as an observer of one or more of the other Town boards and committees, attending public meetings of those Town boards and committees and reporting back to the full Finance Committee. The Committee is also charged with managing the Town's Reserve Fund and votes on requests from the Town Manager to disburse money from that fund to address unforeseen or extraordinary events.

The Committee also prepares this annual report, distributed each year in advance of the Annual Town Meeting, setting out the Committee's recommendations on all finance-related warrant articles and including a 5-year projection of what the total tax burden is likely to be on the citizens of the Town. It performs these duties in accordance with the Town's Fiscal Policies and with the objective of maintaining and strengthening the long-term financial health of the Town within a level of property taxation that is sustainable and supportable by the residents of Concord.

The members of the Finance Committee (listed below, with the date that each member's term will expire) would like to express their thanks to the Interim Town Manager and Town Finance Department for their invaluable help in the preparation of this report.

Christine Reynolds, Chair (2024)	Parashar Patel, Vice-Chair (2024)	
Ray Andrews (2023)	Eric Dahlberg (2024)	Don Kupka (2023)
Dean Banfield (2022)	Greg Guariello (2022)	Dee Ortner (2022)
Peggy Briggs (2024)	Mary Hartman (2022)	Brian Taylor (2023)
Kathy Cuocolo (2023)	John Hickling (2022)	Lois Wasoff (2023)
	Amrith Kumar (2023)	

To the residents of Concord:

As the Chair of the Concord Finance Committee and on behalf of all the members of the Committee, I am happy to present you with this annual report, prepared by the Committee with the assistance of the Town Finance Department. The report summarizes the current financial position of the Town, advises residents as to the financial implications of short-term and longer-term actions under consideration, and makes specific recommendations on warrant articles with financial implications that are being considered at the 2022 Annual Town Meeting. It is the product of many hours of meetings, discussions and public hearings and incorporates input from other Town committees, from various Town departments and from the public. The members of the Committee are grateful for the cooperation and support they have received in doing the work that has culminated in the completion of this report.

Concord's current financial position is strong. We have earned a Aaa bond rating; we have funded our pension liability at 94.6% and our OPEB (Other Post-Employment Benefits) liability will be fully funded in FY31 – well ahead of most municipalities. We have maintained adequate levy capacity so Prop 2 ½ overrides are not needed in the short-term and our property tax receipts are healthy.

FY23 Budget

In FY22, the pandemic's impact on Concord's finances began to retreat. There was a modest recovery in receipts from local businesses, which are projected to be slightly higher than FY21 but still about 20% lower than pre-pandemic levels as local restaurants, hotels and retail stores had lower revenues than FY19. The FY23 budget assumes local receipts return to pre-pandemic levels by the second quarter of the fiscal year. In FY20, the Town ceased collection of parking meter fees. The FY23 budget assumes the reintroduction of \$300,000 in parking meter fees to offset the costs of the electronic parking meter program. In FY22 expenses related to COVID continued to be covered by Elementary and School Emergency Relief Funds (ESSR) and the CARES Act and did not require funds from the General Fund.

In FY22, the town was awarded \$5.6 million in American Rescue Plan Act (ARPA) funds to be committed by December 31, 2024, and fully expended by December 31, 2026. Eligible uses include reversing negative impacts of Covid, improving economic vitality, enhancing water and sewer infrastructure, and expanding broadband services. The Select Board is working with town management to develop a plan for usage of ARPA funds.

Concord Public Schools (CPS) and Concord Carlisle Regional High School (CCRHS) were awarded approximately \$1 million and \$193,000 respectively in ESSR funds available for reversing the impacts of Covid on education. ESSR funds must be spent by September 30, 2024.

The Finance Committee believes the FY23 recommended budgets balance the operating and capital needs of the town with a moderate increase in taxes. As of this printing, the CPC proposed budget is \$312,585 over our guideline, we expect to propose an amendment reducing the proposed CPS budget to the guideline amount. The total recommended FY23 budget is 3.12% higher than FY22. This will be funded mostly by an estimated 2.78% increase in property taxes as well as \$1 million of Free Cash, \$600,000 of assumed FY22 surplus, \$310,000 of prior year appropriations and modest year-over-year increases in local receipts and state aid.

Compensation expenses and capital expenditures are the main drivers of the FY23 budget increase. Salary increases to attract and retain qualified personnel; health insurance cost increases of 12.49% and increased headcount to support special education and the expanded library, all combine to raise total operating expenses

4.54% over FY22. FY23 Capital expenditures include increased spending for road maintenance, and funds to supplement the acquisition of the Assabet Bluff property. Debt service expense (interest and principal payments on all outstanding debt) is stable while total excluded debt is slowly declining as the bonds for the elementary and the high schools mature. In FY22, the Town approved a debt exclusion of up to \$102.8 million to fund the construction of the new Middle school; however, significant related debt payments are not expected to begin until FY24 and therefore the FY23 budget is only modestly affected by this project. The regional high school is requesting approximately \$900,000 of excluded debt for access road repaving and improved lighting.

Free Cash

The Town's Free Cash position has dropped significantly over the past few years. The Certified Free Cash balance of \$7,695,461 as of July 1, 2021, was 6.45% of the FY22 budget. This is at the low end of the Town's current policy which seeks to maintain a 5% - 10% Free Cash balance. There are several reasons why our Free Cash balance is decreasing. In FY20, the Town appropriated \$2 million towards a debt stabilization fund to mitigate the impact of the debt service for the middle school borrowing on taxpayers. In addition, Free Cash has been used for annual appropriations of \$500,000 for affordable housing and more recently to fund the ensuing year's spending. It should be noted Free Cash levels of at least 5% are needed to maintain the Town's strong bond rating and lower the interest rate at which the town borrows funds. This is especially important given the upcoming financing of the Middle school project which, at over \$100 million, is the town's largest borrowing to date.

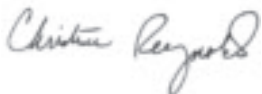
Property Tax Projections

Our 5-year projection indicates the median tax bill will grow 30% from FY22 through FY28, with a spike of 8.61% in FY24. As expected, the primary driver of these significant increases is the financing of a new middle school, partially offset by the use of the debt stabilization fund.

The Finance Committee believes that continued fiscal restraint is in order over the next several years as the Town's revenue and Free Cash recover to pre-pandemic levels and the taxpayers absorb the increase in taxes related to the Middle school. To that end, we recommend limiting headcount growth, deferral or resizing of capital projects where practical, and use of accumulated fund balances versus new tax levy where available. In particular, we recommend that the Concord Public Schools, the largest portion of the Town's budget, find ways to slow its 5-year projected cost growth trajectory, approaching 4%.

In summary, our current financial position continues to be strong. The effects of COVID on our revenue is receding and ARPA funds will help offset the effects of lost revenue during the recent past. We have been granted \$5.6 million in ARPA funds. Our FY23 recommended budget results in a moderate tax increase and retains high quality services. We expect to maintain our excellent credit rating. The Town is well on the way to building a sizeable debt stabilization fund. Future tax increases and inflation remain challenges but we are hopeful these issues can be managed by careful stewardship of Town resources.

Regards,



Christine Reynolds, Chair
Concord Finance Committee

Finance Committee Responsibilities

The Concord Finance Committee was established by Town bylaw in 1921. By tradition, members serve no more than two terms. By this arrangement, there is always a mix of new and experienced members and a mix of new points of view and institutional memory. The appointment process is designed so that the Finance Committee remains independent of the Town's administrative structure and elected boards.

The Finance Committee has the following responsibilities:

- Establishing fiscal guidelines for the three major budgeting entities in the Town (the Town Manager, the Concord Public School Committee, and the Concord-Carlisle Regional School Committee) in preparing their budgets. The budgets of the Town's enterprise funds (i.e. the Town Light Plant and the Beede Center) are not part of the guidelines process.
- Conducting public hearings on the budgets and other financial matters expected to come before annual and special Town Meetings.
- Preparing this report for distribution to all residents before the Annual Town Meeting, including recommendations on finance-related warrant articles and a summary of the Town's financial status.
- Managing a Reserve Fund account to meet extraordinary and unforeseen expenditures (proposed at \$225,000 for FY23).

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

Concord's Fiscal Position

Concord has traditionally taken a conservative approach to budgeting. The Finance Committee seeks to maintain operating cost increases within certain criteria to meet a goal of financial sustainability over the long term. In addition, the Finance Committee believes that it is important for the Town to maintain flexibility to deal with future infrastructure needs as well as unanticipated expenses, other contingencies and variations in revenue. These criteria include:

- Setting modest expectations for revenue growth, with estimates of property tax growth from new construction and renovations based only on known development activity for which there is high likelihood of completion in the upcoming fiscal year;
- Keeping tax increases from depleting excess levy limit capacity so that general overrides are not required;
- Maintaining the uncommitted General Fund Balance ("Free Cash") at levels at or above 5% of the subsequent year's total Town Budget--
 - the Finance Committee has in recent years supported keeping Free Cash at levels closer to 10%, as a stronger reserve position during periods of uncertain economic conditions;

- given the decision, discussed immediately below and elsewhere in this report, to authorize substantial borrowing to finance the construction of the new Concord Middle School, maintaining Free Cash at a level close to 10% may not be feasible.
- Supporting capital needs by routinely dedicating 7-8% of total budget resources for capital improvements--
 - roughly 1/3rd of capital financing is derived from current resources and 2/3rd is derived from debt financing through the issuance of long-term bonds,
 - principal repayment is structured so that most bonded debt (60%) is retired within five years, and 90% is retired within 10 years; and
 - Taxpayers are not burdened beyond what typical expectations of income growth can accommodate.

The Town's Free Cash position and debt policies are key factors in maintaining the Town's credit rating of Aaa, which it has held since 1987.

Middle School Project Debt

On January 20, 2022, Special Town Meeting voted, by more than a 2/3 majority, to approve a bond authorization not to exceed \$102,816,000 to finance the construction of a new middle school. This will be the largest debt financing in Concord's history. Consistent with Concord's other large scale construction projects, the warrant passed at Special Town Meeting excluded this debt from the limit on annual tax increases of 2.5% set by Mass General Laws Ch 59 Section 21C (Proposition 2-1/2). The Special Town Meeting vote was confirmed by a subsequent ballot vote held on February 3, 2022. Concord is currently paying down other exempt debt in connection with past projects (Town debt related to Concord public schools' projects and the construction of Concord Carlisle High School and Minuteman Regional Vocational School). As full retirement of the existing debt will not occur until FY2030 (the Town debt) and FY2039 (the CCHS debt), Concord taxpayers will be facing a large increase in debt service when the Concord Middle School funding is required, beginning in late FY2023 and beyond. In 2020, Town meeting approved the allocation of \$2 million from Free Cash to a middle school debt stabilization fund. Article 20 asks for a further allocation of \$1.5 million to the stabilization fund. The town has set a \$5 million goal for the stabilization fund in order to partially offset future property tax increases during peak debt service years FY 2025, 2026, 2027, and 2028.

Finance Committee Guideline FY23

Each year, the Finance Committee publishes a budget guideline for each of our Town's three primary budgeting entities: Town Government, the Concord Public Schools (CPS), and Concord's portion of the Concord Carlisle Regional High School (CCRS). The guideline specifies the amount of the increase over the prior year's operating budget available to each unit for the next fiscal year.

The process of preparing the guideline begins by considering several factors to gauge the regional financial environment including general inflation, tax collection rates for the Town, and estimates of state aid for the upcoming fiscal year.

We also consider the Sustainable Growth Rate (SGR). The SGR has been used since Fiscal Year 2021 and was defined by the Finance Committee in June 2018 as the rate of tax growth which allowed the town to:

- Keep a level of excess levy limit capacity to avoid general overrides
- Maintain adequate free cash balance
- Continue investing in ongoing capital needs
- Avoid burdening taxpayers beyond normal expectations of income growth or undermining the diversity of our population
- Maintain its character, including economic diversity of residents

The SGR is intended to help shape budgetary decisions which have a multi-year future impact, such as collective bargaining agreements, service contracts, and equipment leases. The Finance Committee annually reviews and adjusts the five-year forward sustainable rate so the Town can be responsive to changes in inflation and the cost of living. Each year presents a fresh opportunity to revisit the Finance Committee’s outlook on the coming five years as it sets this benchmark for sustainability in our financial affairs.

The SGR is calculated averaging two proxies for inflation. As the budget process begins in September, the SGR is calculated using available data in July. The first is the most recent preceding 12-month Consumer Price Index (CPI) for the Boston-Cambridge-Newton region as published by the US Bureau of Labor Statistics. The second is the yield rate on the 10-year US Treasury note as published on July 1st. The SGR used for the next five-year period is the simple average of the CPI and the yield rate. **The FY22 SGR is 2.34%.**

To help further inform FY23 Guideline setting, we asked the Town, Concord Public Schools (CPS), and the Concord-Carlisle Regional School District (CCRS) to share **five-year projections of spending under current service levels.**

Below is a summary of their spending projections as of October 2021.

	2022	2023	2024	2025	2026	2027	2023-2027 CAGR
Town	\$53,080,471	\$56,899,442	\$59,109,903	\$61,246,698	\$62,597,708	\$64,407,614	
Growth:		7.2%	3.9%	3.6%	2.2%	2.9%	3.1%
CPS	\$41,708,424	\$43,218,484	\$44,986,394	\$46,680,549	\$48,409,881	\$50,164,620	
Growth		3.6%	4.1%	3.8%	3.7%	3.6%	3.8%
CCRS	\$24,608,750	\$25,343,530	\$25,896,983	\$26,493,148	\$27,207,479	\$27,609,080	
Growth		3.0%	2.2%	2.3%	2.7%	1.5%	2.2%
Total	\$119,397,645	\$125,461,456	\$129,993,280	\$134,420,396	\$138,215,068	\$142,181,314	
Growth:		5.1%	3.6%	3.4%	2.8%	2.9%	3.2%

(CAGR = Compounded Annual Growth Rate)

After careful deliberation on October 28, 2021, the Finance Committee set a preliminary guideline of 2.70% for the each of the three budgeting entities as shown in the Table below:

	FY 2022 Budget	FY 2023 Preliminary Guideline Increment	Preliminary Guideline % Increase	Preliminary FY 2023 Guideline
Town	\$29,298,894	\$792,152	2.70%	\$30,085,046
CPS	\$41,708,424	\$1,127,898	2.70%	\$42,836,322
CCRS	\$21,135,593	\$571,558	2.70%	\$21,707,151
Total	\$92,136,911	\$2,491,608	2.70%	\$94,628,519

After receiving feedback through a second round of conversations, including preliminary FY 2023 budget requests, the Finance Committee published a final FY 2023 Guideline on December 17, 2021.

The final adjusted FY 2023 Guideline increase totals \$3,164,185, a 3.43% increase over FY22 General Fund operating budget levels. The table below shows the final revised FY 2023 Guidelines for the Town, CPS, and CCRSD:

	FY 2022 Budget	FY 2023 Final Guideline Increment	Final Guideline % Increase	Final FY 2023 Guideline
Town	\$29,292,894	\$1,042,152	3.56%	\$30,335,046
CPS	\$41,708,424	\$1,300,475	3.12%	\$43,008,899
CCRS	\$21,135,593	\$821,558	3.89%	\$21,957,151
Total	\$92,136,911	\$3,164,185	3.43%	\$95,301,096

The \$500,000 increase in the final guideline was split between the Town and CCRSD. \$250,000 was added to the Town in recognition of recent, substantial cutbacks in General Fund capital spending due to pandemic-related revenue reductions. \$250,000 was added to CCRSD to reduce the significant gap between our initial guideline and its then proposed budget. Without this addition, the Guideline would have resulted in a 2% reduction to CCRSD’s budget. This allocation left a comparatively less challenging gap of .7% to close at CPS and its Guideline was unchanged.

The Finance Committee considered the following factors when setting the final FY 2023 Guideline:

- Local receipts still lower than pre-pandemic levels by about 4.2% or \$360,000;
- Local economic health indicators, including:
 - Unemployment rate of 5.4%;
 - Real estate valuations anticipated to increase approximately 10% in FY 2023;
 - A slightly lower projection of new property tax revenues;
 - Stable property tax collection rate (99% collected); and
 - Slight increase State Chapter 70 education funding;
- The budget units’ 5-year annual growth rates ranging from 2.2 – 3.8%.
- The Finance Committee’s 2.34% Sustainable Growth Rate as of July, and projected further growth in inflation.
- The Guidelines moderate impact to the median tax bill of 2.78% and remaining tax levy capacity of 4.59%.

- Less Free Cash and lower surpluses due to debt stabilization allocation and lost revenue.
- Maximum 5% “Excess & deficiency” balances at CCRSD.
- Availability of \$5.6 million in ARPA and \$2 million in ESSR funds in FY2023.

To support this budget, the Finance Committee recommends the following:

- The allocation of \$1,000,000 from Free Cash, for Property Tax Relief
- An overall increase in the tax bill to existing taxpayers for FY23, in accordance with the final Guideline amounts, projected currently to be 2.78%. This increase is exclusive of Exempt Debt, which is decreasing by \$182,078, and certain fixed costs.

This guideline projects a tax levy totaling \$104,318,013, and unused levy limit of \$4,697,394 (which is 4.59% under the projected levy limit). The Finance Committee believes that retaining a modest unused levy capacity is important for the Town’s ability to maintain flexibility to deal with future infrastructure needs as well as unanticipated expenses.

As of this printing, the proposed FY23 Budget for Town Departments and CCRSD of \$30,335,036 and \$21,782,979, respectively, are in accordance with the Finance Committee’s FY23 Guidelines. The Town’s budget figure excludes fixed costs such as debt service and Town operations supported by fee-for-service activities such as those of the Concord Municipal Light Plant.

The current proposed FY23 Budget for CPS is \$43,148,899 (which is \$37,846 less than the amount noted in the Warrant). The CPS proposed budget is \$312,585 higher than the FY 2023 Guidelines; this gap represents 0.72% of the proposed FY 2023 CPS Budget.

	FY 23 Finance Committee Guideline	Proposed Budget	Gap relative to Guideline	Gap as % of Proposed Budget
CPS	\$42,836,314	\$43,148,899	\$312,585	0.72%

As proposed, the FY23 CPS Budget assumes a 3.45% increase over FY 2022 spending. As shown in the cost projection table above, CPS costs are expected to grow at an even faster rate (3.8% per year) over the next five years. With a stand-alone budget of close to \$43 million and another \$4.5 million in costs included in the Town’s insurance and benefit programs budgets and \$3.8 million in existing debt service, CPS is by far the largest budget unit in Concord and its impact on tax bills will grow significantly with the new \$102.8 million middle school. The Finance Committee’s 5-year tax projection predicts a 30% increase in the median tax bill from FY22 through FY 28, primarily driven by an 8.61% increase in FY24 as middle school debt service begins.

One way to limit these increases is to begin bending the CPS cost curve by making relatively small budget adjustments now to avoid larger adjustments during peak debt service years, beginning in FY 25. We believe this is a prudent approach to ensure continued moderate property tax growth for 2023 and beyond.

