



FY2022

Town Manager's Proposed Enterprise Budgets

For the Fiscal Year
July 1, 2021 - June 30, 2022

Town of Concord, Massachusetts

22 Monument Square

P.O. Box 535

Concord, MA 01742

978-318-3100

publicinfo@concordma.gov

   @TownofConcordMA



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Town of Concord

Massachusetts

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morill



TOWN OF CONCORD
Office of the Town Manager
Town House
P.O. Box 535
Concord, Massachusetts 01742

TEL: 978-318-3000
FAX: 978-318-3002

Stephen Crane, Town Manager

May 4, 2021

The Honorable Select Board:

I am pleased to submit for your review the Town Manager's Proposed Enterprise Budgets for Fiscal Year 2022 (July 1, 2021 – June 30, 2022). The document presents the Town's business-type operations. These operations have the following characteristics:

- They are **not** supported from property taxes but rather from fees and charges directly related to the services provided;
- They are intended to operate in a fiscally self-sustaining manner with respect to operating expenses, capital expenses and long-term liabilities; and
- They are expected to provide for the continuous renewal of all related investments in plant and equipment without resorting to debt-financing except for the expansion of the related plant or service and for this purpose depreciation expense is accounted for as an operating expense and is incorporated into rate-setting and planning.
- As departments of the Town Government organized under the direction of the Town Manager, each enterprise functions within the personnel bylaw and financial rules and regulations of the town government. Each enterprise receives various central administrative services, including through the Human Resources Department and the Finance Department, the cost of which is allocated to the enterprise.

Each of the funds reported herein is financed entirely by rate-payers, the users of the particular service involved. The seven operations that are described in this book are as follows:

Light Fund

The Concord Municipal Light Plant was established by an 1898 Town Meeting action. The CMLP provides for the distribution of electricity and operates in full compliance with generally accepted enterprise accounting standards.

The Concord Municipal Light Plant (CMLP) is a department of the Town Government and functions under the specific statutory authority contained in Chapter 164 of Massachusetts General Laws (M.G.L.). The CMLP is managed under the operational authority of the Town Manager pursuant to Section 9 of the Town Charter and designation in the Light Department Administrative Code as Manager of the Municipal Light Plant. The Town Manager appoints the five-member Light Board, the department head (the CMLP Director) and all CMLP staff. The CMLP Director supervises all department staff and reports to the Town Manager. It is the CMLP Director's responsibility to keep the Light Board fully informed of department matters so that the Board can effectively carry out its responsibilities of oversight and planning.

The budget is developed for the Town Manager by the CMLP Director and is reviewed by the Light Board. The Light Board is the electric utility rate-setting body, in accordance with the provisions of M.G.L. Chapter 164. Rates are subject to limited oversight of the Commonwealth of Massachusetts

Department of Public Utilities, as the Light Plant operates as a home-rule municipal light plant. The Town Meeting annually authorizes the Town Manager to expend the income of the Light Fund without further appropriation. For FY22, this action will be taken under Article 20 of the 2021 Town Meeting Warrant.

Water Fund

The bylaw that established the Water Revolving Fund dates back to 1974. Beginning in 1984, the Town has applied enterprise accounting standards to its accounting and reporting of the Water Fund activity. Among other aspects of the accounting change, this involved recording the acquisition cost of all plant assets and the recognition of depreciation as an operating expense.

The Public Works Director is appointed by the Town Manager. The Concord Public Works (CPW) Department includes the Water/Sewer Division. The Water/Sewer Superintendent reports to the Public Works Director. CPW staff prepares an annual Water Fund budget recommendation for review by the Town Manager. The budget is also reviewed by the Public Works Commissioners, a five-member body appointed by the Town Manager. The Commissioners are the water utility rate-setting body, in accordance with General Law provisions and the Town Bylaw. The Town Meeting annually authorizes the Town Manager to expend the income of the Water Fund without further appropriation. For FY22, this action will be taken under Article 24 of the 2021 Town Meeting Warrant.

Sewer Fund

The bylaw that first established the Sewer Revolving Fund was adopted by the Town Meeting in 1976. Enterprise accounting commenced in 1984.

In a process identical to the management of the Water Fund, CPW staff under the direction of the Public Works Director prepares the annual Sewer Fund budget recommendation for review by the Town Manager. The budget is also reviewed by the Public Works Commissioners. The Commissioners are the sewer utility rate-setting body, in accordance with General Law provisions and the Town Bylaw. The Town Meeting annually authorizes the Town Manager to expend the income of the Sewer Fund without further appropriation. For FY22, this action will be taken under Articles 22 and 23 of the 2021 Town Meeting Warrant.

Solid Waste Fund

This fund was established by Town Bylaw adopted in 1989. Technically, it is not an enterprise fund but rather it is a Revolving Fund. However, the Solid Waste Fund is included in this presentation because its basic purpose is to operate the curbside collection and recycling program as a business-type activity without property tax support. Rates are set by the Public Works Commission, and program costs are expected to be fully recovered by these rates. There are, however, no capital assets and no depreciation expenses are associated with the operation of the Solid Waste Fund. The Town Meeting annually authorizes the Town Manager to expend the income of the fund without further appropriation. For FY22, this action will be taken under Article 21 of the 2021 Town Meeting Warrant.

Beede Swim & Fitness Center

This facility opened its doors on April 18, 2006. Article 30 adopted by the 2005 Annual Town Meeting authorized the establishment of an enterprise fund for this operation, in accordance with requirements of the General Laws of the Commonwealth, Chapter 44, section 53 F 1/2. This section of the state statutes, enacted in 1986, requires that the annual budget of the Center be submitted to the Town Meeting for enactment in the same manner as is the General Fund budget. Accordingly, the motion under Article 26 of the 2021 Town Meeting Warrant will make an appropriation for the estimated

expenses of the Center for the fiscal year beginning July 1, 2021 based upon an estimate of the income to be derived from the operation.

The operations for the Center has been assigned by the Town Manager to the Deputy Town Manager and is under the direction of the Recreation Director. Rates and fees are set under the authority of the Town Manager pursuant to Section 22F of Chapter 40 of the General Laws adopted by the Town Meeting in 1992. The Recreation Commission, appointed by the Town Manager, also monitors the performance of the Center and provides guidance and advice.

Recreation Fund

With the adoption of Article 3 at the 1979 Town Meeting, this Fund was established by Town Bylaw to be used solely for the maintenance and support of recreation and park facilities and services of the Town. The Recreation Fund is not an enterprise fund but rather it is a Revolving Fund, since it has no capital assets and no depreciation expense associated with its operations. Like the Solid Waste Fund, the Recreation Fund is included in this presentation because its basic purpose is to operate the recreation programs as a business-type activity. Rates are set by the Recreation Director and program costs are expected to be fully recovered by these rates. At the time that the Recreation Fund was established, there was no requirement that an annual appropriation would need to be adopted by Town Meeting and the Bylaw was written so that expenditures can be made by the Town Manager without further appropriation, so there is no action required of and no article presented to the 2021 Town Meeting.

Minuteman Media Network

In 2015, the Annual Town Meeting voted to adopt Article 37 and accepted M.G.L. 44, Section 53F $\frac{3}{4}$ authorizing the creation of the PEG Access & Cable Related Fund. As part of a License Agreement, the Select Board has authorized Comcast of Massachusetts to provide non-exclusive cable television and other telecommunication services to homes and businesses in Town. The Agreement also provides for the delivery of PEG Access (Public, Educational and Governmental) television services defined in the Agreement as “noncommercial programming developed by any Concord residents or organizations, schools, government entities.” Three channels are made available to the Town for PEG Access programming and Comcast has provides 4.8% of the company’s gross annual revenues in Concord to the Town for PEG Access operations and related expenses.

In October 2018, the Town assumed the responsibility for the operations of PEG Access services from Concord-Carlisle Television, Inc. (CCTV). The new Town entity to run PEG Access services is the Minuteman Media Network (MMN), which is managed by the Public Information and Communications Manager under the direction of the Deputy Town Manager who reports to the Town Manager. For FY22, Article 25 of the 2021 Annual Town Meeting proposes an appropriation to fund the operations of the Minuteman Media Network.

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 FY22 (calendar year 2021 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	\$30,761,073	\$28,961,422	\$1,799,651	\$1,272,911
Telecom. Fund	1,579,985	1,211,730	368,255	323,589
Water Fund	6,512,022	4,835,956	1,676,066	1,593,871
Sewer Fund	3,434,219	3,261,568	172,651	434,640
Solid Waste Fund	1,856,413	1,965,055	-108,642	-108,642
Beede Center Fund	1,576,165	2,123,621	-547,456	-497,456
Recreation Fund	2,012,306	1,883,585	128,721	128,721
MMN Fund	411,522	431,108	-19,586	-19,586

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:

<u>Proposed Capital Plan</u>	<u>Light</u>	<u>Water</u>	<u>Sewer</u>	<u>Beede</u>
Net Income Projected	\$1,272,911	\$1,593,871	\$434,640	\$(497,456)
Depreciation Expense	<u>2,000,203</u>	<u>1,352,891</u>	<u>1,127,197</u>	<u>376,050</u>
Subtotal	3,273,114	2,946,762	1,561,837	(121,406)
Less:				
Debt Principal Payment	1,095,000	520,000	659,036	0
CMLP PILOT Payment	474,500	0	0	0
Net Resources derived from Current Operations and available for Capital Purposes	<u>\$1,703,614</u>	<u>\$2,420,607</u>	<u>\$ 902,798</u>	<u>\$(121,406)</u>

The planned FY22 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	\$4,036,400	\$5,380,000	\$1,054,810	\$40,000

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.

Program Highlights

Light Fund

The major item affecting operating expenses and revenues for the Concord Municipal Light Plant is the purchase of power supply and distribution of electricity to customers. Since changes in purchased power costs are passed along to customers, the Light Plant's portfolio of power supply purchase agreements in effect at any time greatly affects the price that its customers will pay. In 2021, purchased power expense is projected to be approximately \$19.8 million or 66.6% of operating costs.

The Concord Municipal Light Plant is also actively pursuing efforts to promote energy conservation and renewable energy. In 2015, the Light Board adopted an update to its residential tiered rate structure in which the unit price rises with higher monthly consumption levels. Effective on January 1, 2021, the Light Board decided to include the full cost of the running the Conservation and Renewable Energy Services (CARES) program into the rate structure. For residential and commercial customers, CMLP provides rebates for LED lighting fixture upgrades and heat pumps. Additional rebates for residential customers are available to provide for weatherization and to encourage the adoption of electric vehicles (EVs).

The Light Plant is committed to reducing the Town's dependency on electricity generated from fossil fuels. Initiatives include seeking to purchase commercially available electricity from renewable sources, developing utility-scale solar generation in Town, facilitating rooftop solar in Town, and participating in wind, hydro and solar power generation projects outside of Town. For 2021, the Light Plant expects that the source of 11.6% its power supply will be generated from hydro, 10.3% from nuclear, 9.6% from wind, and 6.0% from solar. The purchase of Renewable Energy Certificates (RECs) will offset an additional 12.3% of the fossil fuel-base power supply.

In 2014, the Light Plant began offering broadband service to Town residences and commercial establishments. This service uses the excess capacity of the optical fiber network that has been installed throughout Town for the Smart Grid program. By the end of 2019, the Telecommunications Division's fund balance turned positive with an audited net position of \$83,404. As of January 2021, it served 1,713 high-speed internet customers. For 2021, the Net Income is projected to be \$323,589 and Fund Balance \$748,255.

Water Fund

The Water Fund provides potable water to 95% of Concord residents and businesses. It is in sound financial condition, and needed capital improvements are proceeding on schedule. With Article 28 of the 2016 Annual Town Meeting, the Town approved of \$16.5 million in borrowing to construct the Nagog Pond water treatment/filtration facility, replace the intake pipeline, and rehabilitate the Annursnac and Pine Hill storage tanks. On March 11, 2021, the Massachusetts Supreme Judicial Court ruled in favor of Concord in a long-standing water rights dispute with Acton and Littleton regarding Nagog Pond. With that favorable ruling, and receipt of necessary permits, the Water Division

began installation of a new intake structure and pipeline replacement, and will take next steps in FY22 to implement other capital investments to this needed water resource culminating in construction of a federally compliant water treatment filtration plant beginning in FY24.

To maintain sufficient funds to cover operating and capital costs, the Water Division is proposing a rate increase of 10.0% for normal residential use as of June 1, 2021, which would result in an average residential customer bill of \$586 in water use over the course of the year. This year's rate increase addresses the significant investment in water treatment, and the less significant and less certain costs to address recent PFAS regulations and testing results. The average residential customer is assumed to use 750 cubic feet per month. Customers who consume more than 1,200 cubic feet of water per month will pay a higher rate (a Conservation Step). In FY22, Net Income is projected to be \$1,287,718 and Fund Balance \$6.8 million.

Sewer Fund

The Concord sewer system serves 1,889 residential and commercial customers representing about 34% of the community. For FY22, the Sewer Fund is projected to finish in the black with a positive net income of \$434,640 and a fund balance of \$8.4 million. In looking ahead, there is scheduled capacity and treatment optimization work at the Wastewater Treatment Plant at a cost of \$1.9 million for both FY24 and FY25.

A rate increase of 2.0% is proposed to go into effect on June 1, 2021, which would result in an annual average sewer bill of \$727.

Solid Waste Fund

The Town offers curbside trash and recycling collection to all residences and small commercial facilities. The program pays for itself through issuing subscriptions for residential trash and/or recycling pickup and by selling barrel tags and stickers to make a garbage barrel eligible for pickup. The Solid Waste Fund holds no capital assets and the collection and disposal of trash and recycling is contracted out to a third party, Waste Management of New England. Currently, there are 3,622 customers in the program out of an estimated 5,500 potential households. In FY22, it is projected that due to market forces both regionally and globally the Solid Waste Fund will run at a loss of \$108,642 with a fund balance of \$463,641. It should be noted that on July 1, 2021, the Town will enter into a one-year contract for the collection and disposal of trash and recycling and the next year will go out for a request for proposals for a longer-term contract.

Beede Center Fund

Unlike the Light, Water, and Sewer Enterprise Funds, the barriers to entry and exit for customers using the Beede Center services are minimal. All one needs to do is sign up or cancel a membership. During the pandemic, capacity limitations set by the Governor have caused some financial stress. Revenue earned from Beede memberships and aquatic and fitness programs are down. However, with the general population become more vaccinated and life beginning to return to a "new normal", it is expected that activity at the Beede Center will rebound. With a projected fund balance of \$2.3 million at the end of FY22, the Beede Center Fund has sufficient reserves to weather this temporary disruption.

Recreation Fund

In a similar way as the Beede Center Fund, the Recreation Fund is dependent on kids and adults using its programs. With full-day, in-person learning restarting on April 5, 2021, the Before School, Afterschool, Early Release and Carousel Preschool programs are filling up. This year's

Summer Camp enrollment is expected to be healthy. For FY22, the Recreation Fund is projected to have a positive net income of \$128,721 and a Fund Balance of over \$1 million.

Minuteman Media Network

In October 2018, the Town established the Minuteman Media Network (MMN) to provide PEG Access services as the Town’s local television station. As a self-sustaining enterprise fund, the vast majority of MMN’s revenue comes from fees paid by Comcast as part of License Agreement. Quarterly payments from Comcast are approximately \$90,000. In FY22, MMN is projected to have a net loss of \$19,586 due to studio and equipment upgrades as well as a Fund Balance of \$1.4 million.

Acknowledgements

Preparation of this document involves teamwork between the Finance Department, Town Manager’s Office, Concord Municipal Light Plant, and Public Works Department. I would like to express my appreciation to Kerry Lafleur (Chief Financial Officer), Jon Harris (Budget and Purchasing Director), and Brandon Roberts (Senior Budget & Operations Analyst) for their efforts in facilitating the production of the Enterprise Budget Book.

Preparation of the individual enterprise budget submissions was carried out under the direction of David Wood (CMLP Director), Alan Cathcart (Public Works Director), and Kate Hodges (Deputy Town Manager). In addition, assistance was provided by John Rogers (Water & Sewer Superintendent), Melissa Simoncini (Environmental Services Program Administrator), Robert Hill (Management Analyst), Nelson Mui (Management Analyst), Paul Reinhardt (Professional Project Specialist), Paul Cote (Professional Project Specialist), Anna McKeown, (Recreation Director), Andrew Dutton (Beede General Manager), and Matt Cummings (CMLP Financial Manager / Accountant).

The efforts of the staff in compiling this annual document reflect our commitment in providing information related to the financial health and long-term viability of the Town’s enterprise and special revenue operations.

Respectfully Submitted,



Stephan Crane
Town Manager

Budget Introduction

Introduction to Concord's Enterprise Budget

In an effort to breakdown Concord's FY2022 proposed budget, this document is organized into sections covering a host of financial and structural information about the health of the Town's enterprise funds as well as key information regarding anticipated rates, programs, and other benefits to residents. The budget document includes the following sections:

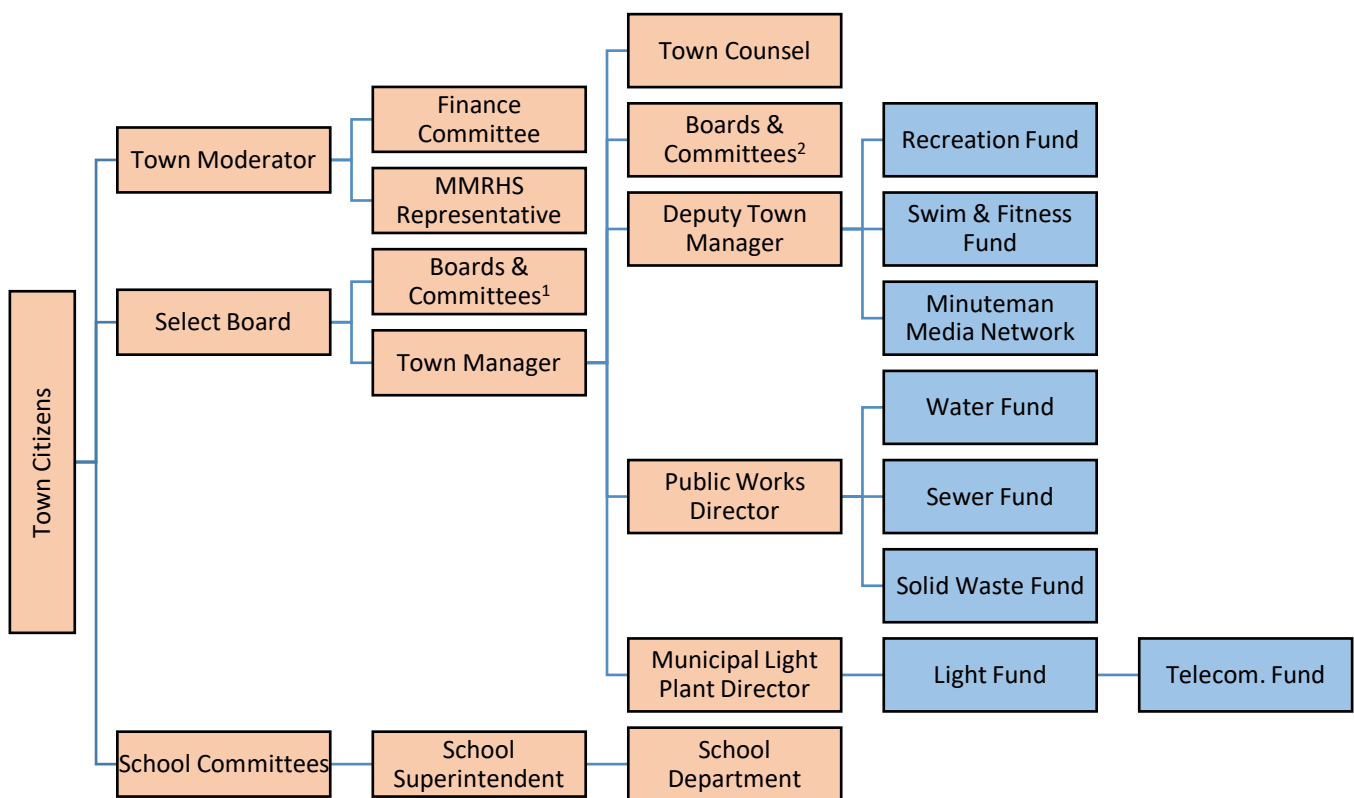
- **Introduction:** Provides an overview of Concord's proposed enterprise budget with information on the overall budget, financial and management policies, organizational structure, and key definitions.
- **Light Fund:** Provides a breakdown of Concord's Municipal Light Plant (CMLP) with information on key planned revenues and expenditures for the upcoming calendar year, electricity data and metrics, rate comparisons, energy supply sources, and an overview of the CMLP's Telecommunications Division.
- **Water Fund:** Provides an analysis of the Town's Water Division with information on key revenues and expenditures for the upcoming fiscal year, program highlights, capital spending, and water rates.
- **Sewer Fund:** Provides an analysis of the Town's Sewer Division with information on key revenues and expenditures for the upcoming fiscal year, program highlights, capital spending, debt service, sewer rates, and other information.
- **Solid Waste Fund:** Provides an analysis of the Town's Solid Waste Division with information on key revenues and expenditures for the upcoming fiscal year, collection and disposal program highlights, performance measures, and other information.
- **Swim & Fitness Fund:** Provides an analysis of the Town's division managed by Concord Recreation with information on key revenues and expenditures for the upcoming fiscal year, operation and membership highlights, programs and fees, capital spending, and fund balance data.
- **Recreation Fund:** Provides an analysis of the Town's Recreation Division with information on key revenues and expenditures for the upcoming fiscal year, strategic plans, programs and fees, and other information.
- **Minuteman Media Network:** Provides an analysis of the Town's Minuteman Media Network (PEG Access Fund) managed by the Town Manager's Office with information on key revenues and expenditures for the upcoming fiscal year, programing, and planned capital expenditures.
- **Appendix:** Provides a guide and resources to help understand the governing budgetary and financial process that oversees the creation of the Town's annual enterprise budget.

Organizational Charts

Town Government Mission Statement

The mission of Concord’s Town Government is to enhance the quality of life of residents by providing efficient, effective, and innovative services, protecting the Town’s character, and being a responsible steward of Town resources.

The chart below outlines how Concord Citizens, either through elections or by sitting on boards and committees, influence the operations of their government under the direction of the Town Manager. The Town Manager oversees Town Departments, which include the enterprise, revolving, and special revenue funds. This Enterprise Budget Book includes information about the Concord Municipal Light Plant, Water Division, Sewer Division, Beede Swim & Fitness Center, Solid Waste Disposal Program, Recreation Program, and Minuteman Media Network.



⁽¹⁾ The Select Board appoints residents to the following boards and committees: Affordable Housing, Agricultural, Board of Registrars, Bruce Freeman Rail Trail Advisory Committee, Cable TV Committee, Community Preservation, Cultural Council, Historic Districts, Hugh Cargill Trust, Library Committee, Personnel Board, Planning Board, Public Ceremonies and Celebrations, Records and Archives, Trustees of Town Donations, White Pond Advisory, and Zoning Board of Appeals.

⁽²⁾ The Town Manager appoints residents to the following boards and committees: Board of Assessors, Historical Commission, Natural Resources Commission, Committee on Disability, Board of Health, Cemetery Committee, Comprehensive Sustainable Energy Committee, Council on Aging, Municipal Light Board, Public Works Commission, and Recreation Commission. Please note that appointments to the Board of Assessors, Historical Commission, and Natural Resources Commission require Select Board approval.

Table of Contents

Table of Contents

Transmittal Letter	3
Organizational Charts	11
Introduction	13
Light Fund.....	21
Telecommunications	38
Water Fund	47
Sewer Fund.....	71
Solid Waste Fund.....	91
Swim & Fitness Fund.....	109
Recreation Fund	129
Minuteman Media Network.....	145
Appendix	161
Budget Calendar	165
Financial Statements	167
Glossary of Terms Commonly Used in Municipal Finance.....	170

Introduction

This page is intentionally left blank.

Introduction – Overview

Enterprise Overview

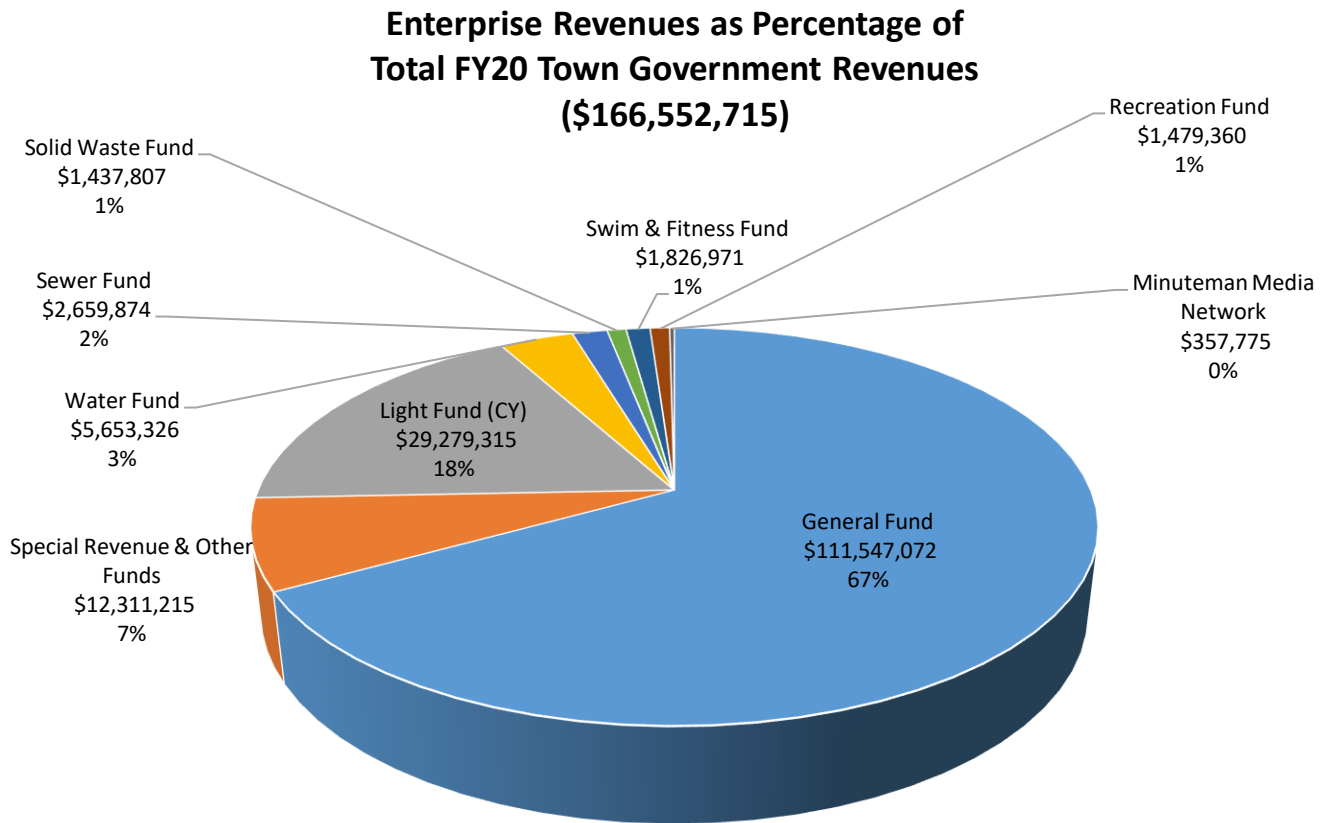
This introduction provides a general description of the Town’s management practices for the five enterprise funds (Light, Water, Sewer, Beede Center, and Minuteman Media Network), the special revenue funds (Solid Waste) and the revolving fund (Recreation).

Enterprise Fund Financial Policies

Along with their missions to provide their respective services in an efficient and effective manner, each of the Town’s enterprise activities must also work to be financially self-supporting.

This means that each is expected to cover all costs associated with operations as well as all costs associated with capital maintenance and depreciation by generating the necessary revenue itself (i.e. through user fees).

Debt should only be used to expand an enterprise activity’s capacity or level of service and not to replace or renew the existing infrastructure.



A Note on the Solid Waste Fund, Recreation Fund, and Media Minuteman Network (MMN)

The Town’s Solid Waste Fund, Recreation Fund, and Minuteman Media Network are not enterprise funds; rather, they are special revenue funds established by local bylaw. Both funds control no capital equipment or infrastructure. Their principal purpose is to operate as a business-type activity with little or no taxpayer support. These enterprises represent a significant business-type service of the Town and therefore the budgets for the Solid Waste Fund, Recreation Fund, and Minuteman Media Network are presented in this Budget Book.

Introduction – Management Policies

Enterprise Fund

An accounting and reporting entity for a business-type activity that is separate from the taxpayer supported General Fund and involves a municipal service supported wholly or primarily by user fees. The separate accounting and reporting of such an entity allows the Town to balance the specific costs of providing the service, which typically involves the maintenance of capital infrastructure, with the revenues generated from the related user fees. Resources of an enterprise fund cannot be diverted to other unrelated uses.

Management of the Enterprise Funds

Town Charter and Bylaws: Under the Town Charter, the Town Manager serves as the executive of all Town enterprise and special revenue funds. The Town Manager supervises all personnel and expenditures, exclusive of the schools, regardless of the funding source. Enterprise operations are subject to the same personnel bylaws and administrative procedures as all other Town departments.

General Fund Services: Rather than hire their own management, finance, and human resource staff, each enterprise fund utilizes some of the general Town staff to perform certain core functions. This allows the Town to avoid task duplication and keep overall overhead costs to a minimum.

To compensate for these services, and to maintain the goal of accurate cost accounting and self-sufficiency, each enterprise fund makes regular payments to the General Fund in the form of “General Fund Services” transfers (or in the Light Fund’s case, “Administrative and General Expenses” transfers). In some cases, enterprise funds are directly charged for costs (such as health insurance and other employee benefits) throughout the year. Allocations are reviewed each year to tie administrative services payments to the actual services provided.

General Fund Services include but are not limited to the following:

- Financial services are provided by the Finance Department for billing and collection, banking, cash and debt management, purchasing administration, general accounting, payables, financial analysis, and reporting;
- The Human Resources Department handles recruitment, employee retention, and employee benefit administration for the enterprise operations; and
- General management of all enterprise operations is provided from the Town Manager’s office, along with more specific administrative services from the Public Works Department (for Water, Sewer, and Solid Waste operations), and from the Deputy Town Manager (for the Beede Center and Recreation operations).

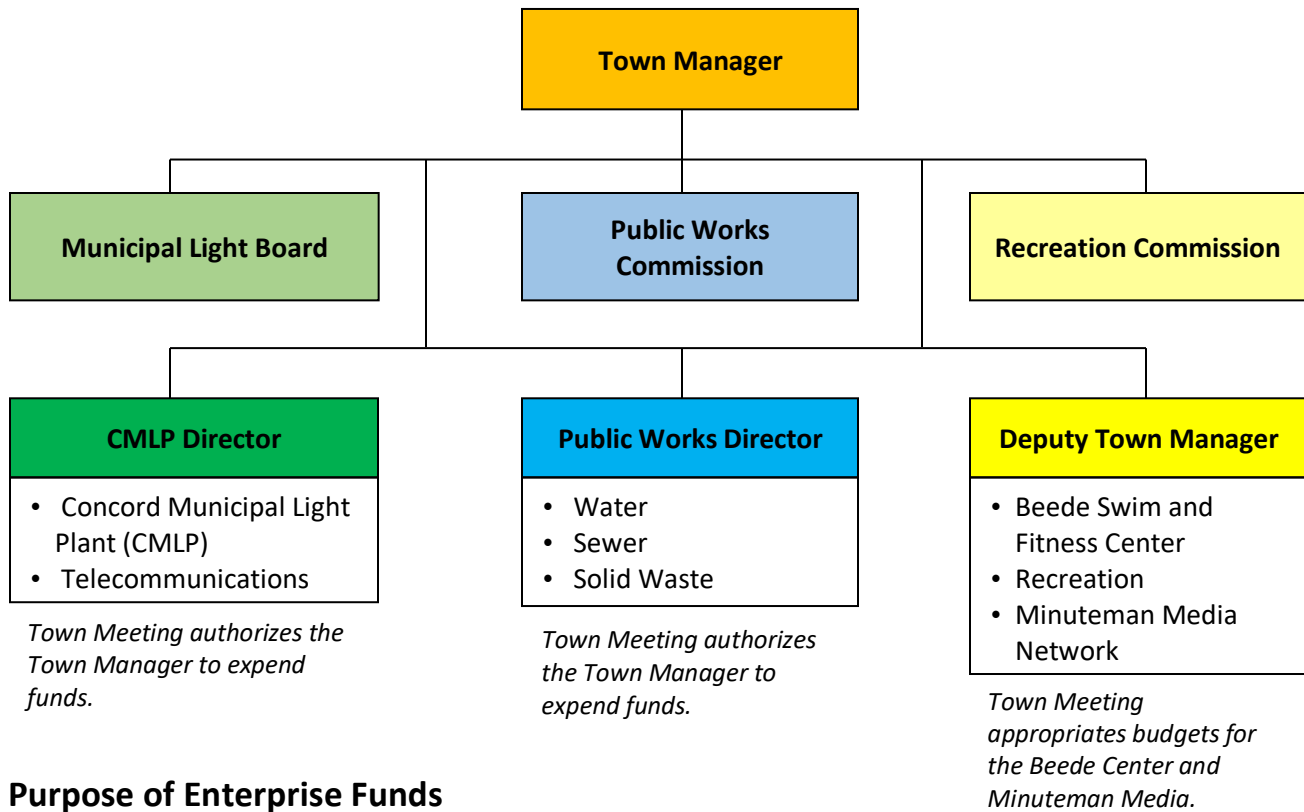
Role of Town Meeting: The budgets presented for the Light, Water, Sewer, and Solid Waste funds are spending plans and do not carry the same restrictive legal obligations as the voted appropriations made for the Town’s General Fund operations. However, the appropriation for Swim and Fitness Fund is set by Town Meeting in accordance to M.G.L. Ch. 44, §53 F½ and that for Minuteman Media Network is set in accordance to M.G.L. Ch. 44, §53 F¾. The Recreation Fund does not require any Town Meeting action.

Setting Rates and User Fees: Rates, or user fees, for each enterprise activity are set by the following entities:

- The Concord Municipal Light Plant (CMLP) Board is the rate-setting authority for the electric utility (CMLP);
- The Public Works Commission is the rate-setting authority for water, sewer, and solid waste services;
- The Town Manager is the rate-setting authority for the Beede Swim and Fitness Center (pursuant to M.G.L. Ch. 40 § 22F as adopted by Town Meeting in 1992).

Introduction – Management Policies

Enterprise Organizational Chart



Purpose of Enterprise Funds

An enterprise operation is a business-type activity supported primarily by the user fees it charges for its services. Funds raised through these user fees are dedicated to the ongoing operations of the specific enterprise activity, while taxpayer support for the activity is eliminated (or in less ideal cases, significantly reduced).

A key component of Concord’s enterprise operations is the maintenance of the capital equipment and infrastructure of the “business”. User fees are set to recover operating costs as well as to finance the continuous maintenance (depreciation) of the capital investments supporting the service. A completely successful enterprise operation should never need to borrow funds to replace and renew the existing infrastructure of the business. Borrowing would be required only to expand the business (for example, to extend water or sewer service into new areas).

In summary, enterprise funds are management tools that aid in the pursuit of the following policy objectives:

- Property tax subsidies are reduced or eliminated for enterprise operations as the goal of an enterprise is to be self-sufficient.
- Unlike tax-supported services, the charge for any enterprise service is based on the direct use of a service or resource. However, unlike many private-sector activities, Concord’s enterprise funds often promote (through investments, education, and rate structures) the conservation of whatever is being sold (e.g., the Water Division aims to reduce water consumption rather than to maximize the sale of water).
- Consumers who are exempt from the property tax (such as nonprofit organizations) nevertheless pay user fees for their consumption of enterprise fund resources like basic utilities (Electricity, Water, and Sewer).

Introduction – Useful Definitions

An understanding of enterprise operations and financial reporting requires familiarity with terms not used in the normal presentation of the General Fund budgets.

Available Capital Resources: Cash for the replacement and renewal of the assets of the enterprise operation is generated from three sources:

- A. net income;
- B. cash produced by the recording of depreciation as an expense; and
- C. borrowing.

The first two items, Net Income and Depreciation Expense, represent the capital resources projected to be generated from current operations. From the combined total of Net Income and Depreciation Expense, maturing principal repayments on existing long-term debt must first be paid. The remaining balance then can be compared to the proposed Capital Spending Plan. These amounts need not match in any fiscal period, but planned spending which exceeds the projected generation of current capital resources can be financed only if there is an available cash balance in the enterprise, or through borrowing.

Capital Expenditure: The use of funds to acquire or enhance productive assets, such as structures, land, and equipment (including related plans, designs, and studies), which have a life expectancy of at least 2 years and a cost of at least \$10,000, and procured with the intention of increasing service capacity or efficiency.

Depreciation: The using up of an asset chargeable to current users. Depreciation is a non-cash expense that is intended to provide resources for capital maintenance and eventual replacement in order to sustain the provision of the service.

Enterprise Funds, as explained above, should be used to account for operations that are financed and operated in a manner similar to private business enterprises:

- A. when the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or
- B. when the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Inter-fund Transfers/General Fund Services: These are the "indirect cost" components of the enterprise operations. They include billing, treasury, investment and accounting services provided centrally by the Town Finance Department; personnel management services provided by the Human Resources Department; and various planning, environmental management, general management, and other services provided through other Town departments. In the case of the Water, Sewer and Solid Waste enterprises, this category also includes allocated costs from the Public Works Administration and Engineering Divisions.

Net Assets: Sometimes called net worth, Net Assets represent how much an entity would be worth after accounting for everything it owns (buildings, equipment, cash, etc.) and subtracting everything it owes (unpaid bills, outstanding loans, etc.).

Net Income: Operating Income plus other non-operating income (such as interest earnings) less debt interest and issuance expense. Net income measures the result of current operations. While Net Income should generally be a positive number, it is possible for an enterprise operation to operate with a loss for a fiscal period and still remain in operation and be financially sound. However, a pattern of negative net income for more than one year, or a

Introduction – Useful Definitions

declining trend in net income for several years, is cause for concern, and requires remedial action with respect either to rates, expenses, or both.

Operating Expenses: Costs, both direct and indirect, of providing the service, including the cost of using up assets (which is the depreciation expense). Outlays that are not part of operating expenses are:

- A. the acquisition or construction of an asset; and
- B. debt principal and interest cost.

Operating Income: The difference between Operating Revenue and Operating Expense for a fiscal period.

Operating Revenue: Earnings from the provision of services, recorded at the time of service rather than as billed or as received. Revenues and other resources that are not part of Operating Revenue include interest earnings, grants from other levels of government, and proceeds from the issuance of bonds.

This page is intentionally left blank.

Light Fund

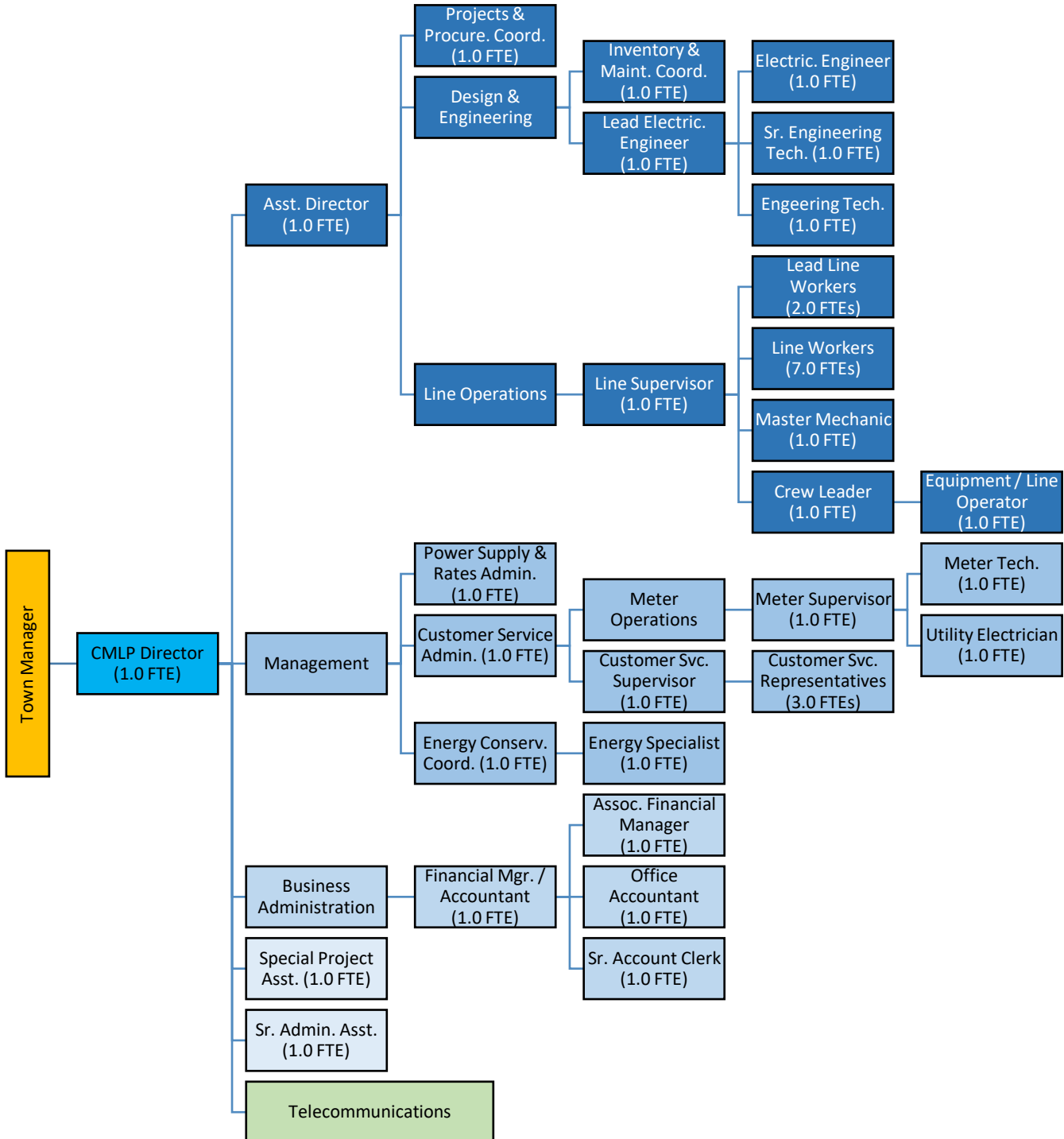
This page is intentionally left blank.

Light Fund

Mission Statement

The mission of Concord Municipal Light Plant (CMLP) is to supply reliable and cost effective energy services, in a responsible and courteous manner, which meets the current and future needs of our customers.

Organizational Chart



Light Fund

Overview

The Concord Municipal Light Plant (CMLP) is responsible for providing 170,000-megawatt hours of electricity to 6,991 residential customers, 1,212 commercial customers, and 71 municipal customers in Concord. Since the Light Plant does not have generating capability, it purchases its power from outside suppliers. To distribute the electricity, the CMLP operates three substations along with transmission and distribution facilities. Power lines are maintained by CMLP line workers. To monitor the system, the Light Plant has a modern, consolidated operations center.

As a Town Enterprise, the Light Plant is entirely supported by revenue raised from electric utility rates and other charges paid by its customers. Current resources are allocated to pay for the upkeep of existing infrastructure, purchase of power, administration and CMLP customer-related programs.

The Telecommunications Division within CMLP, managed by the Telecommunications Director who reports to the CMLP Director, provides broadband service to residences and businesses.

Accomplishments

- ☑ Completed a 5-year cost-of-service study by utilizing an outside firm that verified Light Plant costs and developed equitable rates to achieve full cost recovery.
- ☑ Added 250 kilowatts of customer-sited solar.
- ☑ Purchased 175 million kilowatt hours of non-carbon emitting power from existing hydro resources located in Western Massachusetts on the Connecticut River.
- ☑ Purchased 80 million kilowatt hours of energy from a new solar facility to be constructed in the Connecticut River Valley transmission corridor located in the Connecticut Load Zone, Western/Central Massachusetts Load Zone, Southeast Massachusetts Load Zone, or near Claremont, New Hampshire in the New Hampshire Load Zone.
- ☑ Purchased 125 million kilowatt hours of energy from a new wind facility to be constructed on North Twin Mountain in Roxbury, Maine.
- ☑ Designed and built a temporary electric feed at the High School for the COVID-19 structure.
- ☑ Completed the overhead to underground conversion on Phase 1 of the Cambridge Turnpike project.
- ☑ Replaced two field reclosures to further increase system reliability.
- ☑ Completed the conduit installation on Bartkus farm to replace the aged direct buried distribution system.
- ☑ Completed substation maintenance and tree trimming on 50% of the overhead distribution system.

Performance

Resident Feedback

During the past decade, the Town has conducted a randomized, statistically significant survey of Town residents to gauge their opinion on Town provide services. From 2006 to 2020, the Town conducted a survey of Concord residents and inquired about the opinion of the price of electric rates?" In 2020, the response was that 18% thought that the price is a "Good Bargain" and 68% thought that it is "Reasonably Priced", and 14% thought it was "Excessively Priced".

Light Fund

Price of Electricity Rates



CMLP’s Commitment

The Concord Municipal Light Plant is committed to providing the Town with reliable power while decreasing the Town’s dependence on electricity generated from fossil fuels. In 2020, it is estimated the Light Plant will supply 57% of its purchased power from renewable resources: 9% from wind, 11% from hydro, 7% from solar, 3% from landfill gas, 3% from nuclear, and 24% from the purchase of Renewable Energy Certificates (RECs). In addition, the Light Plant has initiated programs and policies to encourage energy efficiency and conservation measures by its residential and commercial customers.

Purchased Power: Energy and Capacity

Purchased power is comprised of two components: Energy and Capacity.

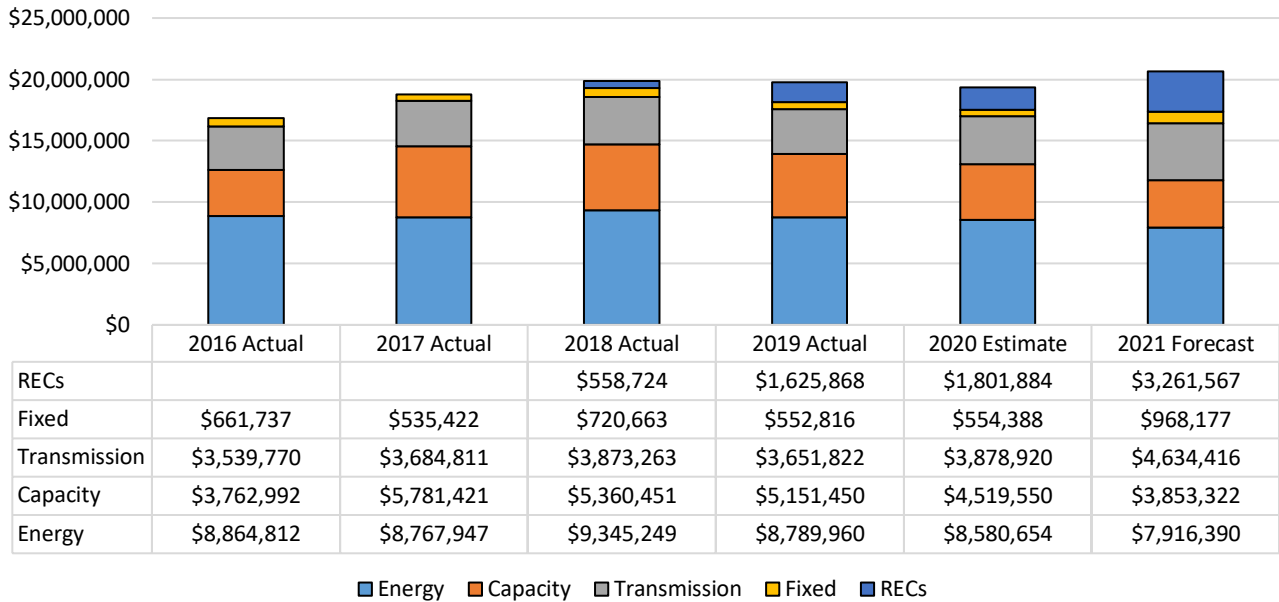
To understand the difference, one can use the analogy of water distribution. Electrical energy (kilowatt-hours) can be compared to the amount of water consumed (gallons) over time. Electrical capacity (megawatts or more precisely mega volt amperes that includes power lost during distribution) can be compared to the size of the water pipe or the capacity to deliver water (i.e. the larger the pipe the more water it can carry). Energy has to do with consumption over time while capacity measures the amount of electricity delivered at any one moment. The Town must purchase both.

The graph on the following page shows the energy and capacity costs as well as the other costs (e.g., transmission, fixed costs and renewable energy certificates (RECs)) for the years 2016 to 2021. It should be noted that the capacity cost varies depending on both the market cost of capacity (which goes both up and down) and the peak load that the system needs. The peak load is influenced by the weather, as an extremely hot day will require more electricity generation.

The capacity cost, for example, in 2016 was \$3.8 million whereas this cost in 2018 was \$5.4 million. As a result, the Light Plant makes a concerted effort through public education and other means to minimize electricity use on those hot days.

Light Fund

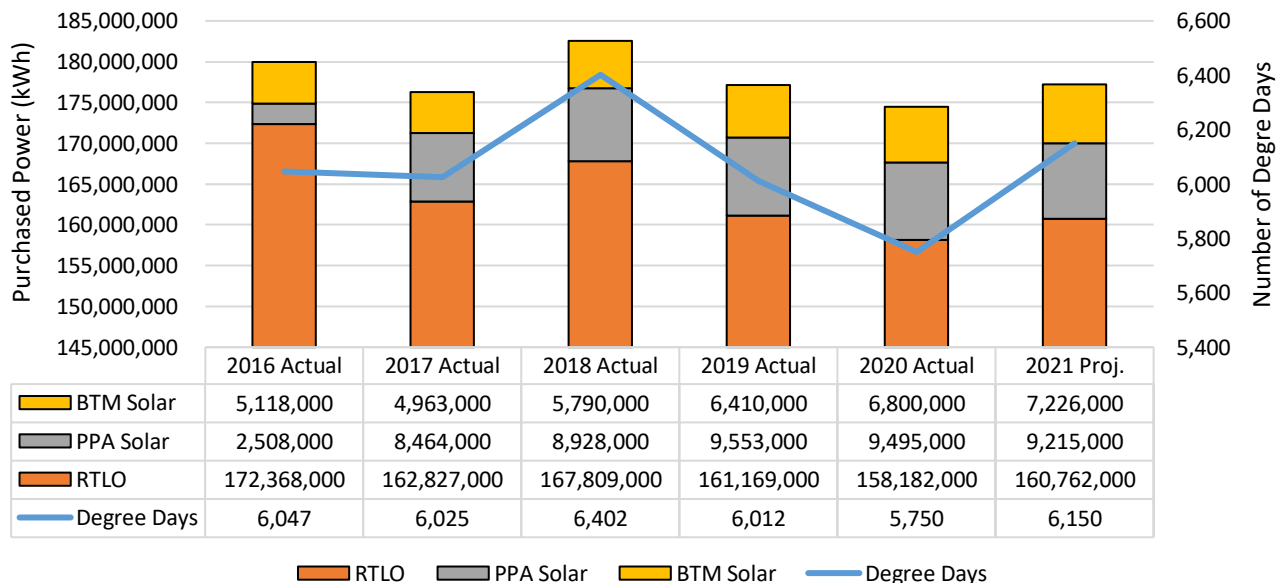
Total Purchased Power Cost by Cost Category



The amount of electricity that the Town requires depends on the weather. Colder or hotter than normal weather results in higher electricity used with the total amount of electricity determined by the amount supplied through the Light Plant (RTLO), by municipal solar panels (PPA Solar), and by rooftop solar (BTM Solar). For example, the weather was mild in 2017 and the CMLP load was 176,250,000 kWh. In 2018, the weather was more severe and the resulting load totaled 182,500,000 kWh.

Temperature severity can be measured using a unit call a “degree day”. Degree-days are the difference between the daily temperature mean and a fixed, mild temperature, usually 60 degrees Fahrenheit. As shown below, the more degree-days (show in the blue line) causes a greater electricity load on the system.

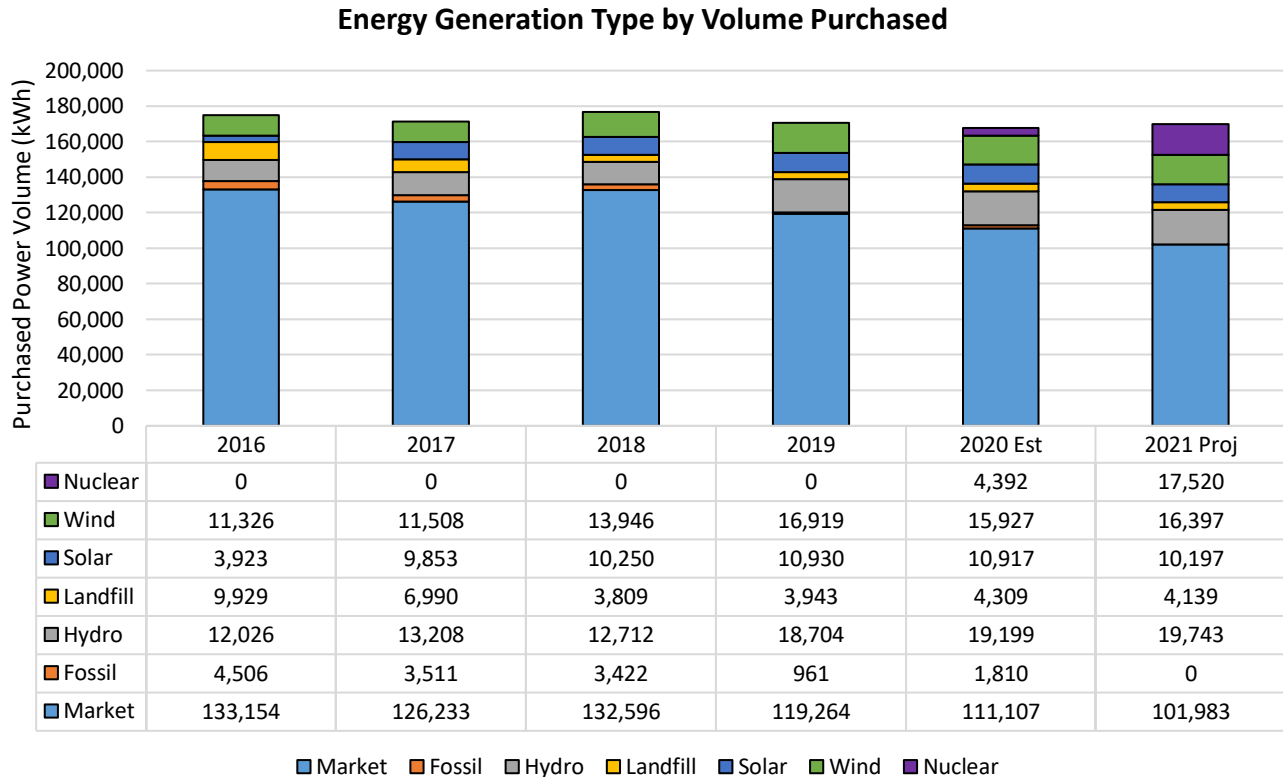
Purchased Power and Degree Days



Light Fund

Purchased Power: Power Supply Portfolio (40% from Renewable Sources without purchased non-associated RECs)

The 2016 to 2021 power supply portfolio consists of the purchase of electricity from the following sources:



Purchased Power: Local Conservation Initiatives

The Light Plant has initiated programs and policies to encourage energy conservation.

For example, one program includes Smart Grid Infrastructure that will allow CMLP to better manage its customers' electricity demands. The residential rate structure adopted in May 2015 has tiers in which users of lower amounts of electricity will pay a lower unit rate.

Another program includes the establishment of an active rebate program by CMLP to promote local conservation initiatives. For residential and commercial customers, CMLP provides rebates for LED lighting fixture upgrades and heat pumps. Additional rebates for residential customers are available for weatherization and to encourage the adoption of electric vehicles (EVs).

Light Fund

CY21 Goals

- Design, issue, and conduct a request for proposal for advance metering and communication systems.
- Develop new rebates for electric vehicles.
- Complete overhead to underground conversion in the Cambridge Turnpike's Section 4.
- Replace recloser on circuit H-6.

Long-Term Plans

- ⇒ Replace all existing meters with advanced, two-way communicating meters.
- ⇒ Install a utility scale battery on the CMLP system to enable the further buildout of solar generation in Concord.
- ⇒ Implement Time-of-Use electricity rates for all residential customers.
- ⇒ Design and deploy SCADA system.
- ⇒ Evaluate and replace substation relay.

Light Fund – Overview & Budget Highlights

CY21 Budget Highlights

The CY21 tier 1 – 3 electric rates per kWh represent a 3.0% increase over the CY20. This is largely attributable to purchasing increasing amounts of non-carbon emitting power to keep CMLP on track for 100% by 2030. For the average residential customer, the monthly increase in the electric bill will be \$5.39. The CY21 budget also includes planned net capital investments equaling \$3,595,259 for the general plant and distribution infrastructure.

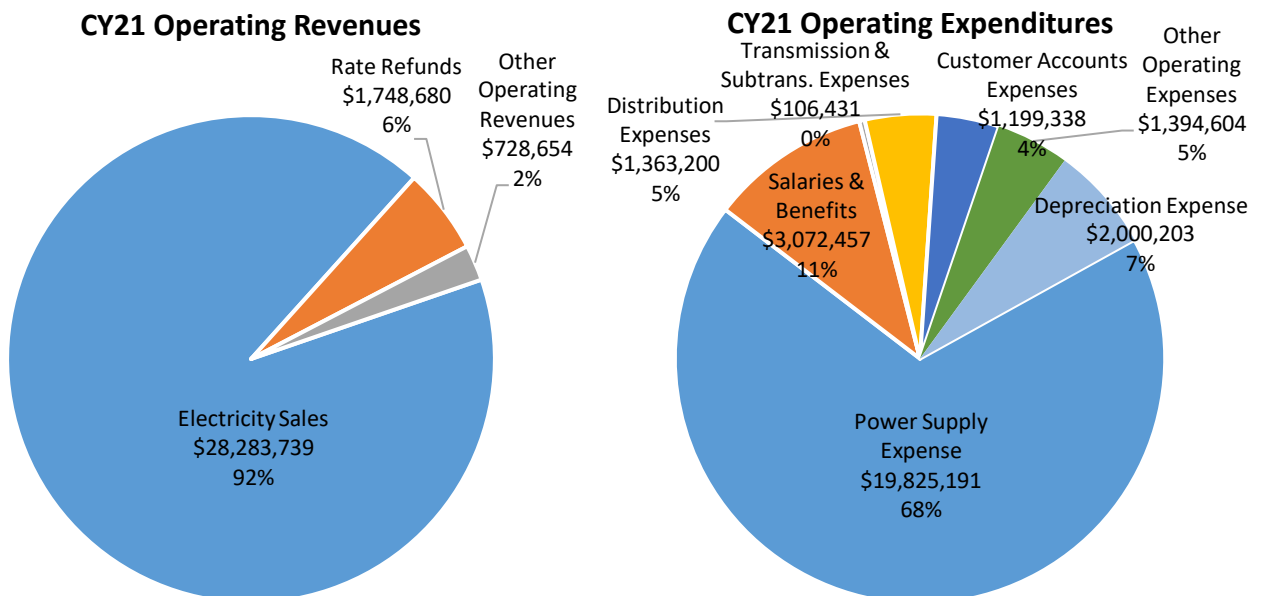
Budget Highlights

CY21 Projected Operating Revenue	\$30,761,073
CY21 Projected Operating Expenses	<u>(28,961,422)</u>
CY21 Projected Operating Income	\$1,799,651
CY21 Projected Light Fund Balance	\$46,753,072

Revenues and Expenditures Overview

For Calendar Year 2021, the Concord Municipal Light Plant is projecting that it will have \$30.7 million in operating revenues and \$28.9 million in operating expenditures. For revenues, funds collected from the sale of electricity are expected to increase from \$26.8 million in 2020 to \$28.2 million in 2021. For expenditures, the primary cost is the power supply expense. From 2019 to 2020, it is forecast that the power supply expense will increase from \$19.3 million to \$19.8 million. Purchased power expense is passed directly onto customers. In 2021, the Light Plant is proposed to have operating income of \$1,799,651 and net income from operations of \$1,272,911.

For the calculation of the Return per DPU formula, the DPU Qualified Income (\$1,331,323), which is the sum of net income from operations (\$1,272,911) and Payment in Lieu of Taxes (\$474,500) minus Underground Surcharge (\$416,088), divided by the previous year’s Cost of Plant for Returns Calculation (\$67,271,889) equals 1.98 for Return.



Light Fund – Revenues

Operating Revenues

Total operating revenue expected to be raised through electric operations in 2021 is projected to be \$30,761,073.

Electricity Rate Highlights

Effective on January 1, 2021, the residential rate (R-1) is set at a meter charge of \$16.00 per month for a single-phase system and the following three-tiered volumetric rates listed to the right.

		Tier Rates	
			<u>per kWh</u>
Tier 1:	first 657 kWh		\$0.15911
Tier 2:	next 178 kWh		\$0.17021
Tier 3:	over 835 kWh		\$0.19151

The distribution charge is \$0.04868 and the energy charge is \$0.07347, which includes \$0.02 per kilowatt-hour for the purchase of renewable energy.

Surcharges

Each electric utility bill includes a 1.5% Underground Surcharge. The money raised through the underground surcharge is used to place power lines underground. As a result of this activity and in association with zoning requirements for new developments, the Town currently has approximately 50% of its power lines underground.

Prior to the January 1, 2021 rate change, there was a 0.52% Conservation and Renewable Energy Service (CARES) surcharge on each bill to fund energy conservation services sponsored by the Light Plant. Among the services are energy audits and financial assistance through rebates to help customers become more energy efficient. The money collected through the surcharge did not cover all of the program expenses.

In 2020, the Light Board concluded that the CARES programs are part and parcel of the services the Light Plant provides. As a result, the costs of running those programs should be reflected in rates. The January 1, 2021 rates include the full-expected costs of the CARES programs. The 0.52% Conservation and Renewable Energy Service (CARES) surcharge has been eliminated from bills.

Light Fund – Revenues

OPERATING REVENUES

	Calendar Year:			
	2018 Actual	2019 Actual	2020 Estimated	2021 Budgeted
Electricity Sales				
Residential Sales	\$ 10,995,042	\$ 9,997,604	\$ 10,557,409	\$ 10,209,981
Commercial Sales	12,862,044	12,672,676	11,888,206	12,319,393
Municipal Sales	1,489,536	1,445,538	1,263,308	1,651,305
Miscellaneous Sales	46,538	15,837	23,312	24,729
Meter Charge	1,160,607	1,434,001	1,432,350	1,856,838
Net Change in Unbilled Revenues	(465,340)	344,547	(86,459)	(231,393)
REC Purchase Surcharge	558,771	1,642,716	1,817,077	2,452,886
Audit Adjustment	90,529	(84,353)		
Electricity Sales Total	\$ 26,737,727	\$ 27,468,566	\$ 26,895,203	\$ 28,283,739
Rate Refunds				
Provision for Rate Refund	\$ 639,704	\$ (497,074)	\$ (198,533)	\$ 1,748,680
Provision for Rate Stabilization	750,219	539,044	330,547	-
Refunds Total	\$ 1,389,923	\$ 41,970	\$ 132,014	\$ 1,748,680
Other Operating Revenues				
Underground Surcharge	\$ 406,588	\$ 403,137	\$ 403,969	\$ 416,088
CARES Surcharge	81,602	91,770	140,038	-
Income from Merchandise and Jobbing	100,655	268,525	212,772	217,628
Fiber Optic School Lease	27,216	28,789	28,789	28,789
Other Miscellaneous Income	19,092	96,998	39,469	66,149
Audit Adjustment	64,979	(295,911)	-	-
Other Operating Revenue	\$ 700,132	\$ 593,308	\$ 825,037	\$ 728,654
Operating Revenues Total	\$ 28,827,782	\$ 28,103,844	\$ 27,852,256	\$ 30,761,073

OPERATING SALES (kWh)

	Calendar Year:			
	2018 Actual	2019 Actual	2020 Estimated	2021 Budgeted
Kilowatt-hours Sold:				
Residential	\$ 74,436,879	\$ 69,098,483	\$ 73,021,443	\$ 69,858,107
Commercial	87,999,715	85,643,395	81,044,046	83,927,738
Municipal	9,957,283	9,283,808	8,213,365	9,568,408
Street Lighting	296,617	248,009	173,712	171,494
Private Area Lighting	-	-	-	-
Unbilled Sales Adjustment	(3,711,009)	1,805,150	86,459	(606,467)
Electric Sales Billed Total	\$ 168,979,485	\$ 166,078,845	\$ 162,539,025	\$ 162,919,280

Light Fund – Expenditures

Operating Expenditures

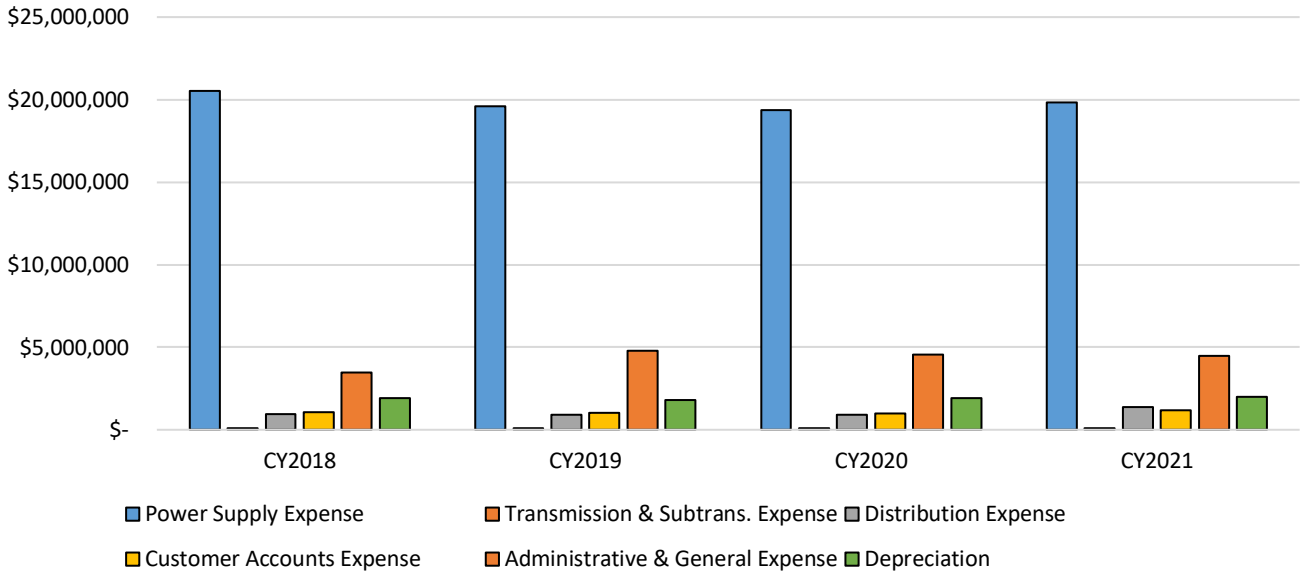
OPERATING EXPENSES (\$)

	Calendar Year:			
	2018	2019	2020	2021
	Actual	Actual	Estimated	Budgeted
Operating Accounts:				
Power Supply Expense				
Power Supply Expense	\$ 19,299,625	\$ 19,540,467	\$ 19,363,591	\$ 19,825,191
Audit Adjustment	1,236,406	44,926		
	<u>\$ 20,536,031</u>	<u>\$ 19,585,393</u>	<u>\$ 19,363,591</u>	<u>\$ 19,825,191</u>
Salaries and Benefits				
Salaries and Benefits	\$ 1,921,505	\$ 3,258,987	\$ 2,582,846	\$ 3,072,457
Audit Adjustment	21,147			
	<u>\$ 1,942,652</u>	<u>\$ 3,258,987</u>	<u>\$ 2,582,846</u>	<u>\$ 3,072,457</u>
Transmission & Subtrans. Expenses:				
Transmission	\$ 109,585	\$ 89,118	\$ 105,190	\$ 106,431
Audit Adjustment		(10,018)		
	<u>\$ 109,585</u>	<u>\$ 79,100</u>	<u>\$ 105,190</u>	<u>\$ 106,429</u>
Distribution Expenses:				
Operation	\$ 965,598	\$ 865,428	\$ 902,278	\$ 1,363,200
Audit Adjustment		36,829		
	<u>\$ 965,598</u>	<u>\$ 902,257</u>	<u>\$ 902,278</u>	<u>\$ 1,363,200</u>
Customer Accounts Expenses:				
Customer Accounts	\$ 584,890	\$ 677,761	\$ 542,008	\$ 710,339
CARES Expense	472,865	374,191	440,138	488,999
Audit Adjustment	(6,460)	(21,804)		
	<u>\$ 1,051,295</u>	<u>\$ 1,030,148</u>	<u>\$ 982,146</u>	<u>\$ 1,199,338</u>
Other Operating Expenses				
Maintenance of General Plant	\$ 260,828	\$ 286,760	\$ 159,120	\$ 209,757
Transfer to General Fund	464,620	539,746	530,275	556,789
Other Operating Expenses	845,946	717,104	1,299,663	628,058
Audit Adjustment	(32,468)	(5,082)		
	<u>\$ 1,538,925</u>	<u>\$ 1,538,528</u>	<u>\$ 1,989,058</u>	<u>\$ 1,394,604</u>
Operating Accounts Subtotal	\$ 26,144,086	\$ 26,394,413	\$ 25,925,109	\$ 26,961,219
Depreciation Expense	\$ 1,908,051	\$ 1,811,059	\$ 1,900,352	\$ 2,000,203
Operating Expenses Total	\$ 28,052,137	\$ 28,205,472	\$ 27,825,461	\$ 28,961,422

Source: 2018 & 2019 data are actual data from audited financial statements; 2020 data is estimated; and 2021 data is proposed.

Light Fund – Expenditures

Light Fund Operating Expenditures



Personnel Summary

AUTHORIZED POSITIONS

Code	Position Title	July 1, 2020 - June 30, 2021		July 1, 2021 - June 30, 2022		
		Grade	Fiscal Year 2021	Fiscal Year 2022		
			# Positions	\$ Amount	# Positions	\$ Amount
	Light Plant Operations		37.0 FTEs	\$ 3,271,561	37.0 FTEs	\$ 3,292,532
	Line Worker Stand-by Pay		1320 hrs.	54,071	1320 hrs.	56,234
	Engineering Stand-by Pay			31,320		31,320
	Salary Subtotal			\$ 3,356,952		\$ 3,380,086
	Allowance for Salary Increases			130,862		131,701
517X	Group Insurance:					
	Health, Life, Dental			365,256		392,886
	Retirement			650,908		666,537
	OPEB Contribution			72,810		166,596
	Soc. Sec. & Medicare Tax			47,815		49,250
	Clothing Allowance			3,600		3,600
	Benefits Subtotal			\$ 1,140,389		\$ 1,278,869
	Personnel Services Total			\$ 4,628,204		\$ 4,790,656

Light Fund – Expenditures

General Fund Services

PAYMENTS TO THE GENERAL FUND				
Town Fiscal Year Basis	FY19	FY20	FY21	FY22
	Actual	Actual	Estimated	Budgeted
Financial & Administrative Services:				
Town Manager's Office	\$ 112,565	\$ 116,970	\$ 125,848	\$ 126,598
Facilities Management	6,500	18,601	27,648	27,452
Town Accountant	65,979	59,354	61,045	42,720
Treasurer-Collector	58,579	58,143	64,235	60,921
Information Systems	96,911	119,017	119,484	117,979
Finance Administration	58,033	60,155	61,647	54,159
Human Resources	80,444	87,954	85,860	99,572
Subtotal	433,312	\$ 520,194	\$ 545,767	\$ 529,401
Natural Resource Protection:				
Planning	122,428	\$ 13,299	\$ 13,515	\$ 14,713
Natural Resources	23,265	24,073	28,554	28,937
Subtotal	35,479	\$ 37,372	\$ 42,069	\$ 43,650
Landscaping @ Substations:				
Parks & Trees	12,291	\$ 10,000	\$ 10,000	\$ 10,000
Total	477,555	\$ 567,566	\$ 597,836	\$ 583,051
Payment in Lieu of Taxes (PILOT)	\$ 461,000	\$ 452,000	\$ 478,000	\$ 474,500
<i>Calendar Year of PILOT Payment</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>

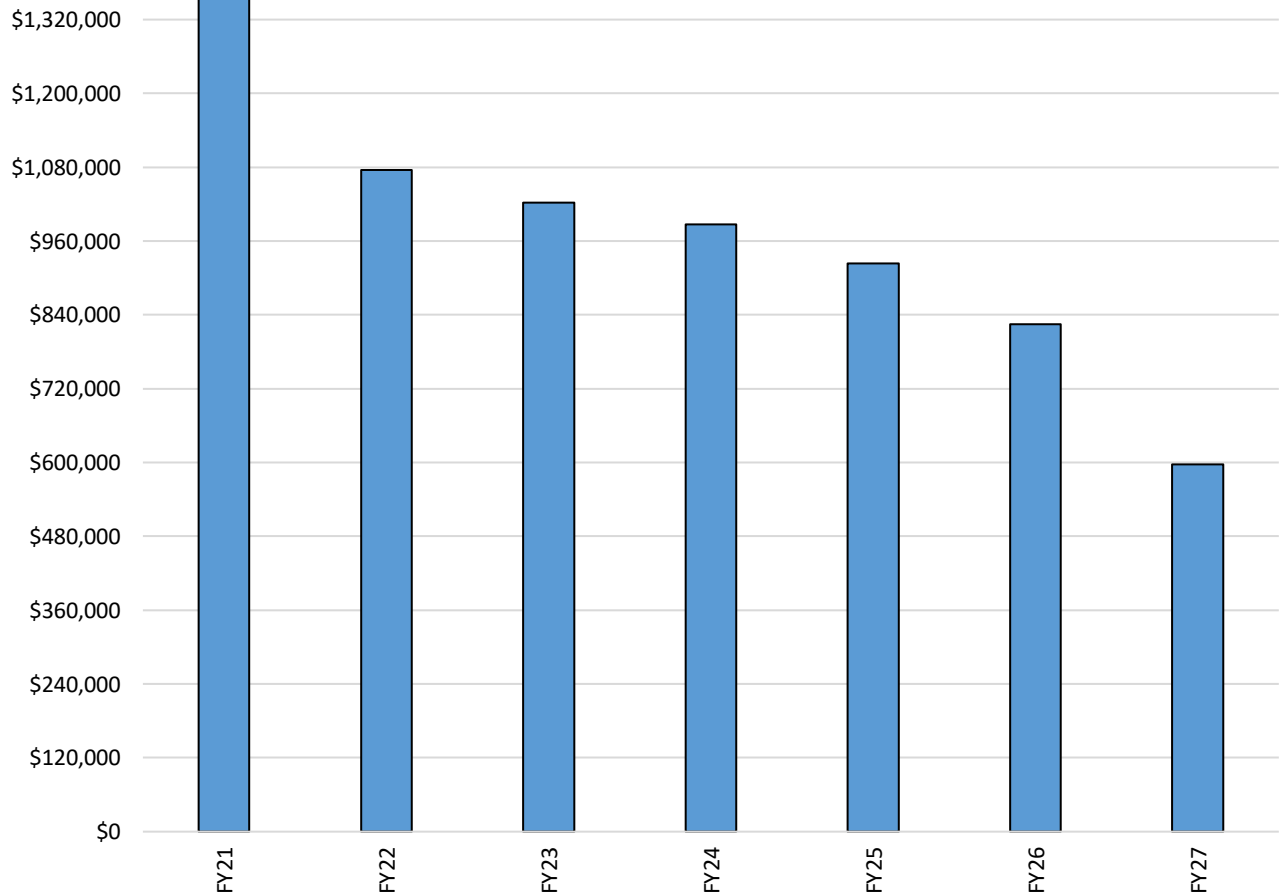
Light Fund – Expenditures

Capital (Capital Outlay and Debt-Funded)

LIGHT FUND DEBT SERVICE

Fiscal Year	Principal	Interest	Total
FY21	\$ 1,095,000	\$ 273,400	\$ 1,368,400
FY22	\$ 900,000	\$ 175,150	\$ 1,075,150
FY23	\$ 870,000	\$ 152,350	\$ 1,022,350
FY24	\$ 857,000	\$ 130,050	\$ 987,050
FY25	\$ 825,000	\$ 98,500	\$ 923,500
FY26	\$ 755,000	\$ 70,188	\$ 825,188
FY27	\$ 550,000	\$ 46,750	\$ 596,750
Totals	\$5,852,000	\$ 946,388	\$6,798,388

Light Fund Debt Service
(As of June 30, 2020)



Light Fund – Net Income and Fund Balance

Net Income and Fund Balance

NET INCOME

	Calendar Year:			
	2018 Actual	2019 Actual	2020 Estimated	2021 Budgeted
Statement of Net Income				
Operating Revenues	\$ 28,827,782	\$ 28,103,844	\$ 27,852,256	\$ 30,761,073
Less Operating Expenses	(28,052,137)	(28,205,473)	(27,825,461)	(28,961,422)
Operating Income	\$ 775,645	\$ (101,629)	\$ 26,795	\$ 1,799,651
Non-Operating Revenues (Expenses)				
Interest Income	\$ 246,222	\$ 241,882	\$ 276,637	\$ 262,805
Interest Expense	(167,541)	(157,437)	(125,850)	(273,400)
Other	37,596	35,111	(26,815)	(41,646)
Non-Operating Income Subtotal	\$ 116,277	\$ 119,556	\$ 123,972	\$ (52,241)
Net Income Before Other Financing	\$ 891,922	\$ 17,927	\$ 150,767	\$ 1,747,411
Other Financing (Uses)				
Loss on Disposal of Capital Assets	(183,353)	(320,161)		
Payment in Lieu of Taxes	(461,000)	(452,000)	(478,000)	(474,500)
Subtotal	\$ (644,353)	\$ (772,161)	\$ (478,000)	\$ (474,500)
Change in Net Position	\$ 247,569	\$ (754,233)	\$ (327,232)	\$ 1,272,911

NET POSITION

	Calendar Year:			
	2018 Actual	2019 Actual	2020 Estimated	2021 Budgeted
Change in Net Position	\$ 247,569	\$ (754,233)	\$ (327,232)	\$ 1,272,911
Net Position				
Beginning of Year	\$ 46,356,272	\$ 46,561,626 ⁽¹⁾	\$ 45,807,393	\$ 45,480,161
End of Year	\$ 46,603,841	\$ 45,807,393	\$ 45,480,161	\$ 46,753,072
* Restated Amount				
Unrestricted Net Position				
End of Year	\$ 8,871,488 ⁽²⁾	\$ 7,929,216 ⁽²⁾		
(1) Restated Amount				
(2) Per Financial Statements				

Light Fund – Net Income and Fund Balance

Return Analysis

RETURN ANALYSIS

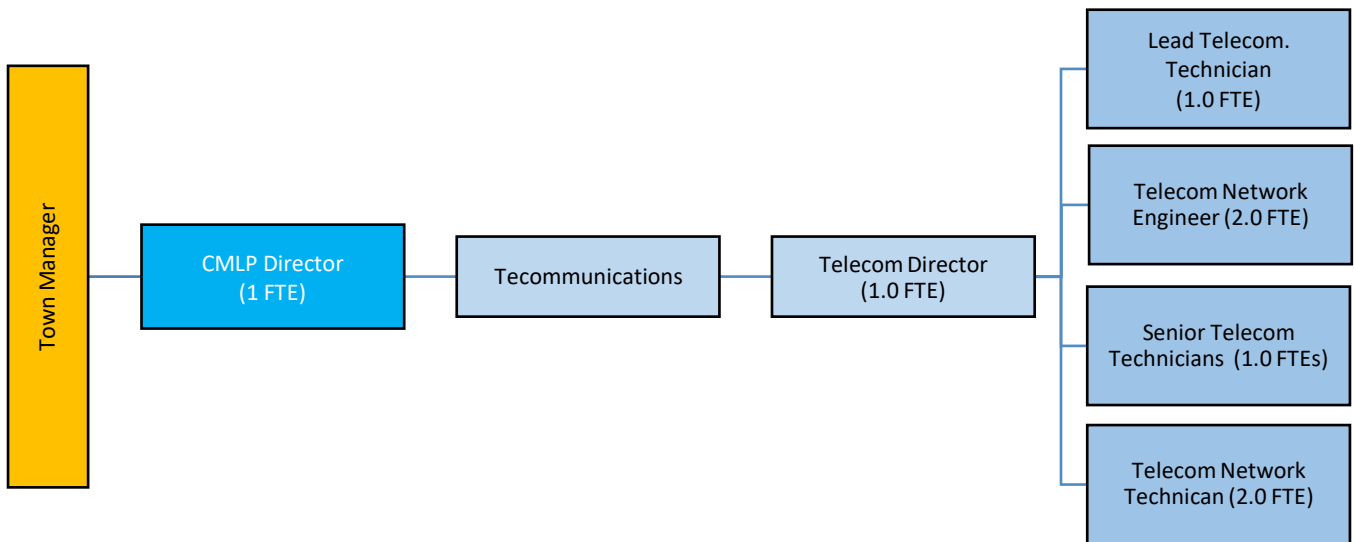
	Calendar Year:			
	2018	2019	2020	2021
	Actual	Actual	Estimated	Budgeted
Return per DPU Formula				
Net Income from Operations	\$ 247,569	\$ (754,233)	\$ (327,232)	\$ 1,272,911
Payment in Lieu of Taxes	461,000	452,000	478,000	474,500
Underground Surcharge	(81,602)	(403,137)	(403,969)	(416,088)
CARES Surcharge	(27,216)	(91,770)	(140,038)	-
Return per DPU Formula	\$ 599,751	\$ (797,140)	\$ (393,239)	\$ 1,331,323
Cost of Plant				
Cost of Plant for Return Calculations	\$ 65,587,823	\$ 66,064,765	\$ 67,271,889	\$ 70,627,322
Return per DPU Formula Percentage				
Return per DPU Formula	\$ 599,751	\$ (797,140)	\$ (393,239)	\$ 1,331,323
Cost of Plant for Return Calculations	\$ 64,866,495	\$ 65,587,923	\$ 66,064,765	\$ 67,271,889
DPU Return Percentage	0.92%	-1.22%	-0.60%	1.98%
Effective Return				
Net Income from Operations	\$ 247,569	\$ (754,233)	\$ (327,232)	\$ 1,272,911
Cost of Plant for Return Calculations	\$ 65,587,823	\$ 66,064,765	\$ 67,271,889	\$ 70,627,322
Effective Return Percentage	0.38%	-1.14%	-0.49%	1.80%
Net Profit Margin				
Net Income from Operations	\$ 247,569	\$ (754,233)	\$ (327,232)	\$ 1,272,911
Total Operating Revenue	\$ 29,074,004	\$ 28,345,726	\$ 28,128,893	\$ 31,023,878
Net Profit Margin	0.85%	-2.66%	-1.16%	4.10%
Note: Return Percentages are calculated using the current year Return per DPU Formula and Effective Return, respectively, divided by the previous year's Cost of Plant for Return Calculations. For CY2018 and CY2019, Net Income from Operations is derived from the Audited Financial Statements.				

Light Fund – Telecommunications

Mission Statement

The mission of the Concord Municipal Light Plant Telecommunications Division is to provide cost effective reliable telecommunications services that meets the current and future needs of our customers. CMLP currently provides High Speed Internet and dark fiber leasing.

Organizational Chart



Light Fund – Telecommunications

Overview

The CMLP Telecommunications Division provides telecommunication services to the electric utility, supports the Town’s municipal operations, and offers High Speed Internet service to Concord residents and businesses.

In 2020, CMLP added a Telecom Director to manage the team. The Telecommunications Division staff was managed by the new Director, three Telecomm Technicians, and a Network Engineer. The Director of Telecommunications assumed all duties related directly to Broadband previously assigned to the Chief Information Officer (CIO) position until 2019. In 2021, the team is proposed to add a fourth Network Technician and second Network Engineer.

This management structure change benefits both the Town’s municipal operations and CMLP’s electrical operations. Expansion of the Broadband network, including customer expansion, has become a primary focus requiring a management separation from internal Town Service Management.

Business Administration and Customer Service for the Telecommunications Division is shared with Electric operations. Engineering and Line Operations also performs some of the outside plant management.

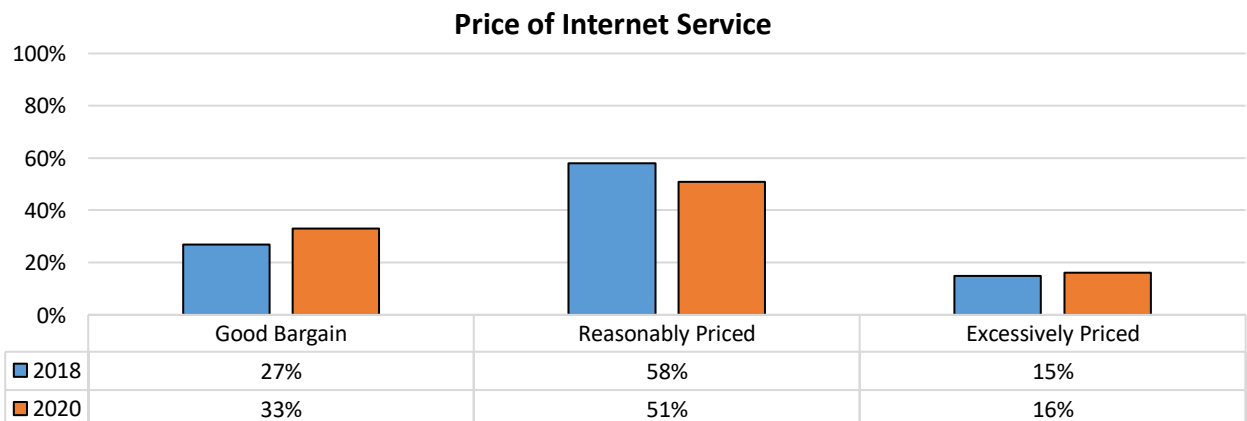
24x7 first Level Broadband Support is provided through a contracted Help Desk. Other contracts provide the Division with installation, emergency restoration, and network performance monitoring. Billing and account management are integrated with Electric Utility billing.

Accomplishments

- The Core 3850 Cisco routers were upgraded to accommodate bandwidth requirements during the COVID-19 pandemic.
- 10 additional AP’s were added to the Beede Center to accomplish full coverage for the facility.
- Hired two additional Technicians to reduce 3rd party reliance and increase efficiency.

Performance

During the past decade, the Town has conducted a randomized, statistically significant survey of Town residents to gauge their opinion on Town provide services. With the initiation of the Town providing telecommunication services to residents, a question was asked in 2018 and 2020 about the fees for internet service provided by the Town through the Light Plant. Of the 1,189 respondents in 2020, 435 responded that they did use the services and had an opinion about it.



Light Fund – Telecommunications

CY21 Goals

- Add two new technicians to increase Broadband installations to better serve residents.
- SCADA camera installation for all well sites and pumping stations.
- Convert GIS data off third party platform to ESRI GIS database to eliminate annual maintenance costs.
- Increase total bandwidth capacity to 15G for 2021.
- Developing an emergency radio service for neighboring towns.

Long-Term Plans

- Continue the development of the fiber infrastructure construction plan to reach more customers.
- Maintenance Plan to reduce the likelihood of service interruptions and outages.
- Develop and implement a best practices disaster and recovery plan.
- Formalize and encourage a customer feedback program to better serve the community.
- Expansion of existing wireless infrastructure to bring more access to town residence and visitors.
- Regional Emergency Services Program within the Town of Acton.

Light Fund – Telecommunications

CY21 Budget Highlights

In CY21, the Telecommunications Fund is projected to end the year with a positive net income and fund balance. As of December 31, 2020, the Telecommunications Fund had a fund balance of \$83,404 according to the CY19 audited financial report. The proposed CY21 budget projects a fund balance of \$748,255 at the end of the calendar year resulting from projected \$1,579,985 in operating revenues and \$1,211,730 in operating expenses.