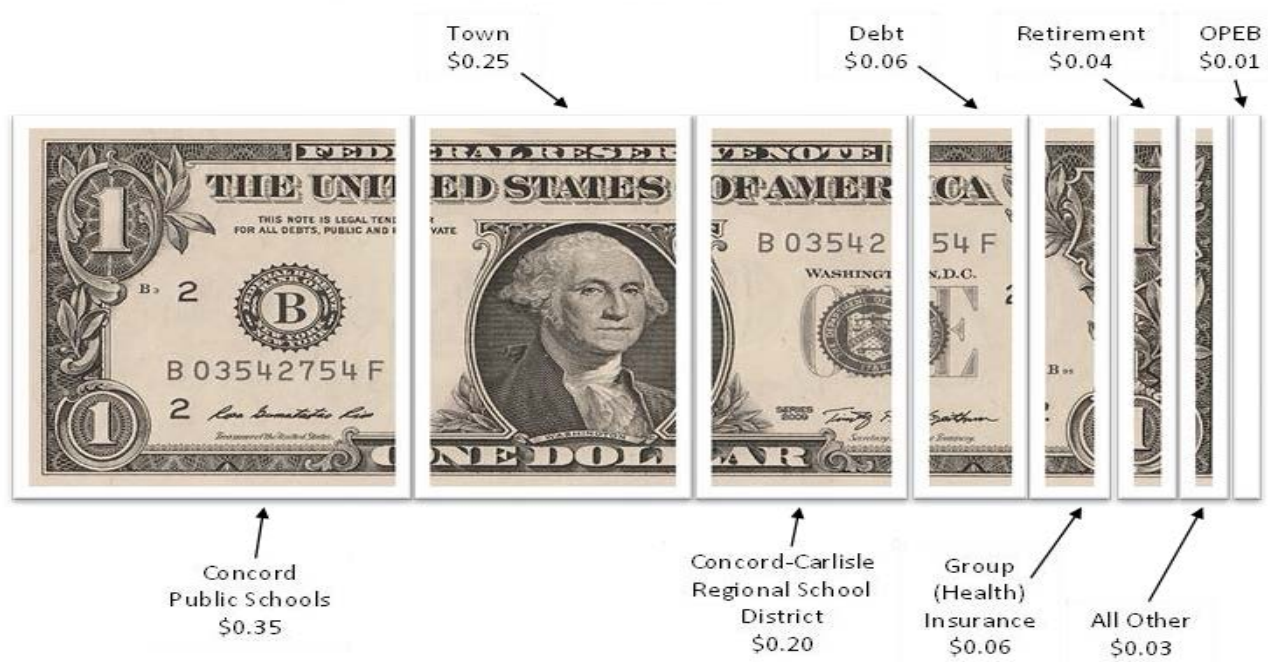
Therefore, the Finance Committee recommends “No Action” on Article 18 as published in the Town Meeting Warrant. Instead, we recommend “Affirmative Action” on an amendment to the main motion under Article 18

which we expect to propose at Town Meeting. The amendment would reduce the sum to be appropriated for CPS from \$43,148,899 to \$42,836,314, in accordance with the Finance Committee’s guideline.

Budget discussions between the Finance Committee, the School Committee and the Superintendent are still underway.

For each tax dollar raised to fund the Total General Fund Budget, the proposed uses are:

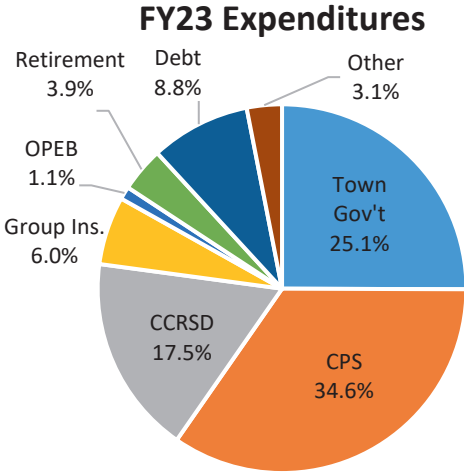
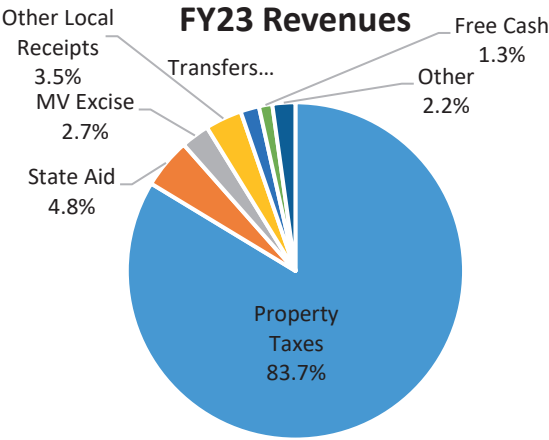
Where Will your FY2023 Tax Dollar Go?



Budget Highlights

- The FY23 Budget is \$124,690,491 – a +4.54% increase over FY22.
- This budget is funded mostly by a projected property tax increase of 2.78% for existing taxpayers, assuming the property's assessment remains the same
- The average tax bill is estimated to be \$17,074, an increase of \$463 over FY22; the median tax bill is estimated to be \$14,735, an increase of \$400 over FY22.
- Major expense categories include:
 - A 3.56% increase in Town Government for ensuring competitive wages and benefits for Town employees; increased funding for public works and facilities; enhancing support for boards and committees; advancing community welcoming enhancements in terms of affordable housing, public transportation accessibility and access to social and community services; and restoring capital projects funding to pre-pandemic levels.
 - A 3.12% increase in the Concord Public Schools.
 - A 3.06% increase in Concord's share of the high school.
- With the paying down of the debt for the construction of the three elementary schools and the high school, the Town & School Excluded Debt Service has decreased by \$182,078 and CCRSD Debt Service by \$61,809. These decreases have been partially offset by an increase of \$143,366 for Minuteman debt service.
- Fixed Costs have increased:
 - Group Health: \$829,280
 - OPEB: \$181,152
 - Retirement: \$130,811
 - Social Security / Medicare: \$31,857
 - Other Fixed and Mandated Costs: \$67,731
- Free Cash **certified** as of July 1, 2021 is \$7,695,461, which is 6.45% of the FY22 budget and near the middle range of the current policy to maintain 5% to 10% free cash balance. In the 2022 Annual Town Meeting, there are the following proposed allocations of Free Cash:
 - \$1,000,000 to reduce the tax levy
 - \$500,000 for the Middle School Debt Stabilization Fund
 - \$500,000 for affordable housing

General Fund - FY23 PROPOSED BUDGET



Eighty-four (84%) of the budget is supported by property tax collections. The remaining 16% is supported by State Aid, Local Receipts and other Available Funds (i.e. contributions from Enterprise Funds and Free Cash).

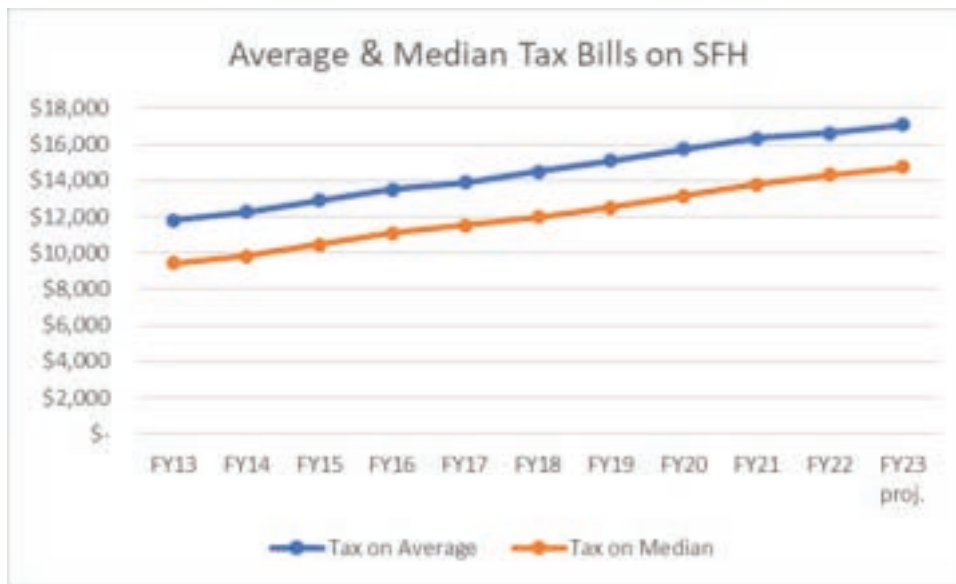
- The median single family residential tax bill in FY22 is \$14,735 based on an assessed value of \$971,200 at a tax rate of \$14.76 per thousand. The projected increase on the median single-family residential tax bill for FY23 would be \$400 or about \$41 per \$100,000 of assessed valuation.
- For existing taxpayers, excluding property tax revenue derived from new growth, the percent increase of property tax bills in FY23 is projected to be 2.78%, assuming the property’s assessment remains the same. Accordingly, the single-family median tax bill would increase from \$14,335 to \$14,735 or \$400, and the average single family tax bill would increase from \$16,611 to \$17,074 or \$463.
- Each 1% increase in the tax levy equals \$1,043,180 in revenue for FY23
- 93.3% of property taxes are paid by single family residential property; 6.7% of property taxes are paid by commercial, industrial or personal property.

ESTIMATED IMPACT OF TOWN MEETING SPENDING ON YOUR TAX BILL

Fiscal Values	350,000	450,000	500,000	600,000	700,000	Median Average		1,050,000	1,200,000	1,350,000	1,500,000	1,600,000	1,750,000
						971,200	1,125,400						
Fiscal 2022 Taxes	5,166	6,642	7,380	8,856	10,332	14,335	16,611	15,498	17,712	19,926	22,140	23,616	25,830
Fiscal 2022 Base	4,845	6,229	6,921	8,295	9,689	13,358	15,479	14,534	16,611	18,687	20,763	22,147	24,224
FY2022 Debt Exemption	321	413	459	561	643	977	1,132	964	1,101	1,239	1,377	1,469	1,606

Article Amount	To calculate the dollar impact of any additional expenditures that may be considered by Town Meeting, use this chart below.													
	350,000	450,000	500,000	600,000	700,000	971,200	1,125,400	1,050,000	1,200,000	1,350,000	1,500,000	1,600,000	1,750,000	
10,000	0.51	0.66	0.73	0.88	1.03	1.42	1.65	1.54	1.76	1.98	2.20	2.34	2.56	
25,000	1.28	1.65	1.83	2.20	2.56	3.56	4.12	3.85	4.39	4.94	5.49	5.86	6.41	
50,000	2.56	3.30	3.66	4.39	5.13	7.11	8.24	7.69	8.79	9.89	10.99	11.72	12.82	
75,000	3.85	4.94	5.49	6.59	7.69	10.67	12.36	11.54	13.18	14.83	16.48	17.58	19.23	
100,000	5.13	6.59	7.32	8.79	10.25	14.23	16.48	15.38	17.58	19.77	21.97	23.44	25.63	
150,000	7.69	9.89	10.99	13.18	15.38	21.34	24.73	23.07	26.37	29.66	32.96	35.16	38.45	
200,000	10.25	13.18	14.65	17.58	20.51	28.45	32.97	30.76	35.16	39.55	43.94	46.87	51.27	
250,000	12.82	16.48	18.31	21.97	25.63	35.57	41.21	38.45	43.94	49.44	54.93	58.59	64.08	
300,000	15.38	19.77	21.97	26.37	30.76	42.68	49.45	46.14	52.73	59.32	65.92	70.31	76.90	
350,000	17.94	23.07	25.63	30.76	35.89	49.79	57.70	53.83	61.52	69.21	76.90	82.03	89.72	
400,000	20.51	26.37	29.30	35.16	41.01	56.90	65.94	61.52	70.31	79.10	87.89	93.75	102.54	
450,000	23.07	29.66	32.96	39.55	46.14	64.02	74.18	69.21	79.10	88.99	98.87	105.47	115.35	
500,000	25.63	32.96	36.62	43.94	51.27	71.13	82.42	76.90	87.89	98.87	109.86	117.18	128.17	
550,000	28.20	36.25	40.28	48.34	56.39	78.24	90.67	84.59	96.68	108.76	120.85	128.90	140.99	
600,000	30.76	39.55	43.94	52.73	61.52	85.36	98.91	92.28	105.47	118.65	131.83	140.62	153.80	
700,000	35.89	46.14	51.27	61.52	71.78	99.58	115.39	107.66	123.04	138.42	153.80	164.06	179.44	
750,000	38.45	49.44	54.93	65.92	76.90	106.70	123.64	115.35	131.83	148.31	164.79	175.78	192.25	
800,000	41.01	52.73	58.59	70.31	82.03	113.81	131.88	123.04	140.62	158.20	175.78	187.49	205.07	
900,000	46.14	59.32	65.92	79.10	92.28	128.04	148.36	138.42	158.20	177.97	197.75	210.93	230.71	
1,000,000	51.27	65.92	73.24	87.89	102.54	142.26	164.85	153.80	175.78	197.75	219.72	234.37	256.34	

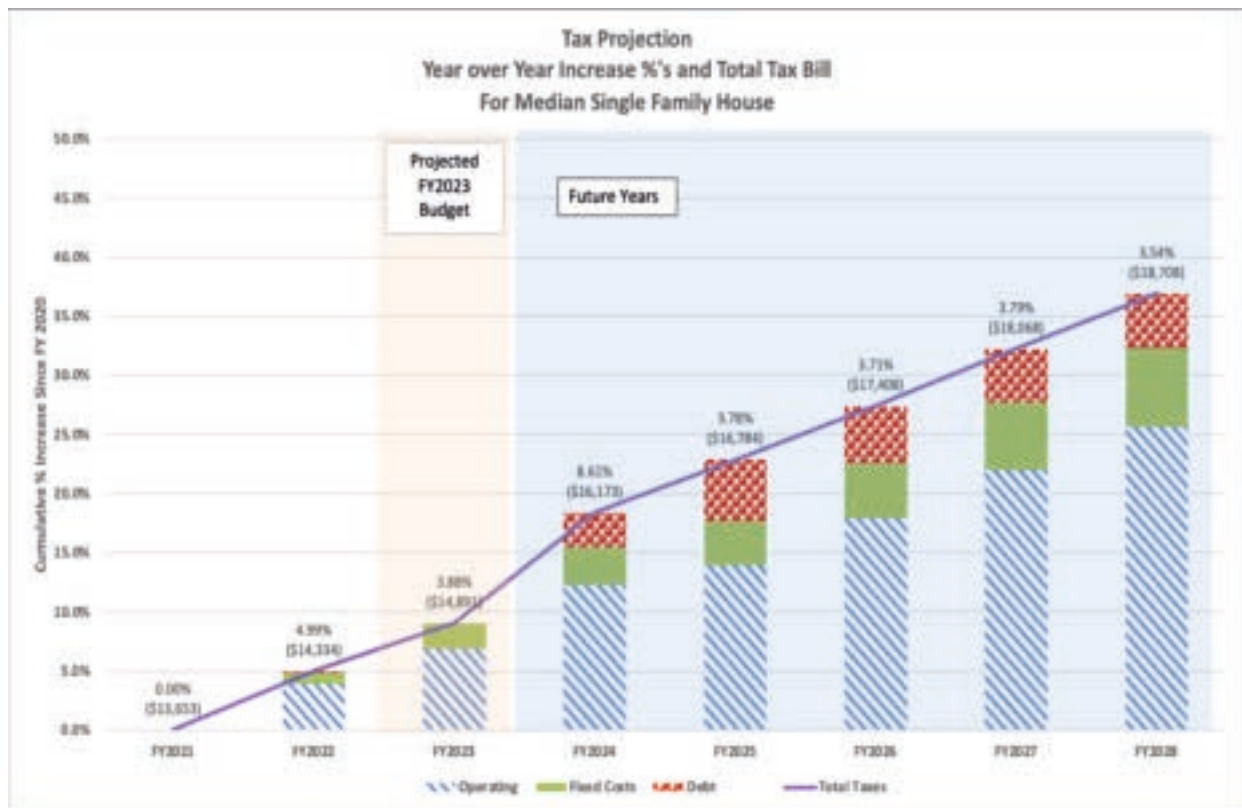
Average & Median Tax Bills on Single Family Home



Five Year Projection of Real Estate Taxes

The five year estimate of taxes covers the period FY23 through FY27 and includes a 2 year historical perspective. The projection relies on a summary total Town budget, and uses estimates in each summary category to arrive at the estimated tax implications in future years. Expense categories of all types are included, which must balance against all forms of revenue, with taxes being the lion’s share of revenues. Operating budgets currently make up an aggregate of 77% of overall expenses but this is anticipated to decline to 75% due to the anticipated large increase in debt service to fund the new Middle School. There are two factors at work in this modest percentage decline: 1) Concord Public Schools are anticipated to realize over a half million dollar ongoing operating budget savings due to only operating a single, energy efficient, middle school, and 2) with the assumption of large debt payments, operating budgets will represent a slightly smaller percentage of the overall expenditures of the Town. Neither of these factors implies that operating budgets will actually decrease in absolute terms. The Committee this year has relied on the Finance Departments of the Town and the Schools to provide detailed 5 year budget estimates as part of the FinCom guideline setting process. The estimates supplied were used to create this tax projection.

After applying all estimates, the growth year over year in percentage terms is shown in the chart below. The dollar figures shown represent what a median single family house total tax bill will be in each of the five years (FY24-FY28) of the projection. The total growth since the FY2021 base year of the chart is projected to be 37% by 2028. A major driver in that growth is the debt that will be incurred for the future middle school. The growth of the debt service shown in the chart below aggregates the addition of that future debt service along with the declining payments on all outstanding school bond issues. The estimate also applies anticipated stabilization funds to middle school debt service to soften the impacts in the first 4 years.



Conclusion

The Finance Committee believes the FY23 budget is a sound estimate of spending required to maintain excellent services and navigate through our current situation. In addition, this budget maintains some reserves and prepayments to help meet expected future fiscal challenges.

The Town and School finances are generally well managed, as evidenced by the long-standing Aaa bond ratings of the Town and the Concord-Carlisle Regional School District, and the ability to meet and exceed the growing demand from citizens for high quality public services. Special challenges lie ahead as the town embarks on the most expensive building project in its long history and takes on significant additional debt service to support that project. Concord's town government officials and the leadership team at Concord Public Schools have demonstrated their ability and willingness to meet these challenges successfully. The Finance Committee expresses its deepest thanks to those leaders, including Interim Town Manager and former Chief Financial Officer Kerry Lafleur and the Superintendent of Schools Dr. Laurie Hunter and their respective staffs, for their leadership and creativity in balancing resources and priorities to meet these needs, as well as for their dedicated and careful management of the Town finances and for their patience and expertise in advising the Finance Committee throughout the year.