Budget Highlights

CY21 Projected Operating Revenue	\$1,579,985
CY21 Projected Operating Expenses	<u>(1,211,730)</u>
CY21 Project Operating Income	368,255
CY21 Projected Telecommunications Fund Balance	\$748,255

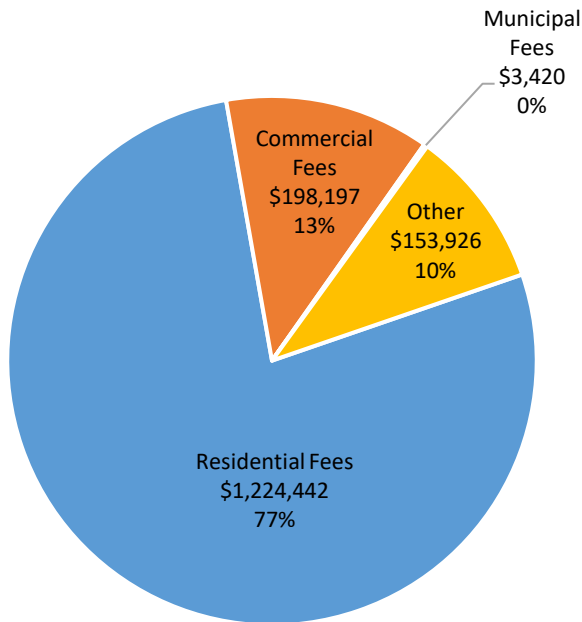
Revenues and Expenditures Overview

Since March 2014, High Speed Internet service has been available to both commercial and residential customers of CMLP. CY2020 saw minor growth in subscription additions due to the COVID-19 pandemic.

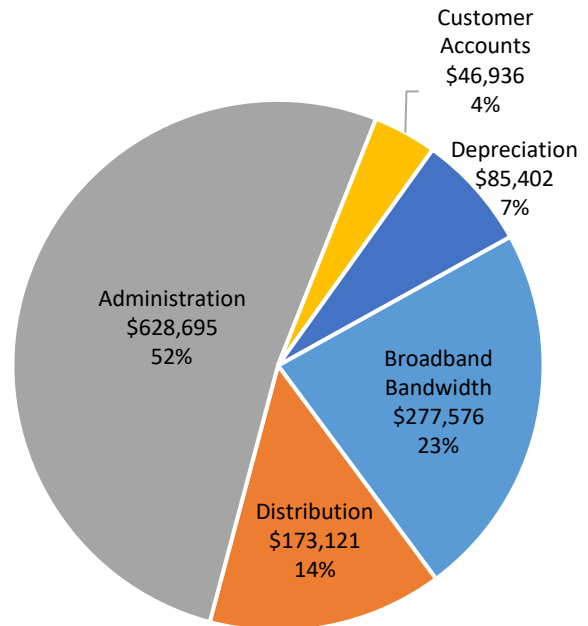
CMLP implemented an installation moratorium for the safety of both the residents and town employees. The moratorium allowed for new installations for new residents moving into Town as well as medical and education professionals without internet access to their home for remote access.

As of January 2021, 1,713 High Speed Internet customers were connected. In CY2021, the Broadband Division is projected to generate a positive net income with new staff planned to provide additional support for the customer base and sustain continued system growth.

CY21 Operating Revenues



CY21 Operating Expenditures



Light Fund – Telecommunications – Program Highlights

Telecommunications Business Results

CY2020 had minor growth due to the COVID-19 pandemic. The Broadband Division is projecting a 22.5% growth in subscriber base for 2021. Overall demand for service has increased with projections indicating an average of 45 new subscribers monthly in 2022.

In CY2021, revenue is projected to be generated from the following activities:

- One-time installation fees of the fiber optic service to homes and business;
- Monthly fees for High Speed Internet Service;
- Monthly fees for private data services.

Telecommunications Programs

Broadband Services: Broadband operating revenue continues to grow. Continual expansion of services to the Town Departments for security, customer billing and overall operations continues to reduce the burden on the electric operations of maintaining the fiber network.

CMLP offers High Speed Internet to residential and business customers. CMLP also maintains dark fiber services for Service Provider with customers in Concord. Internet and private data services for Town’s operations. By providing a fiber optic based internet service, CMLP is filling a gap in the service available to the community while generating revenue to help pay for the fiber investment and the telecommunications staff. Customer interest remains higher than ever.

Smart Grid Infrastructure: CMLP’s has launched a 2-year project to upgrade the Smart Grid Infrastructure that supports the distribution of electricity to customers. The Telecommunications Division deploys and maintains this network. The network presently supports over 1,200 devices for real time communications.

Municipal Operations Support: The telecommunications needs of Town Departments are constantly evolving. Separately, neither the Town nor the Light Plant could realistically afford to have in-house resources to help meet the requirements. The resulting dependency on vendors and suppliers would be costly and responsiveness would also be reduced. The costs of for providing municipal support for the data and voice network are recovered by the Telecommunication Division through labor sharing agreements that benefit both the Town and the Light Plant. Co-operative management between the Director of Telecommunications and the Town Chief Information Officer brings effective coordination supporting Telecommunications and Information Technology.

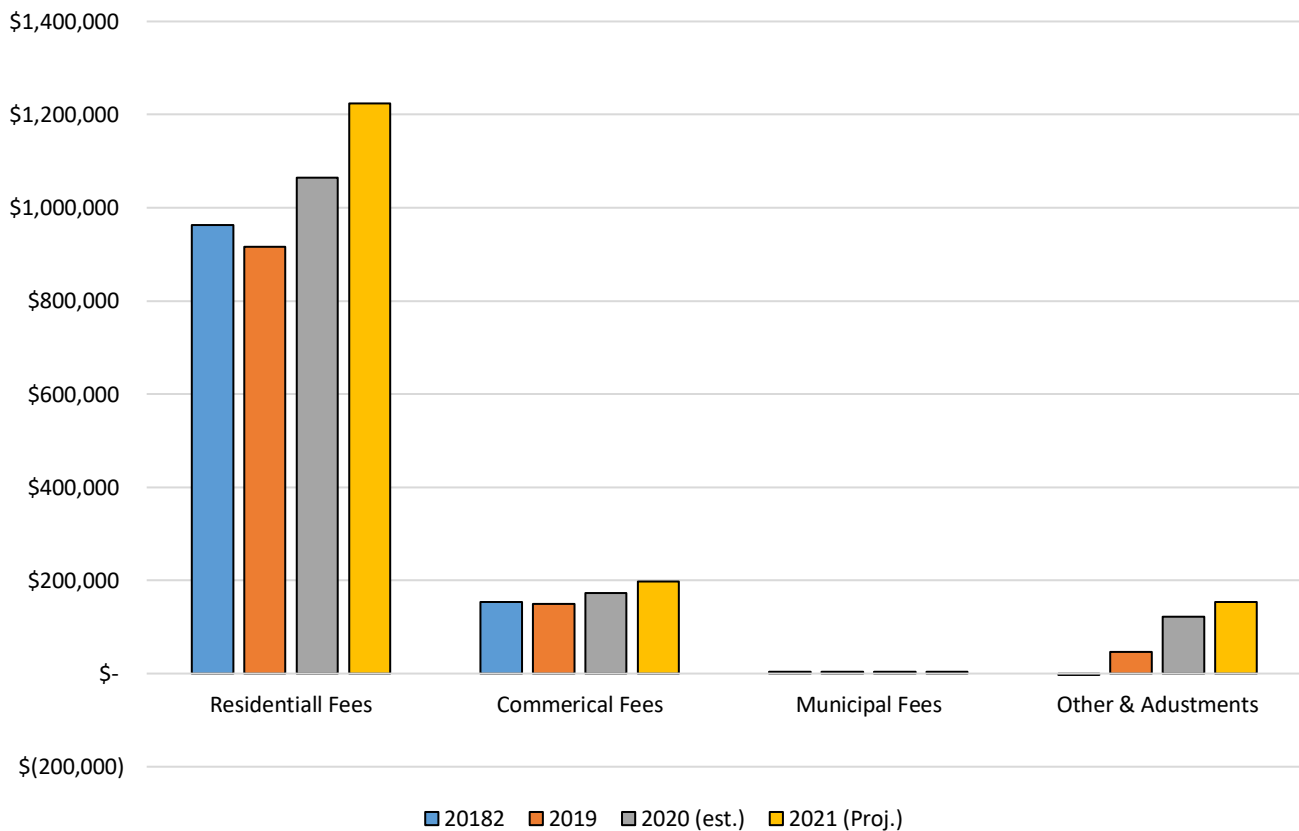
Light Fund – Telecommunications – Revenues

Operating Revenue

	Calendar Year:			
	2018	2019	2020	2021
	Actual	Actual	Estimated	Proposed
Operating Revenue				
Residential Fees	\$ 804,438	\$ 915,982	\$ 1,064,732	\$ 1,224,442
Commerical Fees	154,912	149,967	172,345	198,197
Municipal Fees	3,675	3,480	3,420	3,420
Revenue Conversion Difference Balance (1)		59,297		
Other	413	75,125	122,191	153,926
Audit Adjustment		(28,380)	-	-
Operating Revenue Total	\$ 963,439	\$ 1,175,471	\$ 1,362,689	\$ 1,579,985

(1) The Revenue Conversion Difference is an adjustment as a result from a software conversion.

Telecommunications Divison Operating Revenues

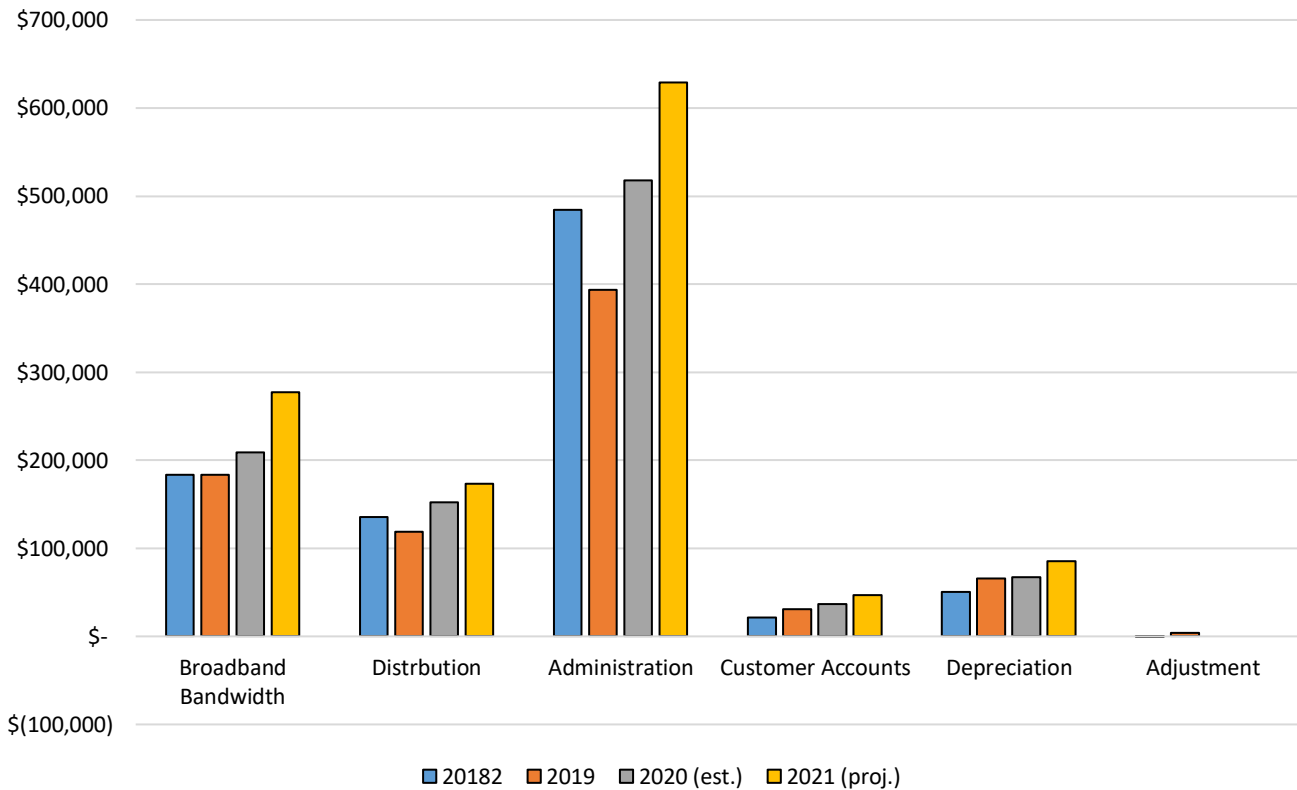


Light Fund – Telecommunications – Expenditures

Operating Expenditures

	Calendar Year:			
	2018 Actual	2019 Actual	2020 Estimated	2021 Proposed
Operating Expenditures				
Broadband Bandwidth	\$ 183,432	\$ 183,502	\$ 209,176	\$ 277,576
Distribution	135,225	118,776	152,511	173,121
Administration and General Costs	484,486	393,265	517,837	628,695
Customer Accounts	21,471	30,762	36,430	46,936
Depreciation	50,465	65,747	67,342	85,402
Audit Adjustment	(184)	4,064	-	-
Operating Expense Total	\$ 874,895	\$ 796,116	\$ 983,296	\$ 1,211,730

Telecommunications Division Operating Expenditures



Personnel Summary

AUTHORIZED POSITIONS

	FY21 Estimated		FY22 Proposed	
	FTE	Amount	FTE	Amount
Telecommunications				
Regular Full-Time Personnel	7.20 FTEs	\$ 696,067	8.20 FTEs	\$ 696,574

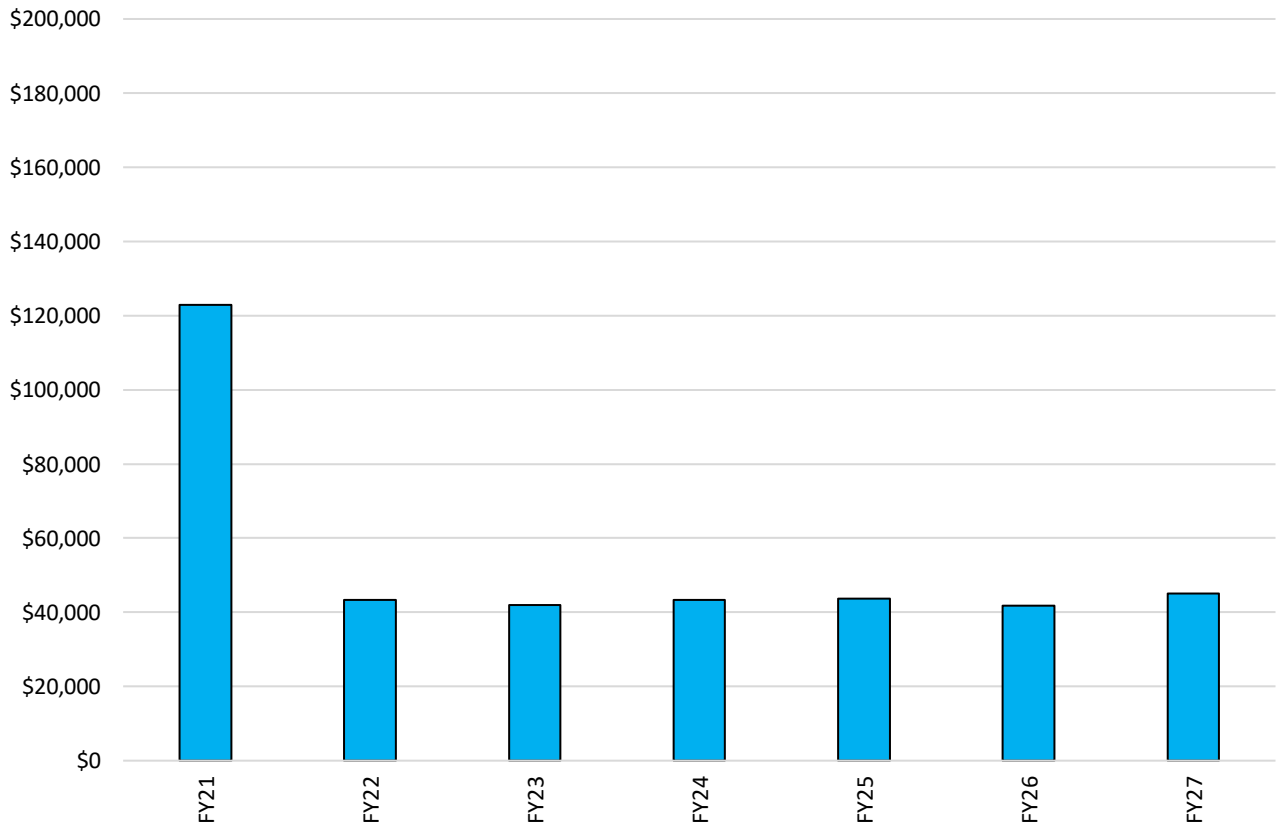
Light Fund – Telecommunications – Expenditures

Capital (Capital Outlay and Debt-Funded)

TELECOM DEBT SERVICE

Fiscal Year	Principal	Interest	Total
FY21	\$105,000	\$17,900	\$122,900
FY22	\$30,000	\$13,400	\$43,400
FY23	\$30,000	\$11,900	\$41,900
FY24	\$33,000	\$10,325	\$43,325
FY25	\$35,000	\$8,625	\$43,625
FY26	\$35,000	\$6,825	\$41,825
FY27	\$40,000	\$5,000	\$45,000
Totals	\$308,000	\$73,975	\$381,975

Telecommunications Divison Debt Service
(As of June 30, 2020)



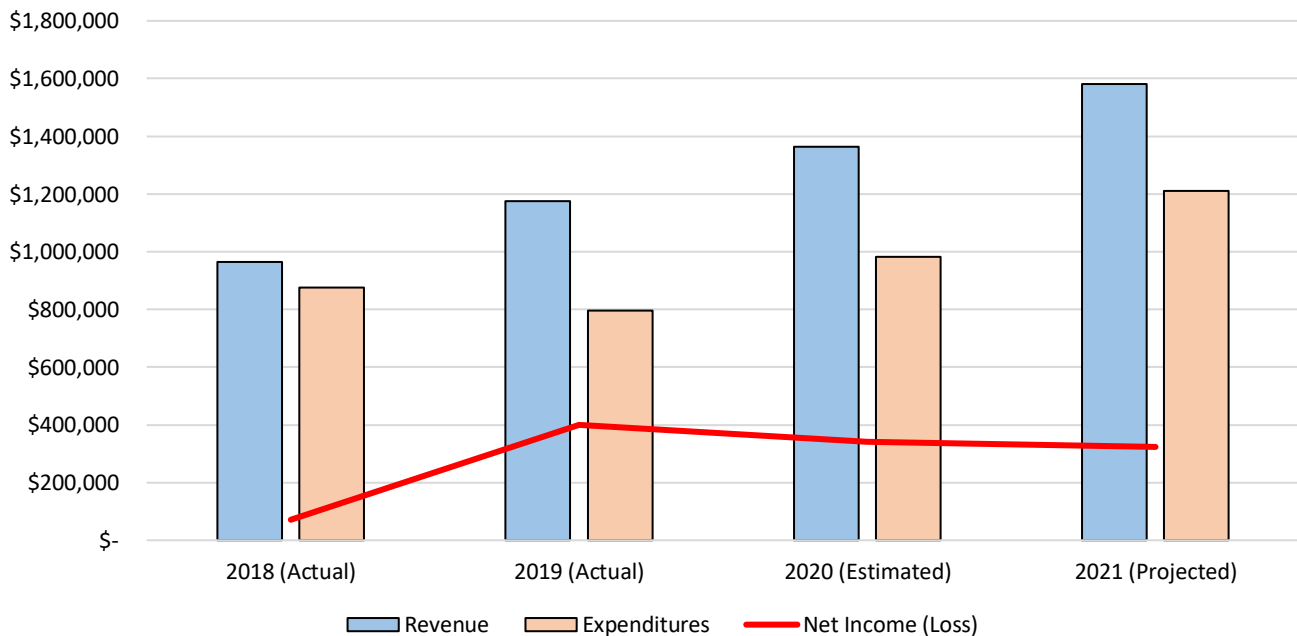
Net Income and Fund Balance

	Calendar Year:			
	2018	2019	2020	2021
	Actual	Actual	Estimated	Proposed
Operating Income (Loss)	\$ 88,544	\$ 379,355	\$ 379,393	\$ 368,255
Nonoperating Revenues (Expenses)				
Interest Income	\$ -	\$ -	\$ -	\$ -
Interest Expense	(14,146)	(27,533)	(19,215)	(23,275)
Other	8,546	46,518	-	-
Audit Adjustment	-	-	-	-
Operating Expense Total	\$ (5,600)	\$ 18,985	\$ (19,215)	\$ (23,275)
Other Financing (Uses)				
Loss on Disposal of Capital Assets	\$ (11,785)	\$ 1,513	\$ -	\$ -
Payment in Lieu of Franchise	-	-	(18,915)	(21,391)
Subtotal	\$ (11,785)	\$ 1,513	\$ (18,915)	\$ (21,391)
Net Income (Loss)	\$ 71,159	\$ 399,853	\$ 341,262	\$ 323,589
Net Position				
Net Position at Beginning of Year	\$ (429,823)	\$ (316,449) *	\$ 83,404	\$ 424,666
Net Position at End of Year	\$ (358,664)	\$ 83,404	\$ 424,666	\$ 748,255

* Restated Amount

Source: CY2018 and CY2019 data are actual data from audited financial statements; CY2020 data is estimated; CY2021 data is proposed.

Telecommunications Division Fund Historical Net Income



Water Fund

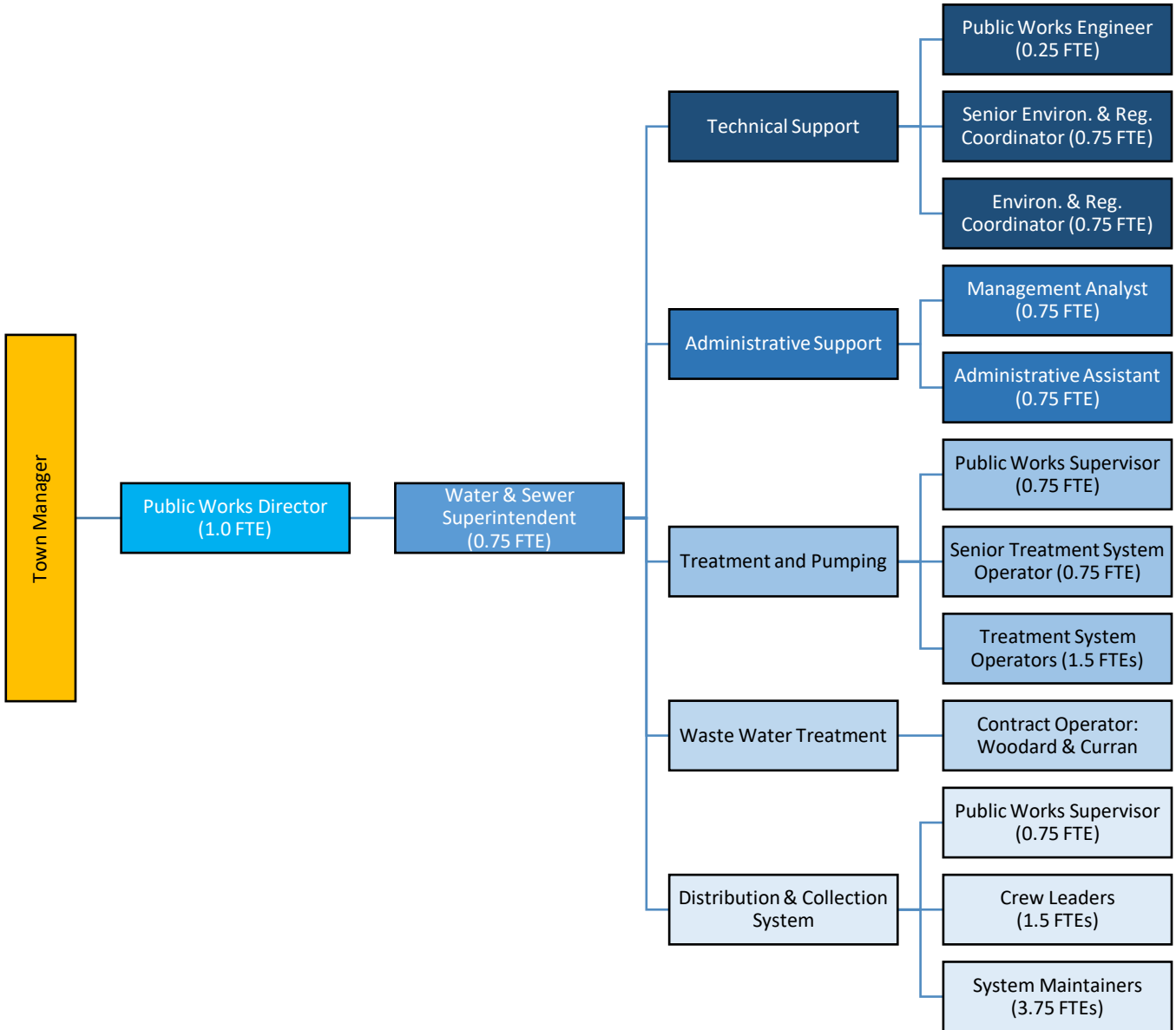
This page is intentionally left blank.

Water Fund

Mission Statement

The mission of the Water Division is to enhance Concord’s quality of life, and through sound management, innovation, teamwork, and vision, provide dependable, high quality, responsive water utility services, consistent with values and at reasonable costs to Concord’s citizens, businesses, institutions, and visitors.

Organizational Chart



Water Fund

Overview

Concord received legislative authority to establish a public water system in 1872. Today the system consists of groundwater and surface water sources, a total of seven pumping stations, two advanced treatment facilities, and a high-pressure water main network consisting of over 134 miles of pipe. Two covered storage reservoirs, one located at Annursnac Hill and the other located at Pine Hill in Lincoln, provide a total capacity of 7.5 million gallons.

The 1974 Annual Town Meeting established the Water Fund. Expenses for the water system are covered entirely by user fees. The Water and Sewer Division of Concord Public Works is responsible for managing the day-to-day operations of the water infrastructure. As of FY20, the total value of infrastructure assets was approximately \$23.2 million.

There are presently 5,634 customers receiving potable water service and fire protection from the Town water system. This total represents approximately 95% of Concord residents and businesses, along with a small number of Acton properties located on Route 2A.

Accomplishments

- ☑ Concord Water gained a favorable decision from the Massachusetts Supreme Judicial Court (SJC) relative to its long-standing water rights to Nagog Pond as a conclusion to an appeal by Acton and Littleton of an earlier favorable decision for Concord from the Massachusetts Land Court.
- ☑ The Division also acquired remaining permits for planned Nagog Pond water supply improvements and subsequently installed a new intake structure in concert with replacement and new extension of the deep section of the century-old intake pipe.
- ☑ Water main replacements were completed at Cambridge Turnpike (500 feet), the Prescott and Peter Spring Roads neighborhood (7,200 feet), and at Potter Street (1,000 feet), with new water mains at Warner Street (100 feet) and Keuka Road (now McCallar Lane; 600 feet). In addition to new hydrants and valves, some of these mains provided looping of the water system, which provides better water quality and greater service reliability for these neighborhoods and the overall distribution system.
- ☑ Completed emergency pump repairs to the Hugh Cargill Pump Station during a peak demand period to quickly return this station to service.
- ☑ Reached substantial completion of SCADA (supervisory control and data acquisition) system upgrade, a critical component of all water and wastewater facility operations, with specific attention placed on cybersecurity.
- ☑ Selected a consulting team who have begun preparation of an Integrated Water Resources Plan (IWRP) that will provide recommendations for addressing water supply, wastewater, and stormwater in a holistic, integrated and sustainable manner. The first step in this effort is to select a broad stakeholder group to provide input to vision, mission, goals, alternatives, etc.
- ☑ Continued annual water main leak detection on approximately 50% of the water distribution system via acoustic survey. A minor leak was identified in one (1) hydrant that accounted for an estimated loss of approximately 790,000 gallons per year, which was repaired to eliminate the leak.



Water Fund

- ☑ Based on the Town’s Seasonal Demand Management Plan, the State’s regional drought declarations, changes in water use patterns attributed to the COVID-19 pandemic, and conditions due to mechanical issues in the system, on June 24, 2020 the Public Works Commission elevated the Town to a mandatory “Lawn Watering Restriction”, limiting lawn watering to no more than 1-day per week.
- ☑ Maintained commitment to a comprehensive water conservation program that encouraged efficient water use via seasonal increasing block rates, the provision of complimentary residential water saving devices including showerheads, aerators, garden nozzles, rain gages, and toilet fill cycle diverters, as well as customized outreach and assistance to customers interested in learning more about indoor and outdoor water savings opportunities.

Performance

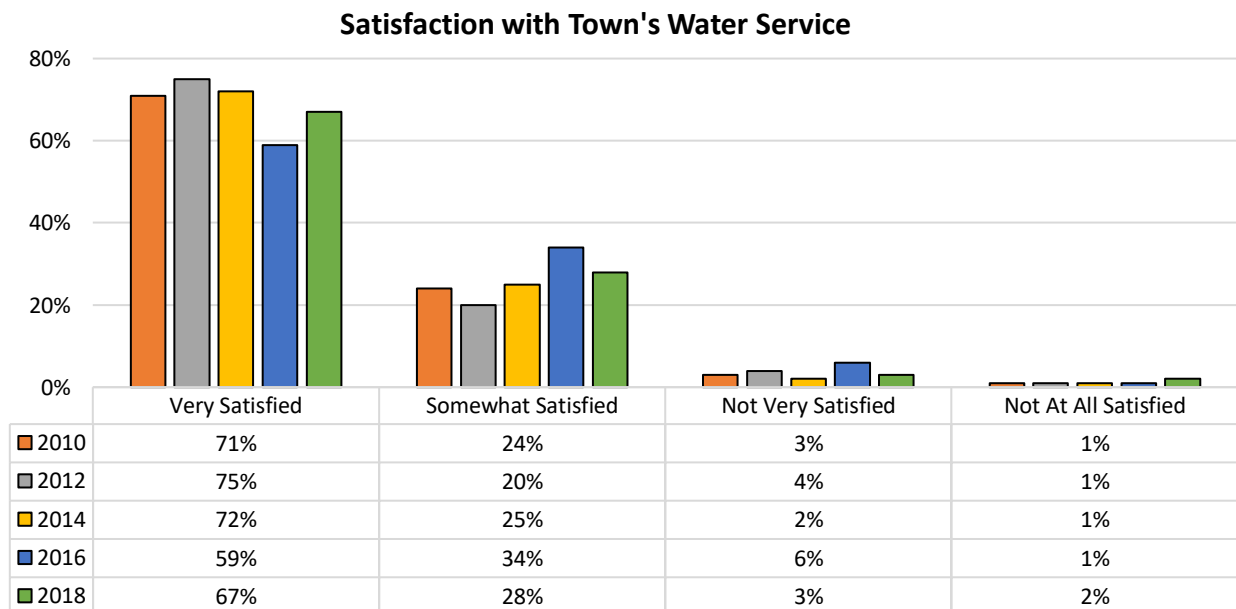
Long Term Financial Stability

Along with its core mission to operate and maintain the Town’s water system in a reliable and efficient manner, the Water Enterprise must also be financially self-supporting. This means that the Water Division is expected to cover all costs associated with operations, capital maintenance, and repairs by generating sufficient revenue through user fees and special service fees. The Water Division maintains a 10-year financial pro forma to facilitate long-range planning for revenues and anticipated investments.

Since the Water Enterprise fund was formally established in 1974, there have been no property tax contributions requested to subsidize annual operations or maintenance of pre-existing infrastructure. Taxpayer contributions would only be sought for major system expansion projects or facility upgrades designed to meet broader community interests. No such projects are presently contemplated.

Town Residential Survey

During the past decade, the Town has conducted a random, statistically significant survey of Town residents to gauge their opinion on Town provide services. For the Water Division, two questions were asked. Below are the



results of the question, “How would you rate the overall quality of water service?” Of those who said they use the service, the vast majority (72%) thought that the quality is either “Excellent” and (25%) thought it is “Good.”

Water Fund

The second question posed to residents was, “What is your opinion of the price of water service?” Of those who said they use the service, 15% thought that the price is a “Good Bargain” and 72% thought that it is Reasonably Priced.” From 2012 to 2020, we see a consistent opinion that water services are a good bargain. The vast majority of Concord households that are on Town sewer lines feel that the service is at least “reasonably priced,” while 8% of survey respondents even describe it as a “Good Bargain.”

Price of Town Water Service



FY22 Goals

- Nagog Pond Filtration Facility: Continue operating, testing and watershed monitoring activities necessary to maintain the Filtration “Avoidance” Waiver while advancing the implementation of a state of the art Water Filtration Facility, including distribution and related improvements, and community outreach, with those efforts now including knowledge of the SJC decision, recent PFAS6 test results, initial intake work results, and other related activities.
- Nagog Pond Intake: Determine if and how the remaining 1,400 linear feet of century-old 16-inch intake pipe should be replaced or rehabilitated, in order to restore original flow capacity and/or increase the reliability of service.
- Water Main Rehabilitation/Replacement: Begin design of priority replacement of water mains in the Spring Hill and Turning Mill Roads neighborhood, along with associated valves and hydrants, in concert with the Roads Program.
- Annursnac Hill Reservoir: Perform the replacement of roof perimeter vent, rooftop vent, install new overflow screening, and pour new concrete, reinforced floor.
- Integrate new water quality sampling, testing and reporting activities in conformance with MassDEP’s “emerging” contaminant regulations.
- Provide appropriate water treatment assessment and incorporate emergency equipment upgrades/station modifications in response to an emerging contaminant action plan.

Long-Term Plans

- ⇒ To continue performing water quality sampling, testing and reporting activities that maintain compliance with Safe Drinking Water Act (SDWA) requirements.

Water Fund

- ⇒ To continue protecting, operating, maintaining, and developing drinking water supplies in accordance with Water Management Act requirements.
- ⇒ To continue planning, rehabilitating and replacing priority sections of the 134 miles of existing main with due consideration of other Town right-of-way improvement projects.
- ⇒ To continue operating, maintaining, repairing, rehabilitating, replacing and improving structural, mechanical, instrumentation, and operational functions of water system facilities and components, including production, treatment, and storage facilities, which are relied upon every day to provide a safe and reliable supply of water to residential and commercial customers.
- ⇒ To incorporate key tenants of a holistic Integrated Water Resource Management program into applicable aspects of Concord’s drinking water system.
- ⇒ To continue applying and advancing drinking water policies, practices, and outreach efforts that support fiscally responsible investments while encouraging demand that is in keeping with environmentally beneficial and sustainable principles.
- ⇒ To ensure services are performed in an operationally safe and sustainable manner.

Water Fund – Overview & Budget Highlights

FY22 Budget Highlights

The proposed FY22 water rate of \$0.0651 per cubic foot represents a 10% increase over the FY21 rate of \$0.0592 per cubic foot. For the average residential customer, the annual increase in their water bill will be \$53.10 or \$4.43 per month. The proposed FY22 capital improvement plan is \$6,102,000, which includes \$220,000 towards water main replacements, \$250,000 in the first phase of a system-wide water Meter Replacement Program/upgrade (deferred from FY21) in conjunction with meter system upgrades planned by the Concord Municipal Light Plant, \$4,700,000 to complete the replacement of the Nagog Pond intake structure (cove/shallow water section) and advance the final design and permitting of the Surface Water Filtration plant, and provide for emergency responses to PFAS exceedances, if needed. The proposed FY22 operating budget is \$4,835,956, an increase of 1.5% from FY21, primarily related to an increase of \$150,242 in depreciation.

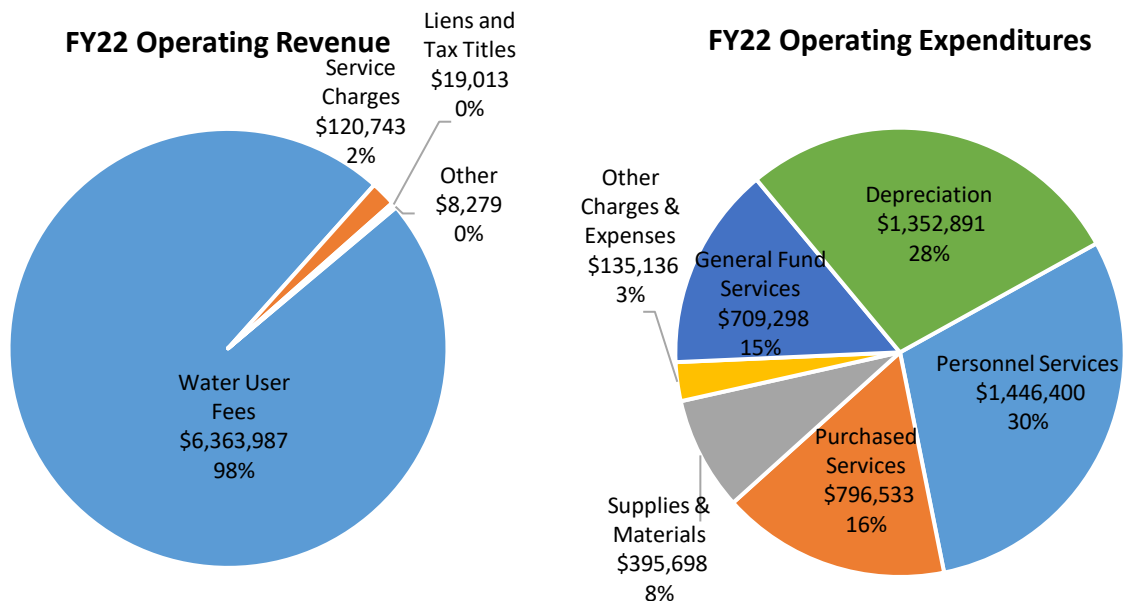
Budget Highlights

FY22 Projected Revenue	\$6,512,022
FY22 Projected Expenses	<u>(4,835,956)</u>
FY22 Projected Operating Income	\$1,676,066
FY22 Projected Net Income	\$1,593,871
FY22 Projected Water Fund Balance	\$6,567,013

Revenues and Expenditures Overview

Ninety-eight percent of the Water Division’s revenues in FY22 is expected to come from water user fees (amounting to \$6,363,987 of the total). The remaining projected revenues are proposed to come from service charges, liens and tax titles, and other revenue sources.

The three largest expense categories of the total \$3,595,824 proposed are depreciation, personnel services, and purchased services.



Water Fund – Program Highlights

Concord Water functions in an increasingly complex and highly regulated environment. Its operations are regulated by federal, state, and local government agencies. These laws and regulations directly inform daily operations, maintenance and capital investments, and budget plans are required to maintain compliance with related directives.

On the federal level, the Division’s operations are governed by the Safe Drinking Water Act (SDWA). Originally enacted in 1974, the SDWA allows the Environmental Protection Agency (EPA) to promulgate national primary drinking water regulations in order to regulate contaminants that may pose health risks and which are likely to be in the public water supply. Under the SDWA, EPA establishes a maximum contaminant level standard that regulates physical, chemical, biological, and radiological substances in the drinking water supply.

The SDWA allows the EPA to delegate primary oversight and enforcement of these laws to the state if the state meets certain requirements. The state of Massachusetts has been granted this “primacy.” In addition to providing oversight and enforcement of drinking water quality issues, MassDEP also regulates water withdrawals and demand management programs in accordance with statutes detailed within the State’s Water Management Act program.

The programs and initiatives described below are provided to highlight some of the more noteworthy and potentially significant programs that influence the short-term and long-term financial well-being of the Water Fund.

Regulatory Update

Nagog Pond Filtration Avoidance Waiver: Nagog Pond has continued to be operated in accordance with a long-standing filtration avoidance waiver. The use of Nagog Pond will continue to be curtailed from time to time until a federally compliant water treatment filtration plant has been constructed.

Regional Drought Management Planning: In 2019, the Executive Office of Energy & Environmental Affairs (EEA), acting through the Massachusetts Water Resources Commission, voted to update to the Massachusetts Drought Management Plan, increasing state-wide administrative flexibility when required to make regional declarations. As anticipated, Concord residents will likely be affected by this change through more frequent and potentially prolonged drought declarations. Ultimately, when regional drought declarations are triggered, water customers will be required to conserve water, most notably through reductions in non-essential, outdoor water uses.

Emerging Water Quality Contaminants: MassDEP implemented new drinking water regulations in late 2020 that established a Total PFAS Maximum Contaminant Level (MCL) of 20 ppt for six PFAS contaminants (PFAS6): PFOS, PFOA, PFHxS, PFNA, PFHpA, and PFDA. This group of man-made chemicals do not readily break down in either the environment or the human body and, therefore, can build up over time. Studies show that exposure to PFAS can lead to adverse human health effects. PFAS have been used in many consumer products, including firefighting foam and in a number of industrial processes.

Local Water Testing: A summary of water quality test results is available on the Town website, with routine and non-routine water quality sampling, testing and reporting performed in accordance with MassDEP regulations. These continue to demonstrate that the drinking water provided to customers satisfies State and Federal requirements for public water systems, with one exception; bromate in the Nagog finished water. Recent modifications made to the temporary disinfection (ozone) treatment process, performed to improve its reliability of operations, resulted in an increased level of bromate, causing an exceedance of a disinfection byproduct rule (DBR). Bromate is regulated with a “maximum contaminant level” (MCL) of 10 parts per billion (10 ppb), averaged over any 12-month period. Because the average concentration of bromate measured from Nagog Pond supply

Water Fund – Program Highlights

during the summer months was less than 11 ppb, and because the DBR regulations do not account for seasonal operations like those performed at Nagog Pond, out of an abundance of caution, Public Notices were sent to all customers informing them of these occurrences in 2019, 2020, and 2021.

2019 Water Fluoridation Quality Award: Concord Water once again received recognition from the Centers for Disease Control and Prevention (CDC) and the American Dental Association (ASTDD) for maintaining effective dosing and documentation of ongoing drinking water fluoridation efforts.

Cross-Connection Control Program: Water Safety Services (Woburn, MA) performs routine inspection and testing of all cross-connection control devices installed within industrial and commercial facilities that require “process” water and are connected directly to the municipal water system. These efforts protect all customers from potential contamination risks associated with a backflow of water that has been tainted by industrial/commercial processes, rendering the water undrinkable.

Nagog Pond: Environmental Partners continues to assist Concord Water in advancing improvements to facilities serving the Nagog Pond water supply. This included receipt and recording of a combined Chapter 91 Waterways License and 401 Water Quality Certification from MassDEP and Army Corps of Engineering, and permits from Acton and MassDOT for the replacement of the 16-inch intake, as well as construction oversight and documentation; and technical and regulatory support to allow for a modified “temporary” ozone system that resulted in a more reliable disinfection process that has been employed at Nagog Pond when required to operate during peak demand periods.

Concord Water is pleased to report that the Town prevailed through the Massachusetts Supreme Judicial Court (SJC) in response to the appeal by Acton and Littleton to the decision from the Massachusetts Land Court relative to its long-standing water rights to Nagog Pond. Special council, Mackie Shea Durning, PC, provided outstanding guidance and support throughout. Securing these water rights forever is one of the most critical accomplishments that the Town has undertaken to preserve and protect the future of its drinking water resources.

Related support has been provided by Mackie Shea Durning and Kleinfelder in providing analyses and review comments on Littleton’s permit applications for their proposed Cobb’s Pond well, which will affect the water available in the nearby Nagog Pond.

Water System Capacity & Resiliency Planning: An Integrated Water Resources Plan (IWRP) effort led by Kleinfelder (Boston, MA), and supported by Brown & Caldwell (Andover, MA), will be developed in concert with the Nagog Filtration Plant design and implementation, and finalization of the draft Water Supply Resiliency Master Plan prepared by Weston & Sampson (Peabody, MA). These will document the capacity and quality of existing water resources, develop a long-range water needs forecast, and evaluate the town’s ability to satisfy these needs with consideration of climate change and extreme drought conditions. They will also provide recommendations for addressing water supply, wastewater, and stormwater in a holistic, integrated and sustainable manner, rather than the “siloed” approach currently driven by an outdated regulatory framework. A first step in the IWRP is to select a stakeholder group to provide input to vision, mission, goals, alternatives, etc.

Demand Management: Concord’s WMA registration and permit presently provides a cap on “authorized” water withdrawals of up to 2.51 million gallons per day (MGD) on average, or 916 million gallons per year, to meet all residential, commercial, institutional, and municipal needs. Conservation limits included in this permit are an allowance of 65 gallons per day per capita (RGPDC) for residences and a 10% allowance for system losses (primarily attributed to leaks). In 2020, the total water production required to meet our system demands was 1.97 million gallons per day or 722 million gallons per year. A peak day demand of 3.85 million gallons was recorded on June

Water Fund – Program Highlights

22, 2020. The RGPCD and total system losses (or “unaccounted” for water use) was calculated to be 75 gals/day and 9.9%, respectively.