FINANCE COMMITTEE ARTICLE RECOMMENDATIONS

Article	Recommendation
3 – Meeting Procedure	The Finance Committee recommends Affirmative Action on this article. This article is sponsored by the Finance Committee to ensure that all articles and amendments moved at town meeting identify a source of funding and comply with the requirements of Proposition 2 ½.
7 – Use of Free Cash	The Finance Committee recommends Affirmative Action on this article. The Committee annually reviews the Free Cash policy and has reaffirmed the commitment to keep the unused Free Cash Balance in a range of 5% to 10% of the total ensuing budget, a level deemed essential to enable the Town to cope with unexpected circumstances. The Town’s actual Free Cash level has been above this range in recent years and is an important factor in the maintenance of the Town’s Aaa credit rating. The allocation of \$1,000,000 of free cash to reduce the tax levy for the 2023 fiscal year is in accordance with the Committee’s Budget Guideline and supports the FY23 operating budgets.
8 – FY22 Budget Line Item Adjustments	The Finance Committee has taken no position on this article, since it is not expected to be moved at town meeting.
9 – FY23 Town Budget	The Finance Committee recommends Affirmative Action on this article. The Finance Committee supports the Town Manager’s FY23 Budget request. The budget is within the guideline published by the Finance Committee and provides for a modest expansion of services, funds to fulfill collective bargaining agreements, funds for debt service on borrowing approved at prior town meetings, fixed costs for group insurance, retirement benefits and other miscellaneous expenditures.
10 – Capital Improvement and Debt Plan	The Finance Committee recommends Affirmative Action on this article. The Finance Committee believes the authorization of funds for FY23 requested in the Capital Improvement and Debt Plan, which will be funded within the existing levy limit, is in the best interests of supporting the proper functioning of Town government. The projects identified in the article support specific needs that are vital to the proper functioning of Town government across services within the general government, planning, public safety and public works and are in keeping with the Town’s comprehensive long-term strategic plan. The Finance Committee believes the requested appropriation of \$1,509,700 in cash capital, inclusive of a transfer of \$309,700

	from a prior year capital article and \$4,500,000 in new debt falls within acceptable parameters.
11 – Senior Means-Tested Property Tax Exemption	The Finance Committee recommends Affirmative Action on this article. This exemption provides some tax relief to senior property owners who meet statutory requirements as specified in the annual application process. The exemption was first passed at the 2017 Town Meeting, affirmed by Town Election vote and made effective July 8, 2017. The program commenced in FY 2019. Although the Town has in the past approved making the exemption permanent, accomplishing that requires action by the state legislature that is still pending. Assuming that the legislature takes the necessary action by the date of Town Meeting, affirmative action on this Article would make the exemption permanent. None of the qualifying factors change, the amounts are modest (last year 35 applicants received a collective sum of approximately \$145,000) and below the threshold established by Town Meeting and contribute to the worthy goal of making property tax increases more affordable for qualifying seniors.
12 – Appropriation for Senior Means-Tested Tax Exemption	The Finance Committee recommends Affirmative Action on this article should it be required, in the event that the Legislature does not grant authority in time for the Town to set the tax rate. This Article provides for the Senior Means-Tested Tax Exemption to continue with an alternative funding source. Both last year and this, the Board of Assessors voted to provide funding from its Overlay Account to cover the cost of the exemption.
13 – OPEB Trust Fund Appropriation	The Finance Committee recommends Affirmative Action on this article. The Town auditor and the MA Department of Revenue have recommended that the Town make the appropriation for all funds (General, Enterprise and Other) being contributed to the OPEB Trust Fund in a single stand-alone article rather than including the contribution in the Town’s budget article. This article complies with that recommendation.
14 – OPEB Trust Fund Expense	The Finance Committee recommends Affirmative Action on this article. The Town auditor and the MA Department of Revenue have recommended that the Town appropriate the expenses of the OPEB Trust Fund and pay them directly rather than deducting those expenses from investment earnings. This article complies with that recommendation. In addition, the article requests authorization to employ an investment consultant to oversee the investment of the Trust fund’s assets which total approximately \$30M. The consultant would be paid

	from the Trust. The Finance Committee believes it prudent for a Trust of this size to engage an investment manager.
17 – Minuteman Regional Technical High School District Budget	The Finance Committee recommends Affirmative Action on this article. As a member of the Minuteman Regional Technical High School District, Concord agrees to pay an assessed share of the regional district’s operating budget. Concord has a representative on the District’s School Committee, which approves its budget. The amount of the assessment paid by each town participating in the regional district is determined by a formula established in the regional agreement and relies in part on a rolling 4-year average of enrollment for member communities. This article authorizes the payment of Concord’s FY23 assessment.
18 – Concord Public Schools Budget	The Finance Committee recommends No Action on this article as the budget request is above the Finance Committee’s Guideline by \$312,585. The Finance Committee will submit an amendment to Article 18 reducing the budget to \$42,836,314, the CPS Guideline amount. Further discussion of the guidelines process and the basis for the Finance Committee amendment to Article 18 is above in the “Finance Committee Guideline FY23” section of this report.
19 – Concord Public Schools Capital Projects	The Finance Committee recommends Affirmative Action on this article. The CPS capital budget requests \$900,000 to be allocated for expenditures under the direction of the School Committee, for various capital projects. These include a high efficiency boiler for the Alcott Elementary School and various other school improvements that can be found below in the “Detailed Review of Selected Warrant Articles” section of this report or in the presentation made on Article 19 at the Finance Committee public hearing held on March 10, 2022 (https://concordma.gov/3006/Finance-Committee-Public-Hearing-school-)
20 – Appropriation to Stabilization Fund	The Finance Committee recommends Affirmative Action on this article. The Middle School Stabilization Fund was established by September 2020 Town Meeting, in anticipation of the expected eventual approval of a substantial amount of borrowing to fund the construction of a new middle school. The total amount being put into the fund, to help offset some of the property tax increases that will result from the middle school borrowing, was set at \$5,000,000. An initial amount of \$2,000,000 was set aside from Free Cash in September 2020. Article 20 authorizes the transfer of \$1,000,000 from the Assessor’s Overlay Account and an additional \$500,000 from Free Cash to the Stabilization

	<p>Fund. The Middle School borrowing will begin to affect property taxes in FY24, but it is not until FY25 that we expect to use this fund. Without this fund, the median tax bill is estimated to increase by 5.81% in FY25; with the use of this fund, that increase is reduced to 3.78% in FY25. Article 7 and Article 20, both sponsored by the Finance Committee, if approved by Town Meeting, will reduce Free Cash to 5%, the Free Cash policy's lower limit.</p>
<p>21 – Concord-Carlisle Regional High School Budget</p>	<p>The Finance Committee recommends Affirmative Action on this article. The budget presented is in accordance with the Finance Committee Budget Guidelines and demonstrates thoughtful planning. The FY23 regional budget represents a 2.19% increase (or \$781,807) over FY22. Concord's allocated share of the overall CCRHS budget \$36,541,181 (including debt service) is 77.41% based on Concord's share of student enrollment at CCHS.</p>
<p>22 – Concord Carlisle Regional High School Capital Projects</p>	<p>The Finance Committee recommends Affirmative Action on this article. The article requests \$853,665 to provide for the cost for repaving the campus entrance road and improving roadway lighting. The article does not include any changes to parking. Details of the planned improvements and pictures of the current problem can be found at https://concordma.gov/3006/Finance-Committee-Public-Hearing-school-</p>
<p>24 – Appropriate Funds for Affordable Housing Development</p>	<p>The Finance Committee recommends Affirmative Action on this article. The \$500k requested by this article will be funded from Free Cash which will then be backfilled by the American Rescue Plan Act (ARPA) federal grant funds. The committee believes this is an appropriate use of the ARPA funds available to the town.</p>
<p>25 – Assabet River Bluff Preservation Project</p>	<p>The Finance Committee recommends Affirmative Action on this article. This article appropriates \$500k toward the \$2.9m project for the Assabet River Bluff Land Acquisition. The committee believes the \$500k amount will likely be offset by one of two \$500k grants available for this project. If, however, the town does not receive either grant, and Concord Land Conservation Trust and Sudbury Valley Trustees will offset the \$500k appropriation by any excess funds they raise above their \$1.2M fundraising goal. The committee believes this is a worthy project that represents a partnership between affordable housing and open space interests and further believes it is unlikely the full \$500k will be appropriated.</p>
<p>26 – Community Preservation Committee</p>	<p>The Finance Committee recommends Affirmative Action on this article.</p>

Appropriation Recommendations	This article authorizes the appropriation of \$2,153,741 for the specific projects listed in the article and allowed under the Community Preservation Act. These projects expend \$328,000 for Community Housing, \$439,741 for Historic Preservation, \$990,000 for Open Space, \$365,000 for Recreation and \$40,000 for Administration. All projects were thoroughly reviewed by the 9-member Community Preservation Committee and are funded by monies collected as a 1.5% surcharge on property tax bills supplemented by 29% state matching funds.
27 – Amend Departmental Revolving Funds Bylaw	The Finance Committee recommends Affirmative Action on this article. This article is a routine authorization adding a departmental revolving fund for Visitor’s center and Tourism, allowing for the deposit of funds and payment of expenses.
28 – Authorize Expenditure of Revolving Funds Under Mass. Gen. Laws. c. 44, §53E1/2	The Finance Committee recommends Affirmative Action on this article. This is a routine authorization of annual spending limits from Revolving Funds, expenditures made pursuant to the Town’s Revolving Fund By-Law with the approval of the Town Manager.
29 – Annual Appropriation of Parking Meter Receipts	The Finance Committee recommends Affirmative Action on this article. This Article authorizes the Town Manager to use the parking meter receipts for the purposes outlined in the article.
39 - Light Plant Expenditures & Payment in Lieu of Taxes	The Finance Committee recommends Affirmative Action on this article. This is a routine, non-controversial annual action authorizing the Light Plant to expend its income from operations for the expenses of the Light Plant, and further provides for the transfer of a PILOT payment in the amount of \$444,000 from the Operating Fund of the Light Plant For further information, please see the Enterprise Fund Budget Book, at https://concordma.gov/3019/ 2023
40 – Solid Waste Disposal Fund Expenditures	The Finance Committee recommends Affirmative Action on this article. This is a routine, non-controversial annual action authorizing the Town Manager to expend user fee revenue from the fiscal year ending June 30, 2023 and cash on hand in the Solid Waste Disposal Fund to operate the Town’s curbside solid waste and recycling collection and disposal program. For further information, please see the Enterprise Fund Budget Book, at the link above.
41 – Sewer System Expenditures	The Finance Committee recommends Affirmative Action on this article. This is a routine, non-controversial annual action authorizing the Town Manager to expend user fee revenue for

	the fiscal year ending June 30, 2023 and cash on hand in the Sewer Fund for the operation, maintenance, and improvement of the Town’s sewer system. For further information, please see the Enterprise Fund Budget Book, at the link above.
42 – Sewer Improvement Fund Expenditures	The Finance Committee recommends Affirmative Action on this article. This is a routine, non-controversial annual action. The Sewer Improvement Fund is a sub-fund of the Sewer Fund consisting of improvement fees paid by certain properties for connecting to the sewer system; the Article authorizes expenditure from the Fund for construction and expansion of sewer lines and treatment facility capacity. For further information, please see the Enterprise Fund Budget Book, at the link above.
43 – Water System Expenditures	The Finance Committee recommends Affirmative Action on this article. This is a routine, non-controversial annual action authorizing the Town Manager to expend user fee revenue, special service fees, and jobbing services by the Water and Sewer Division of Concord Public Works for the fiscal year ending June 30, 2023 and cash on hand in the Water Fund for the operation, maintenance, and improvement of the Town’s water system. For further information, please see the Enterprise Fund Budget Book, at the link above.
44 – Authorize Expenditure from PEG Access & Cable-Related Fund	The Finance Committee recommends Affirmative Action on this article. This is a routine, non-controversial annual action authorizing the Town Manager to expend \$493,984 in revenue generated by Comcast from its Concord customers on cable-related purposes in accordance with the Town’s license agreement.
45 – Beede Swim & Fitness Center Enterprise Fund Expenditures	The Finance Committee recommends Affirmative Action on this article. Beede Swim & Fitness Center’s operations, funded by membership and activity fees, were impacted by Covid-19 in FY20 and FY21. The Center has seen a significant increase in traffic but is not yet at pre-pandemic levels. For FY23, revenue is projected at \$1.778M, up from the current year (\$1.577M), but still down compared to FY19/FY20 (\$1.827M). While operating expenses have been reduced where possible, much of the cost of maintaining and safely operating the facility is fixed. Operating expenses in FY23 are increasing \$229K due to a variety of factors including minimum wage increases, additional programming and fully staffed operations. Furthermore, purchased service prices, including electricity and water/sewer, are projected to increase along with contracted custodial services. There is an estimated operating loss for the current fiscal year (\$410K) and a projected operating loss for FY23

	(\$429K). The operating deficits are being covered by the Beede's Swim & Fitness Fund, which is projected to end the current fiscal year with a net cash balance of \$2.593M and \$2.398M at the end of FY23.
46 – Citizen Petition: Reformatory Branch Trail Feasibility Study	The Finance Committee recommends No Action on this article. The proposed source of funding identified in this article requires incremental taxation that circumvents the annual budget process and thus avoids necessary trade-offs taken during the annual budget process.
47 – Citizen Petition: Preserve Concord's Reformatory Branch Trail	The Finance Committee takes No Position on this article. The article does not require an expenditure.

**The Proposed Budget Appropriation
for the year beginning July 1, 2022 (FY23)**

	FY23: Warrant location reference	Appropriated FY22	Proposed FY23	percent change	percent of total
Town Government					
General Government	Art. 9, item 1	\$ 4,031,991	\$ 4,194,241		3.36%
Legal Services	Art. 9, item 2	425,000	450,000		0.36%
Finance	Art. 9, item 3	2,343,858	2,386,111		1.91%
Planning & Land Management	Art. 9, item 4	2,169,920	2,213,816		1.78%
Human Services, including Library	Art. 9, item 5	3,451,937	3,536,272		2.84%
Public Safety (Police & Fire)	Art. 9, item 6	11,529,696	10,992,462		8.82%
Public Works	Art. 9, item 7	4,344,865	4,627,600		3.71%
Unclassified	Art. 9, items 8 & 11	85,000	51,609		0.04%
Reserve Fund	Art. 9, item 9	225,000	225,000		0.18%
Salary Reserve	Art. 9, item 10	(114,373)	1,057,935		0.85%
	Subtotal, Town Gov't	\$ 28,492,894	\$ 29,735,046	4.36%	23.85%
Employee Benefits (Town and CPS only):					
Group Insurance	Art. 9, item 12A	\$ 6,639,042	\$ 7,468,322		5.99%
OPEB Trust	Art. 9, Item 12B	0	0		0.00%
Retirement (pension funding)	Art. 9, item 14A & B	4,751,660	4,882,471		3.92%
Social Security & Medicare	Art. 9, item 15	910,207	942,064		0.76%
	Total Employee Benefits	\$ 12,300,909	\$ 13,292,857	8.06%	10.66%
Town and School (CPS) debt service					
debt repayment within levy limit		\$ 4,167,370	\$ 4,235,101	1.63%	3.40%
debt excluded from levy limit		3,250,139	2,986,504	-8.11%	2.40%
	Total tax-supported	\$ 7,417,509	\$ 7,221,605	-2.64%	5.79%
	total debt service	\$ 7,417,509	\$ 7,221,605	-2.64%	40.30%
Property & liability insurance	Art. 9, item 12C	315,000	378,000	20.00%	0.30%
Unemployment/Worker's Comp	Art. 9, item 13	253,575	262,449	3.50%	0.21%
	Article 9, total:	48,779,887	50,889,957	4.33%	40.81%
	OPEB Trust, General Fund	1,220,195	1,401,347		1.12%
	Capital Outlay, Cash	800,000	1,509,700	88.71%	1.21%
Minuteman Tech Regional HS		\$ 911,265	\$ 987,159	8.33%	0.79%
Minuteman Tech Regional HS- debt		378,019	521,385	37.93%	0.42%
	Article 17	1,289,284	1,508,544	17.01%	1.21%
Concord Public Schools (CPS)	Article 18	\$ 41,708,424	\$ 43,148,899	3.45%	34.60%
Concord-Carlisle Regional HS (Concord's assessment share)	Operations	\$ 21,135,593	\$ 21,782,979	3.06%	17.47%
	Debt Service	3,241,186	3,179,377	-1.91%	2.55%
	Article 21	\$ 24,376,779	24,962,356	2.40%	20.02%
Other Articles		4,500	4,500		0.00%
	TOTAL Town Meeting appropriations	\$ 118,103,658	123,425,303	4.51%	98.98%
Not Appropriated:					
State assessments (mostly for MBTA)		\$ 576,027	\$ 565,188	-1.88%	0.45%
Snow & Ice expense account deficit		75,411	200,000		0.16%
Overlay for tax exemptions and abatements		516,742	500,000	-3.24%	0.40%
		\$ 1,168,180	\$ 1,265,188	8.30%	1.01%
	TOTAL SPENDING PLAN	\$ 119,271,838	\$ 124,690,491	4.54%	100.00%

DETAILED REVIEW OF SELECTED WARRANT ARTICLES

Article 7: Free Cash Use to Reduce Tax Levy

The accumulation and use of “Free Cash”, which is the available undesignated fund balance of the General Fund, is an important component of the Town’s overall financial management policies. These policies maintain the Town’s ability to respond to emergencies, promote the stability of service levels and control the rate of tax levy change.

The undesignated fund balance may be appropriated in either of two forms: (1) for specific expenditures or (2) to reduce the tax levy that otherwise would be required. The available amount is calculated and certified each year by the Commonwealth’s Department of Revenue based upon the balance sheet submitted by the Town.

The General Fund Balance, sometimes referred to as “surplus” or “surplus revenue,” is the amount by which cash and receivables exceed current liabilities and commitments. In a business sense, this might be thought of as “liquidity.” In a personal sense, it can be thought of as “available savings” - at least the portion of savings that cannot be claimed by any other creditor and that is available without requiring the sale of property or other fixed assets.

It is customary for the Annual Town Meeting to allocate some portion of the General Fund Balance to the support of the ensuing year’s expenditure plan. In some years, these savings used are more than replenished from operations, while in other years the year-end return from unexpended appropriations and from revenues overestimates (if any) is insufficient to fully restore the Town’s accumulated reserves. The sums voted by each annual Town Meeting for use in the ensuing fiscal period are deducted and reserved prior to each June 30 certification.

Free Cash Appropriations

The Town Finance Department estimates that the Free Cash certified on June 30, 2022 will be \$7,695,461, or 6.45% of the FY23 budget total. That is at the low end of, but still within, the range of 5-10% of the budget that is consistent with the Town’s fiscal policy and with prudent management to preserve the Town’s excellent bond rating.

This year’s Annual Town Meeting Warrant includes two articles seeking Free Cash appropriations. The Finance Committee recommends favorable action on each of those requests.