Water Station Improvements: Division crews continued to perform routine operation and maintenance of the seven water production facilities and related treatment systems, which make up our total water supply. In addition to these routine inspection and service activities, capital upgrades are also planned and performed on the millions of dollars of assets, including associated mechanical, electrical, plumbing, and instrumentation and control systems housed within these facilities. Notable improvements completed within the past year include the rehabilitation of the Deaconess Satellite groundwater well (performed by Denis L. Maher Company, Ayer, MA); and substantial completion of the upgrade of the Supervisory Control and Data Acquisition (SCADA) system used to remotely monitor, alarm and control water production and treatment facilities, with particular focus on cybersecurity.

Meter Replacement Program: In conjunction with CMLP and an outside consultant, Water and Sewer is participating in the development of an RFP to deploy a new metering platform for two-way communication with our water meters and real-time meter reading. This upgrade will provide improved billing and conservation management tools for our customers and Water and Sewer. Customers can enable real-time, remote detection of and automatic alerts for continuous usage and possible leaks.

In addition, this initiative also helps address the Town’s sustainability goals by dramatically reducing the monthly need for a vehicle to drive around Town and obtain meter readings. It will provide more timely data about water usage and the impact of our conservation efforts. The research and resolution of most billing and usage concerns can now occur while the customer is on the phone without deploying someone in the field to get a current meter reading.

Mains: A key factor in developing the annual Water Enterprise Fund budget is identifying funds required to make necessary investments in our water main infrastructure to maintain a safe and reliable supply of water to our customers. One of the most meaningful measures of success relates to the frequency of interruptions of service resulting from water main breaks. Main breaks occur for several reasons, including the age of the pipes, pressure surges, and cold weather. The Water Research Foundation (WRF) reports that the average number of main breaks in North America is 25 breaks per 100 miles of main per year. The Partnership for Safe Water (PFSW), a group supported by US EPA and the American Water Works Association, recommends a goal of less than 15 main breaks per 100 miles of main per year. As identified previously, Concord’s distribution system consists of over 134 miles of water main. Over the past decade, the Water Division typically responds to approximately to 5-10 breaks per year. In FY20 Water operations crews responded to four (4) emergency repairs: July 13, 2020 at Barrett’s Mill Road, August 6, 2020 at Main and Thoreau Streets, October 14, 2020 at Monument Street, and December 15, 2020 at Butternut Circle.

Water main replacement activities completed in FY21 include:

Cambridge Turnpike Water Main Project – Phase II Construction: George R. Cairns & Sons (Windham, NH) replaced approximately 500 feet of existing water main with 10-inch and 14-inch HDPE water main.

Peter Spring Road and Prescott Road Neighborhood, and Potter Street - KJS, LLC (Walpole, MA) replaced approximately 7,190 LF of (circa 1953) 8-inch asbestos cement (AC) water mains in the neighborhood, and approximately 985 LF of (circa 1930) 8-inch cast iron water main in Potter Street with new 8-inch cement lined ductile iron (CLDI) pipe. The associated service laterals and hydrants in the right of way were also replaced. The former included installation of 245 LF of 8-inch water main on a Town owned parcel that now connects the new water main in the Peter Spring neighborhood with the existing water main in the

Water Fund – Program Highlights

WWTP/Great Meadows neighborhood to create a water system loop, which provides better water quality and greater service reliability for both neighborhoods and the overall distribution system.

Warner Street Water Main Extension: KJS, LLC (Walpole, MA) installed approximately 100 feet of 8-inch CLDI pipe from Warner Street to an existing main in Laws Brook Road to complete the water system loop for a single family residential redevelopment project.

Lead Service Line Awareness and Replacement Program

CPW's Water Division continues to eliminate lead service lines in Concord in accordance with the USEPA's Lead and Copper Rule (LCR), with those lines accounting for less than 5% of the active services in Concord. The typical cost for a private contractor to replace a lead service line is \$5,000 or more, per the American Water Works Association (AWWA). To incentivize property owners to replace their lead service lines the PWC approved a Lead Service Line Replacement Program (LSLRP) in May 2017 that enables Division personnel to perform this improvement work on private property, which is otherwise not commonly performed, at a cost not to exceed \$1,500. Participating customers are also offered an interest-free 12-month payment plan. Three dozen lead service lines have been replaced since the program's inception, with another half dozen performed this past summer and fall.

The Water Division has sampled, tested and reported results that show the Town is in compliance with the LCR. A common source of lead in drinking water is from lead service lines (LSL), which the Town has been addressing as described above. Updates to the LCR are pending, and are likely to include meeting explicit requirements for an inventory of LSLs, and some related program requirements for addressing them, within 3 years. The Division is developing a program to address this and related requirement.

Water Fund – Proforma

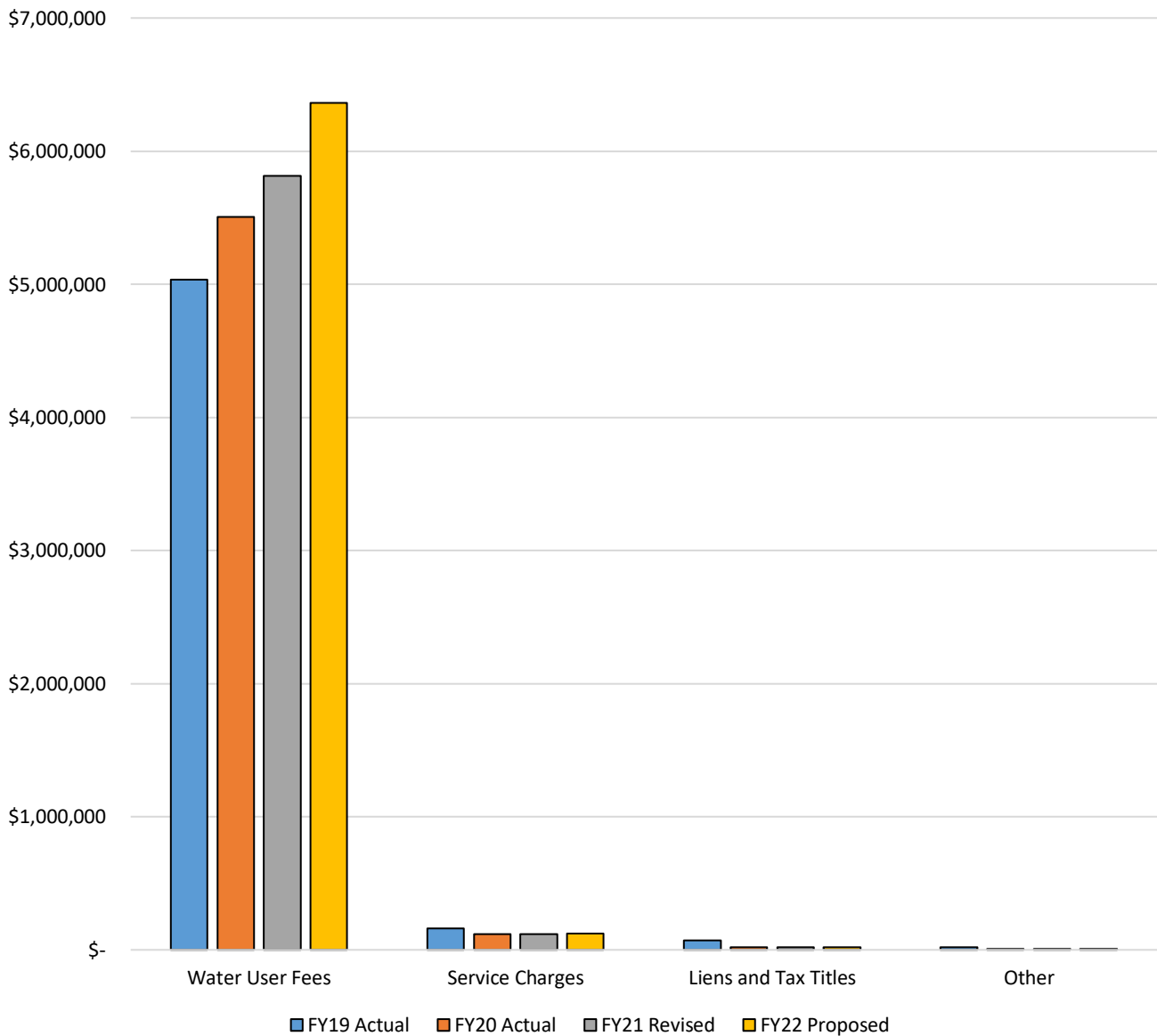
Water Fund: Plan and Projection	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	10 years FY 23-32
Operating Revenue														
User Fees	5,507,291	5,815,987	6,363,987	6,658,987	6,962,987	7,282,987	7,620,987	7,973,987	8,343,987	8,730,987	9,133,987	9,553,987	9,998,987	82,261,870
Other	1,446,035	1,470,035	1,480,035	1,490,035	1,500,035	1,510,035	1,520,035	1,530,035	1,540,035	1,550,035	1,560,035	1,570,035	1,580,035	1,535,350
Subtotal	5,653,326	5,963,022	6,512,022	6,808,022	7,113,022	7,434,022	7,773,022	8,127,022	8,498,022	8,886,022	9,290,022	9,711,022	10,157,022	83,797,220
Operating Expense														
O & M	3,296,661	3,563,435	3,483,066	3,721,951	3,835,515	3,952,619	4,073,378	4,197,914	4,326,348	4,458,811	4,595,434	4,736,356	4,881,720	42,780,045
Depreciation	1,046,939	1,202,648	1,352,891	1,697,005	2,023,485	2,417,421	2,713,140	2,811,464	2,806,670	2,815,631	2,856,452	2,898,358	2,976,373	26,015,997
Subtotal	4,343,600	4,766,083	4,835,956	5,418,956	5,859,000	6,370,039	6,786,518	7,009,377	7,133,018	7,274,442	7,451,886	7,634,714	7,858,093	68,796,043
Operating Income	1,309,726	1,196,939	1,676,066	1,389,066	1,254,022	1,063,983	986,504	1,117,645	1,365,004	1,611,580	1,838,136	2,076,308	2,298,929	15,001,177
ADD: Interest Income	166,814	215,517	187,660	144,583	104,450	85,999	73,200	64,357	60,438	58,582	58,367	58,367	58,367	766,711
Other Non-Operating Income	28,620	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS: Interest Expense														
Existing Debt	120,445	68,385	49,435	33,365	23,315	14,995	8,300	1,550	0	0	0	0	0	81,525
Future Debt	0	1,998	147,098	168,618	180,214	595,430	1,143,314	1,262,811	1,353,811	1,276,811	1,199,811	1,122,811	1,045,811	9,349,442
Bond Anticipation Notes (BANs)	0	0	36,300	7,220	5,100	106,260	144,740	44,880	40,000	0	0	0	0	348,200
Issuance expense (Premium)	0	3,630	37,022	7,730	15,726	120,734	149,228	48,880	40,000	0	0	0	0	382,298
Net income	1,384,715	1,338,443	1,593,871	1,316,716	1,134,117	312,562	-385,879	-176,119	-8,369	393,351	696,693	1,011,865	1,311,485	5,606,423
Available Resources from:														
Net income	1,384,715	1,338,443	1,593,871	1,316,716	1,134,117	312,562	-385,879	-176,119	-8,369	393,351	696,693	1,011,865	1,311,485	5,606,423
Depreciation expense	1,046,939	1,202,648	1,352,891	1,697,005	2,023,485	2,417,421	2,713,140	2,811,464	2,806,670	2,815,631	2,856,452	2,898,358	2,976,373	26,015,997
subtotal	2,431,654	2,541,091	2,946,762	3,013,721	3,157,602	2,729,983	2,327,261	2,635,945	2,798,301	3,208,983	3,553,145	3,910,222	4,287,858	31,622,420
Bond proceeds	3,000,000	0	3,630,000	722,000	510,000	10,626,000	14,474,000	4,488,000	4,000,000	0	0	0	0	34,820,000
Loan proceeds	0	3,630,000	722,000	510,000	10,626,000	14,474,000	4,488,000	4,000,000	0	0	0	0	0	34,098,000
LESS: Principal repayments														
Existing Debt	485,000	485,000	373,000	225,000	220,000	217,000	215,000	155,000	0	0	0	0	0	1,032,000
New Debt	0	2,487	183,997	220,097	245,597	776,897	1,500,597	1,724,997	1,924,997	1,924,997	1,924,997	1,924,997	1,924,997	14,093,170
BAN Repayment	3,000,000	2,175,000	3,630,000	722,000	510,000	10,626,000	14,474,000	4,488,000	4,000,000	0	0	0	0	34,820,000
Amort of bond premium	15,242	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Available for Capital Purposes	1,931,412	3,508,594	3,111,765	3,078,624	13,318,005	16,210,086	5,099,664	4,755,348	873,304	1,283,986	1,628,148	1,985,225	2,362,861	50,595,250
Capital Plan	1,353,078	4,576,000	6,102,000	5,455,000	11,524,900	15,250,800	5,035,800	6,046,400	2,183,750	2,164,700	2,189,000	2,252,900	2,385,900	54,489,150
Cash Position														
Beginning balance	12,101,839	12,129,476	11,062,070	8,071,835	5,695,458	7,488,563	8,447,849	8,511,713	7,220,661	5,910,216	5,029,501	4,468,649	4,200,974	
ADD: Net available	1,931,412	3,508,594	3,111,765	3,078,624	13,318,005	16,210,086	5,099,664	4,755,348	873,304	1,283,986	1,628,148	1,985,225	2,362,861	
LESS: Planned Capital	1,353,078	4,576,000	6,102,000	5,455,000	11,524,900	15,250,800	5,035,800	6,046,400	2,183,750	2,164,700	2,189,000	2,252,900	2,385,900	
Changes in assets & liabilities	-550,697	0	0	0	0	0	0	0	0	0	0	0	0	
Ending balance	12,129,476	11,062,070	8,071,835	5,695,458	7,488,563	8,447,849	8,511,713	7,220,661	5,910,216	5,029,501	4,468,649	4,200,974	4,177,935	
ending cash balance	12,129,476	11,062,070	8,071,835	5,695,458	7,488,563	8,447,849	8,511,713	7,220,661	5,910,216	5,029,501	4,468,649	4,200,974	4,177,935	

Water Fund – Revenues

Operating Revenues

OPERATING REVENUES				
	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
Water User Fees	\$ 5,033,193	\$ 5,507,291	\$ 5,815,987	\$ 6,363,987
Service Charges	161,500	118,743	119,743	120,743
Liens and Tax Titles	69,568	19,013	19,013	19,013
Other	17,812	8,279	8,279	8,279
Operating Revenues Total	\$ 5,282,073	\$ 5,653,326	\$ 5,963,022	\$ 6,512,022

Water Operating Revenues



Water Fund – Revenues

Water Rates

The total revenue projected to be raised through water user fees in FY22 is \$ \$6,363,987, which represents 96% of total Water Fund revenues. User fees are assessed according to actual measured (metered) use. Rates are set each year by the Public Works Commission following a public hearing with the following goals:

- To ensure that the Division has the resources to operate, maintain, and improve the system,
- To encourage users to conserve water; and
- To minimize rate changes so that water use can be a relatively predictable expense for customers.

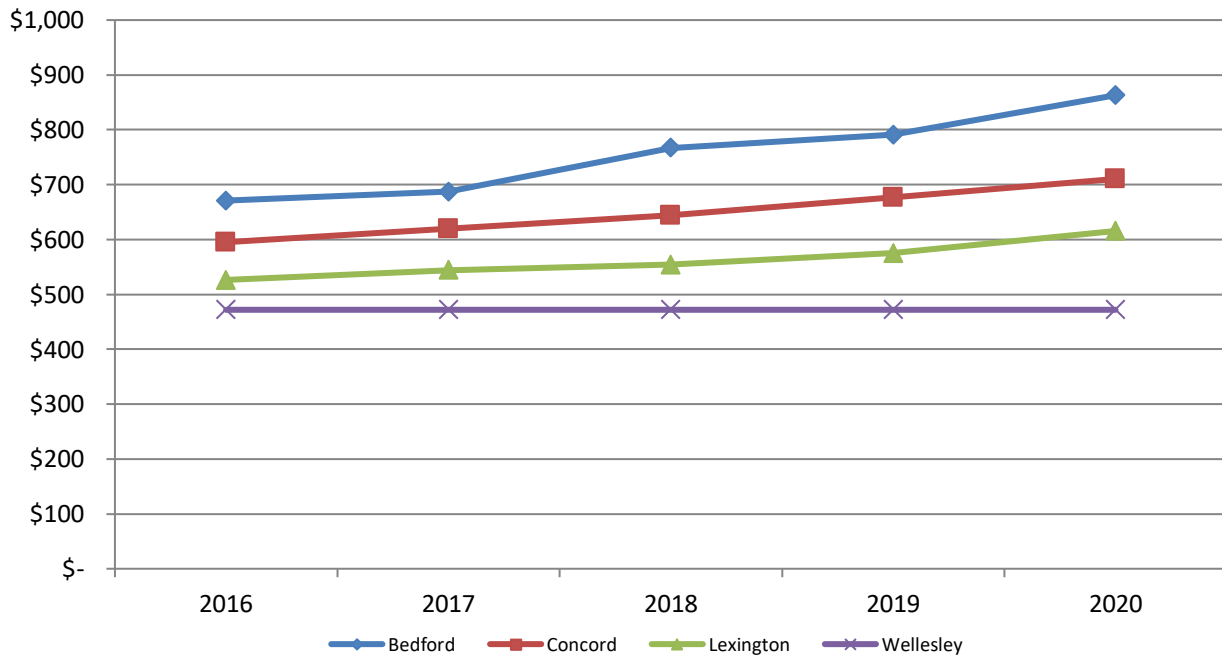
Water Rate Highlights

The FY22 proposed Residential Service (step 1) water rate is \$0.0651 per cubic foot (1 cubic foot = 7.48 gallons). The FY22 rate of \$0.0651 represents a 10% increase over the FY21 rate of \$0.0592. Since FY 2010, water rates have increased at an average annual rate of 4.4% per year.

In FY22, the average residential customer is expected to pay a total of \$586 in water use over the course of the year. The average residential customer is assumed to use 750 cubic feet per month. Customers who consume more than 1,200 cubic feet of water per month will pay a higher rate (a Conservation Step).

Property owners who meet certain age and income criteria may qualify for a 50% discount on the step 1 residential rates.

Water Cost Comparison Based on America Water Works Association Standard of 120 HCF Annually (90,000 gallons)



Please note rate comparisons are provided for general information only. Differences exist in the management and financial structure of every system. Concord prides itself on operating as a full cost accounting enterprise where rates are designed to cover operations and maintenance (O&M), depreciation, and long-term investment needs. Concord continues to be amongst the minority of systems within Massachusetts which have adopted a seasonal ascending-block conservation rate structure.

Water Fund – Expenditures

Operating Expenditures

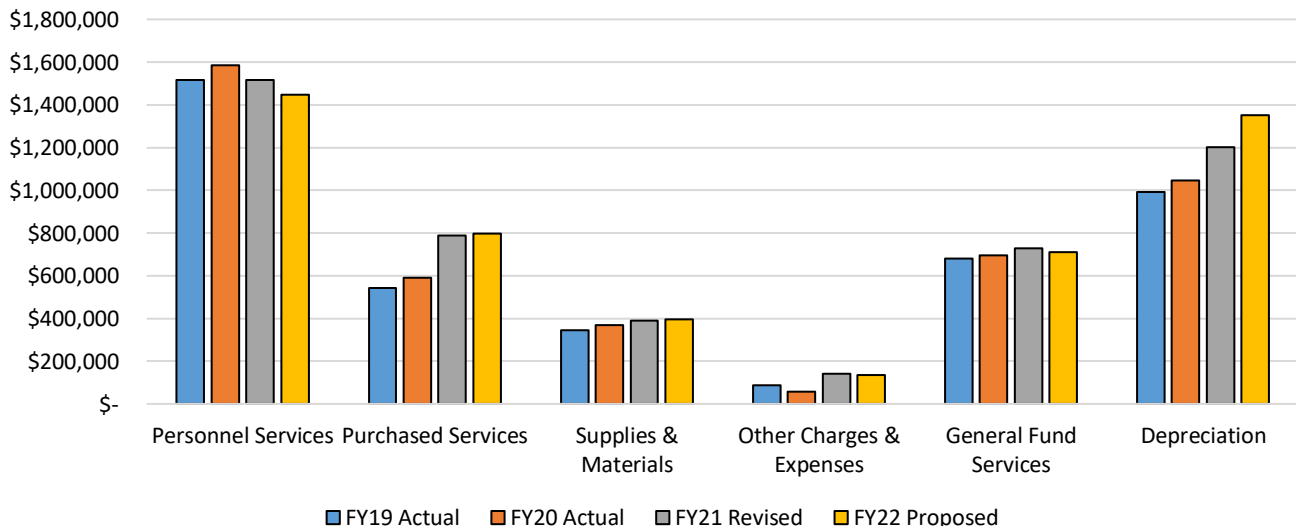
	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
<u>Personnel Services</u>				
Personnel Expenses	\$ 1,515,500	\$ 1,584,202	\$ 1,515,680	\$ 1,446,400
Audit Adjustment	-	-	-	-
Subtotal	\$ 1,515,500	\$ 1,584,202	\$ 1,515,680	\$ 1,446,400
<u>Non-Personnel Services</u>				
Purchased Services	541,988	590,875	788,070	796,533
Supplies & Materials	344,033	368,812	391,192	395,698
Other Charges & Expenses	85,850	57,586	139,935	135,136
Audit Adjustment	-	-	-	-
Subtotal	\$ 971,871	\$ 1,017,273	\$ 1,319,197	\$ 1,327,368
<u>Other</u>				
General Fund Services	680,499	695,186	728,557	709,298
Depreciation Expense	992,615	1,046,939	1,202,648	1,352,891
Subtotal	\$ 1,673,114	\$ 1,742,125	\$ 1,931,205	\$ 2,062,189
Total Operating Expense	\$ 4,160,485	\$ 4,343,600	\$ 4,766,083	\$ 4,835,956

RETIREMENT AND OPEB ASSESSMENT

For Informational Purposes Only

	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
<u>Personnel Services</u>				
Retirement Assessment	\$ 98,164	\$ 146,719	\$ 126,942	\$ 123,623
OPEB Assessment	25,000	19,148	25,000	44,512
Total Assessment	\$ 123,164	\$ 165,867	\$ 151,942	\$ 168,135

Water Operating Expenditures



Water Fund – Expenditures

Personnel Summary

AUTHORIZED POSITIONS

Personnel	FY21 Revised		FY22 Proposed	
	\$ Amount	Position/Hours	\$ Amount	Position/Hours
Personnel				
Regular Staff	13.05 FTEs	\$ 1,063,855	13.00 FTEs	\$ 1,004,387
Part-Time Staff	0.56 FTEs	14,790	0.56 FTEs	17,110
Subtotal	13.61 FTEs	\$ 1,078,645	13.56 FTEs	\$ 1,021,497
Employee Benefits				
Group Insurance	N/A	\$ 103,519	N/A	\$ 96,015
Retirement Contribution	N/A	126,942	N/A	124,623
OPEB Contribution	N/A	25,000	N/A	44,512
Subtotal	N/A	\$ 255,461	N/A	\$ 265,150
Payroll Taxes				
Medicare Tax	N/A	\$ 14,175	N/A	\$ 14,600
Social Security Contribution	N/A	533	N/A	549
Subtotal	N/A	\$ 14,708	N/A	\$ 15,149
Other Personnel Costs				
Overtime (5130)	1900 hrs.	\$ 128,235	1900 hrs.	\$ 128,235
Overtime Adjustments (5130)	N/A	5,129	N/A	5,129
Police Overtime (5131)	185 hrs.	7,400	185 hrs.	7,400
Mobile Phone Allowance	N/A	3,840	N/A	3,840
IT Salary (5111)	N/A	22,261	N/A	-
Subtotal	N/A	\$ 166,866	N/A	\$ 144,604
Total Personnel Costs	13.61 FTEs	\$ 1,515,680	13.56 FTEs	\$ 1,446,400

Water Fund – Expenditures

General Fund Services

The Water Fund for the use of General Fund services and support contributes a set portion of funding each year to support personnel and non-personnel expenditures of certain accounts.

PAYMENTS TO THE GENERAL FUND

	FY19		FY20		FY21		FY22	
	Actual		Actual		Revised		Proposed	
<u>Management & Engineering</u>								
Public Works Administration	\$	98,075	\$	98,170	\$	103,335	\$	94,098
Public Works Engineering		87,870		91,222		89,981		91,266
Highway Maintenance		19,701		19,750		19,630		17,579
133/135 Keyes Road		49,313		49,070		44,601		44,601
Subtotal	\$	254,959	\$	254,959	\$	257,547	\$	247,544
<u>General Government</u>								
Town Manager	\$	67,712	\$	69,598	\$	73,603	\$	75,959
Human Resources		23,059		23,152		22,244		26,253
Information Systems		-		22,159		23,799		23,599
Facilities Administration		-		-		7,137		17,477
Town House		7,801		8,359		7,603		-
Subtotal	\$	98,572	\$	123,268	\$	134,386	\$	143,288
<u>Finance</u>								
Finance Administration	\$	92,852	\$	92,093	\$	97,169	\$	86,652
Treasurer-Collector		55,281		54,384		55,085		53,645
Town Accountant								
Accounting Services		62,376		50,210		54,321		45,263
Audit Services		6,000		6,000		6,000		6,000
Subtotal	\$	216,509	\$	202,687	\$	212,575	\$	191,560
<u>Natural Resources</u>								
Planning Administration	\$	49,699	\$	52,623	\$	57,477	\$	58,846
Natural Resource Protection		28,367		29,103		34,518		35,285
Health Department Services		32,393		32,546		32,054		32,775
Subtotal	\$	110,459	\$	114,272	\$	124,049	\$	126,906
Salary Reserve		-		-		-		-
Audit Adjustments		-		-		-		-
Totals	\$	680,499	\$	695,186	\$	728,557	\$	709,298

Water Fund – Expenditures

Capital (Capital Outlay and Debt-Funded)

CAPITAL SPENDING PLAN								
	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total FY22-26
Water System Improvements			-	-	-	4,000,000	4,000,000	8,000,000
DISTRIBUTION SYSTEM								
Water Mains	472,029	1,680,000	222,000	510,000	626,000	474,000	488,000	2,320,000
Meter Replacements	49,759	40,000	250,000	250,000	111,000	50,000	52,000	713,000
Hydrants	13,314	14,000	30,000	30,000	30,900	31,800	32,800	155,500
	535,101	1,734,000	502,000	790,000	767,900	555,800	572,800	3,188,500
PUMPING STATIONS & TREATMENT								
Structures	25,900	50,000	530,000	430,000	50,000	52,000	54,000	1,116,000
Equipment	85,311	190,000	2,150,000	2,000,000	55,000	57,000	59,000	4,321,000
Source Protection								
Reservoir Improvements	15,388	75,000	320,000	100,000	100,000	103,000	106,000	729,000
Reservoir Improvements								
Nagog Improvements	509,743							
Temporary Ozone		300,000						
Route 2A and Filtration Construction			-	-	10,000,000	10,000,000	-	20,000,000
Filtration Design, Con Admin & Legal			1,200,000	1,100,000	160,000	250,000	-	2,710,000
Dam Reconstruction								
Nagog Intake Construction		1,950,000	500,000	100,000	100,000	-	-	700,000
Nagog Intake Design & Con. Admin.	21,385							
Contingency	-							
Iron & Manganese Removal Project	-							
Other (7 year life)	-	-	-	-	-	-	-	28,460,000
Total: Stations & Treatment Plant	657,726	2,565,000	4,700,000	3,730,000	10,465,000	10,462,000	219,000	29,576,000
GENERAL PLANT								
Keyes Road CPW Facility		14,000	50,000	50,000	52,000	54,000	56,000	262,000
Harris billing								
GIS								
Vehicle Replacements (>=10 year life)								
Vehicle Replacements (7 year life)	83,512	195,000	235,000	320,000	175,000	112,500	120,000	962,500
Miscellaneous Equipment	-	15,000	15,000	15,000	15,000	15,000	15,000	75,000
Personal Services	18,646							
Total: General Plant	102,159	224,000	300,000	385,000	242,000	181,500	191,000	1,299,500
SUPPLY/ CAPACITY								
Source Protection	29,530	53,000	600,000	550,000	50,000	51,500	53,000	1,304,500
Land	28,561							
Water Conservation	-	-	-	-	-	-	-	-
New Source Permitting, Design	-	-	-	-	-	-	-	-
Total: New Source/Capacity	58,092	53,000	600,000	550,000	50,000	51,500	53,000	1,304,500
Total User Fee Supported	1,303,131	946,000	5,380,000	4,945,000	898,900	776,800	547,800	12,548,500
Total from Debt	49,946	3,630,000	722,000	510,000	10,626,000	14,474,000	4,488,000	30,820,000
Grand Total Water Fund:	\$ 1,353,078	\$ 4,576,000	\$ 6,102,000	\$ 5,455,000	\$ 11,524,900	\$ 15,250,800	\$ 5,035,800	\$ 43,368,500

Water Fund – Expenditures

DEBT SERVICE

Long-Term Debt Repayment	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
Principal	\$ 485,000	\$ 485,000	\$ 522,497	\$ 591,997
Interest	94,435	78,735	70,383	196,533
Total	\$ 579,435	\$ 563,735	\$ 592,880	\$ 788,530

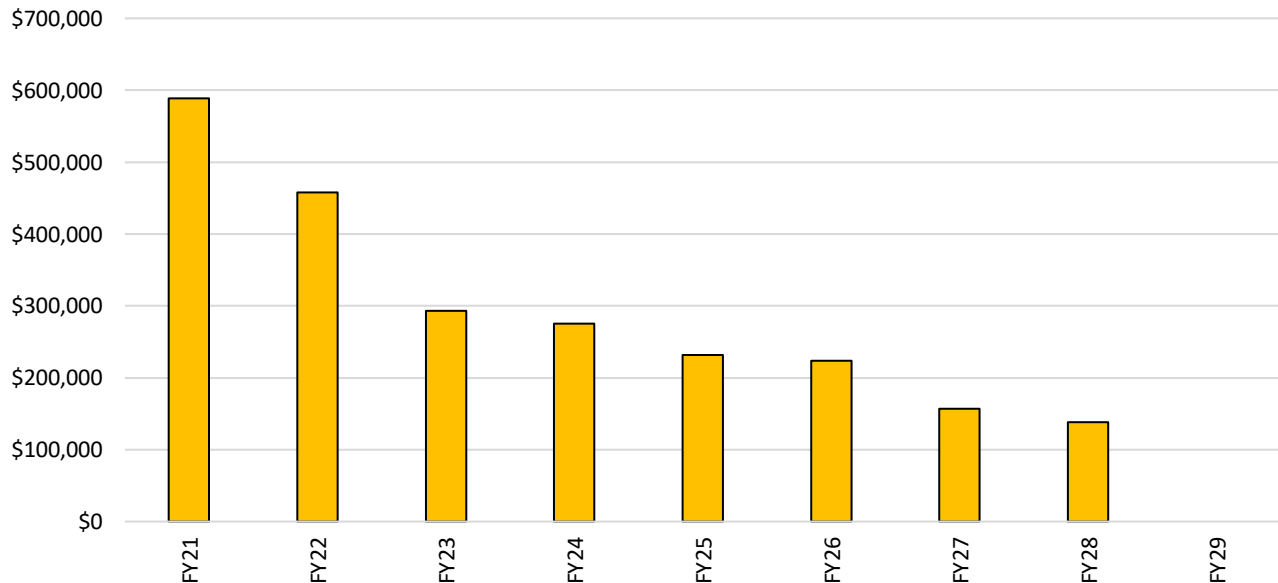
Water Debt Service Schedule

(Issued through June 30, 2020)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY21	520,000	68,385	588,385
FY22	408,000	49,435	457,435
FY23	260,000	33,365	293,365
FY24	252,000	23,315	275,315
FY25	217,000	14,995	231,995
FY26	215,000	8,300	223,300
FY27	155,000	1,550	156,550
FY28	138,000	-	138,000
FY29	-	-	-
Totals	\$ 2,165,000	\$ 199,345	\$ 2,364,345

Water Fund Debt Service

(As of June 30, 2020)



Water Fund – Net Income & Fund Balance

Net Income and Fund Balance

NET INCOME

	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
Statement of Net Income:				
Operating Revenues	\$ 5,282,073	\$ 5,653,326	\$ 5,963,022	\$ 6,512,022
Less Operating Expenses	(4,160,485)	(4,343,600)	(4,766,083)	(4,835,956)
Operating Income	\$ 1,121,589	\$ 1,309,726	\$ 1,196,939	\$ 1,676,066
Nonoperating Revenues (Expenses)				
Add Investment Income	\$ 164,606	\$ 195,435	\$ 215,517	\$ 187,660
Add Other Revenue/Expense	-	-	-	-
Less Interest Expense	(75,425)	(120,445)	(68,385)	(85,735)
Less Issuance Expense	-	-	(5,628)	(184,120)
Nonoperating Income	\$ 89,181	\$ 74,990	\$ 141,504	\$ (82,195)
Net Income	\$ 1,210,769	\$ 1,384,716	\$ 1,338,443	\$ 1,593,871

AVAILABLE RESOURCES

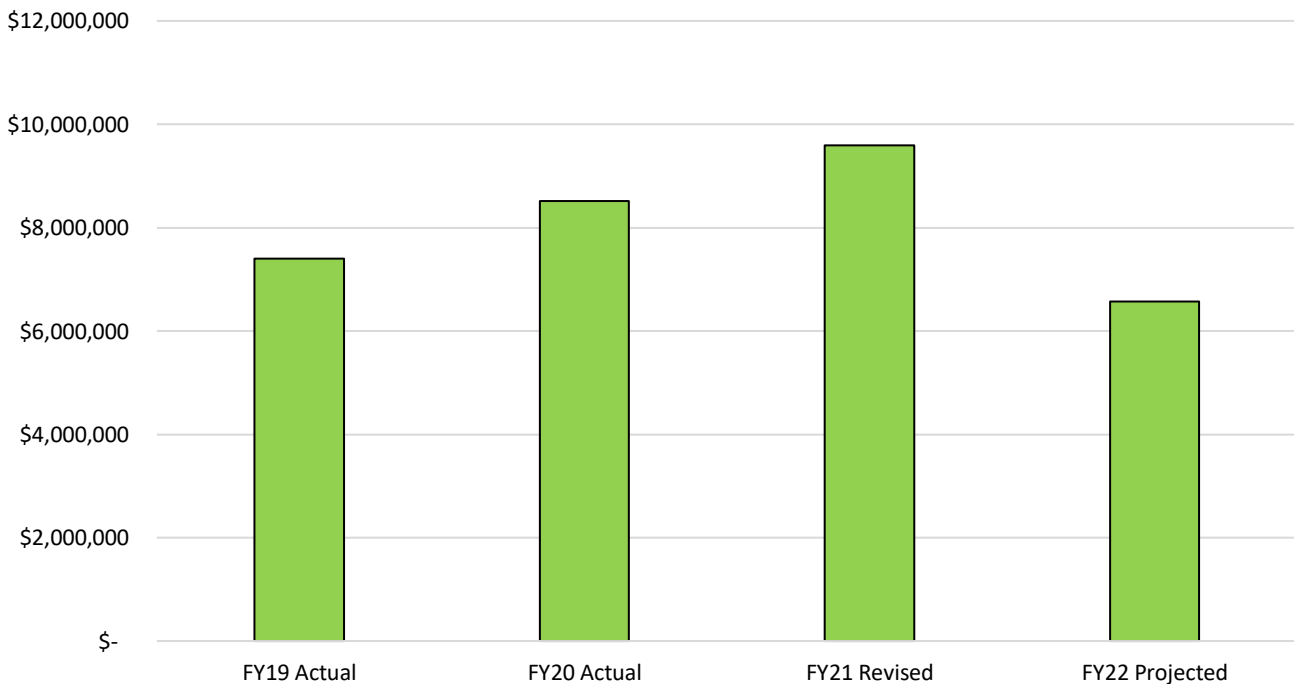
Resources Available from Current Operations for Replacement & Renewal of Facility:				
	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
Capital Purposes				
Add Depreciation Expense	\$ 992,615	\$ 1,046,939	\$ 1,202,648	\$ 1,352,891
Add Net Income	1,210,769	1,384,716	1,338,443	1,593,871
Add Debt Financing	-	-	3,630,000	722,000
Less Bonds Payable	(485,000)	(485,000)	(522,497)	(591,997)
Net Available for Capital	\$ 1,718,384	\$ 1,946,655	\$ 5,648,594	\$ 3,076,764

Water Fund – Net Income & Fund Balance

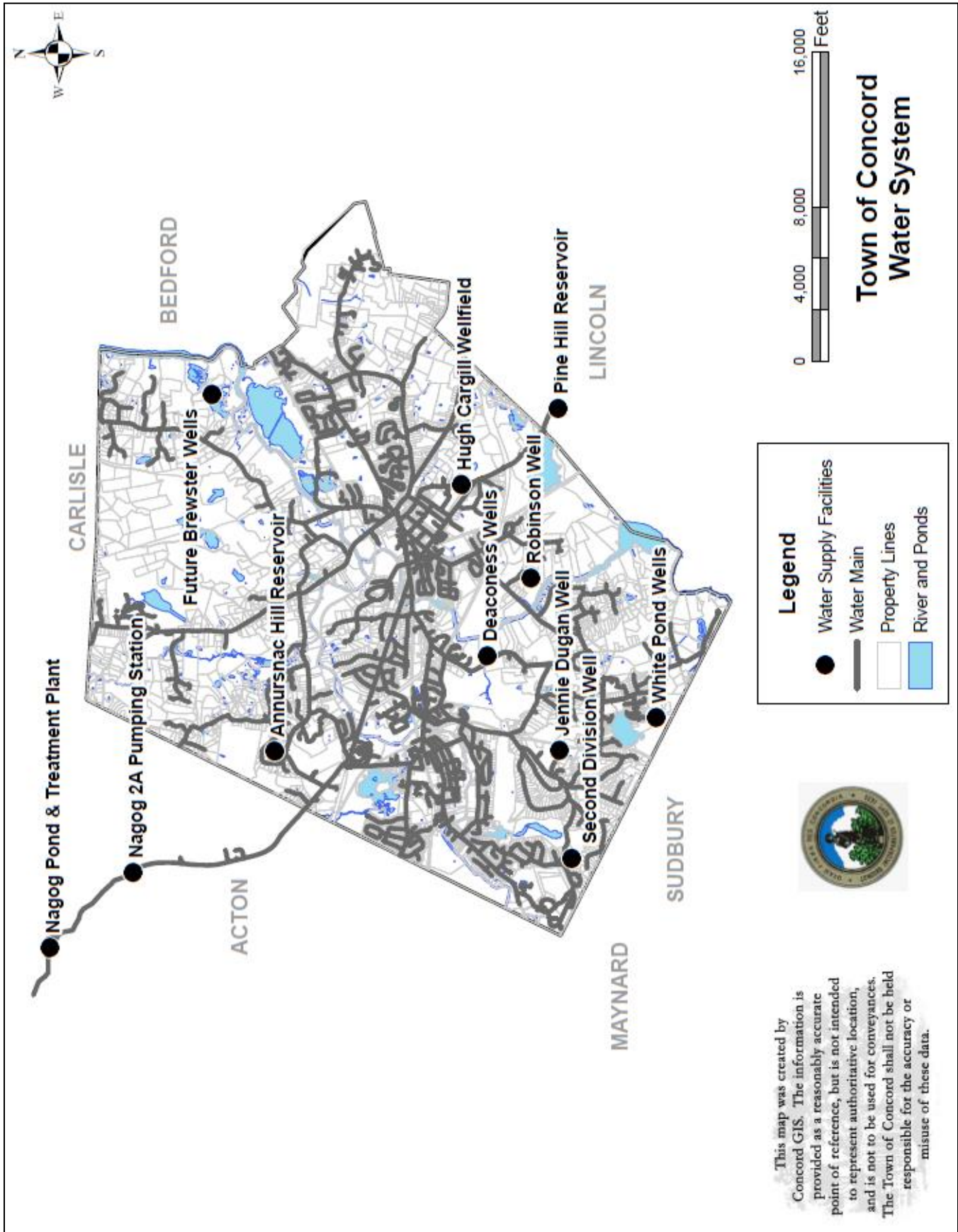
CASH POSITION AND FUND BALANCE FORECAST

<u>Cash at Year Opening</u>	FY21		FY22	
	Cash on July 1st	\$	8,158,949	\$
Add Receivables		1,404,374		1,404,374
Add Inventory & Other Assets		89,300		89,300
Less Cash held for Liabilities		(1,476,777)		(1,476,777)
Deferred Outflows (Inflows)		343,809		343,809
Fund Balance on July 1st		\$ 8,519,655		\$ 9,592,249
<u>Fund Balance Details (projected)</u>	Credits	Debits	Credits	Debits
Net Income	1,338,443	(522,497)	1,593,871	(591,997)
Bond Principal Repayment				
BAN and Bond Proceeds	3,630,000		722,000	
Capital Borrowing		(3,630,000)		(5,380,000)
Capital Outlay (non-borrowing)		(946,000)		(722,000)
Add Depreciation Expense	1,202,648		1,352,891	
Balance Projected at June 30th	6,171,091	(5,098,497)	3,668,761	(6,693,997)
Fund Balance on June 30th		\$ 9,592,249		\$ 6,567,013
<u>Cash at Year End (projected)</u>				
Fund Balance on June 30th		\$ 9,592,249		\$ 6,567,013
Less Receivables		(1,404,374)		(1,404,374)
Less Inventory & Other Assets		(89,300)		(89,300)
Add Cash Held for Liabilities		1,476,777		1,476,777
Add Cash Held for Deferred Inflows		(343,809)		(343,809)
Projected Cash at June 30th		\$ 9,231,543		\$ 6,206,307

Water Fund Historical Fund Balance (As of June 30th)



Water Fund – Service Map



This page is intentionally left blank.

Sewer Fund

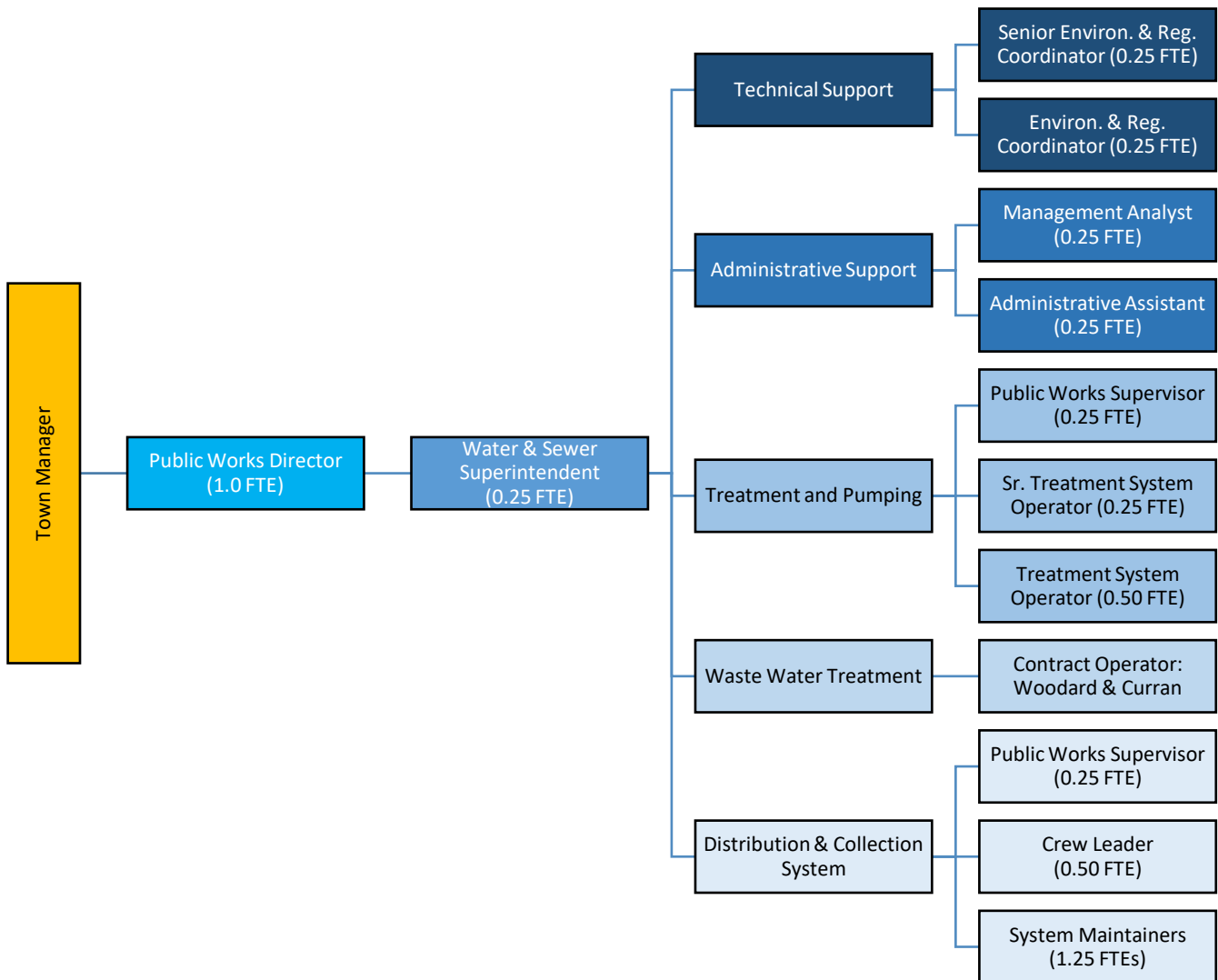
This page is intentionally left blank.