- Article 7 appropriates \$1,000,000 to reduce the Tax Levy. This is consistent with past practice and the proposed amount is consistent with the Finance Committee’s FY23 Guidelines.
- Article 20, which is discussed in more detail below, transfers \$500,000 from Free Cash to the Middle School Stabilization Fund, to mitigate the impact on property taxes that will result from the borrowing being done to finance the Middle School construction.

If approved, these uses of Free Cash would reduce the balance to \$6,195,461 or about 5.19% of budget before adjusting for FY22 budget results, which would still fall within the Town’s stated Free Cash policy.

Article 24 seeks \$500,000 for affordable housing from either Free Cash or ARPA. If ARPA is the source, there is no impact on Free Cash. If Free Cash is the source, and Articles 7 and 20 are approved, Free Cash would fall below the 5% town policy floor to 4.78%. The town has over \$5 million in available ARPA funds that may be claimed either generally under a theory of “Lost Revenue” due to the pandemic or specifically for affordable housing, an eligible use of ARPA funds. Given that, the dip in Free Cash to support affordable housing can be deemed a timing issue that will not result in a permanent reduction of Free Cash below 5%.

Below is a chart showing historical activity relative to Free Cash Appropriations through the 2021 Annual Town Meeting.

Availability of Free Cash for Appropriation			Use of Free Cash for Appropriation					
Certification Year (As of June 30th)	Free Cash Available for Appropriation	Percent of Next Year's Budget (from cert. date)	Fiscal Year	Appropriated to Reduce the Tax Levy	Appropriated for Debt Stabilization	Appropriation from Free Cash	Appropriated for Willard School Borrowing	Total Free Cash Use
2007	8,003,063	11.5%	2009	600,000	2,500,000			3,100,000
2008	7,371,061	10.0%	2010	600,000			440,000	1,040,000
2009	8,471,337	11.2%	2011	600,000		34,430 (1)		634,430
2010	8,635,340	11.1%	2012	850,000		24,822 (2)		874,822
2011	9,567,656	11.9%	2013	850,000	2,000,000			2,850,000
2012	9,357,662	11.3%	2014	850,000	750,000			1,600,000
2013	9,664,489	11.2%	2015	850,000	750,000			1,600,000
2014	11,084,916	12.3%	2016	950,000	750,000	625,000 (3)		2,325,000
2015	11,040,933	11.5%	2017	1,000,000				1,000,000
2016	12,605,955	12.8%	2018	1,000,000		1,000,000 (4)		2,000,000
2017	10,798,936	10.4%	2019	1,000,000				1,000,000
2018	11,683,672	10.7%	2020	1,000,000		500,000 (5)		1,500,000
2019	11,839,956	10.4%	2021	1,715,000	2,000,000	550,000 (6)		4,265,000
2020	6,398,206	5.5%	2022	1,000,000				1,000,000
				Proposed				
2021	7,695,461	6.5%	2023	1,000,000	500,000			1,500,000

Note: Free Cash is certified by the State as of each June 30th. Once this is done, certified free cash becomes available for Town Meeting appropriation.

Article 9 – FY23 Town Budget

Article 9 consists of sixteen separate appropriation accounts. Once voted, funds cannot be transferred between these accounts except by Town Meeting action, or at fiscal year-end in accordance with MGL Chapter 44, Section 33B.

For Guideline purposes, these accounts are grouped into two categories:

- The Town Operating Budget, Items 1 – 11 is recommended at \$29,735,046 for FY2023, which is an increase of \$1,242,152 or 4.36% from the current year General Fund budget, inclusive of transfers from Enterprise Funds; and
- The Joint Town- CPS accounts, Items 12 – 16, are recommended at \$21,154,912. This is an increase of \$867,919 or 4.28%, generally the result of a significant increase in projected health insurance expense.

The Joint Town- CPS group of accounts includes Employee Group Insurance, the Other Post-Employment Benefits (OPEB) Trust Fund, the Town's annual required payment to the employee (non-teacher) pension fund, property and liability insurance covering the Town and CPS, and the debt service account covering debt issued for both the Town and CPS capital projects, both debt service within the levy limit and debt service on bonds voted by the town electorate to be paid from tax levies above the levy limit. Effective management of these accounts is strengthened by consolidating the Town government and Concord Public Schools components rather than dividing these accounts between Town and School appropriations.

Item 16, Debt Service, includes \$2,986,504 for principal and interest expense excluded from the levy limit by past votes of the electorate (refer to the section in this Report on excluded debt). There is no corresponding offset from the High School Debt Stabilization Fund as we've seen in past years, as all of the funding in that account has been exhausted.

The Town Manager's Proposed Budget document was published on February 23, 2022 and is available on the Town's website: <https://concordma.gov/DocumentCenter/View/35126/2023-Budget-Book> . Here, you will find a detailed review of each account. The Finance Committee reviewed this document with the Town Manager and conducted its required Public Hearing on March 3, 2022.

		Appropriation FY2022	Proposed FY2023	Percent Change
Operations (Accounts 1 - 11)				
1	General Government	\$ 4,031,991	\$ 4,194,241	4.02%
2	Legal Services	\$ 425,000	\$ 450,000	5.88%
3	Finance	\$ 2,343,858	\$ 2,386,111	1.80%
4	Planning & Land Management	\$ 2,169,920	\$ 2,213,816	2.02%
5	Human Services, including Library	\$ 3,451,937	\$ 3,536,272	2.44%
6	Public Safety	\$ 11,529,696	\$ 10,992,462	-4.66%
7	Public Works	\$ 4,344,865	\$ 4,627,600	6.51%
8	Employee Wellness	\$ 75,000	\$ 26,609	-64.52%
9	Reserve Fund	\$ 225,000	\$ 225,000	0.00%
10	Salary Reserve	\$ (114,374)	\$ 1,057,934	-1024.98%
11	Land Fund	\$ 10,000	\$ 25,000	150.00%
	total: subject to Guideline	\$ 28,492,893	\$ 29,735,045	4.36%
Town and School Debt Service				
16A	Repayment within the Levy Limit	\$ 4,167,370	\$ 4,235,101	1.63%
16B	Repayment excluded from the Levy Limit	\$ 3,250,139	\$ 2,986,504	-8.11%
	sub-total: Debt Service	\$ 7,417,509	\$ 7,221,605	-2.64%
Employee Benefits (Town and CPS)				
12A	Group Insurance	\$ 6,639,042	\$ 7,468,322	12.49%
12B	Other Post Employment Benefits/ OPEB	\$ -	\$ -	
14	Retirement	\$ 4,751,660	\$ 4,882,471	2.75%
15	Medicare/ Social Security	\$ 910,207	\$ 942,064	3.50%
	sub-total: Employee Benefits	\$ 12,300,909	\$ 13,292,857	8.06%
Other Expenses (Joint Accounts)				
13	Workers Comp, Unemployment Comp	\$ 253,575	\$ 262,450	3.50%
12C	Property & Liability Insurance	\$ 315,000	\$ 378,000	20.00%
	sub-total: Other Expenses	\$ 568,575	\$ 640,450	12.64%
	total: Non-Guideline	\$ 20,286,993	\$ 21,154,912	4.28%
	Total: Article 9	\$ 48,779,886	\$ 50,889,957	4.33%

Article 10: Capital Improvement and Debt Plan

Prudent use of debt financing is an important part of the Town's overall fiscal planning. The central objective of any debt management approach is to borrow at the least cost over the term of repayment of the debt. Pursuit of this objective requires clear strategies regarding the purposes of the borrowing, when to schedule debt-financed projects, and how long to stretch out the repayment. Borrowing is a means of distributing part of a current capital cost to future taxpayers, and therefore should be utilized only when such cost allocation is deemed equitable and the long-term interest costs do not outweigh other benefits.

All debt of the Town is issued as general obligation debt, meaning that the full faith and credit of the Town - its promise to repay from any source - is pledged to the bondholder. Debt issued on behalf of the Town's enterprise operations (water, sewer, light) is, however, fully supported by the revenues of the respective enterprise when this is stipulated by the authorizing vote of Town Meeting. The basic rules of debt issuance are set forth in the General Laws of the Commonwealth. Municipalities have no independent authority to develop their own rules or innovations.

Capital financing and debt management policy for Town debt supported by taxation within the levy limit is subject to the following guidelines:

- the total budget allocation for capital needs should be in the range of 7% to 8% of the total budget (town and K-8 schools);
- approximately one-third of capital needs should be met from current resources; the repayment of principal and interest, together with related issuance costs and short-term financing costs (i.e. debt service) should be capped at approximately 5% of the total budget;
- a rapid debt repayment schedule should be maintained, with a goal of 60% principal repayment within five years and 90% repayment within ten years.

For FY23, the maximum capital allocation has been calculated as follows:

Target:	7% to 8% of the total budget net of excluded debt levy and education assessments		
		Amount	
<i>Total FY23 Proposed Guideline Budget:</i>		\$ 124,728,337	
<i>Less excluded debt:</i>		6,687,266	
<i>Less CCRSD Assessment:</i>		21,782,979	
<i>Less MRVTSD Assessment:</i>		<u>987,159</u>	
<i>Proposed Budget Net Excluded Debt:</i>		\$ 95,270,933	
		7.0%	8.0%
<i>Target Range of 7% to 8% of Net Budget:</i>	\$ 6,668,965	to	\$ 7,621,675

These guidelines are modified for major projects supported by debt exclusion votes. The guidelines for debt to be financed within the levy limit serve several important purposes:

- capital needs are not displaced by the fiscal demands of current operations;
- the Town’s approach to borrowing decisions is disciplined;
- the amount of debt service dollars expended for interest cost is minimized; 16.34% of total FY23 debt service for long-term debt repayment will be expended for interest; and
- the capacity to address ongoing capital needs is quickly and continuously restored.

Revenue-supported debt (water, sewer, light) is subject to different guidelines that consider the useful life of the project and the current interest rates in the marketplace (generally, debt issued for longer periods bears a higher interest rate).

FY23 Capital Improvement Plan Overview

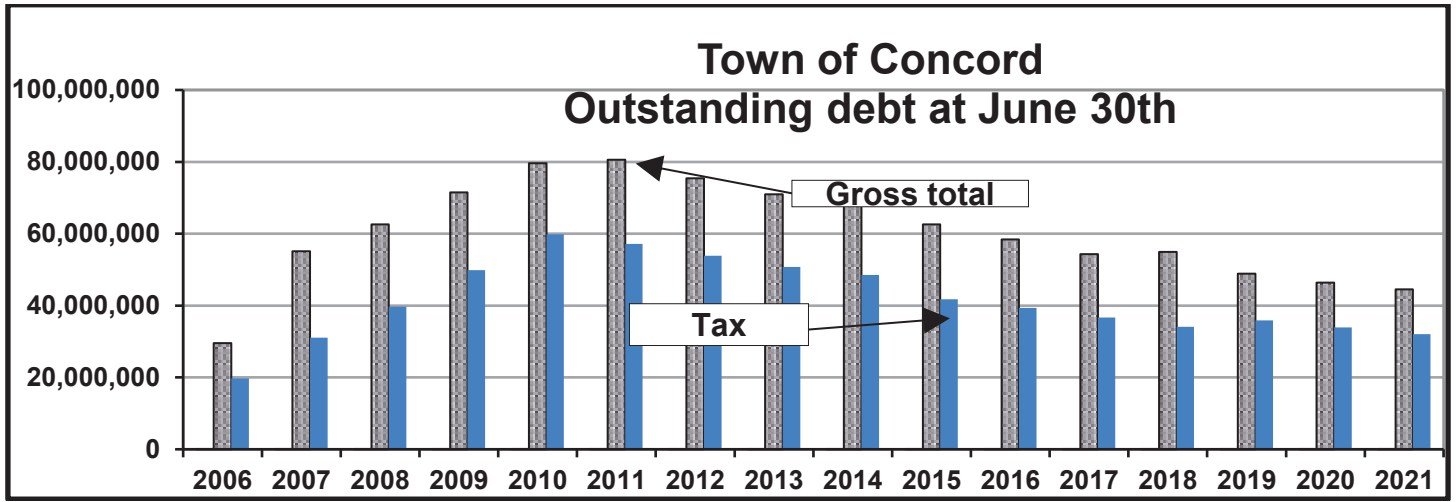
The FY23 Capital Improvement Plan recommendation is:

FY23 Proposed Plan:		
<i>Debt Service (“within levy limit” portion):</i>		\$ 4,500,000
<i>Capital outlay, Town Departments:</i>		\$ 1,509,700
<i>Capital outlay, Concord Public Schools:</i>		\$ 900,000
<i>Total General Fund Capital Investment:</i>		\$ 6,909,700
<i>Resulting % of Total Budget Net Excluded Debt:</i>		7.3%

Capital expenditures are the use of funds to acquire or enhance productive assets that 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. These are known as Capital Outlay Projects. If an item or project is over \$100,000 with a life expectancy of at least 5-years, then it can utilize debt as its funding source. Each fiscal cycle, Concord goes through a 5-Year Capital Improvement Program review and design where departments and their divisions can submit capital outlay requests for review and possible approval. In addition, the Town of concord also plans its debt-financed projects, and these are often larger improvements. Proposed FY23 Capital Outlay Projects supported within the Levy Limit from Town government departments total \$1,509,700. Proposed Borrowing Projects supported within the Levy Limit total \$5,400,000, including \$4,500,000 for the Town and \$900,000 for Concord Public Schools. Article 10 requests approval for the Town’s portion of the FY23 Capital Improvement Plan. A similar request is made under Article 19 for Concord Public Schools. Capital Outlay uses current-year resources to fund capital projects and borrowed funds use future resources to fund capital projects.

Debt Overview, Existing Obligations

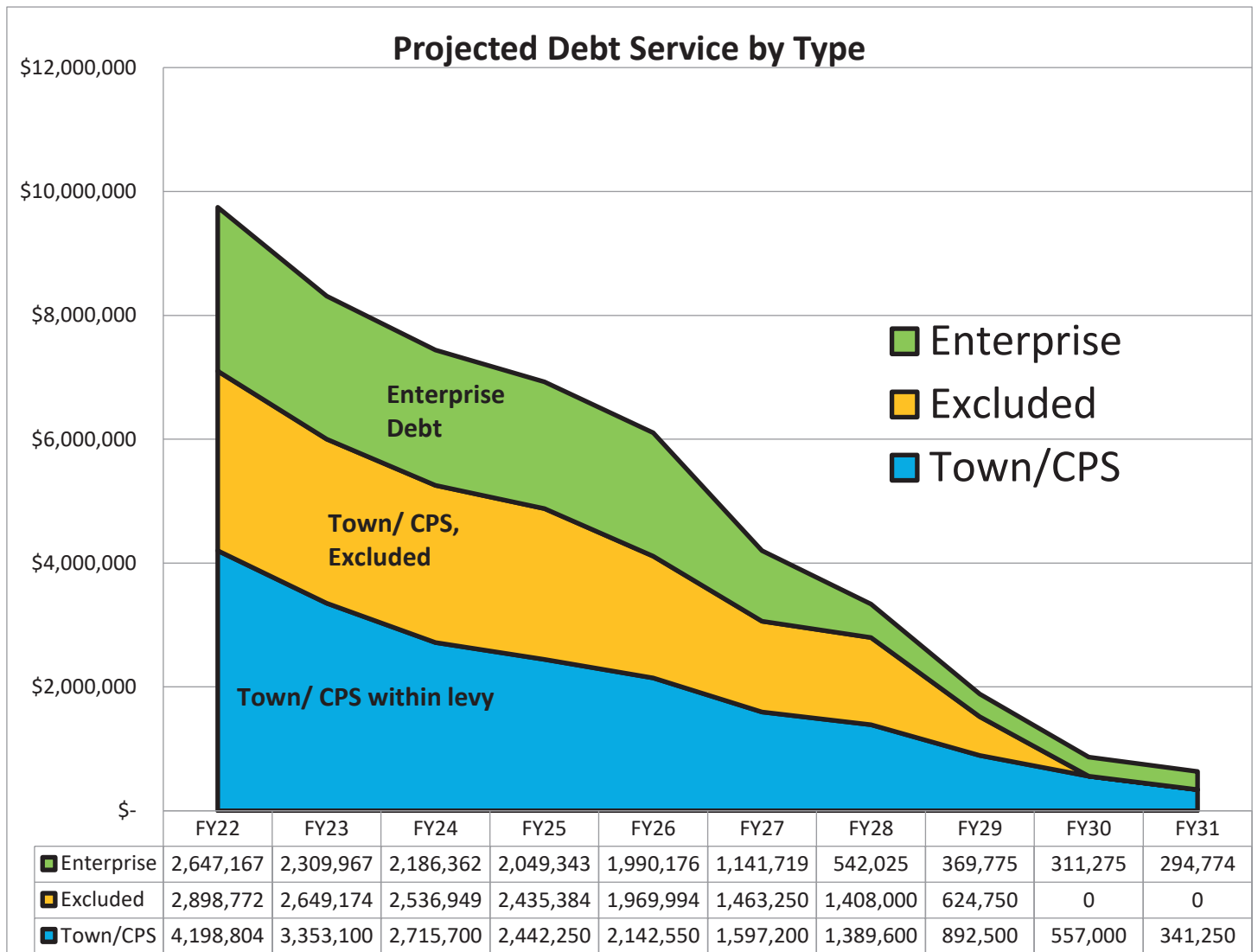
As of June 30, 2021, the Town of Concord's outstanding direct debt was \$44,518,618, of this amount, \$33,874,251 is tax-supported.



Additionally, the Town also has the following Authorized but Unissued Debt as a result of previous Town Meeting actions.

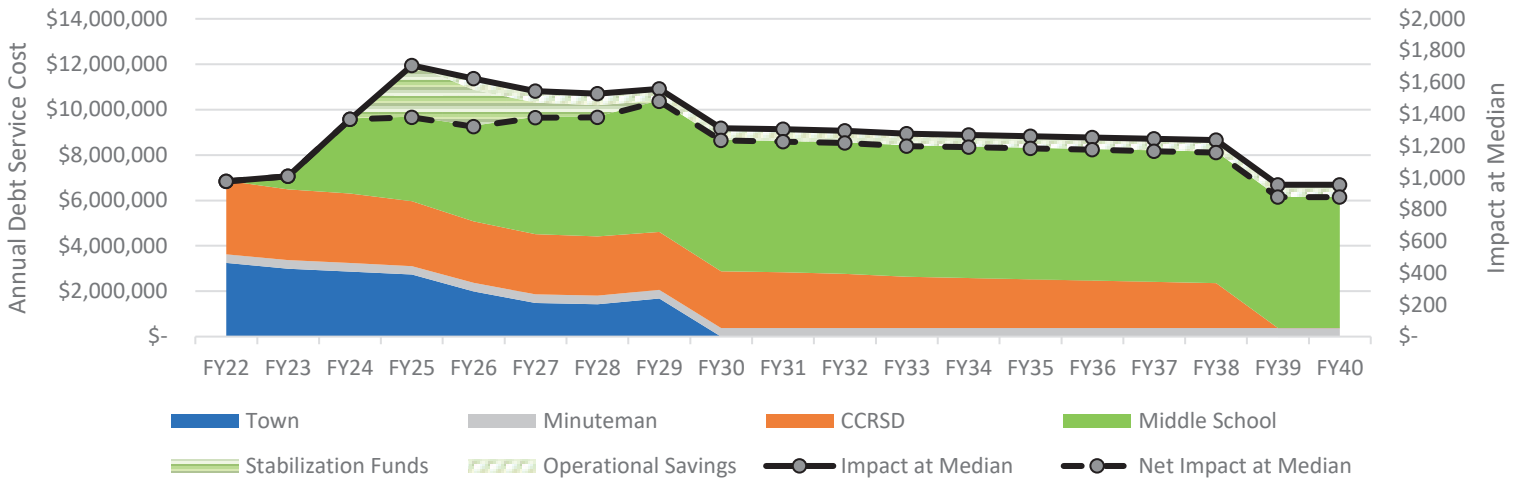
Town of Concord, MA			Authorized, but Unissued Debt as of June 30, 2021			
Category	Authorization	Purpose	Authorized	Issued	Rescinded/ Resized	Unissued as of 06/30/21
within levy	07-ATM-2019	Municipal Building Renovations	\$ 500,000.00	\$ (328,500.00)	\$ (171,500.00)	\$ -
within levy	21(2)-ATM-2018	Trail Improvements	\$ 75,000.00	\$ -	\$ -	\$ 75,000.00
within levy	21(5)-ATM-2018	Library, Energy Efficient Systems	\$ 150,000.00	\$ (150,000.00)	\$ -	\$ -
within levy	07-ATM-2019	Library, Furniture, Fixtures & Equipment	\$ 550,000.00	\$ (550,000.00)		\$ -
within levy	21(5)-ATM-2018	Parking Lot Improvements, HWCC	\$ 100,000.00	\$ (100,000.00)	\$ -	\$ -
within levy	12-ATM-2019	Concord Public School Renovations	\$ 900,000.00	\$ (900,000.00)		\$ -
within levy	07-ATM-2019	Land Acquisition for Open Space	\$ 100,000.00	\$ (100,000.00)		\$ -
within levy	31-ATM-2014	141 Keyes Road Renovations (DPLM)	\$ 600,000.00	\$ (200,000.00)	\$ -	\$ 400,000.00
within levy	11-ATM-2020	Road Improvement Program 2020	\$ 1,250,000.00	\$ (1,250,000.00)		\$ -
within levy	11-ATM-2020	White Pond Improvements	\$ 600,000.00	\$ (600,000.00)		\$ -
within levy	11-ATM-2020	Warner's Pond Dredging	\$ 500,000.00			\$ 500,000.00
within levy	11-ATM-2020	Ambulance #2 Replacement	\$ 275,000.00	\$ (275,000.00)		\$ -
within levy	11-ATM-2020	Playground Improvements	\$ 200,000.00	\$ (200,000.00)		\$ -
within levy	11-ATM-2020	Electric Bus	\$ 150,000.00	\$ (150,000.00)		\$ -
within levy	26-ATM-2020	Concord Public School Renovations	\$ 830,000.00	\$ (830,000.00)		\$ -
Betterment	42-ATM-2013	Septic System Betterment	\$ 2,000,000.00	\$ (1,487,662.00)	\$ -	\$ 512,338.00
Enterprise	28-ATM-2016	Water System Improvements, Water Treatment Plant	\$ 13,665,000.00	\$ (2,000,000.00)	\$ -	\$ 11,665,000.00
Enterprise	28-ATM-2016	Water System Improvements, Reservoir Improvements	\$ 965,000.00	\$ -	\$ -	\$ 965,000.00
Enterprise	28-ATM-2016	Water System Improvements, Nagog Water Intake	\$ 1,870,000.00	\$ (1,000,000.00)	\$ -	\$ 870,000.00
Enterprise	43-ATM-2019	Water Main Replacement	\$ 4,000,000.00			\$ 4,000,000.00
Enterprise	24-ATM-2017	Telecommunications	\$ 1,000,000.00	\$ (131,000.00)	\$ -	\$ 869,000.00
Enterprise	26-ATM-2017	Smart Grid Improvements	\$ 3,000,000.00	\$ -	\$ -	\$ 3,000,000.00
		Totals:	\$ 57,985,000.00	\$ (33,157,287.00)	\$ (171,500.00)	\$ 22,856,338.00

Annual debt service payments to support existing debt are broken out as follows.



Further, as noted earlier in this report, at a Special Town Meeting held on January 20, 2022, the Town authorized \$102,816,000 for a new middle school, and further approved the same at a debt exclusion ballot vote on February 3, 2022. Based upon the current project cashflow projections, we anticipate peak debt service years in FY25 – 28. To help mitigate the impact of this project, the Town established a Middle School Debt Stabilization Fund with a goal of setting aside \$5 million to be used during these years, similar to what the Town has done for other school construction projects. The chart below shows estimated total annual debt service payments, inclusive of the middle school project.

Exempt Debt Service & Impact on Median



Article 17: Minuteman Career and Technical High School

Concord's FY23 assessment for the regional Minuteman Career and Technical High School is \$1,508,544, an increase of 17%. The FY23 assessment increase is driven by Concord's increasing enrollment (33 versus 25 students in FY22) as well as increased operating costs and debt service associated with the new building. The formula for assessments relies in part on a four-year rolling average of enrollments.

The district includes 9 member towns whose assessments are a function of proportional enrollment, State mandated funding formulas and overall Minuteman costs, including debt service. Non-member communities may send students to Minuteman if there is space available and are required to pay tuition (as determined by the State) and a capital fee which defrays member town's assessments. Based primarily on Concord's latest four-year average enrollment of 27 students, it bears approximately 5.2% of Minuteman's assessed costs.

Since its formation in 1970, Concord has been a member of the Minuteman Career and Technical High School District. As a member, the Town has benefitted by being able to offer Concord students an alternative to the Concord-Carlisle Regional High School that broadens the students' educational experience to include the development of vocational and technical skills along with academics. State law requires that vocational-technical education be made available to all students, either directly through the municipality's high school or through a regional district such as Minuteman. Vocational-technical education is defined in the law (MGL Chapter 74, §1) as an education program offering courses "designed to educate and prepare students for both employment and continuing academic and occupational preparation."

Article 18: Concord Public Schools (CPS)

The CPS budget for fiscal 2023 is \$43,148,899, which represents a 3.45% increase above the FY22 budget. The budget was adopted by the School Committee on January 18, 2022. CPS is the only one of the three budgeting entities subject to the Guidelines process (the others are the Town and CCHRD) whose budget did not comply

with the Guidelines set by the Finance Committee. The CPS budget being presented in this article at Town Meeting exceeds the Guideline by 0.73% (see the Guidelines section of this report for further discussion).

The FY23 budget assumes the continued abatement of the impact of the Covid-19 pandemic and full-time in-person learning and sports participation. CPS incurred approximately \$600,000 of pandemic-related expenses through FY22, all of which were covered by Federal grants, outside of the budget. Approximately \$1,600,000 of Federal grant funds remain available to cover such expenses through FY25. Details of the expenses incurred (e.g., cost of remote learning hardware/software, building alterations and PPE) along with a list of the funding available to offset those costs (e.g., CARES and ESSR) can be found on pages 8 – 9 of the *CPS Budget Book* <https://www.concordps.org/wp-content/uploads/2022/03/FY23-CPS-Budget-Book-03.04.2022-FINAL-1-e1646930040183.png>

Student enrollment is projected to remain level with the district's current K-8 total enrollment of 2,547. Total budgeted CPS headcount is 419.8, increasing by 11.1 FTE's, including 4.4 teachers and 3.4 paraprofessionals. The status of the bus/transportation fleet and potential impacts of collective bargaining are described on pages 14 and 15 of the *CPS Budget Book*.

The FY23 proposed budget requests an additional \$1.44 million over the FY22 amount. The greatest portion of the budget falls under instruction, which accounts for 79% of the total budget. Instruction increases by \$1.8 million or 5.58% in FY23 including increases to teacher's salaries as well as additional headcount. Significant line-item increases (budget drivers) for this year include salary increases for teachers (5.8%), assistants/tutors (8.39%), transportation services (9.45%), stipends for teachers (60.05%), contract services (4.32%) and various other salary increases for non-union employees, administration, custodial/maintenance staff and principals/assistant principals (varying from 3.99% to 15.33% depending on category). Details can be found at pages 17-21 of the *CPS Budget Book*.

Noteworthy decreases in expenses include savings in out of district special education tuitions (totaling -68.65% or \$603,459) as more special education students are being integrated effectively within the district. A sick leave/early retirement program resulted in savings of \$142,780 or -36.19%.

Costs for debt service, OPEB (Other Post-Employment Benefits), pensions, group insurance and Medicare premiums are part of the Town budget and are outside of the operating budget considered by the Finance Committee's Guideline process. With the exception of teachers who are part of the State Teachers Retirement System, substantially all employees who work at least 25 hours per week are covered in accordance with Chapter 32 of the Massachusetts General Laws.

Offsets from external funding (exclusive of Covid-19 funds) for FY23 are estimated at \$1,948,656 (versus \$2,144,220 in FY22) coming from Federal grants (\$727,385), the METCO grant (\$614,890) and the State special education circuit breaker revolving account (\$606,381) also referred to as State SPED aid. State SPED funds can be carried forward to offset future SPED tuition costs.

Article 19: Concord Public Schools Capital Projects

The capital plan for Concord Public Schools requests the authorization of \$900,000 for debt within the levy limit to be expended under the direction of the School Committee. Items to be addressed include: high

efficiency boiler at Alcott Elementary schools (\$350,000), an integrated playground at Thoreau (\$55,000), carpet and/or tile replacements in various buildings (\$55,000), and safety reserves at Sanborn and Peabody (\$100,000). At Ripley, the work to be done will include paving and sidewalk repairs (\$200,000) as well as flooring replacement (\$140,000).

Article 20: Appropriation to Stabilization Fund

The Finance Committee is recommending that the Town appropriate \$1.5 million to the Middle School debt stabilization fund established in September 2020. \$1 million would be sourced from the Assessor's Overlay Surplus and \$500,000 from Free Cash.

This appropriation would bring the debt stabilization balance to \$3.5 million; the goal is to build a \$5 million stabilization fund over the next two to three years. Application of a \$5 million reserve during fiscal years '25 - '28 will help to smooth the impact to the tax bill as taxpayers bear the full impact of the Middle School debt while continuing to pay the few remaining years of the Elementary School debt.

After appropriating \$500,000 for this article and \$1 million from Article 7 (see discussion above), Free Cash is expected to be reduced to \$6,195,461 or 5.19% of the FY22 general fund budget. Town policy sets 5% as the floor for Free Cash. The Assessor's Overlay account is used to fund property tax abatements. After the release of \$1 million to the stabilization fund, the balance in the Overlay account will be \$2.3 million. FY22 abatements are not expected to exceed this balance.

Article 21: Concord-Carlisle Regional School District (CCRSB)

The FY23 Concord assessment for CCRSD is \$24,962,356 including \$21,782,979 for the operating budget and \$3,179,377 for debt service. This represents a 2.40% increase over the FY22 assessment. For both towns, a regional budget request of \$36,541,181 with an operating budget of \$31,827,133 was approved by the CCRSD School Committee on March 8, 2022. Total operating budget for FY23 is increasing 2.48%. Debt service on the high school building for FY23 is \$4,107,192. This annual payment will continue to decline with a final debt service payment in FY2038.

The financial cost of Covid-19 through June 30, 2021 was \$365,730 with major portions going towards building alterations and payroll. All expense categories (*e.g.*, cleaning supplies, remote learning tools) can be found on pages 8-9 of the *CCRSB Budget Book*. CCRSD has applied certain of these costs against Federal and state grants, totaling \$612,174 available through FY25. For FY23, remaining balances in ESSR money will be used to offset Covid-related costs. <https://www.concordps.org/wp-content/uploads/2022/03/FY23-CCRSB-Budget-Book-03.04.2022-FINAL-1.png>

Similar to CPS, assumptions in constructing the budget include: students attending full-time and all athletics and co-curricular activities are reinstated; substitutes are back and professional development for teachers is replenished; and, all software will be managed through the Teaching and Learning Department.

Overall enrollment levels at the high school are expected to remain relatively level through FY 25 with an enrollment count of 1244 students. Concord's share of student enrollment increased slightly, resulting in

Concord's FY23 assessment rate of 77.41% and Carlisle's of 22.59%. However, the expectation is that Carlisle's share of total enrollment will increase in FY24 and subsequent years, resulting in a decrease to Concord's annual assessment percentage in FY24 and subsequent years. See page 11 of the *CCRSB Budget Book* for enrollment data by grade level and detailed information in Appendix C.

The instructional leadership budget category which includes school leadership, teachers, para-professionals and instructional hardware totals \$19,623,072, accounts for 54% of the budget and is increasing 2.28% over the FY22 amount. The district budget for FY23 includes 227.05 FTEs exclusive of food service employees, which represents an increase of 3.35 employees from last year.

Budget categories with increasing costs, identified as budget drivers, total \$1,192,498 with salary and salary adjustments accounting for the largest portion of the increases. The increases include special education tuitions (\$417,339 or 27.2%); salary-teachers (salary only) (\$376,618 or 2.6%); salary-support staff (\$80,737 or 4.5%); insurance (\$73,731 or 3.48%); salary-administration (\$69,392 or 16.68%); salary-assistants/tutors (\$67,680 or 6.02%) salary-drivers (\$53,687 or 13.56%); and vehicles (buses) (\$53,311 or 14.06%).

Budget categories with decreasing costs in FY23 include: contracted transportation (\$237,819 or -35.47%); contracted services (\$121,229 or -12.77%); leases (\$111,000 or -91.36%) and debt (84,700 or -2.02%).

The District has level funded OPEB contribution amounts at \$550,000 in each of FY21 and FY22. Due to an actuarial change in long term investment returns, the recommendation is being made to increase the funding amount for FY23 to an amount closer to the ADC (actuarially determined contribution).

Health care insurance costs have increased at a pace greater than inflation. Recent actuarial estimates predict a 6.5% increase in FY23 and a 6% increase in FY24. For FY23, the cost estimates are \$1,473,750 for active employees and \$341,880 for retirees.

For FY23, CCRSD external funding (exclusive of Covid-19 funds) is estimated at \$5,692,649. Major sources include: Chapter 70 and Chapter 71 state funding at \$3,197,882 and \$725,000, respectively; METCO at \$400,223; Federal grants at \$473,251; and State Circuit Breaker Revolving Account or State SPED at \$792,434. CCRSD can retain unused amounts of State SPED aid to offset future SPED tuitions.

In addition, the CCRSD Excess & Deficiency (E&D) fund, which is statutorily limited to 5% of the succeeding year's operating and capital budget, is close to the maximum allowable level at (4.99%), over \$1.7Million. The FY 23 operating budget assumes \$300,000 support from E&D, a decrease of \$300,000 from FY22. The E&D account is the primary reserve account for a regional school district and can be used with the approval of the CCRSD School Committee.

Article 22: Concord-Carlisle Regional High School Capital Projects

This article requests \$853,665 for the cost of paving the CCRHS campus access road and improving the lightning on the campus site. The school has had town engineers perform a field review of the pavement conditions and estimated that the pavement condition index (PCI) lies in the range of 4055 which is considered "poor" in the system we currently use for the town's public streets. The estimated total costs to repair the pavement and install the lighting improvements is \$1,053,665. \$200,000 will be coming from the stabilization account thus reducing the current request to the \$853,665. Details of the improvements and pictures of the current problem can be found at <https://concordma.gov/3006/Finance-Committee-Public-Hearing-school->

Article 24 – Appropriate Funds for Affordable Housing

The Affordable Housing Funding Committee recommended in its 2018 report to the Select Board that the town appropriate Free Cash to support affordable housing until an ongoing source of funds, from a real estate transfer tax or a building permit surcharge, is approved by the Town and the Massachusetts Legislature. Annual funding enables the town to move quickly on affordable housing opportunities. The Select Board and voters at 2019 ATM agreed. At 2019 ATM, the Select Board anticipated annually requesting an appropriation of Free Cash to support affordable housing until such time as revenues are generated for housing by a Real Estate Transfer Tax and/or a Building Permit Fee Surcharge. At each of ATM 2019, 2020, and 2021 voters approved the appropriation of \$500K from Free Cash for the development of Affordable Housing.

The Town’s financial policies have long considered 5% of the Operating Budget to be minimum for the Free Cash balance. For that reason, two conditions are placed upon the annual transfer: first, the balance in free cash must be no less than 5% of the annual budget; and second, alternate sources of funding are not yet available. This year, the balance in free cash is very close to the 5% minimum. The town has over \$5 million in available ARPA funds that may be claimed either generally under a theory of “Lost Revenue” due to the pandemic or specifically for affordable housing, an eligible use of ARPA funds. Given that, any dip in Free Cash due to appropriation for affordable housing can be deemed a timing issue that will not result in a permanent reduction of Free Cash below 5%.

Article 25 – Assabet River Bluff Preservation

This article authorizes the town to borrow \$500k within the levy limit to fund a portion of the \$2.9m Assabet River Bluff Preservation Project. This project is a partnership between Open Space and Affordable Housing groups to purchase ~7 acres of land between Upland and Old Marlboro Road for both open space and community housing. According to the Memorandum of Understanding dated January 14, 2022, sources of funding are:

Source	Amount
Community Preservation Funds	\$ 1,000k
Concord Municipal Housing Trust	\$ 650k
Concord Housing Foundation	\$50k
Private Donations	\$1,200k

Private donation will be raised by Concord Land Conservation Trust and Sudbury Valley Trustees. Additionally, the town has submitted grant applications for \$500K to both the Land and Water Conservation Fund through the National Park Service and the Municipal Vulnerability Preparedness through MA Executive Office of Energy and Environmental Affairs. The town can be awarded one, but not both, of these grants. The town believes it is likely to receive one of these grants and will use the grant funds to reduce the amount raised through private donations. The purpose of this article is to provide a placeholder in the unlikely event that neither grant is awarded and fund-raising efforts fall short of expectations.

Article 26 – Community Preservation Committee

The Commonwealth of Massachusetts adopted the Community Preservation Act (CPA) in 2004. This act allows town withing the Commonwealth to collect a surcharge on property tax bills which are then supplemented by a state match. In 2004, the Town of Concord approved a 1.5% surcharge and voted to exempt the first \$100,000 of assessed value before calculation the surcharge. There are also certain exemptions for low income and senior taxpayers.