Sewer Fund

Mission Statement

The mission of the Sewer Division is to enhance Concord's quality of life, and through sound management, innovation, teamwork, and vision, provide dependable, high quality, responsive sewer utility services, consistent with values and at reasonable costs to Concord's citizens, businesses, institutions, and visitors.

Organizational Chart



Sewer Fund

Overview

In 1894, Concord received legislative authority to create a municipal sewer system. Today, the system consists of 34 miles of collection main, two pumping stations, six neighborhood lift stations, and an advanced wastewater treatment plant. The 1976 Annual Town Meeting established a Sewer Fund to ensure that the operation, maintenance, and capital improvement of the sewer system would be a financially viable enterprise. Expenses for this system are covered entirely by user fees. As of 2020, the total value of the collection system and treatment plant infrastructure assets was approximately \$9.4 million. The municipal sewer system serves 1,889 residential and commercial customers representing about 34% of the community. Approximately 40% of the residential households in Concord are served by sewer. The wastewater treatment facility processes approximately 1.5 million gallons of septage per year pumped from residential and commercial establishments served by private septic systems, and not directly connected to the Town's sewer system.

Accomplishments

- ☑ Continued to operate the municipal wastewater treatment facility in accordance with Concord's National Pollutant Discharge Elimination System (NPDES) permit conditions.
- ☑ Completed the rehabilitation of Lowell Road and Assabet Sewer pumping stations, the 2 largest in the Town's system.
- ☑ Substantially completed the installation of an updated supervisory control and data acquisition (SCADA) system, including rigorous cybersecurity. SCADA allows local and remote viewing and control of the system's status and alarms, and to monitor, gather, and process real-time data.
- ☑ Began implementing the Infiltration/Inflow (I/I) Control Plan that was submitted to MassDEP in FY20, focused on initial investigations and evaluation, with initial efforts focused on CCTV inspections.
- ☑ Selected a consulting team who have begun preparation of an Integrated Water Resources Plan (IWRP) that will provide recommendations for addressing water supply, wastewater, and stormwater in a holistic, integrated and sustainable manner, rather than the disconnected permits and programs managing the three systems. A first step is to select a stakeholder group to provide input to vision, mission, goals, alternatives, etc.

Performance

Long-Term Financial Stability

Along with its core mission to operate and maintain the Town's municipal sewer system in a reliable and efficient manner, the sewer enterprise must also be financially self-supporting. This means that the Sewer Division is expected to cover all costs associated with operations, capital maintenance, and repairs by generating sufficient revenue through user fees and special service fees. The Sewer Division maintains a 10-year financial pro forma to facilitate long-range planning for revenues and anticipated investments.

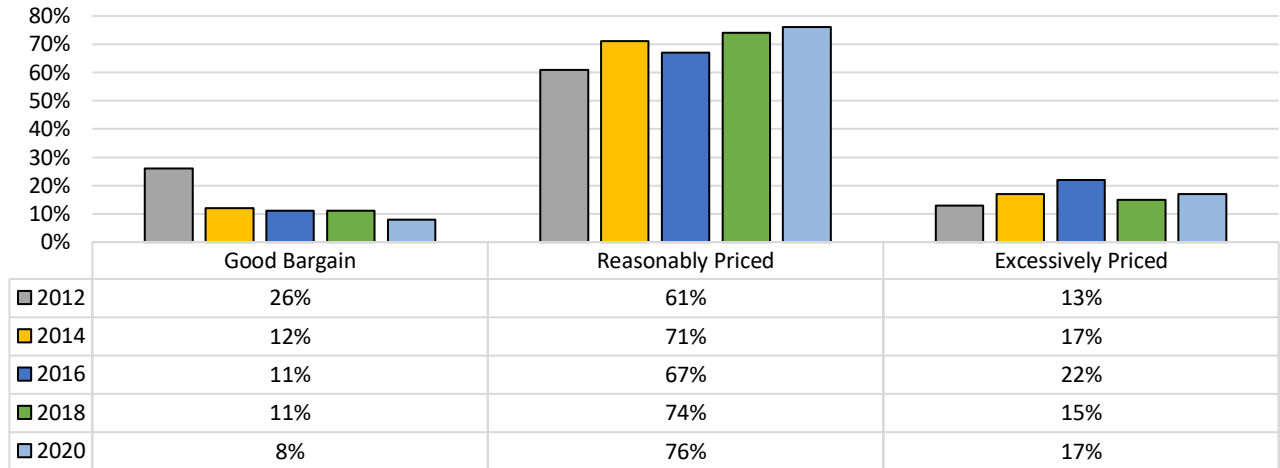
Since the sewer enterprise fund was formally established in 1976, there have been no property tax contributions to subsidize pre-existing operations or infrastructure improvements. Taxpayer support has been sought through Town Meeting for projects which have been designed to expand the sewer collection system and to support major upgrades to the Wastewater Treatment plant, as it also accepts septage from properties that are not directly connected to the sewer system.

Sewer Fund

Town Residential Survey

For the past decade, the Town has conducted a survey of randomly selected Concord residents to determine their feelings on various Town services. In terms of sewer services, the vast majority, 76% of Concord households on Town sewer lines, feel that the service is at least "Reasonably Priced," while 8% of survey respondents even describe it as a "Good Bargain."

Opinion of Sewer Service Price



FY22 Goals

- Continue to oversee successful contract operation of the municipal wastewater treatment facility, in accordance with Concord's National Pollutant Discharge Elimination System (NPDES) permit conditions, and to include anticipated and negotiated updates to that permit.
- Complete start-up and provide routine operation of the Lowell Road and Assabet Sewer pumping stations.
- Sewer Rehabilitation and Inspection Services: Identify and perform priority cleaning and television (CCTV) inspection of approximately 1/3 of the existing sanitary sewers system (approximately 10 miles), along with smoke testing in targeted areas to help identify illicit stormwater interconnections.
- Continue to prioritize and replace 10-20 sewer manhole castings, and perform the repair of associated brick leveling courses, to reduce stormwater inflow from entering the sewer system.

Long-Term Plans

- ⇒ Continue to operate the municipal wastewater treatment facility in accordance with Concord's National Pollutant Discharge Elimination System (NPDES) permit conditions.
- ⇒ Continue to manage finite wastewater capacity in a proactive manner in accordance with the Comprehensive Wastewater Management Plan (2003) and evolving community planning goals and interests.
- ⇒ Continue to perform sewer collection system inspection activities required to help prioritize system repair and replacement needs.
- ⇒ Develop and implement a "fat, oil, and grease" (FOG) management/prevention program with the goal of exploring opportunities that would work well for Concord.

Sewer Fund – Overview & Budget Highlights

FY22 Budget Highlights

The proposed FY22 sewer rate of \$0.1212 per cubic foot represents a 2% increase over the FY21 rate of \$0.1188 per cubic foot. For the average residential customer, the annual increase in their sewer bill will be \$14.25, or \$1.19 per month.

The proposed FY22 capital improvement plan is \$1,364,000, which includes \$135,000 for collection system inflow and infiltration work, \$206,000 in the first phase of a system-wide water Meter Replacement Program/upgrade (deferred from FY21) in conjunction with electric meter system upgrades planned by the Concord Municipal Light Plant, and \$563,810 on wastewater treatment plant improvements (including a partial replacement of roof, process piping replacement (grit recovery) and misc. electrical system upgrades).

The proposed FY22 operating budget is \$3,261,568, an increase of 6.8% from FY21, primarily related to an increase of \$166,632 in depreciation. The National Pollutant Discharge Elimination System (NPDES) permit for the Wastewater Treatment Plant is under review by the EPA following Concord's formal request for renewal, and a budget allowance is provided for potential changes in wastewater effluent discharge limits.

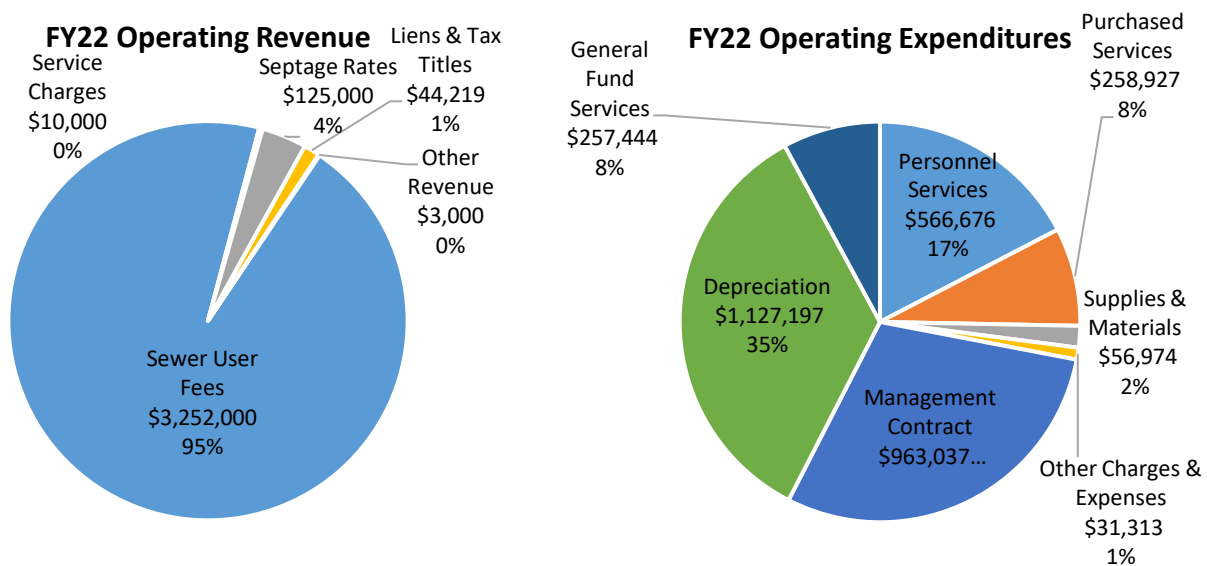
Budget Highlights

FY22 Projected Revenue	\$3,434,219
FY22 Projected Expenses	<u>\$(3,261,568)</u>
FY22 Projected Operating Income	\$172,651
FY22 Projected Net Income	\$434,640
FY22 Projected Sewer Fund Balance	\$8,456,052

Revenues and Expenditures Overview

Ninety-five percent of the Sewer Division's revenue in FY22 is expected to come from sewer user fees (\$3,252,000 of the total). The remaining projected revenues are proposed to come from service charges, septage rates, liens and tax titles, and other revenue sources.

The three largest expense categories of the total \$2,594,981 proposed are depreciation, management contract, and personnel services.



Sewer Fund – Program Highlights

Wastewater Program

In addition to routine operations, maintenance, repairs, rehabilitation, replacements and improvements to ensure reliable and quality service to all municipal customers, the programs and initiatives detailed below strike the delicate balance between essential needs and broader community and regulatory interests, particularly in the area of increasingly complex and sophisticated water resource management goals.

Wastewater treatment capacity limitations continue to pose the single most immediate and formidable wastewater challenge facing the community. The following summarizes some of the more important developments and recommendations made to date.

NPDES – Permit Renewal: Concord Sewer submitted a formal request to EPA in 2018 to renew its National Pollutant Discharge Elimination System (NPDES) permit associated with its wastewater treatment facility in accordance with a federally mandated five-year permit cycle. Included in this renewal request was a 10% increase in flow needed to support economic/residential growth and development interests of the community.

Collection System Operation and Maintenance Plan: Concord's 2019 Infiltration/Inflow Annual Report was submitted to MassDEP in accordance with conditions detailed within its NPDES permit. No reportable sanitary sewer overflows were identified during this reporting period within Concord's collection system. Furthermore, the 12-month (rolling average) of wastewater flow processed through Concord's wastewater treatment plant was 0.88 MGD, which is below the 1.2 MGD permitted capacity assigned to this facility. The infiltration rate (of groundwater) into the collection system was calculated at 26.3%, and the inflow rate (mostly stormwater) was estimated at approximately 1.96%. Both rates fall within acceptable industry limits and well below "excessive" rates as defined by the MassDEP.

Sewer Pump Station Upgrades: D&C Construction (Rockland, MA) is completing rehabilitation of the Lowell Road and Assabet Sewer pumping stations, the 2 largest in the Town's system, as well as replacement of an intermediate pump located at the WWTP.

The scope of work includes the replacement of all mechanical, electrical, plumbing, and instrumentation and control systems associated with these two facilities. Kleinfelder has provided construction administration support services throughout the project.

Division crews continued to perform routine operation and maintenance of the eight operating sewer facilities.

Sewer Fund – Proforma

Sewer Fund: Plan and Projection	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	10 years FY23-32
Operating Revenue														
User Fees	3,124,000	3,188,000	3,252,000	3,319,000	3,387,000	3,456,000	3,526,000	3,598,000	3,672,000	3,747,000	3,822,000	3,901,000	3,980,000	36,408,000
Other	180,419	181,219	182,219	184,219	185,219	186,219	188,219	189,219	190,219	193,219	196,219	198,219	201,219	1,912,190
Subtotal	3,304,419	3,369,219	3,434,219	3,503,219	3,572,219	3,642,219	3,714,219	3,787,219	3,862,219	3,940,219	4,018,219	4,099,219	4,181,219	36,843,190
Operating Expense														
O & M	2,013,662	2,092,167	2,134,371	2,222,039	2,289,168	2,358,345	2,429,632	2,503,095	2,578,802	2,666,823	2,737,231	2,820,100	2,905,509	25,500,743
Depreciation	802,303	960,565	1,127,197	1,168,681	1,215,415	1,207,867	1,231,273	1,223,862	1,253,850	1,240,319	1,235,279	1,088,582	959,187	11,824,317
Subtotal	2,815,965	3,052,732	3,261,568	3,390,719	3,504,584	3,566,212	3,660,905	3,726,957	3,832,652	3,897,142	3,972,510	3,908,683	3,864,696	35,865,981
Operating Income	488,454	316,487	172,651	112,500	67,635	76,007	53,314	60,262	29,567	43,077	45,709	190,536	316,523	995,130
ADD: Interest Income	139,052	178,580	154,298	129,574	93,495	79,954	84,484	88,101	97,122	111,810	125,986	125,986	125,986	1,062,497
Bond Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Improvement Fees	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	1,810,000
LESS: Interest Expense	102,377	88,007	73,309	59,125	45,700	32,129	19,457	6,529	0	0	0	0	0	162,940
Existing Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bond Anticipation Notes (BANs)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Issuance expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	706,129	588,060	434,640	363,949	296,431	304,832	299,341	322,834	307,689	335,887	352,694	497,522	623,508	3,704,688
Available Resources from:														
Net income	706,129	588,060	434,640	363,949	296,431	304,832	299,341	322,834	307,689	335,887	352,694	497,522	623,508	3,704,688
Depreciation expense	802,303	960,565	1,127,197	1,168,681	1,215,415	1,207,867	1,231,273	1,223,862	1,253,850	1,240,319	1,235,279	1,088,582	959,187	11,824,317
subtotal	1,508,432	1,548,625	1,561,837	1,532,630	1,511,846	1,512,700	1,530,615	1,546,696	1,561,539	1,576,206	1,587,974	1,586,104	1,582,696	15,529,005
Bond proceeds														
Loan proceeds														
LESS: Principal repayments	647,570	659,036	670,734	627,668	637,843	627,265	639,936	652,865	0	0	0	0	0	3,185,577
Existing Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BAN Repayment	860,862	889,589	891,103	904,962	874,003	885,435	890,679	893,831	1,561,539	1,576,206	1,587,974	1,586,104	1,582,696	12,343,428
Net Available for Capital Purposes														
Capital Plan: User Fee Supported	372,169	3,130,935	1,054,810	940,200	491,600	281,010	520,940	533,380	578,080	571,290	579,270	599,760	620,270	5,715,800
Improvement Fee Supported	37,264	185,000	310,000	790,000	2,113,000	2,120,000	-	-	-	-	-	-	-	5,023,000
Borrowing Supported	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Position														
Beginning balance	11,206,788	11,658,197	9,231,851	8,758,144	7,932,906	6,202,309	4,686,733	5,056,472	5,416,923	6,400,382	7,405,298	8,414,001	9,400,346	
ADD: Net available	860,862	889,589	891,103	904,962	874,003	885,435	890,679	893,831	1,561,539	1,576,206	1,587,974	1,586,104	1,582,696	
LESS: Planned Capital	409,433	3,315,935	1,364,810	1,730,200	2,604,600	2,401,010	520,940	533,380	578,080	571,290	579,270	599,760	620,270	
Changes in assets & liabilities														
Ending balance	11,658,197	9,231,851	8,758,144	7,932,906	6,202,309	4,686,733	5,056,472	5,416,923	6,400,382	7,405,298	8,414,001	9,400,346	10,362,772	

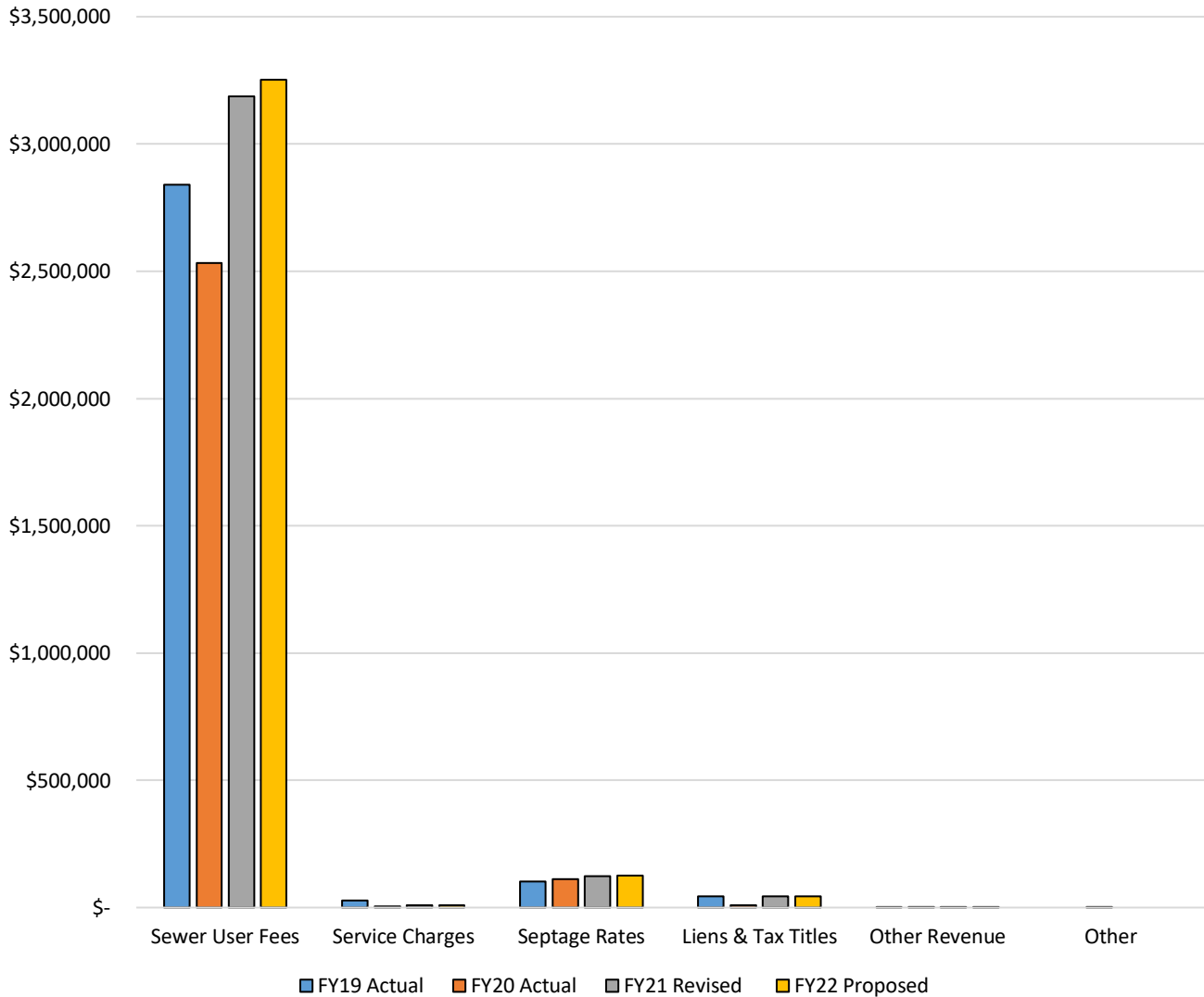
Sewer Fund – Revenues

Operating Revenues

OPERATING REVENUES

	FY19 Actual	FY20 Actual	FY21 Revised	FY22 Proposed
Sewer User Fees	\$ 2,839,724	\$ 2,532,021	\$ 3,188,000	\$ 3,252,000
Service Charges	27,798	4,478	10,000	10,000
Septage Rates	103,283	112,103	124,000	125,000
Liens & Tax Titles	44,219	\$ 9,327	44,219	44,219
Other Revenue	3,050	1,943	3,000	3,000
Other	-	3	-	-
Total Operating Revenues	\$ 3,018,074	\$ 2,659,874	\$ 3,369,219	\$ 3,434,219

Sewer Operating Revenues



Sewer Fund – Revenues

Sewer Rates

The total revenue projected to be raised through sewer rates in FY22 is \$3,252,000. Rates are set each year by the Public Works Commission following a public hearing with the following goals:

- To ensure that the Division has the resources to operate, maintain and improve the system;
- To minimize rate "shock" so that sewer costs can be a relatively predictable expense; and
- To accurately reflect sewer use (which may be different than seasonally skewed water use).

Sewer Rate Highlights

The FY22 proposed sewer use rate is \$0.1212 per cubic foot (1 cubic foot = 7.48 gallons).

The FY22 rate of \$0.1212 represents a 2% increase over the FY21 rate of \$0.1188. Since FY2010, sewer rates have increased at an average annual rate of 3.3% per year.

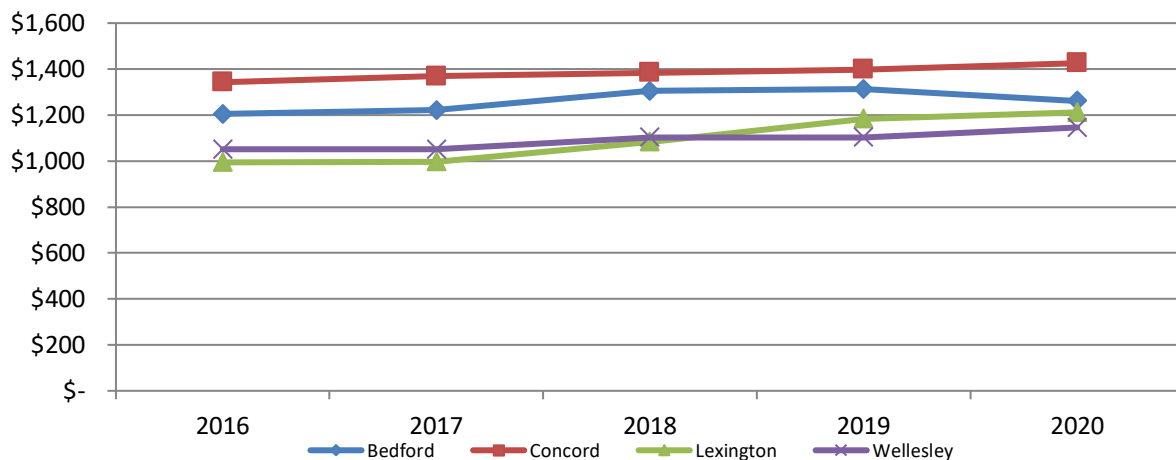
In FY22, the average residential customer is expected to pay a total of \$727 in sewer use over the course of the year. The average residential customer is assumed to use 750 cubic feet per month. Customers who consume more than 1,200 cubic feet of water per month will pay a higher rate (a Conservation Step).

Property owners who meet certain age and income criteria may qualify for a 50% discount on the step 1 residential rates.

Benchmarking Sewer Rates

The comparison of sewer rates between individual systems and communities can be particularly difficult, given the wide variation in management and financial structures and customer demographics. Some level of public sewerage service is provided by 57% of Massachusetts communities. Some systems, like Concord, adhere to strict enterprise principles (i.e., full cost accounting with consideration of long-range investments and depreciation of fixed assets) while other systems are subsidized through a municipality's general fund. Statewide, 57% of communities have adopted a flat rate structure, 35% use an ascending rate structure, and 8% assess a flat fee. More sophisticated and flexible rate designs, such as the winter/spring demand basis employed by Concord for residential customers, have been adopted by only 3% of systems across the state (from Tighe and Bond rate survey 2014). The table below demonstrates how rate adjustments (and cost of service) over time have impacted Concord and three neighboring systems.

Sewer Cost Comparison Based on American Water Works Association Standard of 120 HCF Annually (90,000 gallons)



Sewer Fund – Expenditures

Operating Expenditures

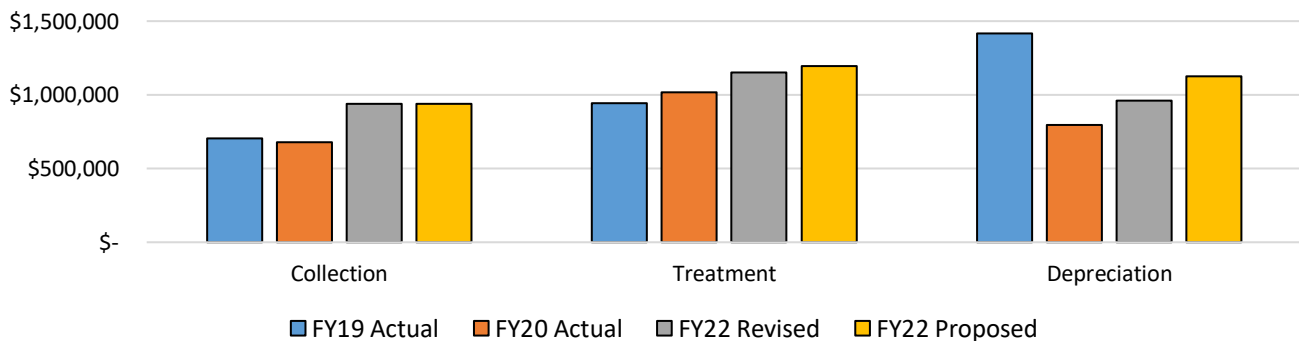
OPERATING EXPENSES

<u>Sewer Divisions</u>	FY19	FY20	FY21	FY22
<u>Collection</u>	Actual	Actual	Revised	Proposed
Personnel Services	\$ 395,819	\$ 410,675	\$ 493,967	\$ 504,748
Purchased Services	115,645	107,483	223,917	218,927
Supplies & Materials	39,314	39,132	57,374	56,974
Other Charges & Expenses	33,722	(5,829)	30,804	31,313
General Fund Services	122,056	126,565	132,286	128,722
Subtotal	\$ 706,556	\$ 678,027	\$ 938,349	\$ 940,684
<u>Treatment</u>				
Personnel Expenses	\$ 48,633	\$ 54,071	\$ 61,469	\$ 61,928
Purchased Services	5,134	-	40,000	40,000
Management Contract	767,293	833,334	920,064	963,037
Supplies & Materials	-	-	-	-
Other Charges & Expenses	193	2,085	-	-
General Fund Services	122,056	126,565	132,286	128,722
Subtotal	\$ 943,308	\$ 1,016,056	\$ 1,153,819	\$ 1,193,687
Depreciation Expense	1,417,818	797,793	960,565	1,127,197
Total Operating Expense	\$ 3,067,682	\$ 2,491,876	\$ 3,052,732	\$ 3,261,568

RETIREMENT AND OPEB ASSESSMENT

<i>For Informational Purpose Only</i>				
	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
Retirement Assessment	\$ 24,541	\$ 36,680	\$ 31,735	\$ 31,735
OPEB Assessment	-	-	5,000	5,000
Total Assessment	\$ 24,541	\$ 36,680	\$ 36,735	\$ 36,735

Sewer Operating Expenditures



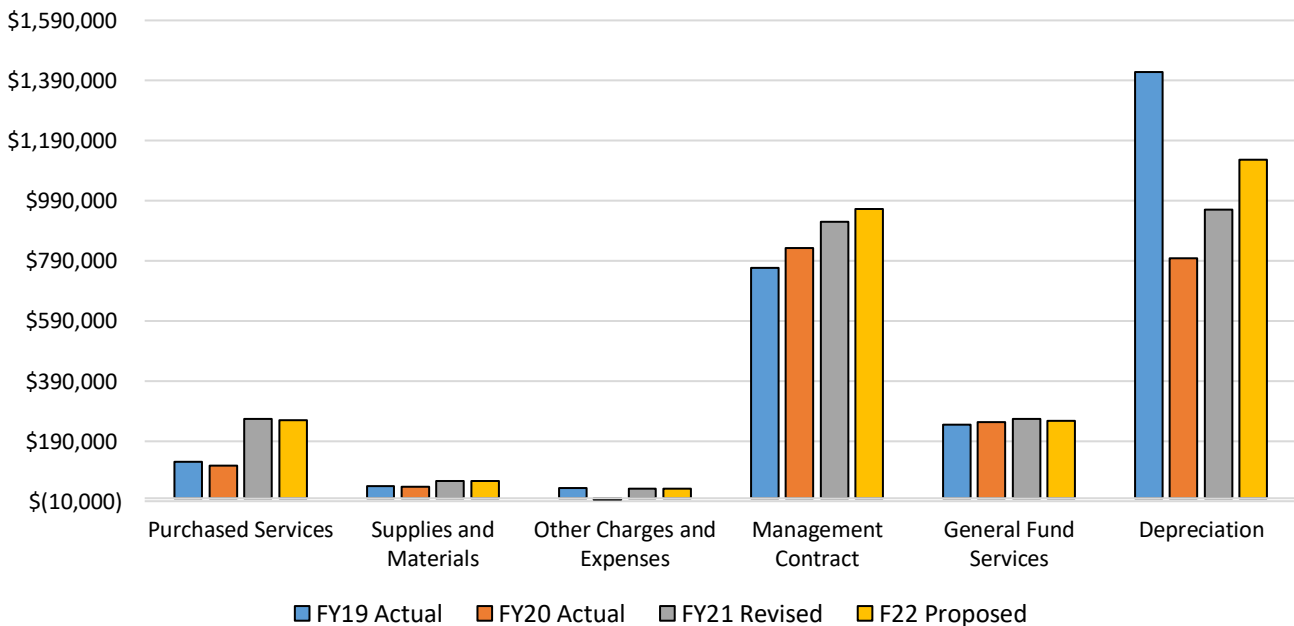
Sewer Fund – Expenditures

Personnel Summary

	FY21 Revised		FY22 Proposed	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
Regular Staff - Collections	4.25 FTEs	\$ 360,778	4.25 FTEs	\$ 348,593
Employee Benefits				
Group Insurance	N/A	\$ 25,880	N/A	\$ 43,343
OPEB	N/A	5,000	N/A	10,949
Retirement Contribution	N/A	31,735	N/A	31,156
Subtotal	N/A	\$ 62,615	N/A	\$ 85,448
Payroll Taxes				
Medicare Tax	N/A	\$ 4,468	N/A	\$ 4,602
Social Security Contribution	N/A		N/A	
Subtotal	N/A	\$ 4,468	N/A	\$ 4,602
Other Personnel Costs				
Overtime (5130)	800 hrs.	\$ 53,994	800 hrs.	\$ 53,994
Police Overtime (5131)	100	4,000	100	4,000
IT Salary (5111)	N/A	5,952	N/A	5,952
Salary Adjustments OT (5130)	N/A	2,160	N/A	2,159
Subtotal	N/A	\$ 66,106	N/A	\$ 66,105
Total Collections	4.25 FTEs	\$ 493,967	4.25 FTEs	\$ 504,748
Treatment Personnel Costs	0.75 FTEs	\$ 61,469	0.75 FTEs	\$ 61,928
Total Sewer Personnel	5.00 FTEs	\$ 555,436	5.00 FTEs	\$ 566,676

Non-Personnel Expenditures

Sewer Non-Personnel Operating Expenditures



Sewer Fund – Expenditures

General Fund Services

The Sewer Fund for the use of General Fund services and support contributes a set portion of funding each year to support personnel and non-personnel expenditures of certain accounts.

PAYMENTS TO THE GENERAL FUND

	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
Management & Engineering:				
Public Works Administration	\$ 39,232	\$ 41,294	\$ 41,557	\$ 37,641
Public Works Engineering	27,962	29,744	29,600	29,760
Highway Maintenance	4,976	6,584	6,899	5,861
133/135 Keyes Road	16,438	16,357	14,867	14,867
Subtotals	\$ 88,608	\$ 93,979	\$ 92,923	\$ 88,129
Financial & Administrative:				
Town Manager	\$ 33,442	\$ 33,528	\$ 37,756	\$ 37,981
Human Resources	5,765	7,137	6,810	7,979
Information Systems	-	2,552	4,689	5,901
Facilities Administration	-	-	2,595	7,225
Finance Administration	23,214	24,064	24,661	21,665
Treasurer-Collector	13,895	13,559	14,234	13,240
Town Accountant:				
General Services	17,127	14,954	15,543	13,095
Audit Services	6,000	6,000	6,000	6,000
Town House	3,902	4,222	3,822	-
Subtotals	\$ 103,345	\$ 106,016	\$ 116,110	\$ 113,086
Natural Resource:				
Planning	\$ 8,286	\$ 8,866	\$ 9,677	\$ 9,810
Natural Resources	7,094	7,341	8,708	8,823
Health	36,778	36,929	37,154	37,596
Subtotals	\$ 52,158	\$ 53,136	\$ 55,539	\$ 56,229
Salary Reserve	\$ -	\$ -	\$ -	\$ -
Totals	\$ 244,111	\$ 253,131	\$ 264,572	\$ 257,444

Sewer Fund – Expenditures

Capital (Capital Outlay and Debt-Funded)

CAPITAL SPENDING PLAN								
	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total FY22 - 26
Collection System								
<u>Pumping Plant</u>								
Station Structures	0	4,500	10,000	10,000	11,000	12,000	13,000	56,000
Station Equipment	282,717	2,911,000	160,000	10,000	11,000	12,000	13,000	206,000
Subtotal	282,717	2,915,500	170,000	20,000	22,000	24,000	26,000	262,000
<u>Collection Plant</u>								
Sewer Mains/Laterals	8,300	21,000	20,000	21,000	22,000	23,000	24,000	110,000
Inflow/Infiltration (Note 1)	37,264	135,000	135,000	206,000	213,000	220,000	0	774,000
Inflow/Infiltration	0	0	0	0	0	0	227,000	227,000
Meter Replacements	0	10,000	206,000	206,000	30,000	31,000	32,000	505,000
Subtotal	45,564	166,000	361,000	433,000	265,000	274,000	283,000	1,616,000
Wastewater Treatment Plant								
Structures	9,660	40,000	326,000	250,000	250,000	30,000	31,000	887,000
Plant Equipment	31,304	65,000	225,000	100,000	103,000	107,000	111,000	646,000
Capacity/Treatment Optimization				484,000	1,900,000	1,900,000	0	4,284,000
Depreciable Personal Services	16,421	12,435	12,810	13,200	13,600	14,010	14,440	68,060
Subtotal	57,385	117,435	563,810	847,200	2,266,600	2,051,010	156,440	5,885,060
General Plant								
Keyes Road CPW Facility	0	0	10,000	10,000	11,000	12,000	13,000	56,000
Vehicle Replacements	23,767	67,000	85,000	320,000	40,000	40,000	42,500	527,500
Miscellaneous Equipment & Billing Software								
Subtotal	23,767	67,000	95,000	330,000	51,000	52,000	55,500	583,500
Wastewater Management Project								
Wastewater Planning (Note 1)	0	50,000	175,000	100,000	0	0	0	275,000
W.R. Grace land acquisition (funded through borrowing)								
Subtotal	0	50,000	175,000	100,000	-	-	-	275,000
Total Capital Uses	409,433	3,315,935	1,364,810	1,730,200	2,604,600	2,401,010	520,940	8,621,560
Funding the Capital Plan								
Total - User Fees	372,169	3,130,935	1,054,810	1,424,200	2,391,600	2,181,010	520,940	7,572,560
Total - Sewer Improvement Fees	37,264	185,000	310,000	306,000	213,000	220,000	0	1,049,000
Total - Borrowing								
Total Capital Sources	409,433	3,315,935	1,364,810	1,730,200	2,604,600	2,401,010	520,940	8,621,560

Note 1: Charged to Sewer Improvement Fund

Sewer Fund – Expenditures

DEBT SERVICE

	FY19 Actual	FY20 Actual	FY21 Revised	FY22 Proposed
Long Term Debt Repayment:				
Principal	\$ 618,831	\$ 682,570	\$ 659,036	\$ 670,734
Interest	108,499	110,857	88,007	73,309
Totals	\$ 727,330	\$ 793,428	\$ 747,043	\$ 744,042

Note: The Debt Schedule above and on the facing page does not account for Accrual periods across fiscal years, and so differs from the Town's Audited Financial Statements.

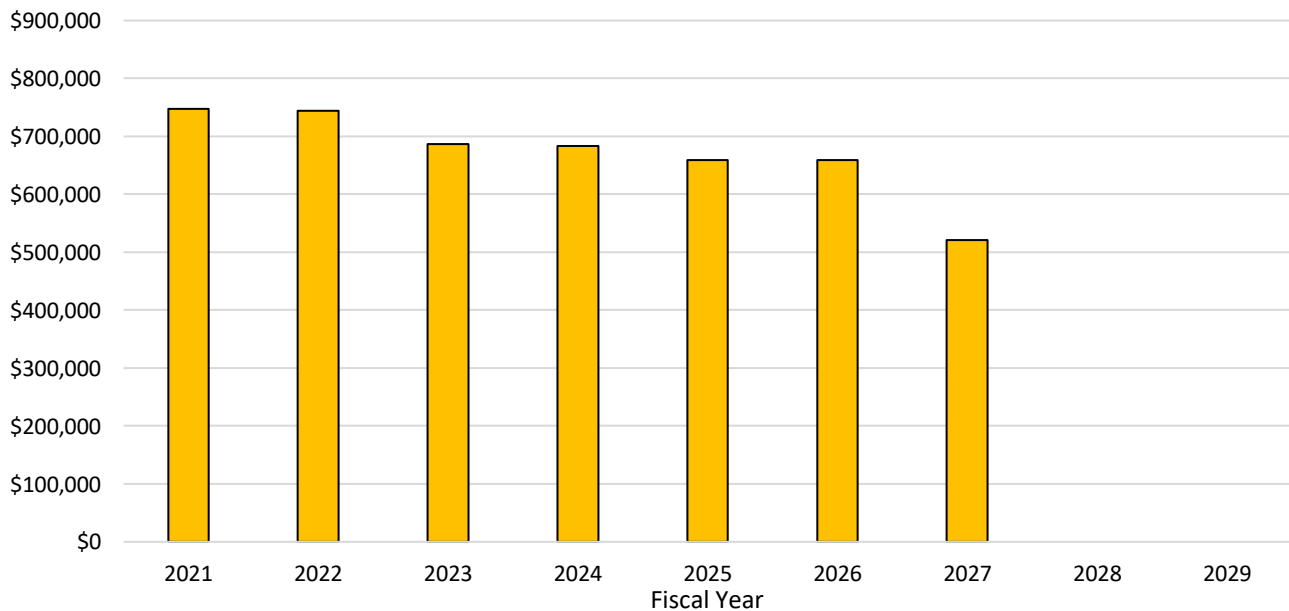
Sewer Debt Service Schedule

Exclusive of betterment financing

Fiscal Year	Principal	Interest	Total
2021	659,036	88,007	747,043
2022	670,734	73,309	744,042
2023	627,668	59,125	686,793
2024	637,843	45,700	683,543
2025	627,265	32,129	659,393
2026	639,936	19,457	659,393
2027	514,865	6,529	521,394
2028	-	-	-
2029	-	-	-
Totals	\$4,377,346	\$324,254	\$4,701,600

Sewer Fund Debt Service

(As of June 30, 2020)



Sewer Fund – Net Income & Fund Balance

Net Income

NET INCOME							
	FY19		FY20		FY21		FY22
	Actual		Actual		Revised		Proposed
Operating Income							
Operating Revenues	\$ 3,018,074	\$	2,659,874	\$	3,369,219	\$	3,434,219
Less Operating Expenses	(3,067,682)		(2,491,876)		(3,052,732)		(3,261,568)
Operating Income	\$ (49,607)	\$	167,998	\$	316,487	\$	172,651
Non-operating Income							
Add Investment Income	\$ 163,439	\$	151,642	\$	178,580	\$	154,298
Add Bond Premium	27,500		-		-		-
Add Sewer Improvement Revenues	248,033		223,166		181,000		181,000
Less Int. Exp. and Admin. Fees	(110,249)		(109,986)		(88,007)		(73,309)
Non-operating Income	\$ 328,723	\$	264,822	\$	271,573	\$	261,989
Net Income	\$ 279,116	\$	432,820	\$	588,060	\$	434,640
Reconciliation with Financials							
Add Betterment Revenues	\$ 9,659	\$	71,458	\$	-	\$	-
WPAT Loan Int. Exp. And Fees	(21,645)		(18,942)		-		-
WPAT Transfer from General Fund	85,897		87,632		-		-
Change in Net Position	\$ 353,026	\$	572,968	\$	588,060	\$	434,640

AVAILABLE RESOURCES

Resources Available from Current Operations for Replacement & Renewal of Facility:							
	FY19		FY20		FY21		FY22
	Actual		Actual		Revised		Proposed
Capital Purposes							
Add Depreciation Expense	\$ 1,417,818	\$	797,793	\$	960,565	\$	1,127,197
Add Net Income	279,116		432,820		588,060		434,640
Add Sewer Improvement Allocation	26,309		37,264		185,000		310,000
Add Bond Proceeds	-		-		-		-
Less Bonds Payable	(618,831)		(682,570)		(659,036)		(670,734)
Net Available for Capital	\$ 1,104,412	\$	585,307	\$	1,074,589	\$	1,201,103

Sewer Fund – Net Income & Fund Balance

CASH POSITION AND FUND BALANCE FORECAST

<u>Cash at Year Opening</u>	FY21		FY22	
Cash on July 1st	\$ 11,373,992		\$ 8,947,646	
Add Non-Cash Assets	605,653		605,653	
Less Liabilities and Deferred Inflows	(623,540)		(623,540)	
Fund Balance on July 1st	\$ 11,356,105		\$ 8,929,759	
<u>Fund Balance Details (projected)</u>	Credits	Debits	Credits	Debits
Net Income	588,060		434,640	
Bond Principal Repayment		(659,036)		(670,734)
Capital (Borrowing)			-	
Capital Outlay (Non-Borrowing)		(3,130,935)	-	(1,054,810)
Capital (Sewer Improvement Fund)		(185,000)		(310,000)
Add Depreciation Expense	960,565		1,127,197	
Balance Projected at June 30th	1,548,625	(3,974,971)	1,561,837	(2,035,544)
Fund Balance on June 30th	\$ 8,929,759		\$ 8,456,052	
<u>Cash at Year End (projected)</u>				
Fund Balance on June 30th	\$ 8,929,759		\$ 8,456,052	
Less Receivables	(605,653)		(605,653)	
Add Cash Held for Liabilities	623,540		623,540	
Projected Cash at June 30th	\$ 8,947,646		\$ 8,473,939	
Sewer Improvement Fund Cash	\$ 4,887,392		\$ 4,758,392	
Unrestricted Cash	\$ 4,060,254		\$ 3,715,547	

SEWER IMPROVEMENT FUND

	FY19		FY20		FY21		FY22	
	Actual		Actual		Revised		Proposed	
Cash on July 1st	\$	4,483,765	\$	4,705,490	\$	4,891,392	\$	4,887,392
Revenues		248,033		223,166		181,000		181,000
Expenditures		(26,309)		(37,264)		(185,000)		(310,000)
Adjustment		-		-		-		-
Cash on June 30th	\$	4,705,490	\$	4,891,392	\$	4,887,392	\$	4,758,392
Net Activity	\$	221,725	\$	185,902	\$	(4,000)	\$	(129,000)

Note: The Sewer Improvement Fund is included in the cash and fund analysis found on the preceding page (the Sewer Betterment Account, shown below, is not).