The law restricts the use of these funds to:

- Open space;
- Community housing;
- Historic preservation; and
- Recreational use

Furthermore, the law specifies that a minimum of 10% of total funds must be appropriated or reserved each year for each of these three categories: open space; community housing and historic preservation. The Commonwealth’s matching funds come from a surcharge on Registry of Deeds fees resulting from real property transaction and mortgage refinancing activity. These funds had been declining in recent years because more communities are participating in the program but the MA state budget increased recording fees in FY20 and this results in a small up-tick in matching funds. In FY23, the match is expected to be 29%.

The Town’s Community Preservation Committee (CPC) is charged with the task of “studying the needs, possibilities and resources of the Town regarding community preservation.” The committee consists of 9 members, 4 of whom are appointed by the Select Board and 5 who represent other boards and committees within town. This group vets funding applications for via a series of open meetings with applicants and site visits. These deliberations result in their annual recommendation to Town Meeting.

In FY23, the CPC is proposing to fund 9 specific projects in addition to \$40,000 to cover program administration and \$28,000 for Concord’s share of the Regional Housing Services Program for a total of \$2,153,741. Of this amount, \$1,815,773 will be appropriated from projected FY23 fund revenues and \$337,968 will be sourced from prior year available fund balances.

The proposed FY23 allocation meets the minimum requirements:

Recreation	\$365,000	17%
Open Space	\$990,000	46%
Historic Preservation	\$430,741	20%
Community Housing	\$328,000	15%
Administration	\$40,000	2%
	\$2,153,741	100%

In accordance with state law, Town Meeting may affirm, reject or reduce the allocation for any project recommended by the CPC but may not increase an allocation and may not add a project not already put forward by the CPC.

Articles 39 – 45: Town Enterprise Fund Budgets

Each of the seven budget presentations focuses on the projection of operating income and net income. The long-term objective in the management of each enterprise is to generate sufficient income from current operations to fund operating and capital needs without tax support. In general, debt financing of enterprise infrastructure should be employed only to finance system expansion. Resources derived from recording depreciation as an operating expense plus the net income realized from operations should, over a span of years, provide for the continuous reinvestment in the maintenance and renewal of enterprise physical assets. The Town has a long record of successfully operating its enterprises on this basis.

Operating income of each fund is the difference between operating revenues and operating expenses. Certain revenues and expenses are not the result of operations but must be added to or subtracted from **operating income** to arrive at **net income**. These non-operating transactions include:

Revenues:

- Interest earnings on available cash balances
- Fees not associated with operations, such as the electric underground surcharge and the sewer improvement fee

Expenses:

- Interest paid on debt (bonds and notes)

The budgets proposed for FY23 (calendar year 2022 for CMLP), and the related projections of operating and net income are:

	<u>Operating Revenue</u>	<u>Operating Expenditure</u>	<u>Operating Income</u>	<u>Net Income</u>
Light Fund	\$32,539,977	\$31,360,041	\$1,179,936	
Telecom. Fund	1,618,394	1,457,797	160,597	
Water Fund	6,742,022	5,046,222	1,695,800	1,450,912
Sewer Fund	3,503,027	3,415,595	87,432	338,882
Solid Waste Fund	2,109,081	2,227,107	-118,027	-118,027
Beede Center Fund	1,778,000	2,222,340	-444,340	-429,340
Recreation Fund	2,380,291	2,110,543	269,748	269,748
MMN Fund	396,281	376,802	19,479	19,479

One measure for determining whether an enterprise has sufficient resources to fund necessary capital improvements is to: (a) sum net income plus cash generated from recording depreciation expense and (b) subtract debt principal repayments and transfers in the form of Payments in Lieu of Taxes or PILOT (for the CMLP only). This arrives at the net resources available for replacement and renewal of plant and equipment. For each enterprise, this amount can then be compared to the planned capital outlay expenditure, as shown in the following table.

<u>Proposed Capital Plan</u>	<u>Light</u>	<u>Water</u>	<u>Sewer</u>	<u>Beede</u>
Net Income Projected	\$772,320	\$1,450,912	\$338,882	\$(429,340)
Depreciation Expense	<u>2,067,278</u>	<u>1,383,967</u>	<u>1,141,153</u>	<u>357,634</u>
Subtotal	2,839,598	2,834,879	1,480,035	(71,706)
Less:				
Debt Principal Payment	560,000	570,000	627,668	0
CMLP PILOT Payment	474,500	0	0	0
Net Resources derived from Current Operations and available for Capital Purposes	<u>\$1,805,098</u>	<u>\$2,264,879</u>	<u>\$ 852,367</u>	<u>\$(71,706)</u>

The planned FY23 capital expenditures of each enterprise (exclusive of expenditures that will be funded by debt issuance) are as follows:

	<u>Light</u>	<u>Water</u>	<u>Sewer</u>	<u>Beede</u>
Capital Outlay	\$1,267,355	\$2,112,500	\$1,297,700	\$123,000

It is not necessary that net resources from current operations equal or exceed the actual or planned Capital Outlay for each year. If an enterprise has greater capital outlay needs, the difference can be financed from the available cash balance of the fund. Over the long-term, it is the objective to manage each of these enterprises so that the cost for replacement and renewal of plant and equipment will be met from cash generated by current operations.

In some cases, there is additional funding available for capital purposes. For example, the Light Plant conducts work to place utility wires underground and these projects are financed from the accumulated balance of the Underground Fund.

Additional detailed information on each of the funds can be found in the FY23 Enterprise Fund Budget Book which is posted on the Town's website at: <https://concordma.gov/DocumentCenter/View/35609/FY23-Enterprise-Budget-Book>

Appendices:

- Appendix One: Glossary of Terms Commonly Used in Municipal Finance
- Appendix Two: Proposition 2 & ½ - the Levy Limit Explained
- Appendix Three: Report on Reserve Fund Activity
- Appendix Four: 2022 Consent Calendar
- Appendix Five: Select Board Recommendations on Town Meeting Articles

Appendix One: Glossary of Terms Commonly Used in Municipal Finance

Abatement: A complete or partial cancellation of a levy imposed by a governmental unit; applicable to tax levies and special assessments.

Accrual Basis: In the context of accounting, practice in which expenses and income are accounted for as they are earned or incurred, whether or not they have been received or paid.

Actuarial Accrued Liability (AAL): Generally represents the portion of the present value of fully projected benefits attributable to service credit earned (or accrued) as of the valuation date.

Actuarial Value of Assets (AVA): The value of a pension plan investments and other property used by the actuary for the purpose of an actuarial valuation (sometimes referred to as valuation assets). Actuaries often select an asset valuation method that smoothes the effects of short-term volatility in the market value of assets.

Annual Required Contribution (ARC): The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB 25. The ARC consists of the Employer Normal Cost and the Amortization Payment.

Appropriation: An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and the time when it may be expended. Only a vote of Town Meeting or the School Committee can authorize money appropriated for one purpose to be used for another. Any amount which is appropriated may be encumbered. Any part of the general appropriation not spent or encumbered by June 30 automatically reverts to surplus. A specific or particular appropriation is carried forward from year to year until spent for the designated purpose or transferred by Town Meeting vote to another account.

Assessed Valuation: The value placed upon a particular property by the local Board of Assessors for the purpose of apportioning the Town's tax levy among individual property owners equitably and in accordance with the legal requirement that property be assessed at "full and fair cash value," certified periodically by the Commonwealth's Commissioner of Revenue (no less frequently than once every three years).

Audit: Work done by accountants in examining financial reports, reviewing compliance with applicable laws and regulations, reviewing efficiency and economy of operations, and reviewing effectiveness in achieving program results. A basic audit examines only the financial reports and legal compliance. An outside Certified Public Accountant (CPA) audit is directed primarily toward the expression of an opinion as to the fairness of the financial statements and submission of a management letter. An auditor must be independent of the executive branch of government. A state auditor, private CPA, or public accountant, or elected auditor meets this test.

Balance Sheet: A statement which discloses the assets, liabilities, reserves, and equities of a fund or government unit at a specified date.

Balanced Budget: A plan of financial operation in which the estimate of proposed expenditures for a given period is less than or equal to the proposed means of financing these expenditures (from various sources of funds or revenues).

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period (usually a 12-month period referred to as the Fiscal Year, or FY) and the proposed means of financing them. A budget may be preliminary (the financial plan presented to the Town Meeting) or final (the plan approved by that body).

Capital Budget: A plan of proposed capital outlays, and the means of financing them for the current fiscal period. It is usually a part of the current budget but may also be a multi-year plan.

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period (usually a 12-month period referred to as the Fiscal Year, or FY) and the proposed means of financing them. A budget may be preliminary (the financial plan presented to the Town Meeting) or final (the plan approved by that body).

Capital Budget: A plan of proposed capital outlays, and the means of financing them for the current fiscal period. It is usually a part of the current budget but may also be a multi-year plan.

Capital Improvement: A major, non-recurring expenditure involving one of the following:

- a. Real Property - Includes the purchase or lease of land, existing buildings and appurtenant structures, and fixtures attached to land and buildings.
- b. Equipment - Includes the replacement or addition of major items of equipment with a life expectancy of at least two years and a cost of at least \$5,000. Similar items can be bundled together.
- c. Projects - Include activities such as the following:
 1. Construction of new buildings or facilities (including architectural, engineering, and related fees).
 2. Improvements or major repairs (costing \$5,000 or more) of existing buildings or facilities, aside from routine maintenance.
 3. Studies or other activities (costing \$5,000 or more) that either relate to future “brick and mortar” projects or are a part of a multi-year program of infrastructure improvements.
 4. An annual sum available for routine building improvements, renovations, or repairs.

Cherry Sheet: An annual statement received from the Massachusetts Department of Revenue (DOR) detailing estimated receipts for the next fiscal year from the various state aid accounts, and estimated state and county government charges payable by the Town and included by the local Assessors in setting the tax rate. The actual receipts and charges may vary from the estimates.

Classification: The division of property valuations by type of property. There are five classes: Residential, Open Space, Commercial, Industrial, and Personal. The Selectmen may set as many as three different tax rates (within limits set forth in state law): for residences, for business and personal, and for open space.

Cooling Degree Days: Are a measure of how much (in degrees), and for how long (in days), outside air temperature was *higher* than a specific base temperature. They are used for calculations relating to the energy consumption required to *cool* buildings

Debt Service: Payment of interest and principal related to long term debt.

Depreciation: A non-cash expense (also known as non-cash charge) that provides a source of available funds. Amount allocated during the period to amortize the cost of acquiring long-term assets over the useful life of the assets. This is an accounting expense not a real expense that demands cash.

Encumbrance: Obligations such as purchase orders, contracts, or salary commitments that are chargeable to an appropriation, and for which a part of the appropriation is reserved.

Enterprise Fund: A fiscal entity with a self-balancing set of accounts that is utilized to account for a governmental service when it is the intent to recover the total cost of service, including depreciation, primarily through user charges imposed

on the consumers of the service. Examples in Concord include electricity provided by the Concord Municipal Light Plant, and Water and Sewer services provided by the Department of Public Works.

Equalized Valuation (EQV): The value of all property as determined by the Commissioner of Revenue biennially, using a standard of "full and fair value"; also referred to as EQV.

Expenditure: The spending of money by the Town for the programs or projects within the approved budget.

Fiscal Year (FY): A 12-month period, commencing July 1 and ending June 30, to which the annual budget applies, and at the end of which a governmental unit determines its financial position and the results of its operations. The number of the fiscal year is that of the calendar year in which it ends; FY2016 is the fiscal year which ends June 30, 2016.

Free Cash: Free cash refers to the amount of Fund Balance that is available for appropriation. It is certified each July 1 by the state. Because of the stringent way that the state makes these calculations, Free Cash more closely represents Cash (actual dollars held) than does Fund Balance, which includes a variety of receivables (i.e., cash due).

Fund: An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Balance: The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to the stockholders equity account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected (see **Free Cash**).

General Fund: The fund into which the general (non-earmarked) revenues of the Town are deposited, and from which money is appropriated to pay expenses.

General Obligation Bonds: Bonds issued by the Town that are backed by the full faith and credit of its taxing authority.

Governmental Funds: Funds used to organize and separate the finances of various Town activities and objectives. Governmental Fund categories include: the General Fund; Enterprise Funds; Special Revenue Funds; and the Capital Projects Fund.

Heating Degree Days: Are a measure of how much (in degrees), and for how long (in days), outside air temperature was *lower* than a specific "*base temperature*" (or "*balance point*"). They are used for calculations relating to the energy consumption required to *heat* buildings.

Kilowatt-hour (kWh): Kilowatt-hour is an energy unit (symbol kWh). One kilowatt-hour is defined as the energy consumed by power consumption of 1kW during 1 hour. The Town of Concord uses kWh to measure electric output for facilities.

Land Fund: A fund established by Town bylaw in FY1986 to which may be added an annual appropriation, gifts, and grants. The use of the fund is restricted to the acquisition of land, debt service on designated land purchases, and related costs, such as legal and appraisal fees.

Overlay: The amount raised from the property tax levy in excess of appropriations and other charges. It cannot exceed 5 percent of the levy and is used to cover abatements and exemptions granted locally or on appeal.

Overlay Surplus: The unused portions of **overlay** accounts from previous years; at the end of each fiscal year, this amount is computed from information provided by the Board of Assessors. Any sum so designated is transferred to, and becomes part of, the General Fund undesignated fund balance.

Override: A vote to increase the amount of property tax revenue that may be raised over the levy limit set by **Proposition 2½**.

Personal Services: The cost of salaries, wages, and related employment benefits.

Payment in lieu of Taxes (PILOT): made to compensate a local government for some or all of the tax revenue that it loses because of the nature of the ownership or use of a particular piece of real property. Usually it relates to the foregone property tax revenue.

Personal Services: The cost of salaries, wages, and related employment benefits.

Property Tax Levy: The amount produced by multiplying the assessed valuation of property by the tax rate. The tax rate is expressed per thousand dollars of assessed valuation. For example: (based on \$14.76 tax rate)

<i>House Value:</i>	\$700,000
<i>Tax Rate:</i>	\$14.76 (which means \$14.76 per thousand \$ of valuation)
<i>Levy Calculation:</i>	\$14.76 multiplied by \$700,000 divided by \$1,000.
<i>Result, Property Tax Levy:</i>	\$10,332

Proposition 2½ (see below): A tax limitation measure passed by Massachusetts voters in 1980 that limits the growth of the total property tax levy to 2.5% per year. New construction values are added to this limit. Two provisions of Prop 2½, so-called, allow the Town to raise taxes above this tax levy limit, upon approval by a Town-wide vote: an operating override or a debt exclusion.

Public Employee Retirement Administration Commission (PERAC): A government agency that was created for and is dedicated to the oversight, guidance, monitoring, and regulation of the Massachusetts Public Pension Systems.

Purchased Services: The cost of services that are provided by a vendor.

Reserve Fund: A fund appropriated each year that may be used only by vote of the Finance Committee for "extraordinary or unforeseen expenditures."

Revolving Fund: Those funds that may be used without **appropriation**, and that are established for special uses. Fees (such as for recreation) may be paid into a revolving fund. Revolving funds are established directly by state law or by Town bylaw consistent with state law.

Tax Levy: Total amount of dollars assessed in property taxes by the Town each **fiscal year**.

Therm: A unit of measure for heating energy. In Concord, this can be linked to facility natural gas output.

Unfunded Actuarial Accrued Liability (UAAL): The excess, if any of the **Actuarial Accrued Liability** over the **Actuarial Value of Assets**. In other words, the present value of benefits earned to date that are not covered by current plan assets.

Warrant: A list of items to be voted upon at Town Meeting.

Terms Associated with Proposition 2½

Excess Levy Capacity: The difference between the Town's maximum annual tax levy limit as established by Proposition 2½, and its actual **tax levy** for the current year. It is additional **tax levy** that a town could raise without asking voters for an **override** or debt exclusion.

Growth Revenue: The amount of property tax revenue that the Town can add to its allowable tax levy as a result of new construction, alterations, subdivision, or change of use of a parcel.

Primary Levy Limit, or Absolute Limit: 2.5 percent of certified full and fair cash value of taxable property.

Secondary Levy Limit, or Annual Levy Limit: Prior levy

Appendix Two:

PROPOSITION "2 & 1/2"- The "levy limit" explained

Proposition 2 1/2 refers to an initiative statute adopted by the voters of the Commonwealth in November 1980. Its purpose is to restrict the increase in the property tax levy. It limits the amount by which the taxing capacity of the Town is allowed to increase each year. The allowed growth is 2.5 percent of the prior year's levy limit. For FY23, this allowed increase in the limit will be \$2,472,638 (which is 2.5% of the FY22 levy limit of \$98,905,503).

Added to the levy limit computation is the levy increase attributable to New Growth. This represents additions to the base of taxable property, typically as a result of new construction, renovation and minor alterations, or change of use. Permitting the levy limit to be adjusted by new growth recognizes the fact that development creates pressures on Town services over the long term.

The assessment date for each tax year is January 1. The 2021 Annual Town Meeting adopted a state law allowing the physical improvements existing on property through each June 30 to be assessed with the taxable roll of the preceding January 1. Thus, new growth forecasted for FY23 is based on the activity of the current 12-month fiscal year ending June 30, 2022. The budget estimate is \$950,000, equivalent to about 0.91% of the FY23 total estimated property tax levy. Total growth of the levy limit is therefore attributable to two factors, one which is fixed (+2.5% per year) and one which is variable and subject to economic conditions. The total projected increase in the FY23 levy limit is \$3,422,638.

In FY23, the amount to be raised for excluded debt service, for projects already approved by voters at the ballot box in prior years, will **decrease** by \$182,078, which includes the permanent financing of the Middle School Feasibility study as well as the continued pay down on debt service on these projects- elementary schools, high school and Minuteman Vocational Technical School building.

The property tax levy required to fund the Budget as presented is projected to be under the FY23 levy limit by \$4,697,394, a 4.59% margin, based upon current projections of other revenues and available resources.