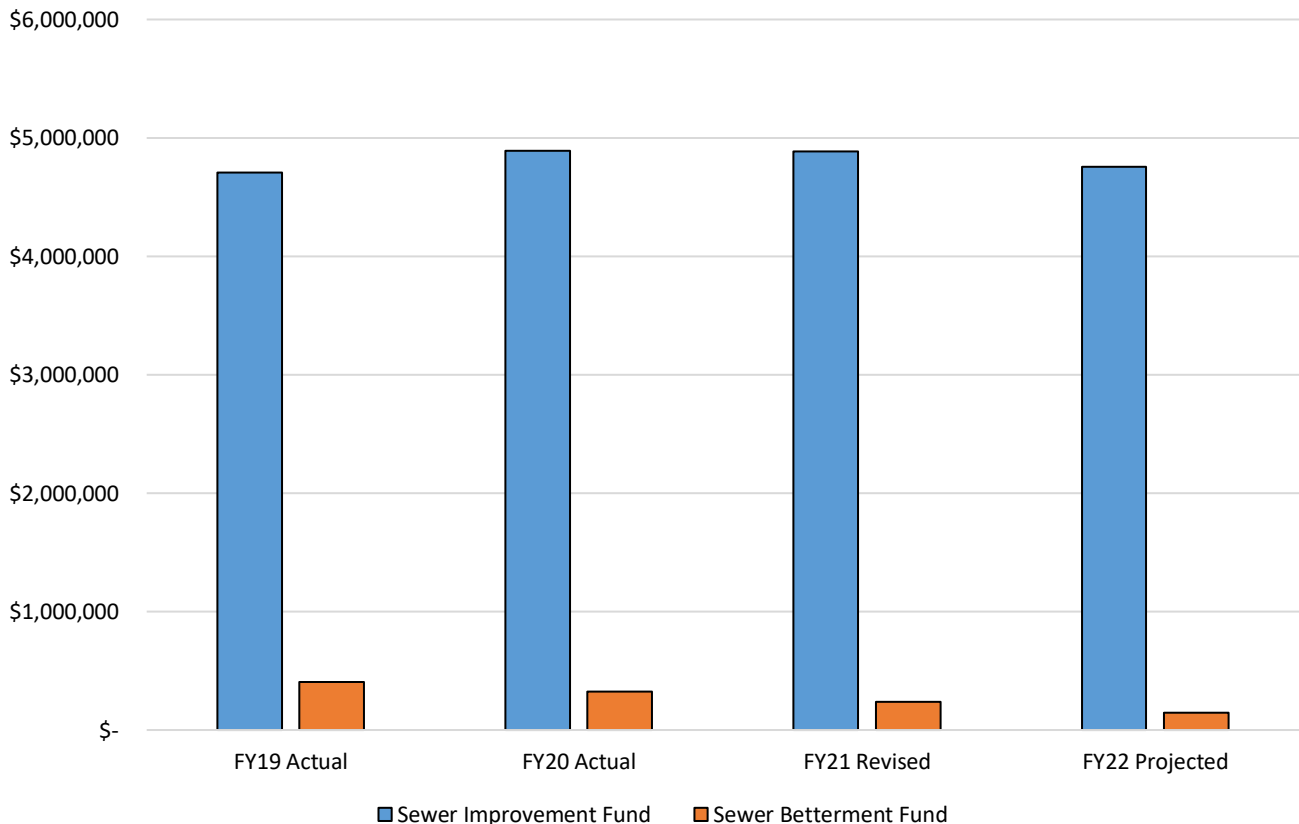
Sewer Fund – Net Income & Fund Balance

SEWER BETTERMENT CASH FLOW ANALYSIS

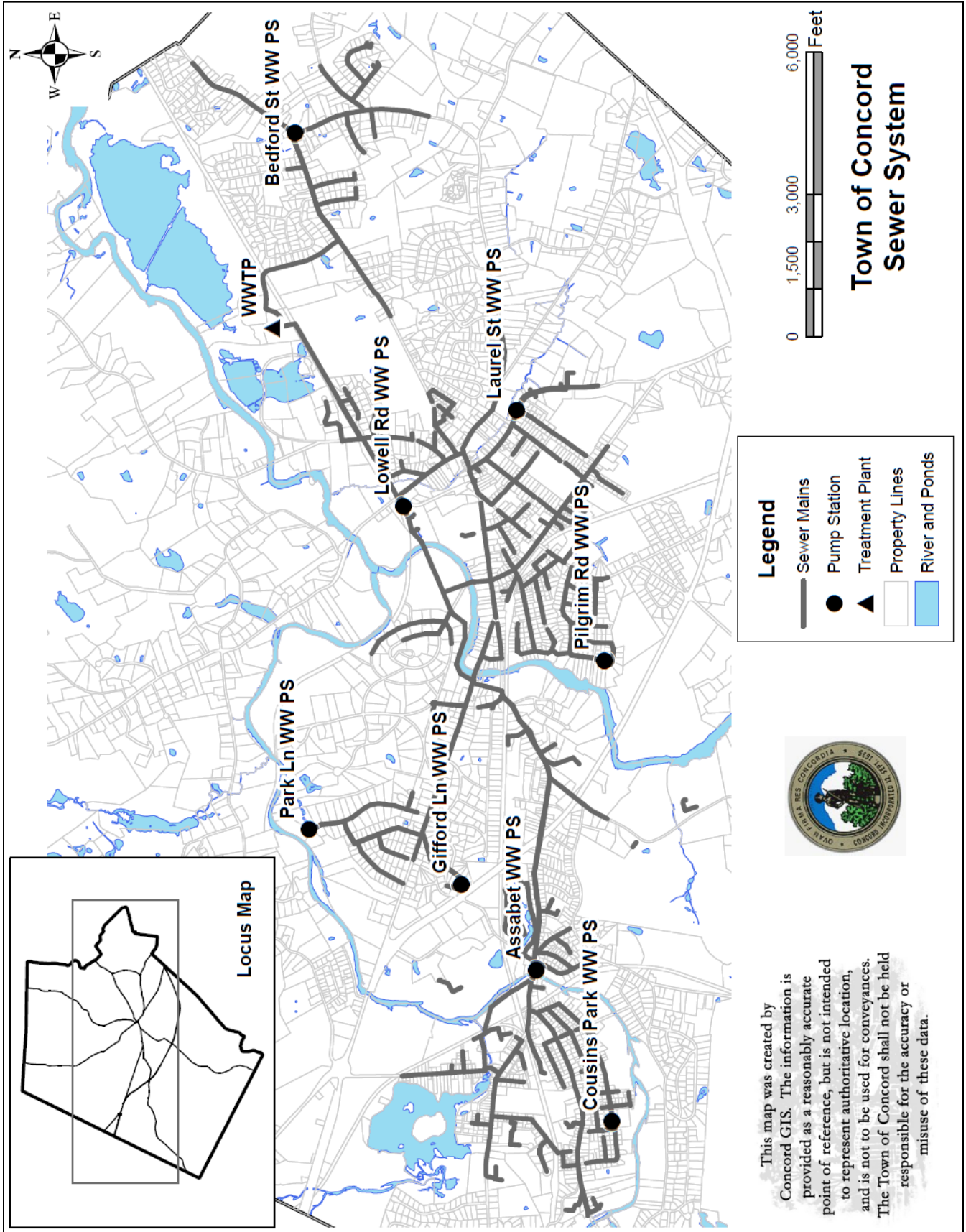
Activity	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
Cash at July 1st	\$ 478,151	\$ 407,378	\$ 323,402	\$ 237,969
Cash Received	84,660	71,458	70,000	65,000
Debt Service	(155,433)	(155,433)	(155,433)	(155,433)
Cash at June 30th	\$ 407,378	\$ 323,402	\$ 237,969	\$ 147,536
Net Activity	\$ (70,773)	\$ (83,976)	\$ (85,433)	\$ (90,433)
Net Assets (as of June 30th)				
Cash	\$ 407,378	\$ 323,402	\$ 237,969	\$ 147,536
Betterment Receivables	402,384	337,754	280,000	230,000
Net Assets	\$ 809,762	\$ 661,156	\$ 517,969	\$ 377,536
		\$ 287,754		
Less Outstanding Principal	(1,022,725)	(910,225)	(810,100)	(720,989)
Surplus / Deficit	\$ (212,962)	\$ (249,069)	\$ (292,131)	\$ (343,453)

Note: The negative number shown as Surplus / Deficit will be offset by future collections from interest earned on the account's cash holdings, as well as by interest charged to property owners with outstanding balances (both of which accounting practices do not allow to be shown as an asset).

Sewer Fund Historical Fund Balance (As of June 30th)



Sewer Fund – Service Map



This page is intentionally left blank.

Solid Waste Fund

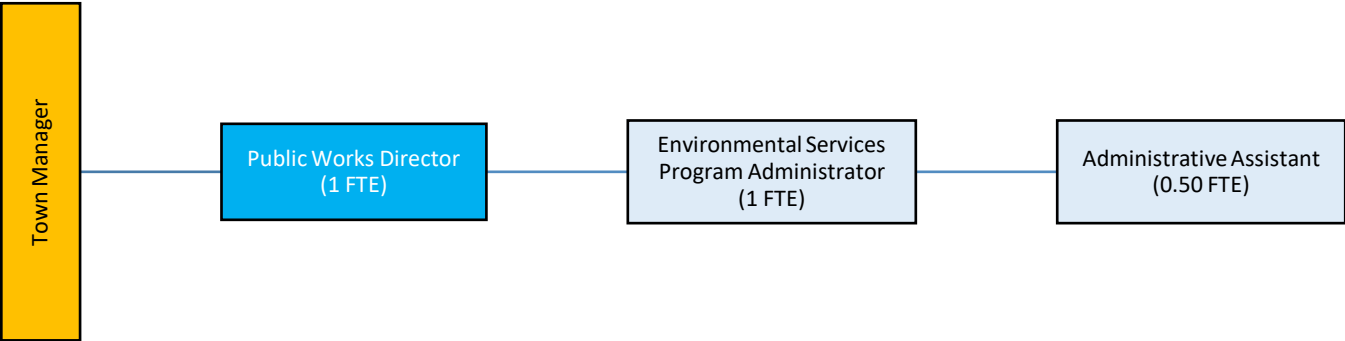
This page is intentionally left blank.

Solid Waste Fund

Mission Statement

The mission of the Solid Waste Division is to provide an efficient, environmentally sound, and cost-effective solid waste collection and disposal and recycling program for subscribers to the Town’s curbside program.

Organizational Chart



Solid Waste Fund

Overview

Concord’s “pay-as-you-throw” curbside collection program is open to all residents and small commercial facilities. This program provides Concord residents with an economical trash disposal option and a convenient and comprehensive recycling plan. The curbside collection program is fee-based and is not supported by tax dollars.

Participation in the program requires a base subscription fee, plus a disposal charge for each bag or barrel of trash. Recyclable collection is provided to residential subscribers at no additional charge. The number of subscribers has been very stable over the years, currently with 3,622 customers out of an estimated 5,500 potential households on this program. Residents that do not subscribe to the municipal program are either served by private haulers that provide for a more customized service (flexibility in day of week or off road pick-up) at a premium rate or are in multi-unit residential complexes that are provided with dumpster service.

The pay-as-you-throw curbside collection program encourages recycling, and Concord continues to be one of the top curbside recycling communities in Massachusetts. The pay-as-you-throw collection program, coupled with the weekly recycling collection program, has resulted in a recycling rate of approximately 39% of materials set out at the curb.

Contract Services and Industry Trends

Concord has been in a long-term contract with Waste Management Inc. for collection and disposal services, which expires June 30, 2021. Concord is negotiating an amendment to this contract to extend service from July 1, 2021 to September 30, 2022. This will allow the Town to continue to offer the same curbside trash and recycling services for a modest price adjustment to align with this contract extension.

Curbside Collection – The greatest increase in the new contract extension relates to collection services. This increased cost is associated with labor and insurance escalations relating directly to the manual collection process (a person picking up the trash/recycling and manually putting it in the truck).

Recycling Processing Fees – The greatest percent increase in cost relates to the processing of recycled materials. The increased costs are twofold; the first being changes in the recycling market and second attributed to dual stream recycling.

- *Recycling Market Updates* – In early 2018, China’s National Sword policy went into effect, which ultimately led to municipalities paying significantly more for recycling processing. Concord’s contract with Waste Management had a set rate through June 2021 that was significantly lower than the market rate. The recycling processing fee represented in the contract amendment is on par with what other haulers and municipalities are experiencing.
- *Concord’s Dual Stream Recycling* – Dual stream recycling programs like Concord’s, by design, have a lower contamination rate than single stream recycling programs. To date, Concord’s dual stream recycling program has protected the Town from incurring exorbitant paper processing fees, which is not the case for many communities. In comparison to other communities with single stream recycling, much of the increased costs are associated with hauling the paper recycling to a dual stream recycling processing facility in western Massachusetts.

Moving Forward – Landfill’s around the country are reaching capacity and recycling is no longer free. Moving forward, the biggest challenge Concord faces as a community is how to reduce the volume and nature of waste to limit the impact on the environment and wallets. Over the next year, the community will be engaged in evaluating related services and expectations to align these interests with a new long-term curbside collection

Solid Waste Fund

contract. The Solid Waste Division looks forward to working with the community to determine how to best serve Concord’s interest and needs.

Accomplishments

- ☑ Despite unanticipated challenges introduced by the COVID-19 pandemic, the Curbside Collection Program provided un-interrupted trash and recycling collection and disposal services to more than 3,660 households.
- ☑ In response to the COVID-19 pandemic, a new socially distant version of the Fall DropOff event was successfully hosted on October 17th welcoming 440 households.
- ☑ Residents made more than 21,000 visits to the 755 Walden Street Compost Site, dropping off leaves, grass clippings, and brush.
- ☑ Concord Public Works hosted several mini-recycling events to collect bulbs, batteries, mercury containing items, and Styrofoam block in the fall of 2020 to help offset the demand on Drop-off day.
- ☑ 114 households properly disposed of Household Hazardous Waste at the Minuteman Regional Hazardous Waste Facility.
- ☑ 100 households properly disposed of Household Hazardous Waste at the Hazardous Waste Collection Event held at Concord Public Works on September 14th.



Performance

Success of the Solid Waste program is measured by three general metrics:

- Recycling Rate & Tonnage
- Waste Tonnage per Subscriber
- Program Affordability

Tonnage & Recycling Rate

Concord continues to be one of the top curbside recycling communities in Massachusetts.

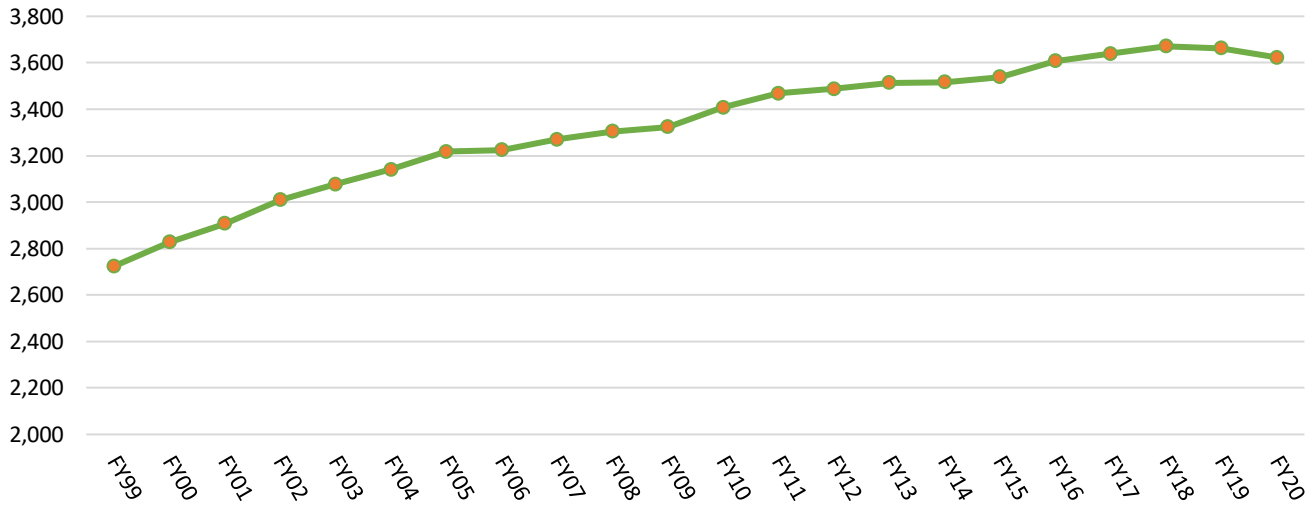
In FY20, subscribers to the municipal curbside collection program disposed of 2,563 tons of trash, and recycled 1,616 tons of paper and commingled containers, resulting in a recycling rate of 39%.

Historical tonnages and recycling rates are outlined on the following page.

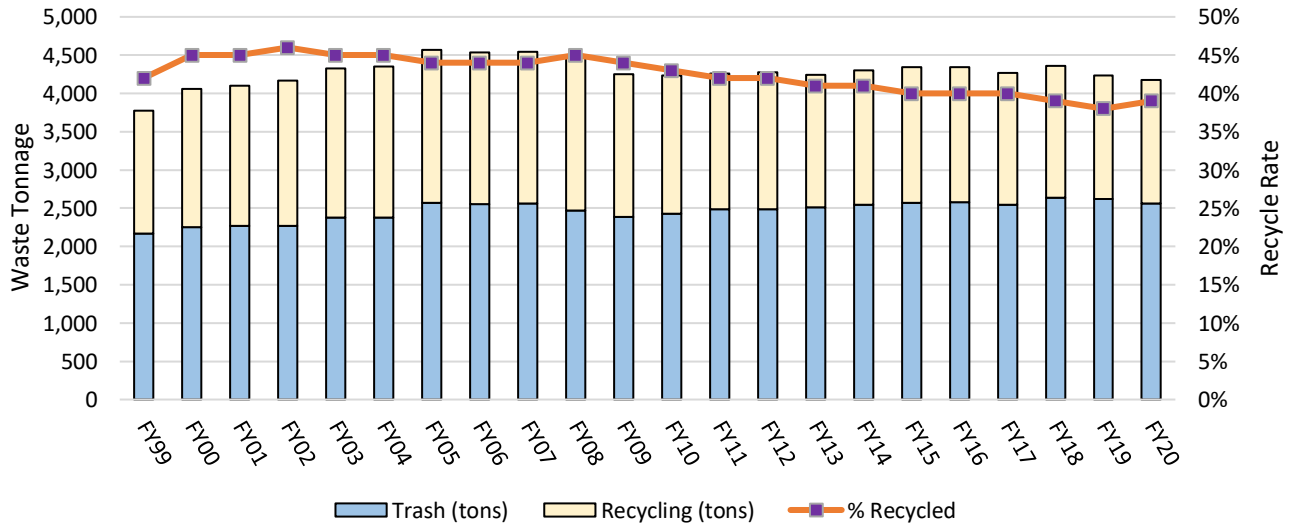
Solid Waste Fund

	No. of subscribers as of 6/30	Change in # of subscribers	Trash (tons)	Recycling (tons)	Total (Tons)	% Recycled
FY11	3,468	61	2,483	1,780	4,263	42%
FY12	3,488	20	2,484	1,794	4,278	42%
FY13	3,514	26	2,513	1,734	4,247	41%
FY14	3,517	3	2,544	1,760	4,304	41%
FY15	3,539	22	2,574	1,768	4,341	40%
FY16	3,608	69	2,581	1,761	4,342	40%
FY17	3,639	31	2,548	1,716	4,264	40%
FY18	3,671	32	2,637	1,720	4,357	39%
FY19	3,663	(8)	2,619	1,618	4,237	38%
FY20	3,622	(41)	2,563	1,616	4,179	39%

Historic Curbside Subscribers



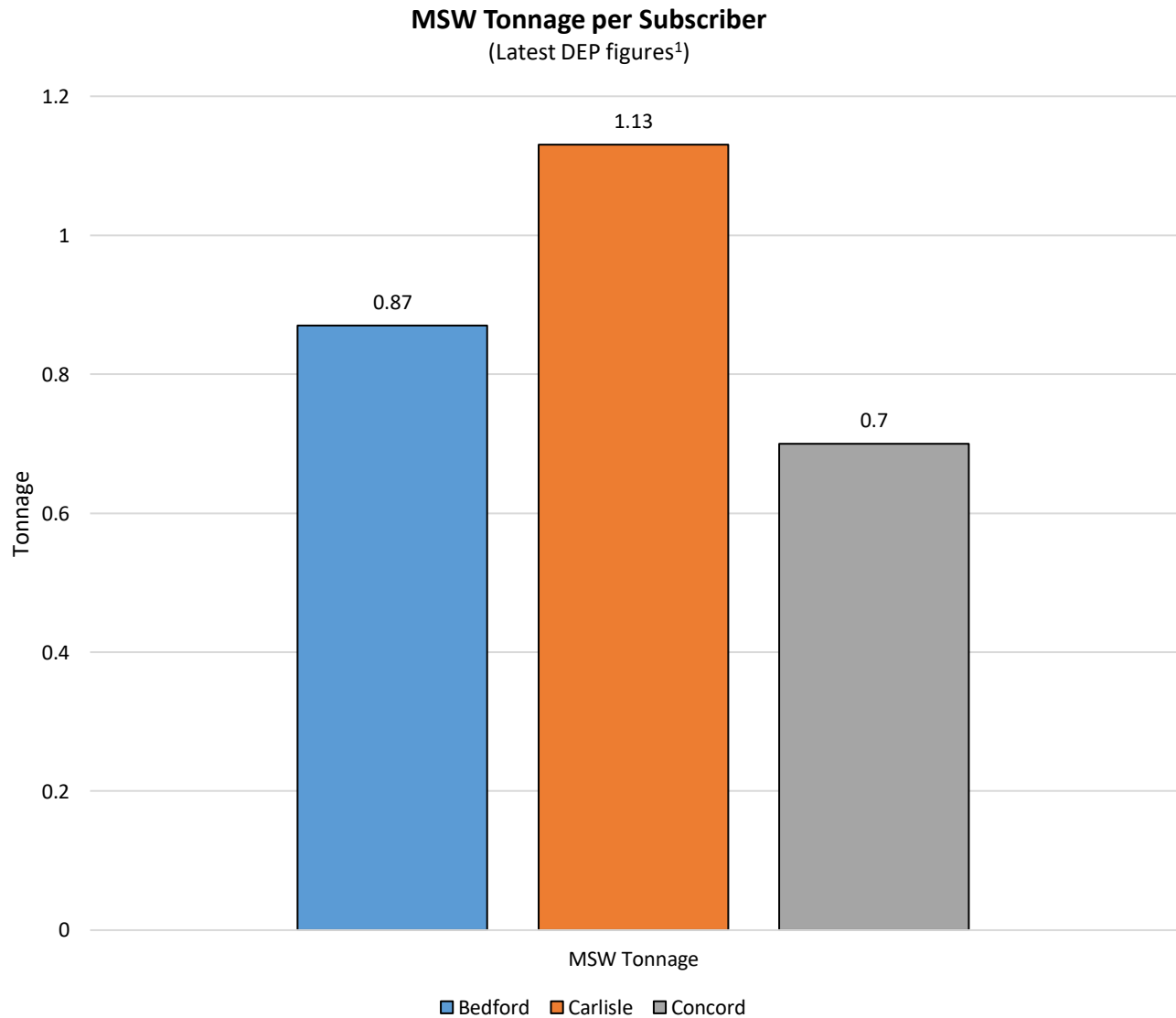
Tonnage and Recycling Rate



Solid Waste Fund

Benchmark Comparison of MSW Tonnage per Subscriber

MassDEP shifted its focus from municipal recycling rates to waste reduction, and now focuses on tons of municipal solid waste (MSW) generated per household as a benchmark. As shown in the graph below, subscribers on Concord’s curbside program generate less trash than residents of some surrounding towns. To a large extent, this achievement is a result of the pay-as-you-throw (PAYT) pricing structure that the Town has implemented. PAYT communities typically generate less trash per household than non-PAYT communities.



¹ 2019 Municipal Solid Waste and Recycling Survey information.

Solid Waste Fund

Hauler Cost Comparison

Subscription fees and disposal fees (barrel stickers and weekly tags) are established each year to allow the Division to meet its yearly expenditures while remaining competitive, typically well below the rate private haulers charge.

A comparison of annual cost to curbside subscribers with those of private haulers that serve the area is presented below based on an average of 1.36 barrels/bags per week (average determined on the most recent route audit). Even with a two barrel/bag setout weekly, the cost to the subscriber is much less expensive. In addition, the subscription fee includes a pass to the Minuteman Household Hazardous Products Facility (a \$60.00 value).

Concord curbside subscribers continue to realize a lower cost option than is otherwise available in the area.

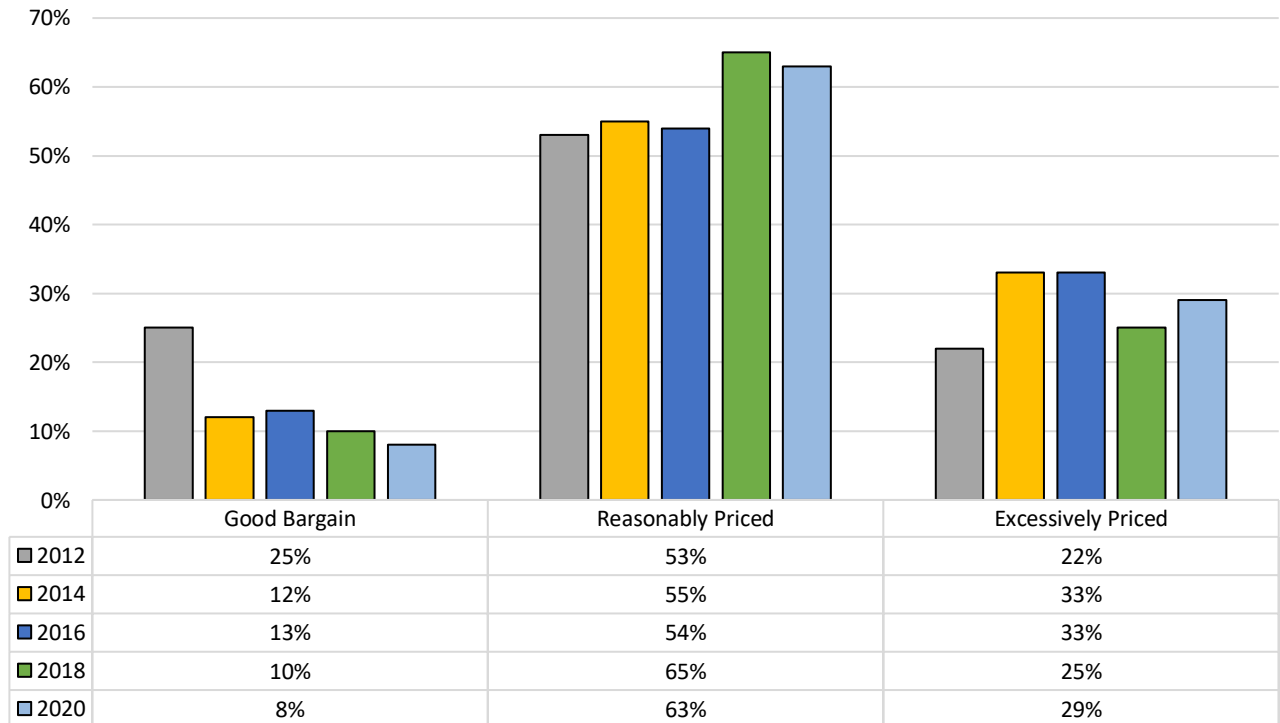
	FY19	FY20	FY21	FY22
TOWN	\$368.08	\$378.08	\$409.30	\$449.30
Mr. Trashman	\$468.00	\$480.00	\$492.00	\$492.00
Moreau & Son	\$480.00	\$480.00	\$468.00	\$468.80
Barry Brothers	\$528.00	\$528.00	*	*
Orifice Recycling & Refuse			\$504.00	\$528.00

* Barry Brothers no longer servicing residential customers

Town Residential Survey

During the fall of 2012, 2014, 2016, 2018, and 2020, the Town conducted a survey of Town residents and asked the following question, “Do you consider the price of the Town’s trash and recycling pickup is a Good Bargain, Reasonably Priced, or Excessively Priced?” For the 2020 (FY21) Residential Survey, 8% responded “Good Bargain”, 63% responded as “Reasonably Priced”, and 29% “Excessively Priced.”

Opinion of Collection Rates



Solid Waste Fund

FY22 Goals

- Successfully negotiate a new multi-year curbside collection contract with waste hauling vendors.
- Increase education and outreach to encourage waste reduction.
- Evaluate new opportunities for improving services associated with universal waste.
- Support local and state initiatives to reduce landfilled waste.
- Continue to host spring/fall DropOff.
- Evaluate ways to host spring/fall SwapOff Event in a socially distant manner.
- Continue to provide cost effective and user-friendly collection and household hazardous waste disposal services for miscellaneous universal waste (mercury thermostats, batteries, fluorescent bulbs, etc.).

Long-Term Plans

- ⇒ Evaluate how a circular economy can help communities similar to Concord move towards a Zero Waste goal.
- ⇒ Evaluate creative ways to help divert waste from landfills and support Concord's greenhouse gas reduction initiatives.
- ⇒ Help Massachusetts meet the waste reduction goals set forth in the Draft 2030 Solid Waste Master Plan.
 - 2030 goal – reduce disposal tonnage by 30%
 - 2050 goal – reduce disposal tonnage by 90%

Solid Waste Fund – Overview & Budget Highlights

FY22 Budget Highlights

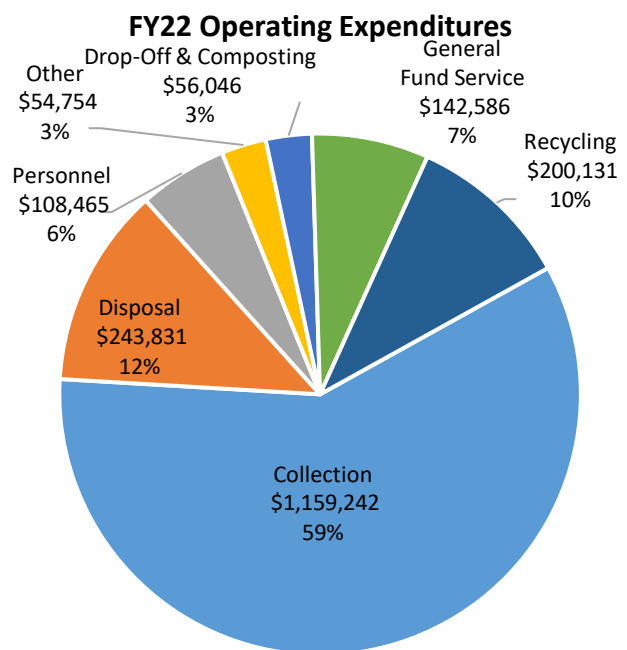
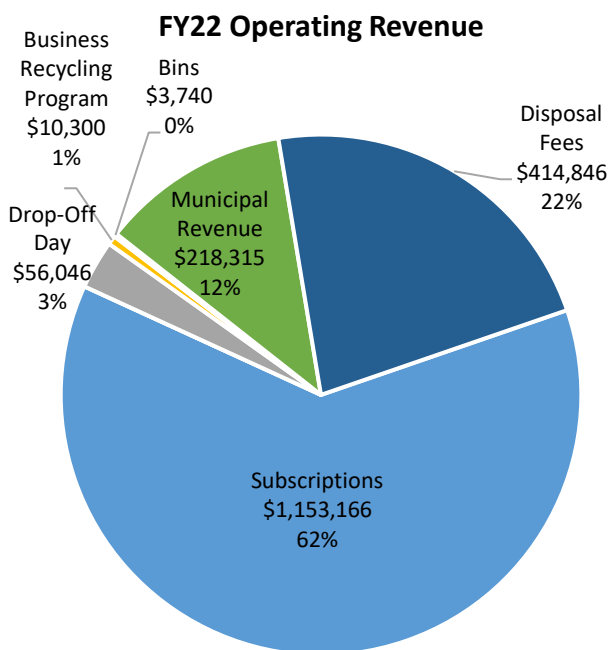
Revenues are projected to grow to \$1,856,413 in FY22 from \$1,647,081 in FY21, a \$209,332 or 12.7% increase. Expenses are proposed total \$1,965,055, a 19.5% increase from the FY21 budget of \$1,645,057. The curbside subscription fee for FY22 is proposed to increase by \$40 to \$322.00 per year, the price of a weekly disposal tag will remain the same at \$1.80, and the price of a six-month barrel sticker will remain the same at \$46.80. The overall impact of these rate increases to the average residential customer is estimated at 10%, based on the average set-out of 1.36 bags or barrels per week. The price increases are driven by the scheduled annual increases in the current Waste Management contract and by increases in the variable processing rate for recycled paper.

Budget Highlights

FY22 Projected Revenue	\$1,856,413
FY22 Projected Expenses	<u>(1,965,055)</u>
FY22 Projected Operating Income	\$(108,642)
FY22 Projected Net Income	\$(108,642)
FY22 Projected Solid Waste Fund Balance	\$463,641

Revenues and Expenditures Overview

Eighty-four percent of the Solid Waste Division’s revenues in FY22 are expected to come from curbside subscriber subscription fees and disposal fees, or \$1,568,012 of the total. Municipal revenue that includes schools, municipal buildings, parks & fields is projected at \$218,315. Other revenue from Drop-Off Day, business recycling, and sales of recycling bins and compost bins is projected to total \$70,086.



Solid Waste Fund – Overview & Budget Highlights

The two largest expense categories are Collection and Disposal, which are provided by the Contractor. Based on Waste Management’s FY22 contract pricing, FY22 collection costs, including the Business Recycling Program, are budgeted to total \$1,159,242. This represents a 16.7% increase over the FY21 budget of \$993,087, reflecting an anticipated increase in the number of subscribers as well as the increase in per customer cost.

Disposal costs are projected to increase moderately in FY22. Disposal costs based on Waste Management’s FY22 contract pricing are budgeted at \$243,831 versus \$215,297 in FY21, which represents a 13.3% increase.

Collection Rate Highlights

With the FY22 proposed Curbside Collection Rates, the average cost per household (based on 1.36 barrels per week) is \$449.30 per year. The FY22 cost represents a 10% increase over the FY21 amount of \$409.30.

	Contract Charges				
	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	
Trash and Recycling	\$223.45	\$230.60	\$238.25	\$282.00	per subscriber per year
Recycling Only	\$131.00	\$137.00	\$145.00	\$153.00	per subscriber per year
Dumpster Pickup	\$50.25	\$53.00	\$55.00	\$17-80	per pickup (based on size)
Recycling Tote	\$2.75	\$2.75	\$2.75	\$2.93	Business recycling only
Public Barrels	\$2.80	\$2.95	\$3.10	\$3.25	per barrel per pickup
Trash Tonnage	\$79.00	\$79.00	\$79.00	\$84.00	per ton
Commingled					
Containers	\$32.00	\$33.00	\$34.00	\$114.61	per ton*
Paper Processing Fee	\$60.00	\$60.00	\$60.00	\$89.76	per ton*

*Recycling Processing Fee is based on a blended value formula. Where the Blended Value is greater than the Contractor Fee, the Town’s value share is 50% of the difference between the Blended Value and the Contractor Fee. When the Blended Value is less than the Contractor Fee, the Town shall pay the Contractor the difference between the Contractor Fee and the Blended Value.

Curbside Collection Rates (for the periods beginning in April)

	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	
Trash and Recycling					
Subscription	\$262.00	\$272.00	\$282.00	\$322.00	per year
Recycling Only Subscription	\$133.00	\$140.00	\$154.00	\$162.00	per year
Weekly Disposal Tag	\$1.50	\$1.50	\$1.80	\$1.80	per barrel per week
Barrel Sticker	\$78.00	\$78.00	\$93.60	\$93.60	per year
Cost per Household	\$368.08	\$378.08	\$409.30	\$449.30	per year

(Based on 1.36 barrels per week)

Solid Waste Fund – Revenues

DropOff-SwapOff

Concord Public Works co-sponsors two DropOff–SwapOff events per year with REUSIT (Rescue the Environment and Us from being Smothered in Trash). These events provide opportunities for Concord residents to recycle, reuse, or dispose of items that no longer have a useful life, including bulky, over-size items that are not collected at the curb.

The DropOff portion of the event is primarily fee-based, whereas the SwapOff is a free take-it-or-leave-it area. The spring 2020 event was canceled due to the COVID-19 pandemic but the fall DropOff (no SwapOff) was able to welcome 440 socially distant households.

2021 Events – May 15th and October 16th

Fall Document Shredding and Electronics Recycling Event

Over the last few years, the Business Recycling Events have seen fewer businesses attend, most likely due to increased recycling opportunities. The reduced demand from businesses coupled with the opportunity to reduce volume at the fall Drop-off Swap-off event led CPW staff to open up the Document Shredding and Electronics Recycling event to residents on Friday, September 25th. Sixteen Concord businesses attended the event from 8:00 AM – 10:00 AM and 62 residents from 10:00 AM – 12:00 PM.

2021 Events – April 2nd and September 24th

Hazardous Waste Disposal

Curbside subscribers are given one free pass per year to the Minuteman Household Hazardous Products Facility in Lexington where they can drop off chemicals and other hazardous waste for proper disposal. Concord is one of eight Minuteman communities that help manage hazardous waste collection events at this site. The site is generally open one weekend day per month from April – November. During 2020, the site was only open July–November. One hundred fourteen curbside subscribers visited the site in 2020 during the five events

Every other year there is a Household Hazardous Waste Collection Event in Concord. On September 14th, the hazardous waste collection event held behind 133 Keyes Road was well attended. There were 100 vehicles in attendance at the 2020 Concord event.

2021 Events – April 24th, May 15th, June 19th, July 17th, August 21st, Sept 19th (Sun), October 16th and November 6th.

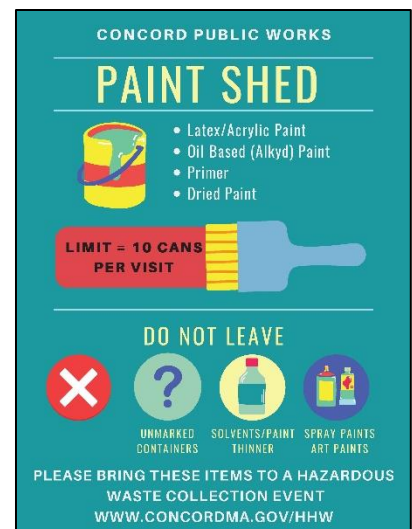
Paint Shed / Compost Site

The Paint Shed is open for the 2021 season – Wednesdays 3:00 pm to 5:30 pm and Saturdays 9:00 am to 2:30 pm*.

The Compost Site is open Wednesdays 3:00 pm to 6:00 pm and Saturdays 9:00 am to 3:00 pm Saturdays* from April through mid-December as well as additional days in January for Christmas tree disposal and Styrofoam block recycling.

Styrofoam block, Christmas lights, and Christmas trees are accepted for recycling at the Compost Site facility after the December holidays.

Residents can pick up compost free and woodchips of charge.

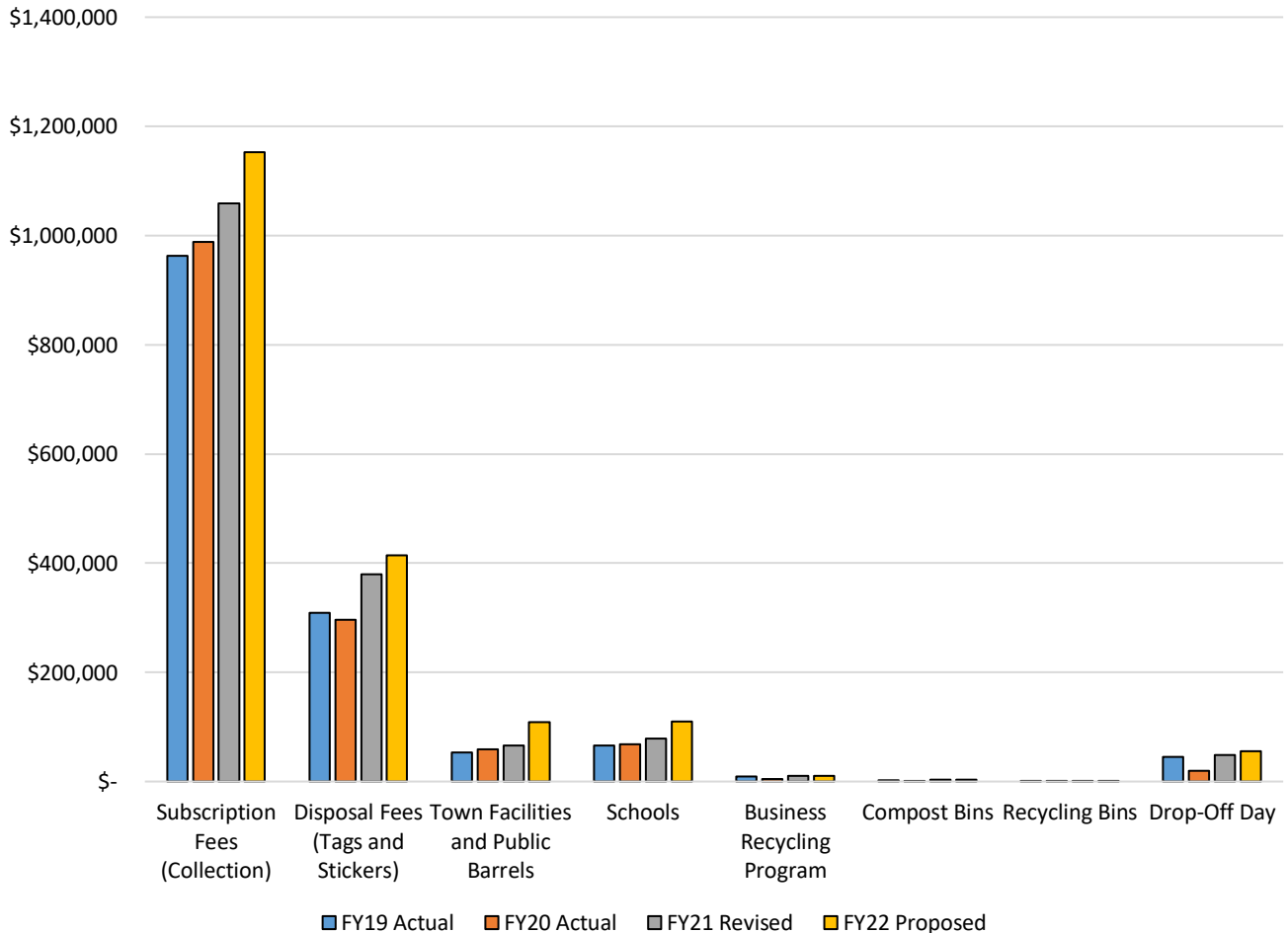


Solid Waste Fund – Revenues

Operating Revenues

	Operating Revenues			
	FY19	FY20	FY21	FY22
	Actual	Actual	Budget	Proposed
Subscription Fees (Collection)	\$ 962,729	\$ 987,981	\$ 1,059,312	\$ 1,153,166
Customer Rebates	-	-	-	-
Disposal Fees (Tags and Stickers)	309,495	296,115	379,620	414,846
Town Facilities and Public Barrels	52,901	58,463	66,236	108,206
Schools	65,705	68,192	78,761	110,109
Business Recycling Program	8,622	4,818	10,712	10,300
Compost Bins	1,767	1,590	2,860	2,860
Recycling Bins	941	624	1,080	880
Drop-Off Day	44,580	20,022	48,500	56,046
Miscellaneous Revenue	-	-	-	-
Brush Fees	-	-	-	-
Sale of Recycled Paper	-	-	-	-
Operating Revenues Total	\$ 1,446,740	\$ 1,437,807	\$ 1,647,081	\$ 1,856,413

Solid Waste Operating Revenues



Solid Waste Fund – Expenditures

Operating Expenditures

Operating Expenses

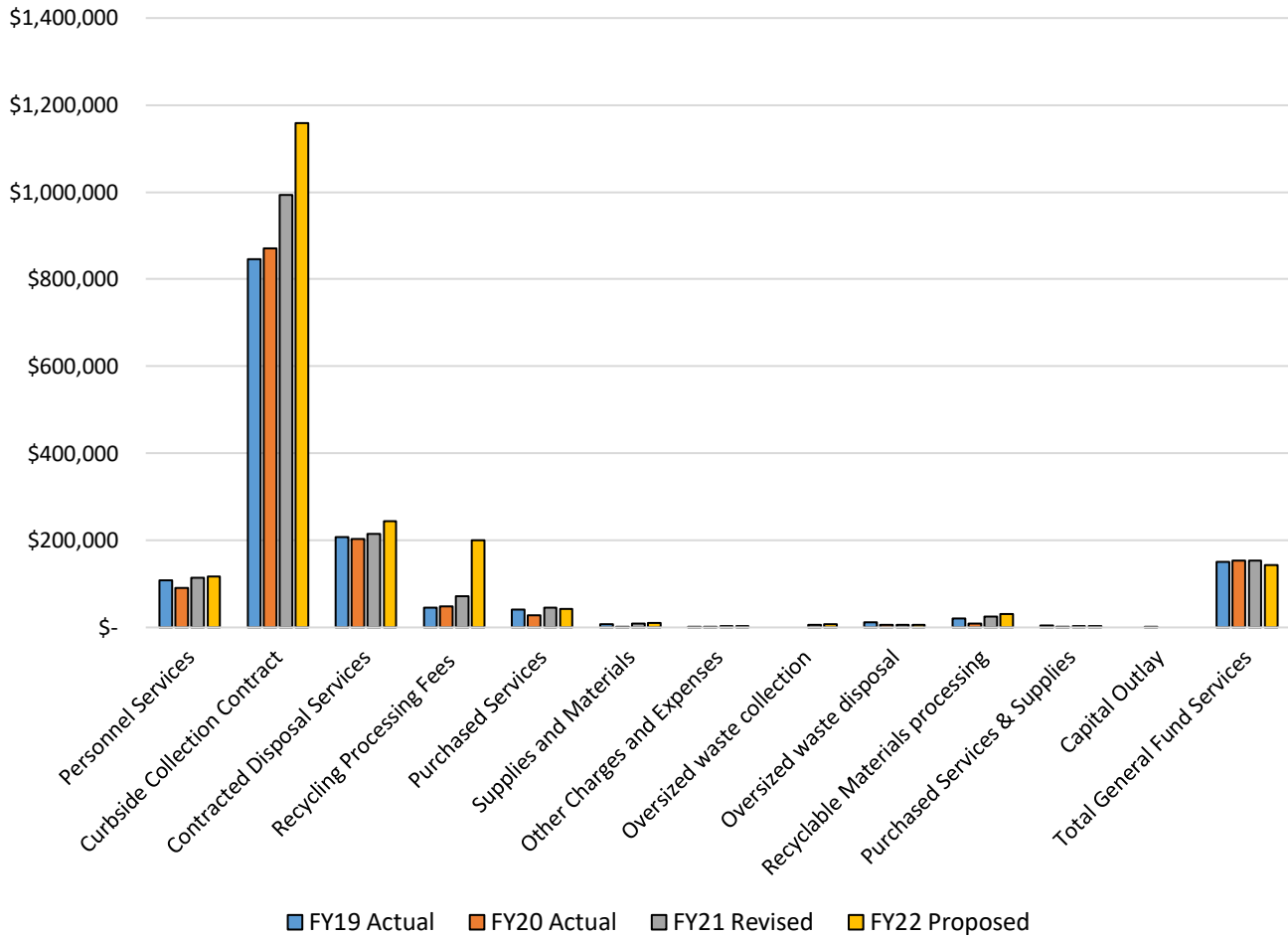
	FY19 Actual	FY20 Actual	FY21 Budget	FY22 Proposed
Curbside Program				
Personnel Services	\$ 101,214	\$ 85,904	\$ 106,046	\$ 108,465
Curbside Collection Contract	846,329	871,088	993,087	1,159,242
Contracted Disposal Services	206,998	202,509	215,297	243,831
Recycling Processing Fees	45,091	47,606	71,238	200,131
Fuel Adjustment Expense	-	-	-	-
Customer Rebate	-	-	-	-
Purchased Services	40,442	27,727	45,247	42,294
Supplies and Materials	7,906	971	9,260	9,605
Other Charges and Expenses	584	213	2,855	2,855
Capital Outlay	-	316	-	-
General Fund Services	145,491	153,646	153,803	142,586
Subtotal	\$ 1,394,055	\$ 1,389,979	\$ 1,596,833	\$ 1,909,009
Drop-Off Program				
Personnel Services	7,151	4,300	8,565	8,565
Oversized waste collection	-	-	5,200	7,670
Oversized waste disposal	12,004	5,499	5,456	5,208
Recyclable Materials processing	20,937	8,479	25,500	31,100
Purchased Services & Supplies	4,564	1,717	3,503	3,503
Subtotal	\$ 44,656	\$ 19,995	\$ 48,224	\$ 56,046
Composting Site Program				
General Fund Services	5,000	-	-	-
Subtotal	\$ 5,000	\$ -	\$ -	\$ -
Total Expenses	\$ 1,443,712	\$ 1,409,974	\$ 1,645,057	\$ 1,965,055

Solid Waste Operating Expenditures



Solid Waste Fund – Expenditures

Solid Waste Operating Expenditures



Personnel Summary

AUTHORIZED POSITIONS

	FY21 Revised Budget		FY22 Initial Budget	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
Curbside Collection Program				
5111 - Regular Personnel (1)	1.50	\$ 106,826	1.50	\$ 106,826
5120 - Temporary Status		-		-
5178 - Medicare Tax	N/A	1,591	N/A	1,568
5180 - Social Security	N/A	-	N/A	71
Subtotal	1.50 FTEs	\$ 108,417	1.50 FTEs	108,465
Drop-Off Day Program				
5130 - Drop-Off Day Overtime	90.0 hrs.	5,325	90.0 hrs.	5,325
5131 - Police Overtime	90.0 hrs.	3,240	90.0 hrs.	3,240
Subtotal	0.00 FTEs	\$ 8,565	0.00 FTEs	\$ 8,565
Total Personnel Services	1.50 FTEs	\$ 116,982	1.50 FTEs	\$ 117,030

(1) Full-time ACL-4 position shared between CPW Administration (50%) and the Curbside Program (50%). Funded directly by the Solid Waste Fund through a Transfer to the General Fund.

Solid Waste Fund – Expenditures

General Fund Services

The Solid Waste Fund for the use of General Fund services and support contributes a set portion of funding each year to support personnel and non-personnel expenditures of certain accounts.

GENERAL FUND SERVICES

	FY19		FY20		FY21		FY22	
	Actual		Actual		Budget		Estimate	
Curbside Collection/Drop-Off Program								
Management Services	\$	85,253	\$	89,227	\$	88,992	\$	79,271
Financial & Administrative Services		60,238		59,419		59,568		58,072
Salary Reserve		-		-		5,243		5,243
Subtotal	\$	145,491	\$	148,646	\$	153,803	\$	142,586
Composting Site Program								
Management Services		5,000		5,000				-
	\$	5,000	\$	5,000	\$	-	\$	-
Combined	\$	150,491	\$	153,646	\$	153,803	\$	142,586

Solid Waste Fund – Net Income & Fund Balance

Net Income and Fund Balance

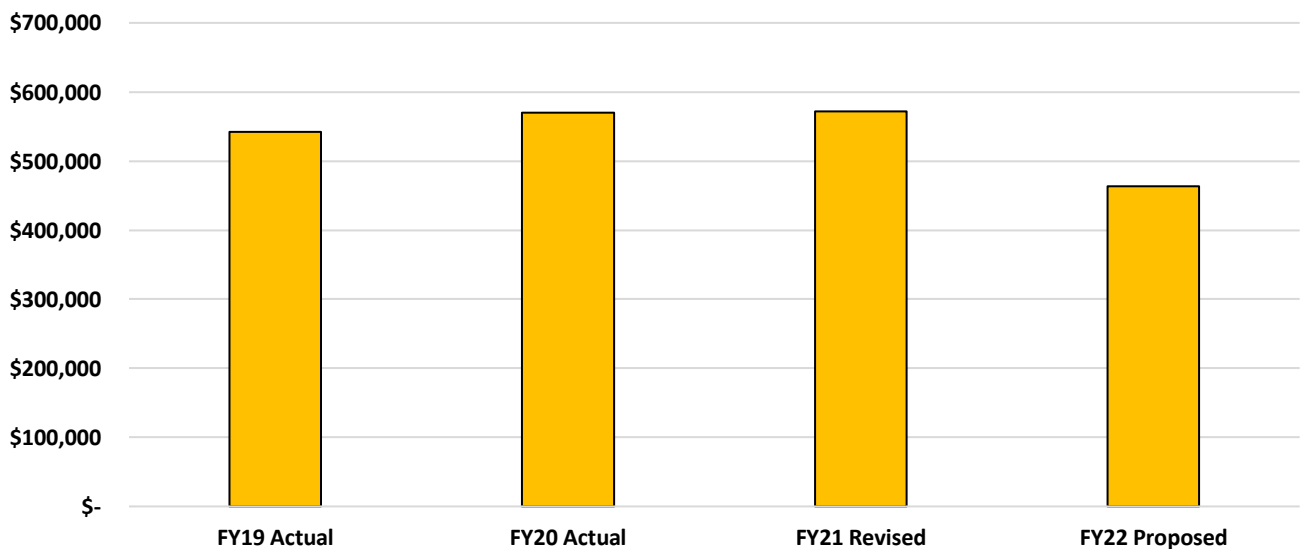
NET INCOME

	FY19 Actual	FY20 Actual	FY21 Budget	FY22 Estimate
Operating Income:				
Operating Revenues	\$ 1,446,740	\$ 1,437,807	\$ 1,647,081	\$ 1,856,413
Less Operating Expenses	(1,443,712)	(1,409,974)	(1,645,057)	(1,965,055)
Operating Income	\$ 3,028	\$ 27,833	\$ 2,024	\$ (108,642)
Non-Operating Income:				
Non-Operating Revenues	\$ -	\$ -	\$ -	\$ -
Non-Operating Expenses	-	-	-	-
Non-Operating Income	\$ -	\$ -	\$ -	\$ -
Net Income	\$ 3,028	\$ 27,833	\$ 2,024	\$ (108,642)

FUND BALANCE

	FY19 Actual	FY20 Actual	FY21 Budget	FY22 Estimate
Fund Balance:				
Beginning Fund Balance	\$ 539,398	\$ 542,426	\$ 570,259	\$ 572,283
Net Income	3,028	27,833	2,024	(108,642)
Ending Fund Balance:	\$ 542,426	\$ 570,259	\$ 572,283	\$ 463,641

Solid Waste Fund Historical Fund Balance (As of June 30th)



This page is intentionally left blank.

Swim & Fitness Fund

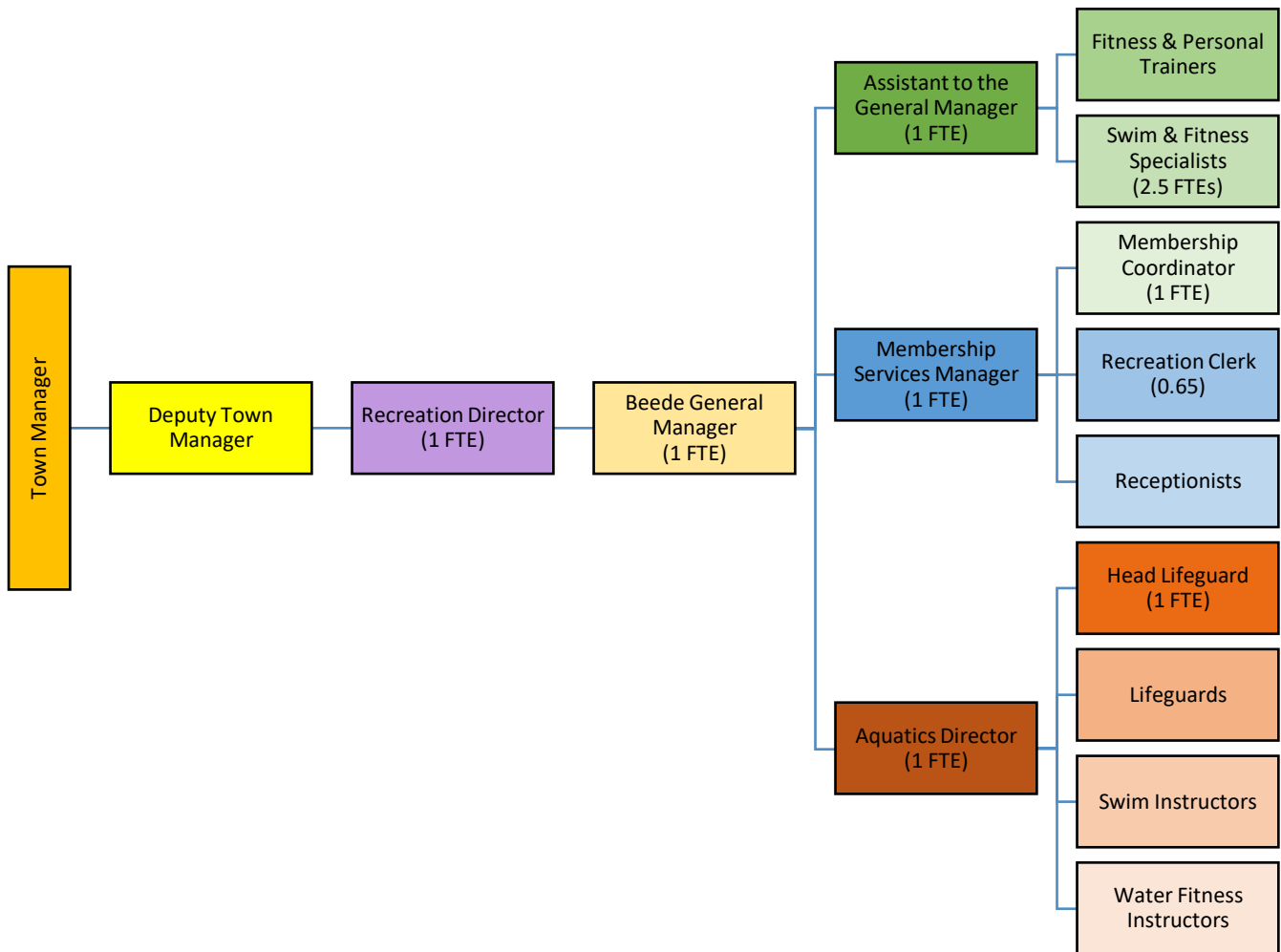
This page is intentionally left blank.

Swim & Fitness Fund

Mission Statement

The Beede Swim & Fitness Center is managed by Concord Recreation and is funded solely by membership and program fees. The Beede Center is deeply committed to serving the fitness needs and interests of our community across all ages and abilities.

Organizational Chart



Swim & Fitness Fund

Overview

The Beede Swim & Fitness Center, located on the campus of the Concord-Carlisle Regional High School, hosts an 8-lane lap pool, a therapy pool, a children’s pool, a diving well, and pool-side spectator seating. There are two 1,600-square-foot fitness rooms; one for weight training and one for cardiovascular exercise. In addition, the facility includes men’s and women’s locker/shower rooms, family changing rooms, and staff office space. The facility is open approximately 100 hours each week throughout the year. The Beede Center opened on April 18, 2006. It was constructed for approximately \$11 million, which was made possible by a \$6 million gift from the Alfred Sawyer Trust and a \$1.8 million gift from the Beede family, as well as through many generous contributions from the community. The Recreation Department operates the Center as an enterprise fund in accordance with Article 30 of the 2005 Annual Town Meeting. The Beede Center strives to balance the recreational needs of the community with its obligation to be financially self-supporting and stable.

Flexible Membership Options

The Beede Center’s membership plans offer unlimited access to state-of-the-art aquatic and fitness facilities. Annual, 3-month and 10-visit options let users create the perfect membership to fit their needs. Members receive up to a 40% discount on aquatics and fitness programs, year round. All memberships begin the day of purchase and are valid for one year. A \$99 joining fee is applied to all new memberships.

2021 Membership Categories and Fees

	<u>Monthly</u>	<u>3 Month</u>	<u>10 Visit</u>	<u>Day Pass</u>
Adult	\$82	\$300	\$150	\$20
Couple	\$129	\$450		\$30
Family	\$153	\$550		\$40
65+	\$62	\$220		
65+ Couple	\$98	\$340		
14-18	\$41	\$150		
80+	\$199 (annual rate, only)			

Hours of Operations

Monday through Friday: 5:30 AM – 9:00 PM

Saturday and Sunday: 7:00 AM – 6:00 PM

Closed on the following days:

- Patriots Day
- Easter
- Memorial Day
- July 4th
- Labor Day
- Christmas

Limited hours on the following days:

- Thanksgiving Day
- Christmas Eve
- New Year’s Eve
- New Year’s Day

Swim & Fitness Fund

Aquatics Facility

Beede's state-of-the-art aquatic facilities serve competitive swimmers, fitness classes, therapeutic programs, and families year-round.

- 8-Lane Competition Pool (25yd x 25m)
- Deep water diving well with two 1m boards and one 3m board
- Warm water therapy pool
- Children's Play Pool featuring sprays, fountains and a slide

Youth Swim Lessons & Aquatics Programs

A proud partner with the American Red Cross Swimming and Water Safety Program, Beede's swim lessons help participants build competence in the water. Lessons are available in group, semi-private and private options. The Center offers a wide variety of courses designed to meet a diverse range of needs and ability levels.

- Parent & Child
- Preschool
- Learn to Swim
- Lifeguard Training
- Water Safety Instruction
- Diving
- Otters Swim Team

Adult Swim Lessons and Aquatics Programs

Adult swim lessons and aquatics programs encourage participants to push themselves beyond free swim with Private Lessons, Masters Workouts and Water Fitness classes like Ai Chi, Deep Water Interval Training, and Shallow Water Workout. The Beede Center offers a comprehensive water fitness program in warm water, deep water and shallow water for adult participants. All of Beede's instructors are certified through the American Red Cross or an aquatics exercise association.

Fitness Facility

Beede members have the opportunity to work out in spaces filled with natural light and 12 channels of DirecTV on every cardio machine. New members receive a free equipment orientation and workout plan from one of our certified trainers. Cardio Room machines include Matrix treadmills, Cybex arc trainers, Concept2 rowers, Cybex upright bikes, Cybex recumbent bikes, and Keiser spin bikes.

Fitness Classes

The Beede Center offers in person and online land-based group fitness classes ranging from Pilates to Boot Camp. In person classes run at one of our three fitness facilities; the Hunt Recreation Center, 55 Church Street or the Beede Swim and Fitness Center.

Personal Training

The Beede Center has dedicated personal trainers who will help members design and reach their fitness goals. Trainers are on site 7 days a week and offer 30 minute or one hour long training sessions. Whether members are looking to complete that next race at a faster time or just want to include fitness in their life, the personal trainers will help participants achieve their goals. Combined with a personal commitment from you, personal training will:

- Help people train safely and effectively
- Provide encouragement and motivation
- Help people set & achieve goals
- Provide new program/training ideas

Swim & Fitness Fund

COVID-19 Impact

The Beede Center closed its doors to members on March 13, 2020. Nearly four months later, on July 2, 2020, The Baker Administration announced that the state of Massachusetts would move to Phase III of reopening on July 6, 2020. Included in this phase was the opening of Fitness Centers and Health Clubs. The Beede Center anticipated moving through FY21 that there would be a staunch decrease in membership and enrollment as people worked to reintegrate back to 'normal'. This has been the case and specific effects across program areas are outlined below.

Reopening

On July 6, 2020, facilities were allowed to open at 40% capacity and all equipment needed to be respaced to assure 6ft of distance between all users. While the Center was allowed to open at 40%, spacing, room sizes have only allowed operations to welcome 25% capacity at a time in both the swim and fitness areas. Common spaces were closed, including the lobby, locker rooms and showers, and where possible, turned into additional fitness space.



The Beede Center staff worked quickly to establish a reservation based system in MyRec, the Recreation Department's registration software, to assure that the quantity of patrons was being controlled. In order to assure that annual, reoccurring members had the first opportunity to come back to the Center, ten punch pass holders and daily pass holders were put on hold. The Beede Swim and Fitness Center welcomed 65 members on re-opening day and since then members have reserved 53,817 time slots on equipment or in the pool. With 63,000 reservation slots available, Beede is seeing an 85% fill rate on availability.

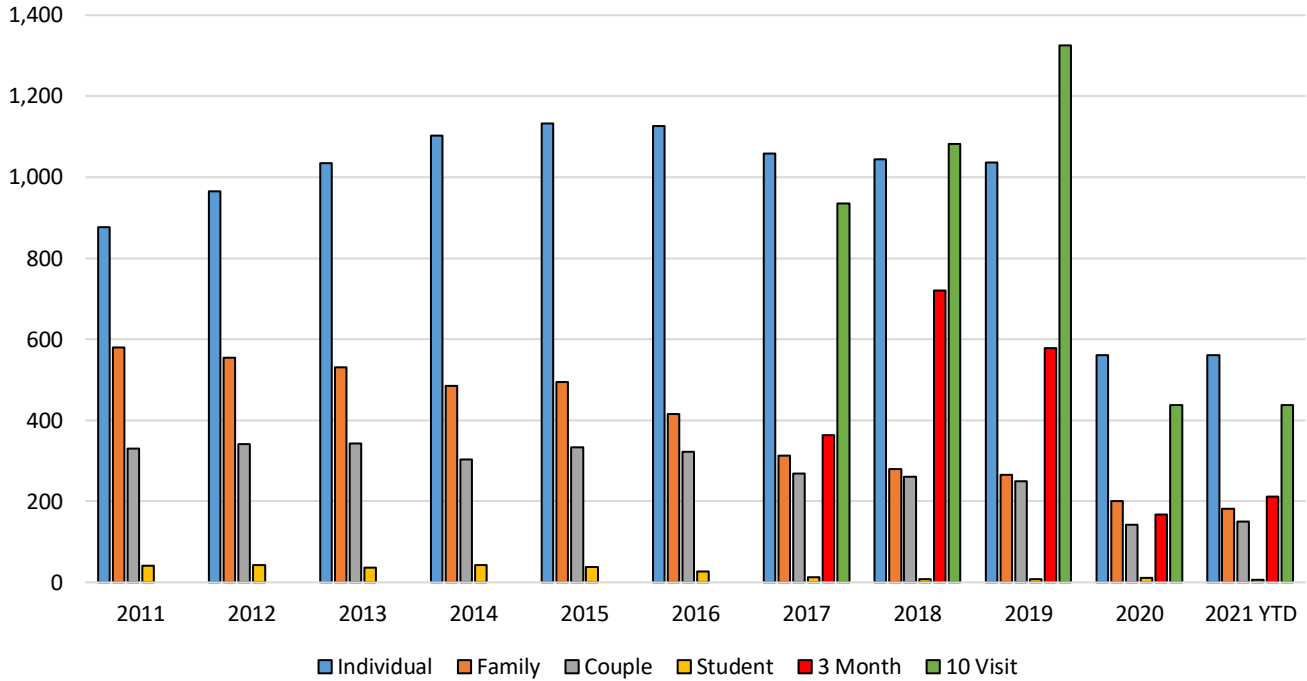
Memberships

Membership levels saw a significant decrease due to the COVID-19 pandemic following Governor Baker's declaration of a State of Emergency on March 12, 2020. Memberships and temporary memberships (3-month and 10-visit passes) were not refunded upon closure; rather, the pass expiration date was extended so memberships could be used once business resumed. Recurring memberships, per an updated and temporary participant agreement, were charged \$1 per month until the facility could reopen. As of April 23, 2021, monthly recurring memberships have seen only 62.8% of revised revenue estimates.

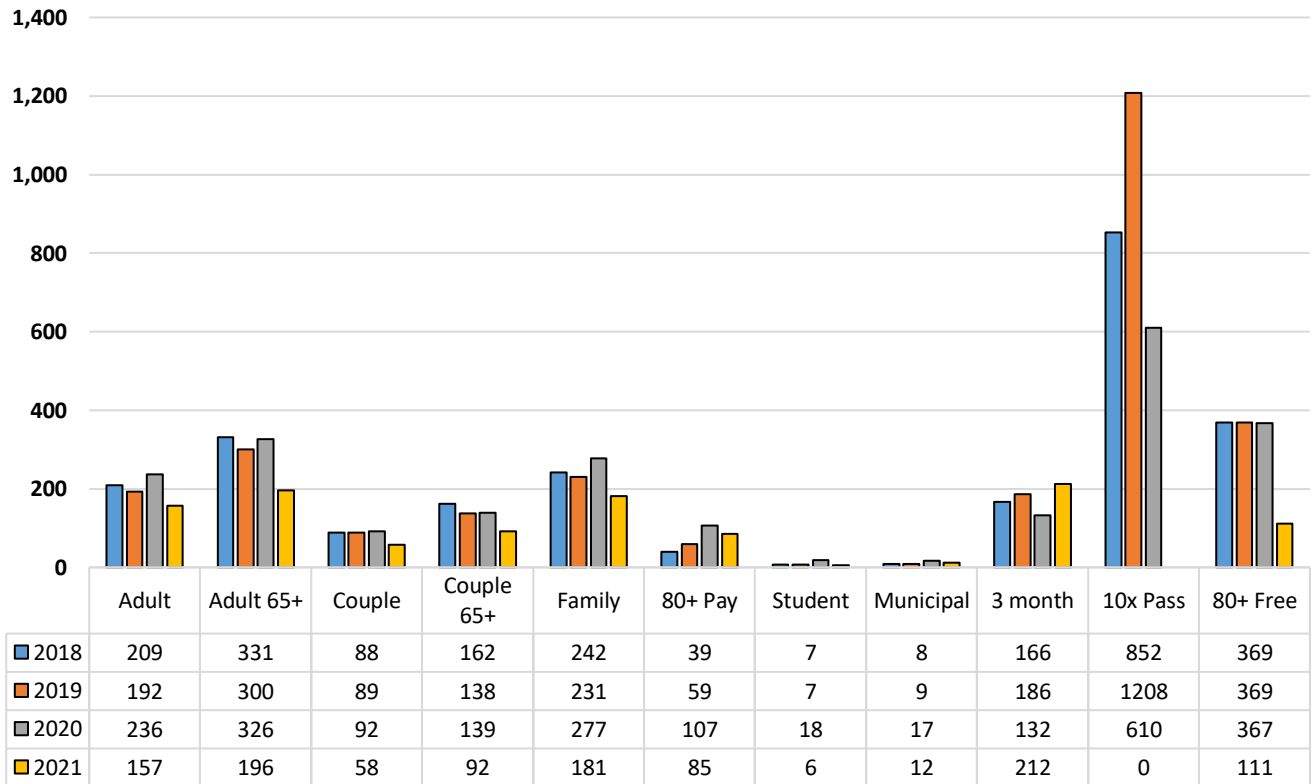
While the Center did open in July of 2020, the General Manager, with support from the Recreation Director and Deputy Town Manager, decided to allow the \$1 charge to continue until October, at which time all memberships were reactivated. Even with an extension of a minimal charge, the Beede Center has seen a dramatic reduction in membership as depicted on the charts on the following page.

Swim & Fitness Fund

**Beede Swim & Fitness Center
Membership by Calendar Year**



**Beede Swim & Fitness Center
Memberships by Category**



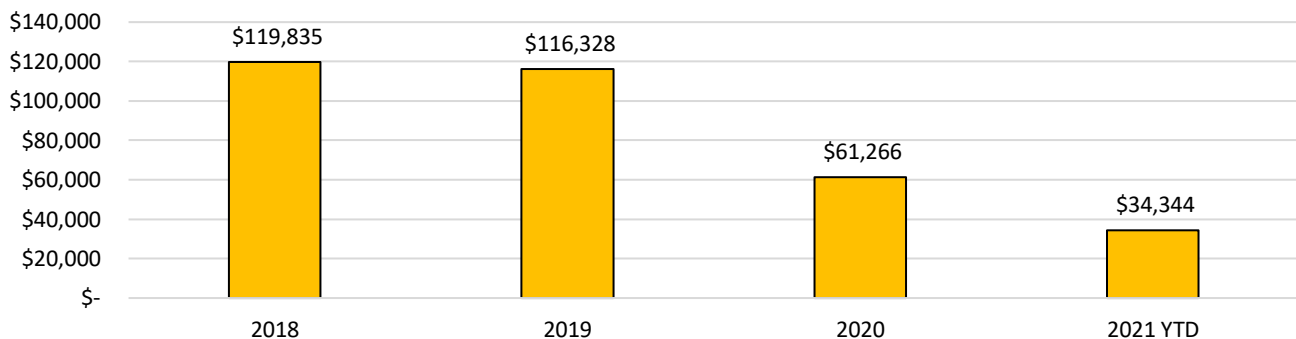
Swim & Fitness Fund

Group Fitness Programs

As of July 6, 2020, Group Fitness classes were allowed to return with 14 ft. of space between all participants. This regulation dramatically limited the quantity of people that could be hosted in classes. As a result, the Beede Center instructors started to offer online fitness classes in place of some in person programs. While these programs have seen enrollment, the quantity of participants that have registered for programs in FY21 have dramatically decreased when compared to the three prior years. It is important to note that the spring 2020 season was cancelled due to the start of the pandemic and registrations were all refunded. Group Fitness continues to be the program area that is seeing the slowest return. The 2021 numbers represented below include participation from July 1, 2020-April 23, 2021.



Group Fitness Revenue
Annual Comparison (FY)

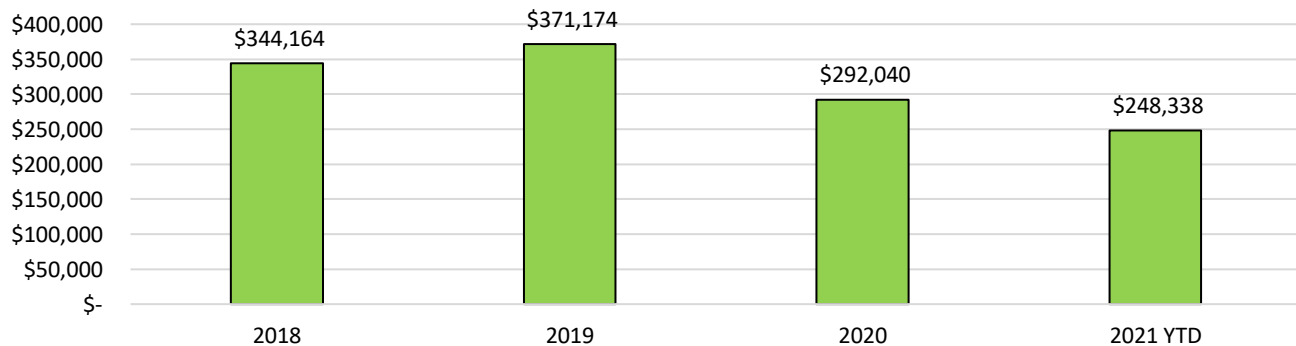


Aquatics Programs

Aquatics programs, inclusive of swim lessons, Otters Swim Team, Master’s Swim Team, Adaptive Aquatics and Aquatics Fitness have seen a slow but steady return. Most swim program group sizes have always been small, so the total quantity of participants that the programs can support with COVID-19 regulations in place has not changed dramatically. It is important to note that the spring 2020 season was cancelled due to the start of the pandemic and registrations were all refunded. The 2021 numbers represented below include participation from July 1, 2020-April 23, 2021.



Aquatics Program Revenue
Annual Comparison (FY)



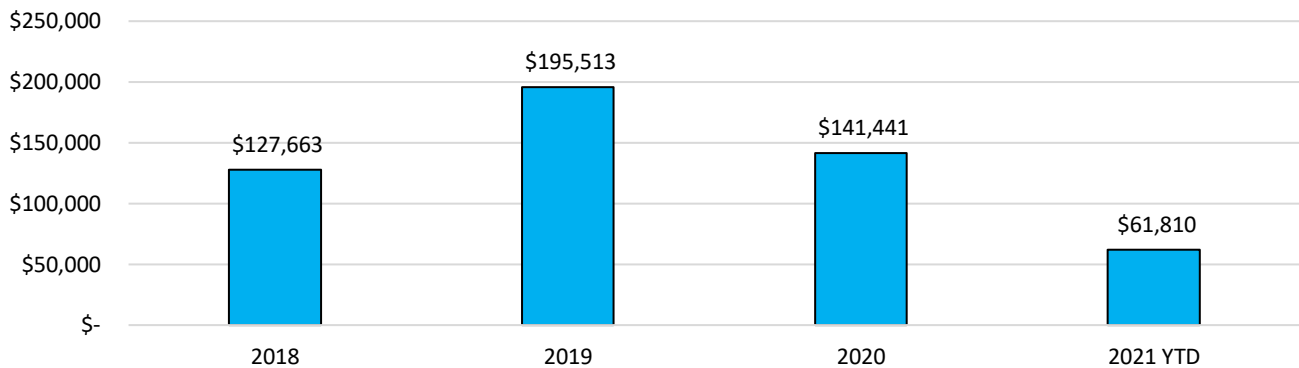
Swim & Fitness Fund

Personal Training

One-on-one Personal Training sessions have been dramatically reduced in 2021. The major assumption of the slow return in this program area due to the possibility of closer contact, which Beede members are hesitant to do. In addition to in person training sessions, trainers are offering online training sessions, so members can still work on their fitness goals within the safety of their own home. The 2021 numbers represented below include participation from July 1, 2020 to April 23, 2021. As of this date, the revenue collected accounts for 182 personal training sessions.



Personal Training Revenue
Annual Comparison (FY)



FY20 Accomplishments

- Installed new Mondo flooring tiles in the cardio room, replaced treadmills with new Matrix machines, and added battle rope and weights to the Fitness Studio to provide a better personal training environment.
- Upgraded hot water tanks, replaced all lights with LED lights, installed five new rooftop HVAC units, and updated the mechanics on the Lap Pool and Children’s Play Pool.
- Worked with the Director of Sustainability to add a thermal blanket to the Therapy Pool.
- Shocked and backwashed all pools during COVID-19 shutdown.
- Continued to support the Concord community by hosting the annual Trunk-or-Treat event in October and an open house in February.

FY22 Goals

- Prepare for effects of COVID-19 but expect a greater return to programs across all areas, as seen in FY21.
- Utilize new Aquatics Director position to expand swim programming at indoor and outdoor facilities.
- Formalize the facility rental program and seek out new rental contracts for ‘down time’.
- Expand fitness opportunities to include online, small group, personal training, and outdoor programming.
- Reflect on FY21 to make programmatic adjustments to reduce the expenses of future operations.
- Work to continually educate staff on the topics of diversity and inclusion.
- Hire a new membership sales position with the goal of retaining membership and growing levels back to pre-pandemic quantities.

Swim & Fitness Fund

- Review future capital expenditures and replacement plans to ensure accurate service dates, cost, and lifespan of use.

Long-Term Plans

- ⇒ Continue to update facility equipment (fitness and aquatics) to ensure operations are modern, efficient, and attractive to membership.
- ⇒ Work collaboratively with Concord Recreation staff and Concord Public Schools to understand and meet the community's needs.
- ⇒ Recover Beede memberships to mimic numbers from 2014/15.
- ⇒ Add functional programming space to the current facility footprint.

Swim & Fitness Fund – Overview & Budget Highlights

FY22 Budget Highlights

In FY22, the Beede Center is projected to end the year with a negative net income due to the ongoing financial pressures of the COVID-19 pandemic. As of June 30, 2020, the Beede Center had an Unrestricted Fund Balance of \$2,777,705 according to the FY20 audited financial report. The FY22 Proposed budget projects a Fund Balance of \$2,360,596 at the end of the fiscal year.

Budget Highlights

FY22 Projected Revenue	\$1,576,165
FY22 Projected Expenses	<u>(2,123,621)</u>
FY22 Projected Operating Income	\$(547,456)
FY22 Projected Net Income	\$(497,456)
FY22 Projected Swim & Fitness Fund Balance	\$2,360,596

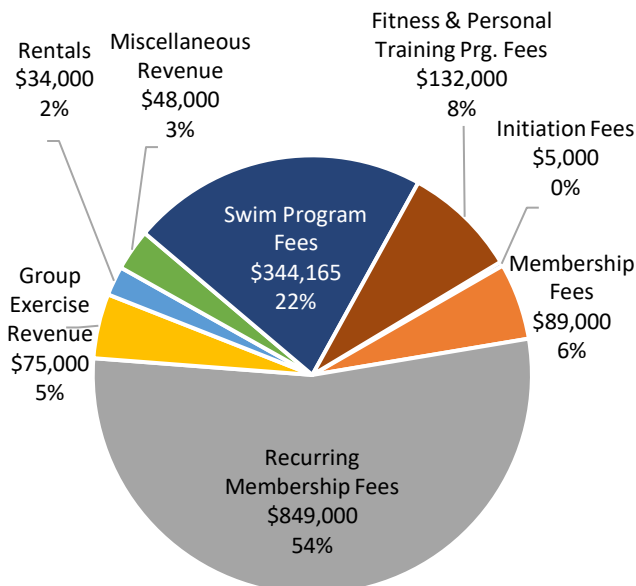
Revenues and Expenditures Overview

Operating revenues are projected to be \$1,576,165, which is a \$335,490 or 27.0% increase compared to the FY21 Revised budget. However, these estimated revenues are still significantly lower compared to FY19s due to pandemic related decreases in membership and attendance. With operating expenditures proposed to be \$2,123,621, there will be a projected loss in operating income of \$547,456 for fiscal year 2022.

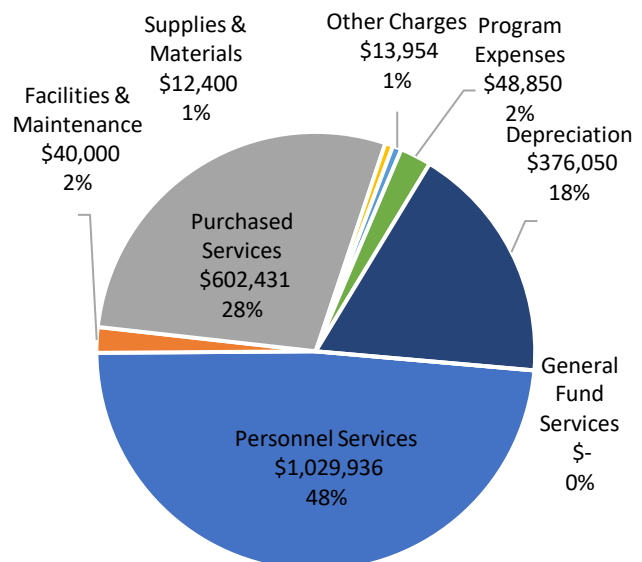
In FY22, the Beede Center is projected to spend approximately \$1,029,936 on full-time, part-time, limited and temporary status staff, including benefits. These 100+ staff members include front desk staff, lifeguards, water safety instructors, fitness instructors, coaches, personal trainers and more. These individuals are the backbone of the Beede Swim and Fitness Center responsible for the daily operations that make the Beede Center what it is.

The FY22 Swim & Fitness Fund budget shows a projected net loss of \$497,456 with the addition of non-operating revenues from investment income.

FY22 Operating Revenue



FY22 Operating Expenditures



Swim & Fitness Fund – Revenues

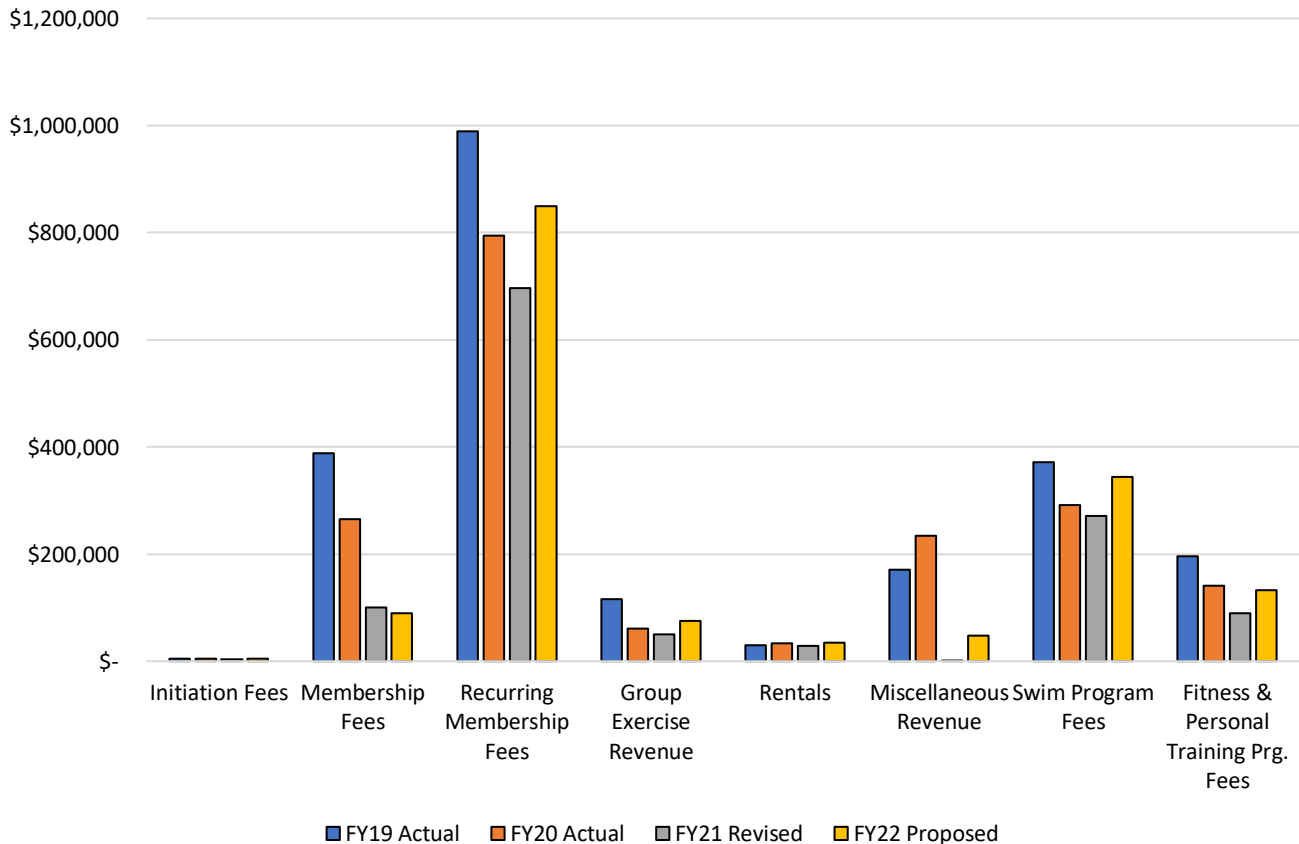
Operating Revenues

Operating Revenues are projected to be \$1,576,165, which is a 27.0% increase from the FY21 Revised budget. Projected Operating Revenues are still estimated to be lower than FY19 and FY20 actuals due to the ongoing pressures from the COVID-19 pandemic.