Levy Limit History											
	Adjustments, prior years new growth	Allowed 2.5% increase in LL	New growth	Operating Override voted	Total allowed change in LL	NEW GROWTH measures					
						as % of total LL change	as % of prior limit	Levy Limit	actual or projected levy	Unused Levy Limit	Unused as % of LL
FY13	\$4,307	\$1,676,287	\$1,183,336		\$2,863,930	41.32%	1.76%	\$69,911,105	\$67,034,708	\$2,876,397	4.11%
FY14		\$1,747,778	\$1,220,624		\$2,968,402	41.12%	1.75%	\$72,879,506	\$69,334,211	\$3,545,295	4.86%
FY15	\$2,462	\$1,822,049	\$835,499		\$2,660,010	31.41%	1.15%	\$75,539,516	\$71,897,151	\$3,642,365	4.82%
FY16		\$1,888,488	\$1,284,004		\$3,172,492	40.47%	1.70%	\$78,712,008	\$75,508,265	\$3,203,743	4.07%
FY17	\$23,518	\$1,968,388	\$1,412,859		\$3,381,247	41.79%	1.79%	\$82,116,773	\$77,784,021	\$4,332,752	5.28%
FY18	\$0	\$2,052,919	\$1,321,330		\$3,374,249	39.16%	1.61%	\$85,491,022	\$81,423,066	\$4,067,956	4.76%
FY19	\$0	\$2,137,276	\$1,235,953		\$3,373,229	36.64%	1.51%	\$88,864,251	\$84,848,573	\$4,015,678	4.52%
FY20	\$0	\$2,221,606	\$1,195,259		\$3,416,865	34.98%	1.30%	\$92,281,117	\$88,914,847	\$3,366,270	3.65%
FY21	\$0	\$2,307,028	\$957,827		\$3,264,855	29.34%	1.00%	\$95,545,971	\$91,086,465	\$4,459,506	4.67%
FY22	\$0	\$2,388,649	\$970,883		\$3,359,532	28.90%	0.98%	\$98,905,503	\$93,891,839	\$5,013,664	5.07%
FY23 request	\$0	\$2,472,638	\$950,000		\$3,422,638	27.76%	0.93%	\$102,328,141	\$97,630,747	\$4,697,394	4.59%

Overriding the Levy Limit

Once at the annual levy limit, the Town may exceed this limit **only** with a majority vote at town-wide special or regularly scheduled election, though Town Meeting must still appropriate the associated expenditures. Voters have approved operating overrides for the Town government accounts and the schools for six consecutive years concluding with FY07 (ballot vote of June 6, 2006):

FY02 budget: \$2,249,022

FY04 budget: \$1,532,364

FY06 budget: \$752,480

FY03 budget: \$1,478,773

FY05 budget: \$1,858,160

FY07 budget: \$657,538

Sixteen- (16) debt exclusion questions have also been approved by the voters since 1980 (see the section EXCLUDED DEBT). The most recent approval was a ballot in 2016 for the construction of a new \$2 million School Bus Depot. The total debt exclusion tax levy for FY23, inclusive of both the CCRSD & Minuteman debt assessments, is budgeted at \$6,687,266 (about 6.41% of the total projected tax levy). Of this amount, \$3,179,377, about 3.05% of the projected tax bill, is for the Concord-Carlisle High School; \$2,886,710, about 2.77% of the projected tax bill, services the debt associated with the Alcott, Thoreau, and Willard elementary school projects and the feasibility study for the Middle School; and \$521,385, about 0.50% is for the Minuteman Regional High School project. Of the remaining balance, \$99,794, about 0.1%, is for water and sewer improvement projects and \$235,250, or about 0.20%, is for the School Bus Depot. Between September 2004 and May 2011, a total of \$53,330,000 was issued as long-term debt to finance the construction of the three elementary school buildings. As of June 30, 2021, \$39,626,000 of this debt has been repaid, 74.30% of the total.

FORMS OF OVERRIDES

The Town Meeting does not vote on overrides or specify the ballot questions. By state law, overrides, capital outlay and debt exclusions are voted upon only at a town-wide election and require a simple majority vote for approval. State law gives the Select Board the sole authority to determine and specify the ballot questions. The Town Meeting's responsibility is to adopt budgets, and, when necessary, to specify whether and how much of an appropriation is to be contingent upon override or exclusion approval by the town-wide electorate.

Override votes may precede or follow Town Meeting action. A General Override or Capital Exclusion vote will show the amount of the override in the wording of the ballot question. A Debt Exclusion cannot, by state law, show the amount of the debt, but rather can only refer to the debt authorized or to be authorized by a vote of Town Meeting. Authorization of Town debt by the issuance of bonds requires a two-thirds vote in a specified amount at Town Meeting. There are several permitted forms of a vote to exceed the annual levy limit:

GENERAL OVERRIDE

A majority vote of the Select Board (3 of 5) is required to place this question on a ballot. The dollar amount of the levy limit increase must be specified and, if approved, the vote permanently increases the limit. The question can be posed with respect to the total budget or by identifying allocations to specific departments.

CAPITAL OUTLAY EXCLUSION

A two-thirds vote of the Select Board (4 of 5) is required to place this question on a ballot. If approved, the dollar amount of the override is effective for one year only. This form of vote can be used to authorize a capital purchase in lieu of a borrowing authorization. It can only be used for an expense that qualifies, under state law, for debt issuance authorization by the Town Meeting.

DEBT EXCLUSION

A two-thirds vote of the Select Board (4 of 5) is required to place this question on a ballot. If approved, the override is effective only for the duration of the specified loan. The annual debt service amount (principal and interest payment) is added to the otherwise permitted annual levy limit.

PROPERTY TAX DETAIL - GENERAL FUND (FY17 - FY21 Actuals, FY22 Budgeted, and FY23 Projected)

	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budgeted	FY23 Projected
Property Tax:							
66. Base	\$76,347,645	\$80,101,736	\$83,612,620	\$86,978,397	\$90,127,638	\$92,920,956	\$96,680,747
67. New Growth	1,436,376	1,321,330	1,235,953	1,195,259	\$957,827	970,883	950,000
68. Within levy limit	\$77,784,021	\$81,423,066	\$84,848,573	\$88,173,656	\$91,085,465	\$93,891,839	\$97,630,747
Debt Exclusion:							
69. Concord-Carlisle High School	\$189,624	\$179,233	\$0	\$0	\$0	\$0	\$0
70. New CCHS building	3,508,314	3,472,251	3,404,344	3,348,113	3,311,646	3,241,186	3,179,377
Harvey Wheeler CC renovations	0	0	0	0	0	0	0
Middle School Feasibility Study					338,789	323,750	310,250
71. CPS Bus Depot		158,661	141,026	251,000	244,000	235,250	226,500
72. Alcott School - Bond, Sept. '04 (\$7m), refunded May '15	432,645	418,265	406,960	393,715	376,620	302,930	289,263
73. Alcott School - Ph 2 bond, Mar. '07 (\$2.35m)	191,724	176,240	166,320	159,500	153,700	147,900	58,588
74. Thoreau School - Bond, Sept. 06 (\$10m)	670,755	219,710	200,190	178,135	155,605	61,238	112,150
75. Thoreau School - Bond, Sept. '07 (\$6.8m)	525,570	500,537	445,440	427,560	413,760	399,960	386,160
76. Thoreau school - Bond, Mar. '09 (\$140k)	0	0	0	0	0	134,108	0
77. Willard School Design - Bond Spr. '08 (\$1.84m)	198,269	181,563	191,110	0	0	0	0
78. Willard School - Bond, Mar. '09 (\$11.9m)	918,750	898,438	580,262	796,110	771,910	746,710	723,550
79. Willard School - Bond, Jan. '10(\$12.9m)	972,475	954,300	935,680	916,375	821,689	798,500	780,250
80. Phase 1, WPAT State Loan	101,089	99,794	99,794	99,794	99,794	99,794	99,794
81. Willard constr. - Bond, June '11 (\$400k est)	0	0	0	0	0	0	0
82. Thoreau advance refunding, May '15	0	0	0	0	0	0	0
83. MMRHS, New building	0	0	146,887	297,995	354,322	378,019	521,385
84. subtotal, debt exclusion	\$7,709,215	\$7,258,992	\$6,718,013	\$6,868,297	\$7,041,835	\$6,869,344	\$6,687,266
<i>less:</i>							
85. Elementary School Debt Stabilization				0	0	0	0
85A. Bond Premium	(3,449)			-1,008	0	0	0
85B. CCRS D PY Debt Reserve	(29,719)			0	0	0	0
86. Thoreau School MSBA grant	(409,878)			0	0	0	0
87. High School Debt Stabilization	(1,000,000)	(875,000)	(275,000)	0	0	0	0
88. Net debt exclusion	\$6,266,168	\$6,383,992	\$6,443,013	\$6,867,289	\$7,041,835	\$6,869,344	\$6,687,266
89. TOTAL PROPERTY TAX	\$84,050,189	\$87,807,058	\$91,291,587	95,040,945	\$98,127,300	\$100,761,183	\$104,318,013

Assessed Valuation, Levy Limit, Tax Levy and Rates: FY1980 to FY2022

Fiscal Year	Total Assessed Value	Levy Ceiling	Levy Limit	Actual Levy		Uniform Tax Rate	Actual Tax Rates			"CIP" ratio	Unused Levy Limit	
				Within Limit	Debt Exclusion		Residential	Open Space	Commercial		\$	as % of Limit
1980	\$371,034,400			\$13,060,411		\$35.20						
1981	\$383,133,677			\$15,248,720		\$39.80						
1982	\$644,119,237	\$16,102,981	\$15,629,937	\$15,093,532		\$23.43	23.60	20.06	23.43	100.0	\$536,405	3.43%
1983	\$651,122,529	\$16,278,063	\$16,214,000	\$15,342,973		\$23.56	23.66	19.99	23.78	100.9	\$871,027	5.37%
1984	\$784,563,443	\$19,614,086	\$17,006,633	\$15,465,780		\$19.71	19.25	16.36	22.63	114.8	\$1,540,853	9.06%
1985	\$801,293,191	\$20,032,330	\$17,780,870	\$15,648,020		\$19.53	19.13	16.26	22.00	112.6	\$2,132,850	12.00%
1986	\$822,949,238	\$20,573,731	\$18,605,674	\$16,125,650		\$19.59	19.25	16.36	21.71	110.8	\$2,480,024	13.33%
1987	\$1,464,903,743	\$36,622,594	\$19,600,366	\$17,296,129		\$11.81	11.47	9.75	13.95	118.1	\$2,304,237	11.76%
1988	\$1,510,487,280	\$37,762,182	\$20,651,135	\$18,392,726		\$12.18	11.89	10.11	14.04	115.3	\$2,258,409	10.94%
1989	\$1,547,164,362	\$38,679,109	\$21,574,623	\$19,908,672		\$12.87	12.61	10.72	14.60	113.4	\$1,665,951	7.72%
1990	\$2,188,108,438	\$54,702,711	\$22,609,017	\$21,603,000		\$9.87	9.72	8.27	10.82	109.6	\$1,006,017	4.45%
1991	\$2,185,289,176	\$54,632,229	\$23,486,987	\$23,083,329		\$10.56	10.21	8.68	12.87	121.9	\$403,658	1.72%
1992	\$1,863,767,794	\$46,594,195	\$24,325,878	\$24,324,345		\$13.05	12.62	10.73	15.91	121.9	\$1,533	0.01%
1993	\$1,831,121,461	\$45,778,037	\$25,229,582	\$24,770,829		\$13.53	13.27	11.28	15.57	115.1	\$458,753	1.82%
1994	\$1,842,884,146	\$46,072,104	\$26,148,398	\$25,639,506	\$435,498	\$14.15	13.98	11.89	15.57	110.0	\$508,892	1.95%
1995	\$1,853,888,132	\$46,347,203	\$27,110,678	\$26,562,285	\$504,753	\$14.60	14.49	12.32	15.62	107.0	\$548,393	2.02%
1996	\$2,246,615,332	\$56,165,383	\$28,513,798	\$27,531,054	\$279,059	\$12.40	12.42	10.56	12.40	100.0	\$982,744	3.45%
1997	\$2,273,535,628	\$56,838,391	\$29,574,375	\$28,652,539	\$544,685	\$12.84	12.86	10.93	12.84	100.0	\$921,836	3.12%
1998	\$2,288,809,124	\$57,220,228	\$30,582,585	\$29,804,080	\$545,529	\$13.26					\$778,505	2.55%
1999	\$2,704,003,171	\$67,600,079	\$32,061,277	\$31,406,074	\$772,688	\$11.90					\$655,203	2.04%
2000	\$2,742,122,055	\$68,553,051	\$33,421,403	\$32,453,928	\$725,749	\$12.10					\$967,475	2.89%
2001	\$2,783,643,972	\$69,591,099	\$34,827,754	\$34,225,525	\$681,370	\$12.54					\$602,229	1.73%
2002	\$3,974,434,046	\$99,360,851	\$38,958,156	\$38,226,458	\$842,228	\$9.83					\$731,698	1.88%
2003	\$4,408,301,807	\$110,207,545	\$42,171,555	\$41,782,825	\$713,204	\$9.64					\$388,730	0.92%
2004	\$4,411,852,520	\$110,296,313	\$45,336,664	\$45,161,214	\$1,560,304	\$10.59					\$175,450	0.39%
2005	\$5,117,100,515	\$127,927,513	\$48,886,984	\$48,293,261	\$1,854,324	\$9.80					\$593,723	1.21%
2006	\$5,207,535,371	\$130,188,384	\$51,679,906	\$50,786,544	\$2,486,543	\$10.23					\$893,362	1.73%
2007	\$5,309,253,831	\$132,731,346	\$54,523,353	\$53,363,359	\$2,702,361	\$10.56					\$1,159,994	2.13%
2008	\$5,498,736,316	\$137,468,408	\$57,254,951	\$55,919,464	\$3,026,989	\$10.72					\$1,335,487	2.33%
2009	\$5,264,591,702	\$131,614,793	\$59,634,076	\$58,717,305	\$3,931,336	\$11.90					\$916,771	1.54%
2010	\$5,026,552,229	\$125,663,806	\$62,197,127	\$61,284,932	\$4,512,636	\$13.09					\$912,195	1.47%
2011	\$5,045,140,030	\$126,128,501	\$64,569,355	\$62,529,967	\$4,015,430	\$13.19					\$2,039,388	3.16%
2012	\$5,090,058,629	\$127,251,466	\$67,047,174	\$65,053,133	\$4,069,863	\$13.58					\$1,994,041	2.97%
2013	\$5,054,970,094	\$126,374,252	\$69,911,104	\$67,034,708	\$4,088,721	\$14.07					\$2,876,396	4.11%
2014	\$5,130,493,662	\$128,262,342	\$72,879,506	\$69,334,221	\$4,801,422	\$14.45					\$3,545,285	4.86%
2015	\$5,412,298,562	\$135,307,464	\$75,539,516	\$71,897,151	\$5,444,595	\$14.29					\$3,642,365	4.82%
2016	\$5,841,889,295	\$146,047,232	\$78,712,008	\$75,508,265	\$5,810,834	\$13.92					\$3,203,743	4.07%
2017	\$5,973,716,402	\$149,342,910	\$82,116,773	\$77,784,021	\$6,266,168	\$14.07					\$4,332,752	5.28%
2018	\$6,144,650,600	\$153,616,265	\$85,491,022	\$81,423,066	\$6,383,992	\$14.29					\$4,067,956	4.76%
2019	\$6,447,033,517	\$161,175,838	\$88,864,251	\$84,848,573	\$6,443,013	\$14.19					\$4,015,678	4.52%
2020	\$6,684,933,635	\$167,123,341	\$92,281,116	\$88,172,646	\$6,868,298	\$14.23					\$4,107,460	4.45%
2021	\$6,670,507,650	\$166,762,691	\$95,545,971	\$91,093,557	\$7,034,743	\$14.84					\$4,452,414	4.66%
2022	\$6,826,881,734	\$170,672,043	\$98,905,503	\$93,895,429	\$6,869,345	\$14.76					\$5,013,664	5.07%

Town of Concord, Long-Term Debt Statistics

Direct Debt - FY06 to FY21

@ June 30	Assessed Value	Outstanding Long-term Debt		Population decennial census	Per capita income decennial census	% 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
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	\$5,498,736,316	\$62,606,176	\$39,739,546	16,993	\$51,477	1.14%	0.72%	\$3,684	\$2,339	7.16%	4.54%
2009	\$5,264,591,702	\$71,479,238	\$49,853,220	16,993	\$51,477	1.36%	0.95%	\$4,206	\$2,934	8.17%	5.70%
2010	\$5,026,552,229	\$79,599,890	\$59,831,473	16,993	\$51,477	1.58%	1.19%	\$4,684	\$3,521	9.10%	6.84%
2011	\$5,045,140,030	\$80,557,680	\$57,138,277	17,668	\$67,374	1.60%	1.13%	\$4,560	\$3,234	6.77%	4.80%
2012	\$5,090,058,629	\$75,393,732	\$53,893,601	17,668	\$67,374	1.48%	1.06%	\$4,267	\$3,050	6.33%	4.53%
2013	\$5,054,970,094	\$70,984,036	\$50,782,417	17,668	\$67,374	1.40%	1.00%	\$4,018	\$2,874	5.96%	4.27%
2014	\$5,130,493,662	\$70,598,766	\$48,544,694	17,668	\$67,374	1.38%	0.95%	\$3,996	\$2,748	5.93%	4.08%
2015	\$5,412,298,562	\$62,596,727	\$41,730,402	17,668	\$67,374	1.16%	0.77%	\$3,543	\$2,362	5.26%	3.51%
2016	\$5,841,889,295	\$58,382,966	\$39,391,306	17,668	\$67,374	1.00%	0.67%	\$3,304	\$2,230	4.90%	3.31%
2017	\$5,973,716,402	\$54,309,398	\$36,661,977	17,668	\$67,374	0.91%	0.61%	\$3,074	\$2,075	4.56%	3.08%
2018	\$6,144,650,300	\$54,911,022	\$34,086,831	17,668	\$67,374	0.89%	0.55%	\$3,108	\$1,929	4.61%	2.86%
2019	\$6,447,033,517	\$48,891,639	\$35,841,833	17,668	\$67,374	0.76%	0.56%	\$2,767	\$2,029	4.11%	3.01%
2020	\$6,685,261,125	\$46,382,640	\$33,874,331	17,668	\$67,374	0.69%	0.51%	\$2,625	\$1,917	3.90%	2.85%
2021	\$6,670,507,650	\$44,518,617	\$32,045,348	17,668	\$67,374	0.67%	0.48%	\$2,520	\$1,814	3.74%	2.69%

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

EQV and Debt: The Town's Equalized Valuation (EQV) is the full and fair value of property in Concord and is set by the state biennially. This EQV is used in various state formulas for some state grant allocations. The value set at Jan. 1, 2020 is \$7,134,203,400. By state law (MGL c. 44, § 10), the Town's debt limit is capped at 5% of its EQV. The Town's gross outstanding debt of \$46,382,640 as of June 30, 2020 is 0.65% of EQV.

Appendix Three: Report on Reserve Fund Activity

The Reserve Fund is an appropriated contingency account. It is part of the Town Government budget (item 9 of Article 9, proposed at \$225,000) and is counted within the Finance Committee's budget guideline for Town Government operations (Article 9, items 1-16). It is allocated during the budget year by vote of the Finance Committee pursuant to the request of the Town Manager. By state law, its use is restricted to "extraordinary or unforeseen expenditures." In FY22, no Reserve Fund Transfers were approved by the Finance Committee.

The Town budget is adopted as a series of separate appropriations (Article 9, items 1-16). Funds are not transferred from one appropriation account to another except by Town Meeting action. Only the Reserve Fund appropriation may be used during the fiscal year to supplement other appropriation accounts, except that in the final three months of the budget year any appropriation balance may be transferred by joint approval of the Finance Committee and the Select Board. This latter provision was added by state law in 2003 as a safety valve for communities that exhaust their Reserve Fund account. Concord has never used this provision of state law.

The budget contingency process works differently for the Concord Public Schools budget (Article 18). State law gives the School Committee the "bottom line" power to authorize transfers within its appropriation total voted by Town Meeting. At the end of each fiscal year, funds in appropriation accounts that are not spent are returned to the General Fund balance.

The FY23 Reserve Fund appropriation recommendation of \$225,000 is about one-half of one percent (0.45%) of the total Article 9 recommendation. State law allows the Reserve Fund appropriation to be as much as 5% of the previous tax levy; this would permit a Reserve Fund appropriation of \$5.04 million. The Concord Finance Committee has not felt that such a large contingency account would be consistent with the objective of fostering tight expenditure control by Town and School administrations.

Appendix Four: 2022 Consent Calendar

MOTION TO ADVANCE FOR CONSIDERATION AND TAKE ACTION ON CERTAIN ARTICLES WITHOUT DEBATE (2022 CONSENT CALENDAR)

Ms. Reynolds moves: that the 2022 Annual Town Meeting advance for consideration the Articles in the table below and take action on such Articles without debate on any of such Articles, provided, that upon the request of ten (10) voters at this Meeting, made before the vote is taken on this motion, an Article, or, in the Moderator's discretion, a portion thereof, shall be dropped from the Consent Calendar and shall be acted upon in the ordinary course of business at this Town Meeting.

Note to Moderator: 2/3 Vote Required

<p>Article 2</p>	<p>HEAR REPORTS Affirmative Action Recommended By: Select Board Motion: That the Town accept the 2021 Annual Report. Reason: Routine, non-controversial action.</p>
<p>Article 3</p>	<p>MEETING PROCEDURE Affirmative Action Recommended By: Finance Committee, Select Board Motion: That in order to assure compliance with the requirements of the Mass. Gen. Laws c. 59, § 21C, the Meeting adopt the following Rule of the Meeting:</p> <p style="text-align: center;">RULE OF THE MEETING</p> <p>1. <u>Articles for appropriations supported from current taxation and/ or available funds.</u> Any motion made under a warrant article or a motion to amend that would increase the appropriation amount over the amount recommended by the Finance Committee and designated by it as the "allocation at levy limit," or that would provide for an appropriation where the Finance Committee is recommending NO ACTION, must specify the following:</p> <ul style="list-style-type: none"> a. the original motion or a motion to amend shall specify the amount of increase over the appropriation recommended by the Finance Committee and the source of funding- whether from available funds, taxation within the levy limit, or contingent upon approval of an override ballot vote following the conclusion of Town Meeting if such ballot is voted by the Board of Selectmen in accordance with state law; b. if the proposed increased appropriation is proposed to be funded from taxation within the levy limit, the original motion or motion to amend shall specify the source of funding as: <ul style="list-style-type: none"> o a reduction in the appropriation amount already voted under a previous article or within the article currently being considered; or o a maximum amount that may be appropriated within the levy limit under a subsequent article in the warrant. <p>2. <u>Articles for appropriations supported from borrowing.</u> The Finance Committee shall report to the Meeting summarizing its recommendations for new tax-supported borrowing authority to be offered at this Meeting and for which the debt service is proposed to be funded within the levy limit.</p> <p>Any motion made under a warrant article or a motion to amend that would increase the appropriation amount to be met by a borrowing authorization over the amount recommended by the Finance Committee or that would provide for an appropriation to be met by a borrowing authorization where the Finance Committee is recommending NO ACTION, must specify the following:</p> <ul style="list-style-type: none"> a. The original motion or a motion to amend shall specify the amount of increase over the appropriation recommended by the Finance Committee and shall make the increase contingent upon approval of a debt exclusion or capital outlay exclusion ballot vote following the conclusion of Town Meeting if such ballot is voted by the Select Board in accordance with state law; or b. The original motion or motion to amend shall include a corresponding and offsetting reduction in another borrowing authorization from among those listed by the Finance Committee, either by a reduction in the

	<p>amount already voted under a previous article or by setting a maximum amount of debt that may be authorized within the levy limit under a subsequent article in the warrant.</p> <p>3. <u>Articles making appropriations to be kept open.</u> Any Article making appropriations shall be kept open until the final adjournment of the Meeting.</p> <p>Reason: Routine and non-controversial at hearing; the motion is identical to Meeting Procedure motions passed annually and unanimously for more than fifteen years.</p>
Article 4	<p>RATIFY PERSONNEL BOARD CLASSIFICATION ACTIONS Affirmative Action Recommended By: Select Board Motion: That the Town take affirmative action on Article 4 as printed in the Warrant, with the following additional changes to the Classification and Compensation Plan voted by the Personnel Board between January 27, 2022, and May 1, 2022:</p> <ol style="list-style-type: none"> 1. Add the title "Administrative Projects Manager" to Grade MP-2 effective 1/26/2022 2. Add the title "Executive Assistant to the Town Manager" to Grade AC-6 effective 1/26/2022 3. Remove the title "IT Services Manager" from Grade MP-5 grade and replace it with the title "IT Operations Manager" assigned to Grade MP-5 effective 2/24/2022 4. Add the title "GIS Program Manager" to Grade MP-3 effective 2/24/2022 5. Add the title of "Business Systems Analyst" to Grade MP-2 effective 2/24/2022 <p>Reason: Routine annual ratification action; non-controversial at hearing.</p>
Article 5	<p>CLASSIFICATION & COMPENSATION PLAN FOR REGULAR-STATUS POSITIONS Affirmative Action Recommended By: Select Board Motion: That the Town take affirmative action on Article 5 as printed in the Warrant. Reason: Routine and non-controversial at hearing.</p>
Article 6	<p>PERSONNEL BYLAW AMENDMENT Affirmative Action Recommended By: Select Board Motion: That the Town take affirmative action on Article 6 as printed in the Warrant. Reason: Non-controversial at hearing; amendments to conform Bylaw to State law with respect to Holidays, increase flexibility of Vacation provisions, increase bereavement leave, and include gender-neutral language throughout Bylaw</p>
Article 7	<p>USE OF FREE CASH Affirmative Action Recommended by: Finance Committee, Select Board Motion: That the Town authorize and direct the Assessors to transfer \$1,000,000 from the Certified Free Cash Balance as of June 30, 2021 to reduce the tax levy for the fiscal year ending June 30, 2023. Reason: Routine transfer of surplus funds to reduce tax levy; non-controversial at hearing. Surplus results from revenue collection exceeding estimates and/or actual expenditures being less than appropriations.</p>
Article 12	<p>APPROPRIATION FOR SENIOR MEANS-TESTED PROPERTY TAX EXEMPTION Affirmative Action Recommended by: Finance Committee, Select Board Motion: That the Town transfer the sum of \$150,000 from the Overlay Surplus to fund the Senior Means-Tested Property Tax Exemption program for the Fiscal Year ending June 30, 2023. Reason: Non-controversial at hearing; appropriation to provide continuity during Fiscal Year 2023 of the Senior Means-Tested Property Tax Exemption that was in place for three years and expired in June 30, 2021, in the event that the state legislature has not yet acted upon pending legislation to reauthorize the program before the Town must set its FY23 tax rate. 2021 Annual Town Meeting voted to fund the program during FY2022 from the Overlay Surplus.</p>
Article 13	<p>OPEB TRUST FUND APPROPRIATION Affirmative Action Recommended by: Finance Committee, Select Board Motion: That the Town raise and appropriate \$1,401,347; and transfer \$50,761 from the Light Fund and \$15,743 from Broadband; for a total appropriation of \$1,467,851 to fund the Town's FY23 contribution to the Other Post-Employment Benefits Liability Trust Fund (OPEB Trust) established under Mass. Gen. Laws. c. 32B, § 20.</p>

	<p>Reason: Routine General Fund appropriation to meet the Town's OPEB obligations made in prior years as part of the Town's Budget article, now being appropriated for all funds (General, Enterprise, and Other) in a stand-alone article consistent with best practice as recommended by the Town's auditors and MA Department of Revenue; non-controversial at hearing.</p>
Article 14	<p>OPEB TRUST FUND EXPENSE Affirmative Action Recommended by: Finance Committee, Select Board Motion: That the Town appropriate \$275,000 from the OPEB Trust Fund established under Mass. Gen. Laws c. 32B, § 20 for FY 23 expenses, and further to authorize the Trustee of the OPEB Trust to employ reputable and knowledgeable investment consultants to assist in determining appropriate investments and pay for those services from the OPEB Fund. Reason: Non-controversial at hearing; administrative change in method of paying OPEB Fund expenses recommended by the Town's advisors to be by direct payment from the Fund instead of by deduction from earnings.</p>
Article 20	<p>APPROPRIATION TO MIDDLE SCHOOL STABILIZATION FUND Affirmative Action Recommended by: Finance Committee, Select Board, Concord Public Schools Committee Motion: That the Town transfer the sum of \$1,000,000 from Overlay Surplus and \$500,000 from the Certified Free Cash Balance as of June 30, 2021, for a total appropriation of \$1,500,000 to the Middle School Stabilization Fund. Reason: Non-controversial at hearing; Action to distribute over time the impact on the tax levy of the Middle School Building Project that was approved by a substantial majority at 2022 Special Town Meeting and at the subsequent vote at the polls on debt exclusion of the capital expense.</p>
Article 27	<p>AMEND DEPARTMENTAL REVOLVING FUNDS BYLAW Affirmative Action Recommended by: Finance Committee, Select Board Motion: That the Town take affirmative action on Article 27 as printed in the Warrant. Reason: Non-controversial at hearing; action to add a Visitor's Center & Tourism Revolving Fund to the Town's Revolving Fund Bylaw for the purpose of depositing program receipts and paying program expenses with the approval of the Town Manager.</p>
Article 28	<p>AUTHORIZE EXPENDITURE OF REVOLVING FUNDS UNDER MASS. GEN. LAWS. C. 44, § 53E1/2 Affirmative Action Recommended by: Finance Committee, Select Board Motion: That the Town take affirmative action on Article 28 as printed in the Warrant. Reason: Routine authorization of annual spending limits for Revolving Funds, expenditures made pursuant to the Town's Revolving Fund Bylaw with the approval of the Town Manager; non-controversial at hearing.</p>
Article 31	<p>ZONING BYLAW AMENDMENT – ADDITIONAL DWELLING UNIT Affirmative Action Recommended by: Select Board; Planning Board Motion: That the Town take affirmative action on Article 32 as printed in the Warrant, adding a clause shown in bold italics below so that the new provision reads:</p> <p>(n) Any additional dwelling unit that is subject to a special permit recorded with the Middlesex South Registry of Deeds prior to September 2020 shall be exempt from the requirements in Items (a), (b), (g), and (l) of this Section 4.2.2.2 <i>provided that the dimensions of the additional dwelling unit conform to the dimensional requirements in the recorded special permit.</i></p> <p>Reason: Non-controversial at hearing; protects ADUs permitted and recorded before 2020 which upon application for renewal may not comply with currently existing ADU dimensional requirements.</p>
Article 34	<p>CITIZEN PETITION: ZONING BYLAW AMENDMENT – RESIDENCE A & INDUSTRIAL PARK B ZONING DISTRICT BOUNDARY Affirmative Action Recommended by: Select Board; Planning Board TBD Motion: That the Town take affirmative action on Article 34 as printed in the Warrant. Reason: Non-controversial at hearing; amends Zoning District boundaries to bring into use compliance a residence constructed in 1692 currently located within the Industrial Park B Zoning District.</p>

Article 39	<p>LIGHT PLANT EXPENDITURES & PAYMENT IN LIEU OF TAXES Affirmative Action Recommended by: Finance Committee, Select Board Motion: That the Town take affirmative action on Article 39 as printed in the Warrant. Reason: Routine annual action; non-controversial at hearing. Authorizes the Light Plant to expend its income for operations and provides for the transfer of \$444,000 from the Operating Fund of the Light Plant to be used by the Board of Assessors to reduce the tax levy for the fiscal year ending June 30, 2023.</p>
Article 40	<p>SOLID WASTE DISPOSAL FUND EXPENDITURES Affirmative Action Recommended by: Finance Committee, Select Board Motion: That the Town take affirmative action on Article 40 as printed in the Warrant. Reason: Routine annual authorization; non-controversial at hearing. Authorizes the Town Manager to expend user fee revenue from the fiscal year ending June 30, 2023 and cash on hand in the Solid Waste Disposal Fund to operate the Town's curbside solid waste and recycling collection and disposal program.</p>
Article 41	<p>SEWER SYSTEM EXPENDITURES Affirmative Action Recommended by: Finance Committee, Select Board Motion: That the Town take affirmative action on Article 41 as printed in the Warrant. Reason: Routine annual enterprise fund authorization; non-controversial at hearing. Authorizes the Town Manager to expend user fee revenue for the fiscal year ending June 30, 2023 and cash on hand in the Sewer Fund for the operation, maintenance, and improvement of the Town's sewer system.</p>
Article 42	<p>SEWER IMPROVEMENT FUND EXPENDITURES Affirmative Action Recommended by: Finance Committee, Select Board Motion: That the Town take affirmative action on Article 42 as printed in the Warrant. Reason: Routine annual action; non-controversial at hearing. The Sewer Improvement Fund is a sub-fund of the Sewer Fund consisting of fees paid by certain properties connecting to the sewer system; the Article authorizes expenditure from the Fund for construction and expansion of sewer lines and treatment facility capacity.</p>
Article 43	<p>WATER SYSTEM EXPENDITURES Affirmative Action Recommended by: Finance Committee, Select Board Motion: That the Town take affirmative action on Article 43 as printed in the Warrant. Reason: Routine annual action; non-controversial at hearing. Authorizes the Town Manager to expend user fee revenue for the fiscal year ending June 30, 2023 and cash on hand in the Water Fund for the operation, maintenance, and improvement of the Town's water system.</p>
Article 44	<p>AUTHORIZE EXPENDITURE FROM PEG ACCESS AND CABLE-RELATED FUND Affirmative Action Recommended by: Finance Committee, Select Board, PEG Access Committee Motion: That the Town transfer from the PEG Access and Cable-Related Fund the amount of \$435,302 to be expended under the direction of the Town Manager for necessary and expedient cable-related purposes consistent with the Comcast licensing agreement during the fiscal year ending June 30, 2023. Reason: Routine transfer; non-controversial at hearing.</p>

Appendix Five: Select Board Recommendations on Town Meeting Articles

Article #	Title	Select Board Recommendation	SB vote
1	Choose Town Officers	(no motion expected)	
2	Hear Reports	affirmative action	3/28/2022
3	Meeting Procedure	affirmative action	3/7/2022
4	Ratify Personnel Board Classification Actions	affirmative action	3/7/2022
5	Classification & Compensation Plan for Regular-Status Position	affirmative action	3/7/2022
6	Personnel Bylaw Amendment	affirmative action	3/7/2022
7	Use of Free Cash	affirmative action	3/7/2022
8	FY22 Budget Line Item Adjustments	(no motion expected)	
9	FY23 Town Budget	affirmative action	3/28/2022
10	Capital Improvement and Debt Plan	affirmative action	3/28/2022
11	Senior Means-Tested Property Tax Exemption	affirmative action	3/7/2022
12	Appropriation for Senior Means-Tested Tax Exemption	affirmative action	3/7/2022
13	OPEB Trust Fund Appropriation	affirmative action	3/7/2022
14	OPEB Trust Fund Expense	affirmative action	3/7/2022
15	Establishing an Electrification Trust	(no motion expected)	
16	Citizen Petition: Five-Year Moratorium on the Installation of Synthetic Turf on Town Land	affirmative action	3/7/2022
17	Minuteman Regional Technical High School District Budget	affirmative action	3/14/2022
18	Concord Public Schools Budget	report out at Town meeting	4/4/2022
19	Concord Public Schools Capital Projects	affirmative action	3/14/2022
20	Appropriation to Stabilization Fund	affirmative action	3/14/2022
21	Concord-Carlisle Regional High School Budget	affirmative action	3/14/2022
22	Concord-Carlisle Regional High School Capital Projects	affirmative action	3/28/2022
23	Citizen Petition: Ranked Choice Voting for Concord Elections	affirmative action as amended during the April 4 Select Board meeting (3-1 vote)	4/4/2022
24	Appropriate Funds for Affordable Housing Development	affirmative action	3/28/2022
25	Assabet River Bluff Preservation Project	affirmative action	4/11/2022
26	Community Preservation Committee Appropriation Recommendations	affirmative action (3-1 vote)	4/4/2022

Article #	Title	Select Board Recommendation	SB vote
27	Amend Departmental Revolving Funds Bylaw	affirmative action	3/7/2022
28	Authorize Expenditure of Revolving Funds Under Mass. Gen. Laws c. 44, § 53E½	affirmative action	3/7/2022
29	Annual Appropriation of Parking Meter Receipts	affirmative action	4/4/2022
30	Scenic Roads General Bylaw	affirmative action	3/28/2022
31	Zoning Bylaw Amendment – Additional Dwelling Unit	affirmative action, as amended during the SB meeting	4/4/2022
32	Zoning Bylaw Amendment – Formula Business	affirmative action (3-2 vote)	4/11/2022
33	Zoning Bylaw Amendment – Zoning Map & Thoreau Depot Business District	affirmative action (3-1 vote)	4/4/2022
34	Citizen Petition: Zoning Map Amendment – Residence A & Industrial Park B Zoning District Boundary	affirmative action	4/4/2022
35	Citizen Petition: Zoning Bylaw Section 10 Planned Residential Development Update	no action	4/11/2022
36	Adopt Local Ballot Option Pursuant to Mass. Gen. Laws 53	affirmative action	4/4/2022
37	Citizen Petition: Authorize Select Board to Petition to Impose a Checkout Bag Charge	report out at Town meeting	4/11/2022
38	Citizen Petition: Development Plan for Municipal Solar Generation	affirmative action	4/4/2022
39	Light Plant Expenditures & Payment in Lieu of Taxes	affirmative action	3/28/2022
40	Solid Waste Disposal Fund Expenditures	affirmative action	3/28/2022
41	Sewer System Expenditures	affirmative action	3/28/2022
42	Sewer Improvement Fund Expenditures	affirmative action	3/28/2022
43	Water System Expenditures	affirmative action	3/28/2022
44	Authorize Expenditure from PEG Access & Cable-Related Fund	affirmative action	3/28/2022
45	Beede Swim & Fitness Center Enterprise Fund Expenditures	affirmative action	4/4/2022
46	Citizen Petition: Reformatory Branch Trail Feasibility Study	no action	4/11/2022
47	Citizen Petition: Preserve Concord's Reformatory Branch Trail	affirmative action (3-1 vote)	4/4/2022

Article #	Title	Select Board Recommendation	SB vote
48	Unpaid Bills	(no motion expected)	
49	Debt Rescission	(no motion expected)	

TOWN MEETING

Sunday, May 1, 2022

1:00 PM

**Concord-Carlisle Regional High School
500 Walden Street**



Town Meeting can be viewed LIVE on TV through
Minuteman Media Network (MMN) on the Government Channel, channel 9.

You can also watch online by visiting minuteman.media or concordma.gov/

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