OPERATING REVENUES (\$)

	FY19 Actual	FY20 Actual	FY21 Revised	FY22 Proposed
Initiation Fees	\$ 4,582	\$ 4,883	\$ 4,000	\$ 5,000
Membership Fees	387,838	265,078	100,000	89,000
Annual Membership Fees	-	-	-	-
Recurring Membership Fees	989,351	794,468	696,000	849,000
Group Exercise Revenue	116,329	61,267	50,000	75,000
Rentals	29,944	33,810	28,000	34,000
Miscellaneous Revenue	171,242	233,982	1,000	48,000
Swim Program Fees	371,175	292,042	271,675	344,165
Fitness & Personal Training Prg. Fees	195,513	141,443	90,000	132,000
Child Care Fees	-	-	-	-
Operating Revenues Total	\$ 2,265,975	\$ 1,826,971	\$ 1,240,675	\$ 1,576,165

Beede Swim & Fitness Operating Revenues



Swim & Fitness Fund – Expenditures

Operating Expenditures

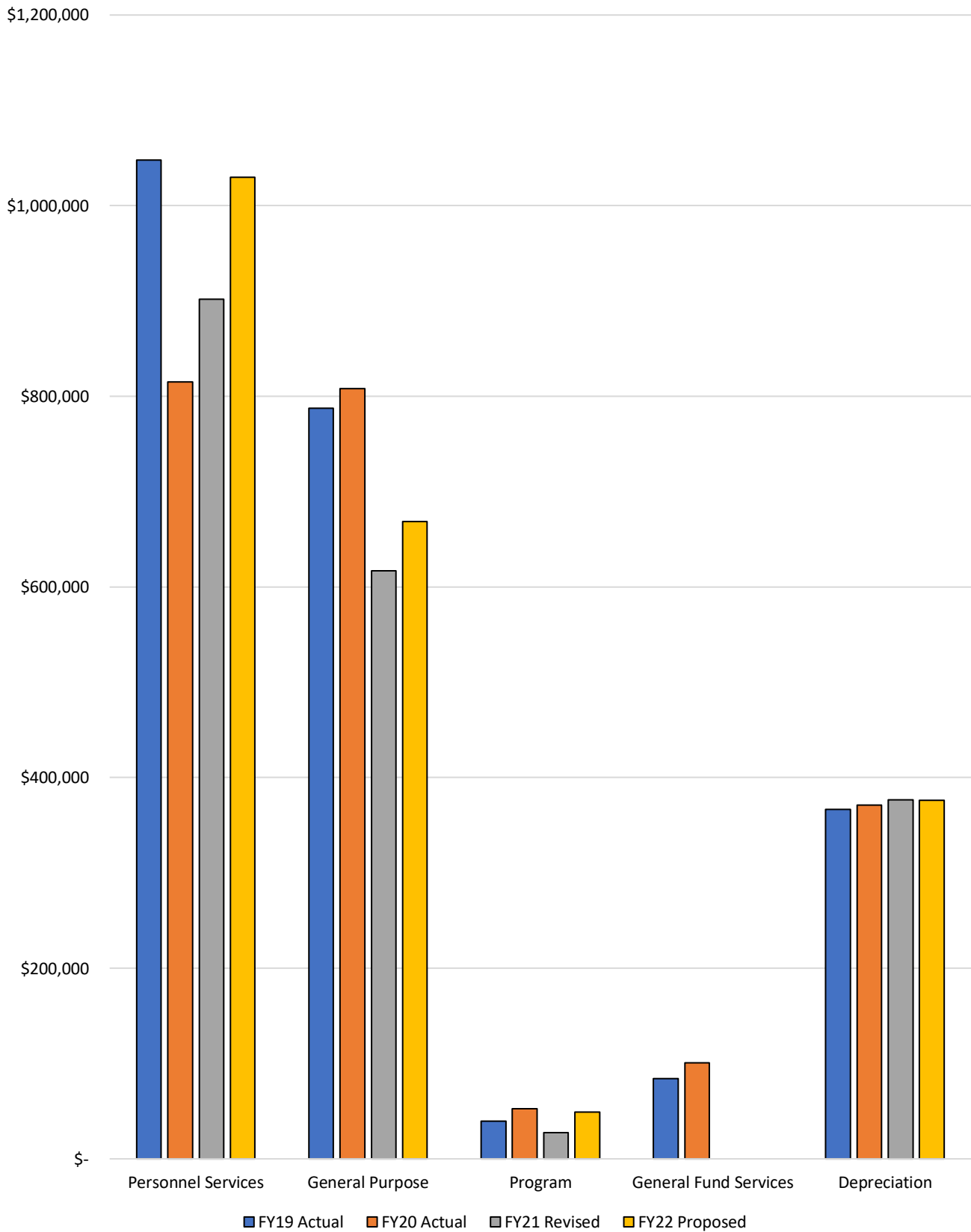
Operating Expenditures are proposed to be \$2,123,621. Driving factors include \$25,000 in increased personnel related costs due to minimum wage increases, increased programs and fully staffed operations, and \$376,050 in depreciation expense. The FY21 Revised and FY22 Proposed budgets included no planned transfers to the General Fund.

OPERATING EXPENSES (\$)

	FY19 Actual	FY20 Actual	FY21 Revised	FY22 Proposed
<u>Personnel Services</u>				
Personnel Expenses	\$ 1,033,747	\$ 917,085	\$ 901,660	\$ 1,029,936
Accrued Employee Benefits	-	-	-	-
Audit Adjustment	14,186	(101,813)	-	-
Subtotal	\$ 1,047,933	\$ 815,272	\$ 901,660	\$ 1,029,936
<u>General Purpose</u>				
Facilities and Maintenance	58,979	158,338	6,405	40,000
Purchased Services	695,297	682,596	588,348	602,431
Supplies and Materials	29,398	20,123	8,800	12,400
Other Expenses	18,498	22,189	13,541	13,954
Audit Adjustment	(14,568)	(74,995)	-	-
Subtotal	787,603	808,251	617,094	668,785
<u>Program</u>				
Group Exercise Expenses	-	-	-	1,000
Aquatic Safety Management Expenses	22,880	30,128	23,096	32,100
Aquatic Programs Expenses	7,999	9,064	2,200	7,000
Fitness Management Expenses	8,322	13,434	2,328	8,650
Personal Trainer Expenses	401	75	-	100
Subtotal	\$ 39,602	\$ 52,700	\$ 27,624	\$ 48,850
<u>General Fund Services</u>				
Town Manager	11,792	10,823	-	-
Human Resources	28,964	29,518	-	-
Facilities Management	-	16,702	-	-
Finance Administration	11,609	12,034	-	-
Treasury	20,457	19,893	-	-
Accounting	11,252	12,003	-	-
Recreation Administration	-	-	-	-
Salary Adjustment	-	-	-	-
Subtotal	\$ 84,074	\$ 100,973	\$ -	\$ -
<u>Depreciation Expense</u>				
Depreciation Expense	366,434	371,376	376,499	376,050
Subtotal	\$ 366,434	\$ 371,376	\$ 376,499	\$ 376,050
Total Operating Expense	\$ 2,325,647	\$ 2,148,572	\$ 1,922,877	\$ 2,123,621

Swim & Fitness Fund – Expenditures

Beede Swim & Fitness Center Operating Expenditures



Swim & Fitness Fund – Expenditures

Personnel Services

AUTHORIZED POSITIONS (\$)

	FY21 Revised		FY22 Proposed	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
<u>Personnel</u>				
Full-Time Positions	7.00	\$ 447,836	7.17	\$ 484,687
Part-Time Positions	0.65	41,008	0.65	35,000
Limited Status / Temporary Positions	7.09	276,941	9.53	374,808
Subtotal	14.74 FTEs	\$ 765,785	17.35 FTEs	\$ 894,495
<u>Employee Benefits</u>				
Health Insurance	N/A	37,414	N/A	38,134
Life Insurance	N/A	104	N/A	200
Dental Insurance	N/A	2,245	N/A	4,300
OPEB	N/A	-	N/A	1,847
Retirement Contribution	N/A	63,134	N/A	56,532
Subtotal	N/A	\$ 102,897	N/A	\$ 101,013
<u>Payroll Taxes</u>				
Medicare Tax	N/A	12,193	N/A	12,939
Social Security Contribution	N/A	17,913	N/A	20,489
Subtotal	N/A	\$ 30,106	N/A	\$ 33,428
<u>Other Personnel Costs</u>				
Overtime	N/A	2,872	N/A	1,000
Unemployment Compensation	N/A	-	N/A	-
Car Allowance	N/A	-	N/A	-
Salary Reserve	N/A	-	N/A	-
Subtotal	N/A	\$ 2,872	N/A	\$ 1,000
Total Personnel Costs	14.74 FTEs	\$ 901,660	17.35 FTEs	\$ 1,029,936

Swim & Fitness Fund – Expenditures

Capital (Capital Outlay and Debt-Funded)

Due to the COVID-19 pandemic, capital projects originally planned for FY20 and FY21 were delayed. In FY22, The Beede Center is proposed to include \$40,000 in planned capital outlay. The funding for FY22 includes the below items:

- \$20,000 for miscellaneous improvement projects and equipment to the Primary Facility.
- \$20,000 for miscellaneous improvement projects and equipment to the Pool Facility

Beede Swim and Fitness Center Capital Program

	FY19 Actual	FY20 Actual	FY21 Revised	FY22 Proposed	FY23	FY24	FY25	FY26	Total
Primary Facility									
Building Improvements	26,542	44,457	-	-	20,000	20,000	20,000	20,000	80,000
Fitness Rooms Flooring	-	-	-	-	-	-	-	-	-
Dehumidification	-	-	-	-	-	-	-	-	-
VFD Motors	-	-	-	-	-	-	-	-	-
Roof Top HVAC Units	-	59,957	-	-	-	-	-	-	-
Sound System	-	-	-	-	-	-	-	-	-
Parking System	-	-	-	-	-	10,000	-	-	10,000
Parking Lighting	-	-	-	-	-	-	-	-	-
Parking Lot Replacemen	-	-	-	-	-	300,000	-	-	300,000
FCR Doors & Frames	-	-	-	-	-	-	-	-	-
Misc. Equipment	21,172	3,929	-	20,000	10,000	10,000	20,000	10,000	70,000
Subtotal	\$ 47,714	\$ 108,342	\$ -	\$ 20,000	\$ 30,000	\$ 340,000	\$ 40,000	\$ 30,000	\$ 460,000
Pool Facility									
Deck Repairs	-	-	-	-	-	-	-	-	-
Pool Filters	3,903	-	-	-	-	-	-	-	-
Diving Stands	-	-	-	-	-	-	-	-	-
Diving Boards	-	-	-	-	7,000	-	-	7,000	14,000
Lap Pool Connectors	-	-	-	-	-	-	-	-	-
Misc. Equipment	11,265	6,178	-	20,000	8,000	10,000	10,000	8,000	56,000
Subtotal	\$ 15,168	\$ 6,178	\$ -	\$ 20,000	\$ 15,000	\$ 10,000	\$ 10,000	\$ 15,000	\$ 70,000
Beede Equipment									
Sidewalk Plow	-	-	-	-	-	-	-	-	-
Fitness Equipment I (treadmills)	-	49,996	-	-	-	60,000	-	-	60,000
Fitness Equipment II (Ellipticals)	-	-	-	-	55,000	-	-	-	55,000
Fitness Equipment III (Strength Machines)	-	-	-	-	-	-	-	-	-
Fitness Equipment IV (Stationary Bikes)	-	-	-	-	-	-	-	55,000	55,000
Fitness Equipment V (Miscellaneous)	-	-	-	-	10,000	-	60,000	10,000	80,000
Audit Adjustment	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	\$ 49,996	\$ -	\$ -	\$ 65,000	\$ 60,000	\$ 60,000	\$ 65,000	\$ 250,000
Total Capital	\$ 62,882	\$ 164,516	\$ -	\$ 40,000	\$ 110,000	\$ 410,000	\$ 110,000	\$ 110,000	\$ 780,000
Beede Capital Funding	FY19 Actual	FY20 Actual	FY21 Revised	FY22	FY23	FY24	FY25	FY26	Total
Capital Appropriation	62,882	164,516	-	40,000	110,000	410,000	110,000	110,000	780,000
Sawyer Trust/Beede	-	-	-	-	-	-	-	-	-
Article 21 ATM 18	-	-	-	-	-	-	-	-	-
Total Capital Funding	\$ 62,882	\$ 164,516	\$ -	\$ 40,000	\$ 110,000	\$ 410,000	\$ 110,000	\$ 110,000	\$ 780,000

Swim & Fitness Fund – Net Income & Fund Balance

Net Income and Fund Balance

NET INCOME (\$)

	FY19 Actual	FY20 Actual	FY21 Revised	FY22 Proposed
Statement of Net Income:				
Operating Revenues	\$ 2,265,975	\$ 1,826,971	\$ 1,240,675	\$ 1,576,165
Less Operating Expenses	(2,325,647)	(2,148,572)	(1,922,877)	(2,123,621)
Operating Income	\$ (59,672)	\$ (321,601)	\$ (682,202)	\$ (547,456)
<u>Nonoperating Revenues (Expenses)</u>				
Add Investment Income	\$ 58,938	\$ 53,963	\$ 50,000	\$ 50,000
Add Sawyer Trust Contribution	-	-	-	-
Add Beede Endowment	-	-	-	-
Nonoperating Income	\$ 58,938	\$ 53,963	\$ 50,000	\$ 50,000
Net Income	\$ (734)	\$ (267,638)	\$ (632,202)	\$ (497,456)

AVAILABLE RESOURCES (\$)

Resources Available from Current Operations for Replacement & Renewal of Facility:				
	FY19 Actual	FY20 Actual	FY21 Revised	FY22 Proposed
<u>Capital Purposes</u>				
Add Depreciation Expense	\$ 366,434	\$ 371,376	\$ 376,499	\$ 376,050
Add Net Income	(734)	(267,638)	(632,202)	(497,456)
Net Available for Capital	\$ 365,701	\$ 103,738	\$ (255,703)	\$ (121,406)

CASH POSITION AND FORECAST

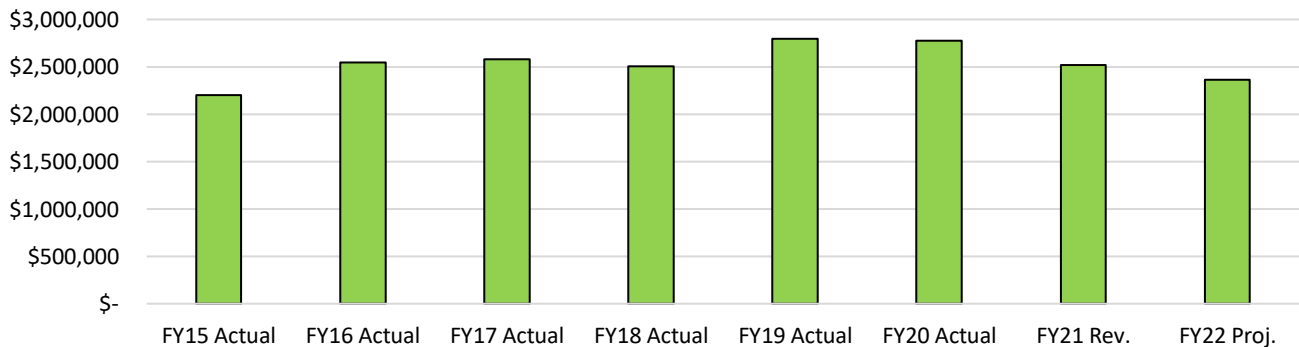
Cash at Year Opening	FY21		FY22	
	Credits	Debits	Credits	Debits
Cash on July 1st	\$ 3,753,237		\$ 3,497,534	
Add Assets	127,973		127,973	
Less Liabilities	(1,103,505)		(1,103,505)	
Fund Balance on July 1st	\$ 2,777,705		\$ 2,522,002	
<u>Fund Balance Details (projected)</u>	Credits	Debits	Credits	Debits
Fund Balance as of July 1st	2,777,705		2,522,002	-
Net Income	(632,202)		(497,456)	
Capital Outlay (non-borrowing)		-		(40,000)
Add Depreciation Expense	376,499		376,050	
Balance Projected at June 30th	2,522,002	-	2,400,596	(40,000)
Fund Balance on June 30th	\$ 2,522,002		\$ 2,360,596	
<u>Cash at Year End (projected)</u>				
Fund Balance on June 30th		2,522,002		2,360,596
Add Cash as Unearned Revenue		(127,973)		(127,973)
Add Cash Held for Liabilities		1,103,505		1,103,505
Projected Cash at June 30th	\$ 3,497,534		\$ 3,336,128	

Swim & Fitness Fund – Net Income & Fund Balance

PROGRAM NET INCOME

	FY19 Actual	FY20 Actual	FY21 Revised	FY22 Proposed
Group Fitness Program				
Operating Revenues	\$ 116,329	\$ 61,267	\$ 50,000	\$ 75,000
Less Operating Expenses	61,578	50,849	27,206	38,500
Operating Income	\$ 54,751	\$ 10,418	\$ 22,794	\$ 36,500
Acquatic Safety Management Program				
Operating Revenues	\$ -	\$ -	\$ -	\$ -
Less Operating Expenses	148,132	144,742	187,140	198,343
Operating Income	\$ (148,132)	\$ (144,742)	\$ (187,140)	\$ (198,343)
Acquatic Programs				
Operating Revenues	\$ 371,175	\$ 292,042	\$ 271,675	\$ 344,165
Less Operating Expenses	108,808	78,227	56,000	84,250
Operating Income	\$ 262,367	\$ 213,814	\$ 215,675	\$ 259,915
Fitness Management Programs				
Operating Revenues	\$ -	\$ -	\$ -	\$ -
Less Operating Expenses	136,507	110,252	82,977	97,150
Operating Income	\$ (136,507)	\$ (110,252)	\$ (82,977)	\$ (97,150)
Personal Trainer Programs				
Operating Revenues	\$ 195,513	\$ 141,443	\$ 90,000	\$ 132,000
Less Operating Expenses	111,319	85,668	62,031	89,100
Operating Income	\$ 84,194	\$ 55,775	\$ 27,969	\$ 42,900
Program Net Income	\$ 116,674	\$ 25,013	\$ (3,679)	\$ 43,822
General Beede & Other Programs				
Operating & Non-Operating Revenues	\$ 1,641,896	\$ 1,386,183	\$ 879,000	\$ 1,075,000
Less Operating Expenses	1,759,304	1,678,835	1,507,523	1,616,279
Operating Income	\$ (117,408)	\$ (292,651)	\$ (628,523)	\$ (541,279)
Net Income	\$ (734)	\$ (267,638)	\$ (632,202)	\$ (497,456)

Swim & Fitness Fund Historical Fund Balance
(As of June 30th)



Swim & Fitness Fund – Moving Forward

Moving Forward

The Recreation Department, especially the Beede Center, has experienced a significant and distressing hit to operations during FY20 and FY21. This experience has directly influenced the planning and budget projection strategies for FY22. The Department has worked hard to be creative, flexible, and innovative, which has helped operations move forward while recognizing the need to overcome additional obstacles.

Concord Recreation believes that the effects of COVID-19 pandemic will continue to impact operations into FY22. However, the Department is optimistic that trends so far in terms of registration numbers and the overall desire to return to a ‘new normal’ will continue.

The Department would like to thank the Town Manager’s Office, Facilities Department, Public Health Division, Public Works, and Concord Public Schools for lending support and providing necessary guidance to the Beede Center over the past year.

Concord Recreation through the Beede Swim & Fitness Center continues to adapt policies, programs, and offerings in order to meet current and future needs while continuing the commitment to furthering Concord’s health, community, and play across all ages and abilities.

This page is intentionally left blank.

Recreation Fund

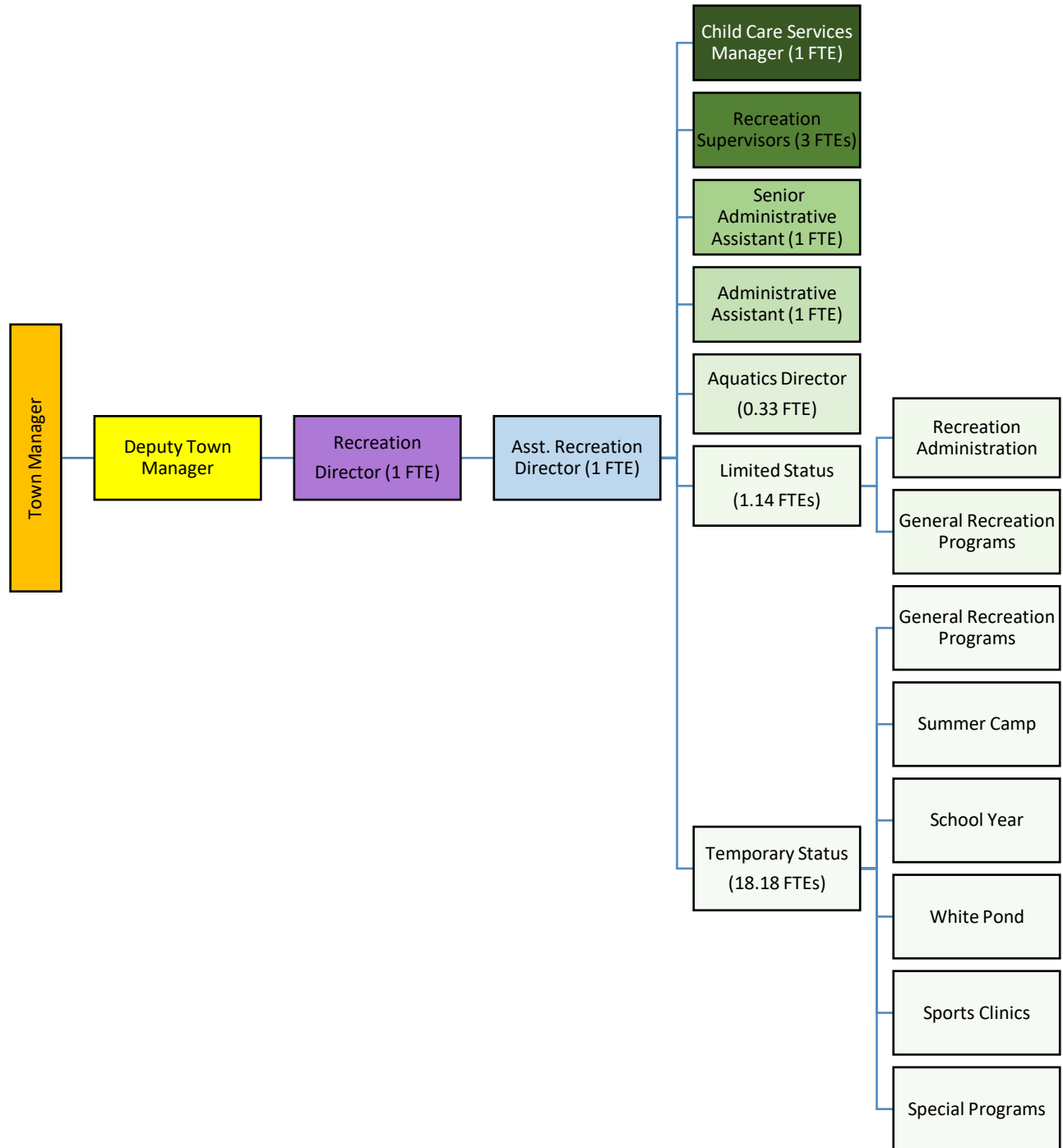
This page is intentionally left blank.

Recreation Fund

Mission Statement

Supporting and promoting the community through wellness and play.

Organizational Chart



Recreation Fund

Overview

For decades now, Concord Recreation has served as a catalyst for strengthening our community. From youth sports to adult fitness, the Recreation Department has worked hard to assure that all residents have access to quality recreation and leisure services, while utilizing limited funding. The Department is in the process of growing program offerings and improving facilities. Recreation Department staff are spread out amongst our three primary facilities: the Hunt Recreation Center at Emerson Park, the Beede Swim and Fitness Center adjacent to the Concord-Carlisle High School, and the Harvey Wheeler Community Center, which is home to the Concord Carousel Preschool, located in West Concord.

The Recreation Department works closely with the Recreation Commission, a volunteer advisory board comprised of five Concord Residents, to continually evaluate the needs of the community. Concord Recreation is a self-supporting operation that continues to meet the needs of the community by delivering the highest quality customer-focused programs, events and services. Programs run year round at Hunt Recreation Center, Emerson Playground, Harvey Wheeler Community Center, 55 Church Street, and the Ripley Gymnasium. Seasonally, Concord Recreation also manages the Emerson Pool and White Pond Beach.

COVID-19 Impact

The Concord Recreation Department anticipated moving through FY21 that there would be a staunch decrease in participation and enrollment as people worked to reintegrate back into a 'new normal'. In light of this, the Department assumed that all programs would experience a reduction in participation for a period of at least one year. As the fiscal year has moved forward and the state's regulations have eased, we have seen participants returning to our Recreation programs but not in the quantities that were seen in FY19.

Summer Programs

Concord Recreation offers something for everyone with our wide variety of camps, clinics, and programs in the summer months. These programs include the Camp Three Rivers full and half-day camps, Trekkers Teen Travel Camp, Kaleidoscope Kids Preschool Program, Camp Three Rivers Inclusion Program, extended day options, and other specialty camps.

On June 1, 2020, the Department of Early Childhood Education and Care released minimum requirements for health and safety that would apply to all child and youth-serving programs, including recreational summer programs, recreational summer camps for children, municipal or recreational youth programs not traditionally licensed as camps, family childcare, and center-based childcare.



On June 6, 2020, Governor Baker announced that Phase 2 of the Commonwealth's Reopening Plan would begin on Monday, June 8, 2020. Childcare began the process of opening in Phase 2, and programs began to serve children and families on June 22, 2020. With the regulations and announcement of reopening, Concord Recreation implemented plans that allowed a small but vibrant summer camp program. Campers participated in the programs from June 29 to August 14, 2020. Group sizes were extremely limited due to social distancing reducing groups from up to 25 to 12, including staff. While camps were allowed to run, regulations and cohorting kept the

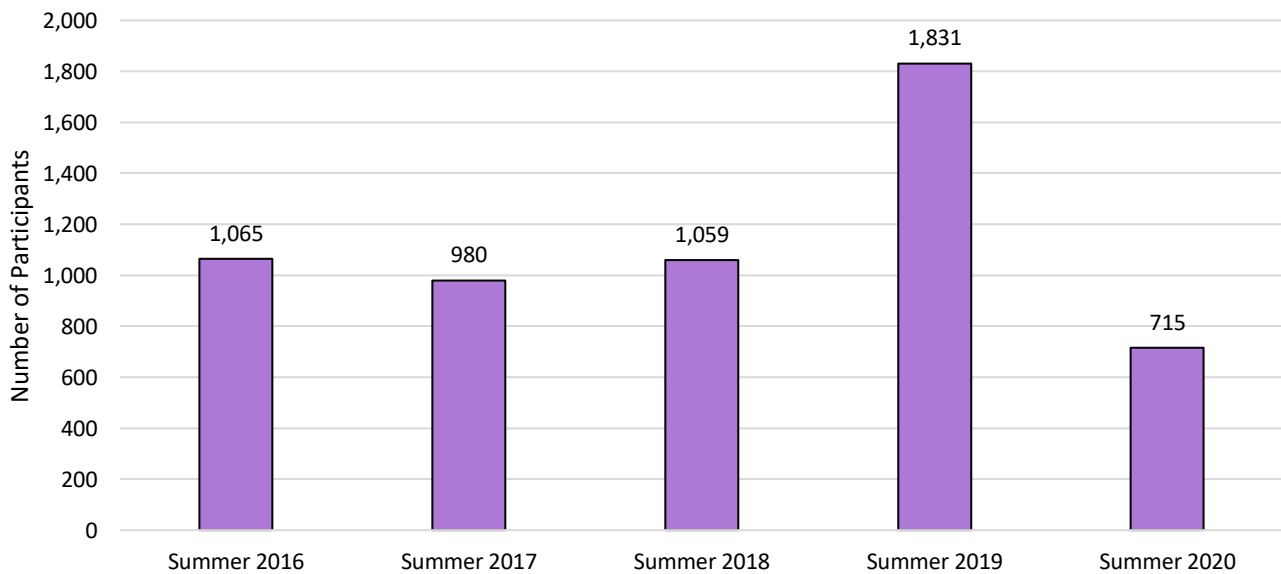
Recreation Fund

Recreation Department from running the following programs:

- Arts and Recreation Program Originally budgeted revenue approximately \$22,000
- Trekkers Program Originally budgeted revenue approximately \$68,000
- AM/PM Childcare Program Originally budgeted approximately \$50,000
- Concord River Camp Program Originally budgeted approximately \$25,000
- Internally run Specialty Camps Originally budgeted approximately \$10,000
- Externally run Specialty Camps Originally budgeted approximately \$25,000
- Post Camp Program Originally budgeted approximately \$18,000
- Cancellation of all Week 1 programs Originally budgeted approximately \$50,000
- Reduction in the Inclusion Program Approximately \$10,000 loss

In total, Concord Recreation supported 715 campers during the summer of 2020 as compared to more than 1,000 in previous summer seasons.

Summer Camp Participation



General Recreation Programs

As regulations were provided by the state, the Recreation Department began to plan for the return of youth and adult sports. The Concord Recreation middle school youth ski program shifted from a bussed model to a drop off model, reducing a roster of usually close to 80 kids to 30 kids. Additionally, Nashoba Valley Ski Area cancelled all municipal recreation based programs, affecting a roster of usually 100 students. Concord Recreation youth basketball programs reduced enrollment and adjusted program goals to be more practice oriented, eliminating contact with other groups or teams. These programs usually supported around 300 Concord youth but only supported around 85. Adult sports were completely put on hold for the better part of FY21, excluding low risk sports like pickle ball and tennis. Additionally, programs that included singing, such as Musical Theater program, were not allowed to run. As of April 2021, additional programs were allowed to return with limitations including competitive basketball, track, and events under 150 people.



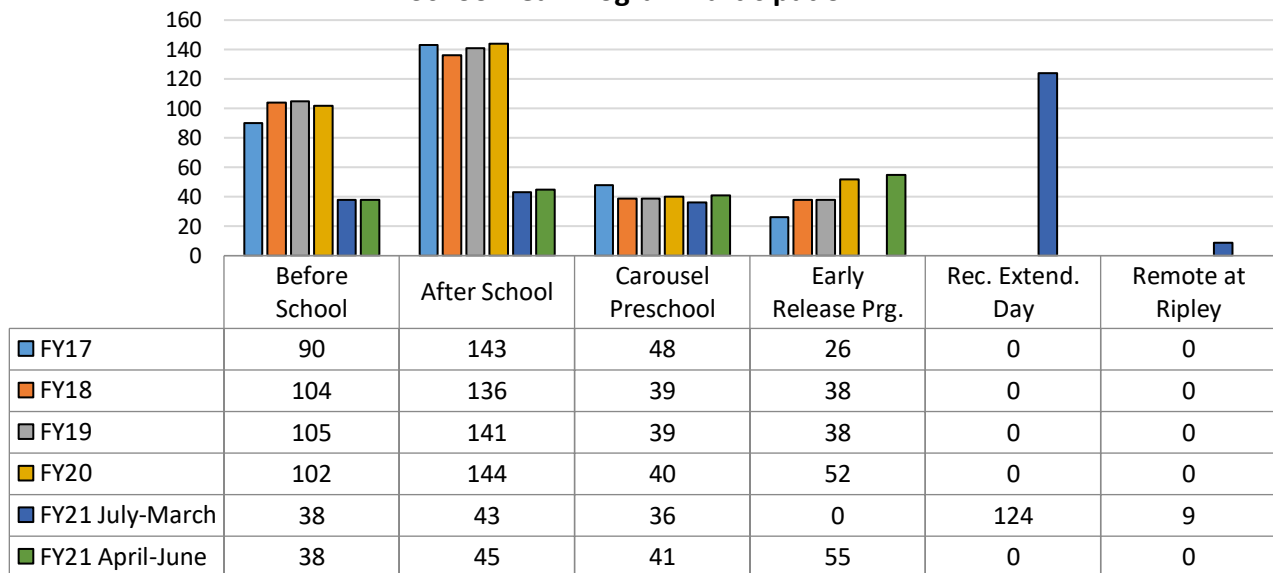
Recreation Fund

School Year Programs

As the start of the 2021-2022 school year approached, the Recreation Department worked closely with the Superintendent of Concord Public Schools to put a program in place that would support students during the remote learning portion of the school day, 12:30 - 3:30 PM. The quick cooperation of the Departments allowed the Recreation team to set up a very successful remote learning program, Recreation Extended Classroom (REC), at the elementary schools that supported 124 students. Staffing needs to support the school year programs closely mimicked expenses from years past as more staff were required to care for fewer kids, due to cohorting and group size limits. Additionally, the Recreation Department continued to offer before school care and afterschool care, which supported approximately 83 students, and the Carousel Preschool, which continues to support close to 40 students as of April 15, 2021. The chart below shows the enrollment comparisons, with FY21 being broken up to show registrations during remote learning months (Sept-April) and non-remote learning months (April-June).



School Year Program Participation



Additionally, Concord Recreation set up a remote learning program for school and town employees, called Remote at Ripley (RAR) to assure that care was available for those that needed to return to work. The REC and RAR programs ran simultaneously with the regular Before School, After School, and Carousel Preschool programs. Across all programs, the Recreation Department saw a combined monthly billing of approximately \$109,000. Staffing expenses, as of April 2021, are close to \$300,000 with additional program expenses around \$72,000.

In late February of 2021, the Recreation Department received notice from the State of Massachusetts that Concord elementary schools would return to full day, in person learning on April 5, 2021, which would eliminate the need for the REC Program. The Concord Recreation Department again pivoted and opened registration for afterschool care and early release enrollment for Wednesdays. As of April 15, 2021, the Before School, Afterschool, Early Release and Carousel Preschool programs have 139 students enrolled with a combined, average monthly reoccurring billing of \$56,000 expected in April, May and June of 2021.

Recreation Fund

The Department’s Before School, After School, and Early Release programs (formerly Terrific Tuesdays) continue to meet the needs of families seeking an out of school time program for their children that is an enriching and social experience. The daily schedule at all sites includes time for supervised indoor and outdoor play, special events, and homework, along with science, arts and crafts and outdoor play. While this year’s program was different, the staff worked hard to provide the students with a fun, memorable experience.

Special Events

Special events as we knew them were not able to occur in FY21. Jazzfest, bike fest, movies in the park, summer concert series, road races and the Shamrock Ball were all cancelled. The Recreation Department worked hard to run events that kept the community engaged, and these included:

- **October:** Facilitated a drive-thru “Trunk-or-Treat” event for nearly 140 vehicles.
- **November:** The Carousel Preschool celebrated Veteran’s Day with Carousel Preschool students greeting veterans as they did their drive through breakfast at the Harvey Wheeler Community Center’s Council on Aging. Concord Recreation also hosted a turkey scavenger hunt for residents to win a fresh Thanksgiving turkey!
- **December:** Introduced boredom busters and craft kits to go for use during December, February and April vacation weeks.
- **March:** Hosted our first virtual Shamrock Ball for over 100 parents and children.
- **April:** Hosted a drive-thru Easter event for children to meet the Easter bunny in place of the Department’s annual egg hunt.
- **May:** Hosting our first virtual fishing Derby for kids 18 years and younger.
- **June:** Hosting a virtual mother and son superhero night similar to the Shamrock Ball.



FY20 Accomplishments

- ☑ Installed accessible, outdoor fitness equipment at Rideout Park in West Concord.
- ☑ Successfully hosted “Little Women Week” in December of 2019 bringing in tourists from around the world to celebrate Louisa May Alcott and her famous work, Little Women.
- ☑ Transitioned to a new registration software, MyRec, in January of 2020 after two years of preparation and training.
- ☑ Launched a new Visitor Center website www.visitconcord.org in April of 2020.
- ☑ Facilitated a drive through community event in April of 2020 to disseminate Easter eggs that would have been collected by children at the Department’s Annual Egg Hunt, which was cancelled due to COVID-19.
- ☑ Developed and activated a plan to safely open Summer Camp and White Pond in June of 2020 with COVID-19 restrictions and policies in place.



Recreation Fund

FY22 Goals

- Continue to cultivate a strong sense of community by offering programs and events for Concord residents that encourage recreation, socialization, and leisure education as the community begins to reopen following the relaxation of COVID-19 restrictions.
- Maintain a close relationship with the Town’s Human Services team to assure the Department is providing programs, services, and supports that lead towards “optimal social, emotional health and well-being for all Concord children and families.”
- Develop best practices for integrating adaptive recreation and community inclusion programs within already existing Concord Recreation programs, classes, and teams both in-person and remotely.
- Work to continually educate staff on the topics of diversity and inclusion.
- Prepare for the effects of COVID-19 but expect a greater return to programs across all areas as seen during the end of FY21.
- Reflect on FY21 to make programmatic adjustments to reduce the expenses of future operations.

Long-Term Plans

- ⇒ Develop a department wide marketing plan to better reach target markets, locally, and otherwise.
- ⇒ Work closely with the Recreation Commission to explore opportunities to update the 2014 Recreation Facilities Strategic Plan.
- ⇒ Explore ways in which the Department can utilize Concord’s previously established outdoor recreation opportunities that include a vast amount trails, rivers, and parks.
- ⇒ Collaborate with field and facility user groups to evaluate space usage and scheduling.
- ⇒ Focus on enhancing park and open spaces as recommended in the 2014 Recreation Facilities Strategic Plan by increasing the number of public drinking fountains, benches, bike racks, and picnic pavilions.
- ⇒ Evaluate the Department’s ability to meet the recreation and leisure needs of all residents, especially those with disabilities.

Recreation Fund – Overview & Budget Highlights

FY22 Budget Highlights

Depending on the number of participants in each program, the revenues and expenditures attributed to the Recreation Fund varies from year to year. The goal of the Recreation revolving fund as a self-sustaining entity is to operate with a positive annual balance while keeping programs affordable. The Recreation Fund Balance is designed to be a safety net and to provide funding that can be allocated to building and program improvements efforts throughout the year.

Budget Highlights

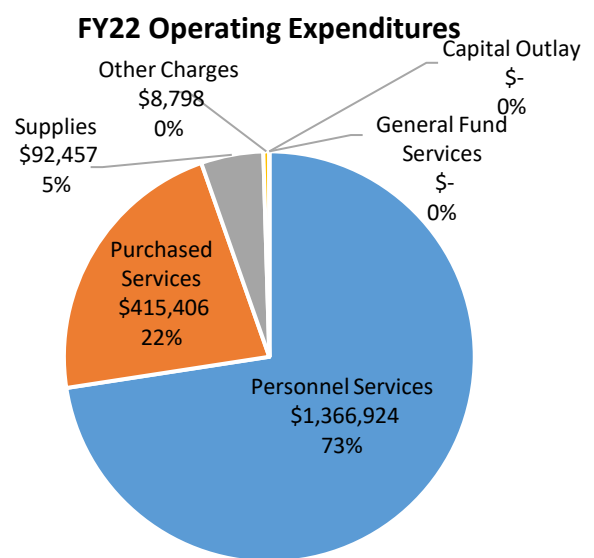
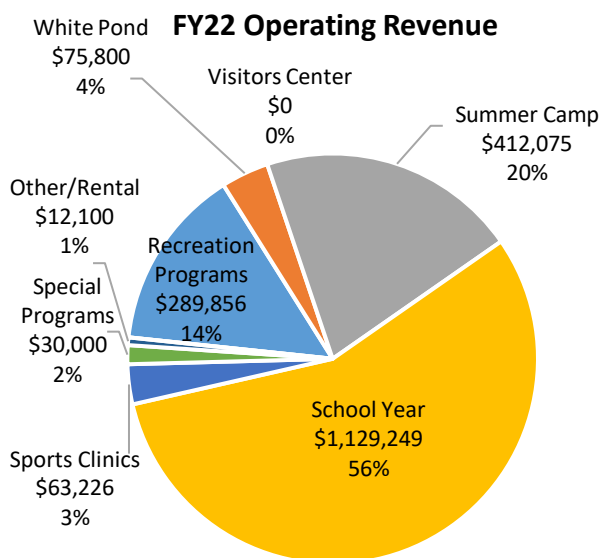
FY22 Projected Revenue	\$2,012,306
FY22 Projected Expenses	<u>(1,883,585)</u>
FY22 Projected Operating Income	\$128,721
FY22 Projected Net Income	\$128,721
FY22 Projected Recreation Fund Balance	\$1,052,857

Revenues and Expenditures Overview

Operating revenues are projected to total \$2,012,306, which is a 19.8% increase from the FY21 Revised budget due to registration trends in FY21 and the desire to return to a ‘new normal’. However, this remains under the FY19 Actual revenues due to the ongoing impact of the COVID-19 pandemic. The General Fund will support the Recreation Department with \$110,000 for 100.0% of the salary of the Recreation Director. With operating expenditures projected at \$1,883,585, there will be a projected operating income of \$128,721.

The largest expense seen within the Recreation Fund is that of Department staff. In FY22, the Department is projected to spend approximately \$1,366,924 on full-time, part-time, limited status and temporary status staff including benefits. These 100+ staff members include administration, camp counselors, before/after school staff, office clerks, weekend supervisors, program instructors, etc. These individuals are the ones that deliver programs and are continuously recognized as being vital to the success of the organization.

The FY22 Recreation Fund budget shows a projected income of \$128,721. In doing so, the Department is focused on keeping program costs static or slightly increased while continuing to invest program resources.



Recreation Fund – Revenues

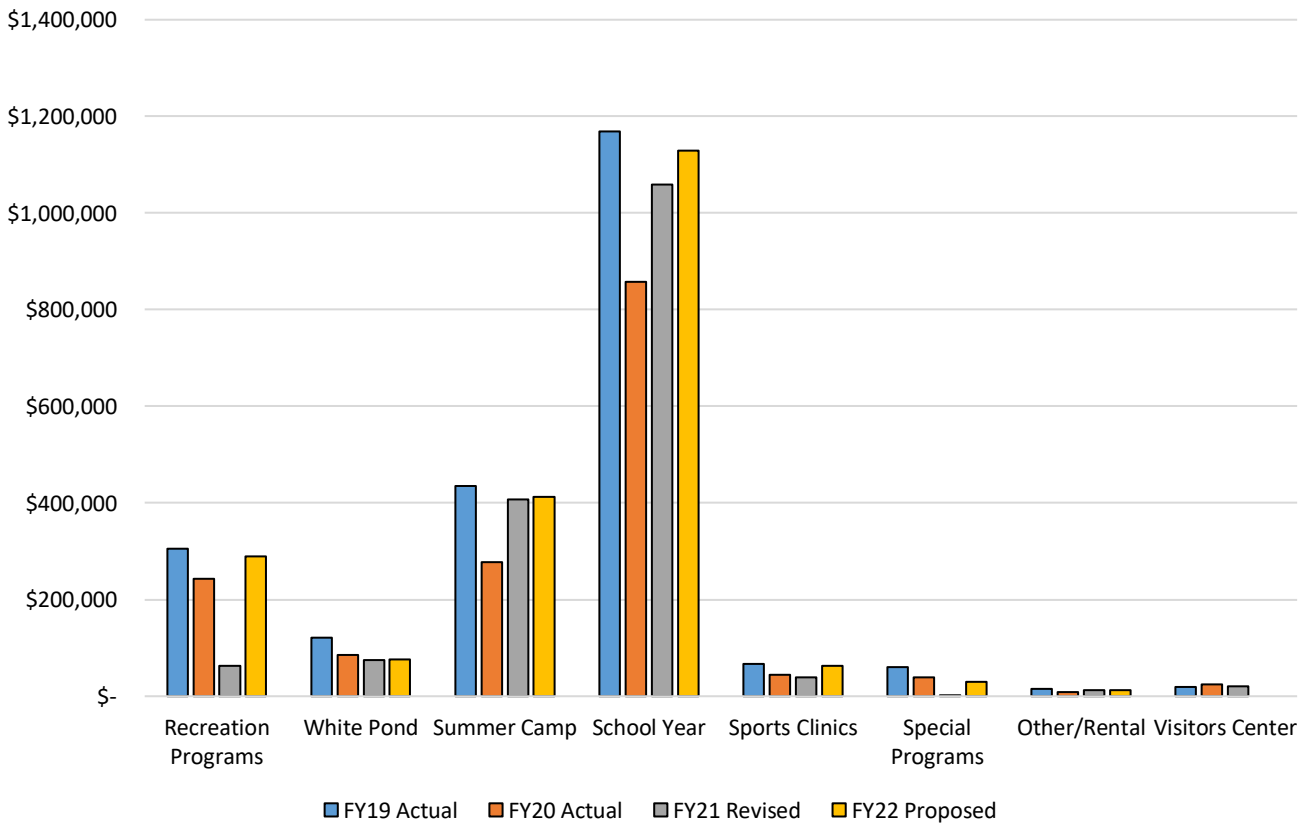
Operating Revenues

Almost all of the Recreation Department’s programs and services operate on a user fee basis. These user fees generate the department revenues that are used to fund daily operations, which includes staff, equipment, in-kind financial assistance, and more. FY22 operating revenues are estimated to total \$2,012,306.

OPERATING REVENUES

	FY19 Actual	FY20 Actual	FY21 Revised	FY22 Proposed
Recreation Programs	305,111	242,980	63,224	289,856
White Pond	120,740	85,596	75,000	75,800
Summer Camp	435,683	278,044	407,701	412,075
School Year	1,168,481	857,370	1,059,243	1,129,249
Sports Clinics	66,554	44,613	39,037	63,226
Special Programs	60,610	39,423	1,400	30,000
Other/Rental	14,691	8,782	13,125	12,100
Visitors Center	19,630	25,056	20,403	-
Subtotal	\$ 2,191,500	\$ 1,581,864	\$ 1,679,133	\$ 2,012,306
Operating Revenues Total	\$ 2,191,500	\$ 1,581,864	\$ 1,679,133	\$ 2,012,306

Recreation Fund Operating Revenues



Recreation Fund – Expenditures

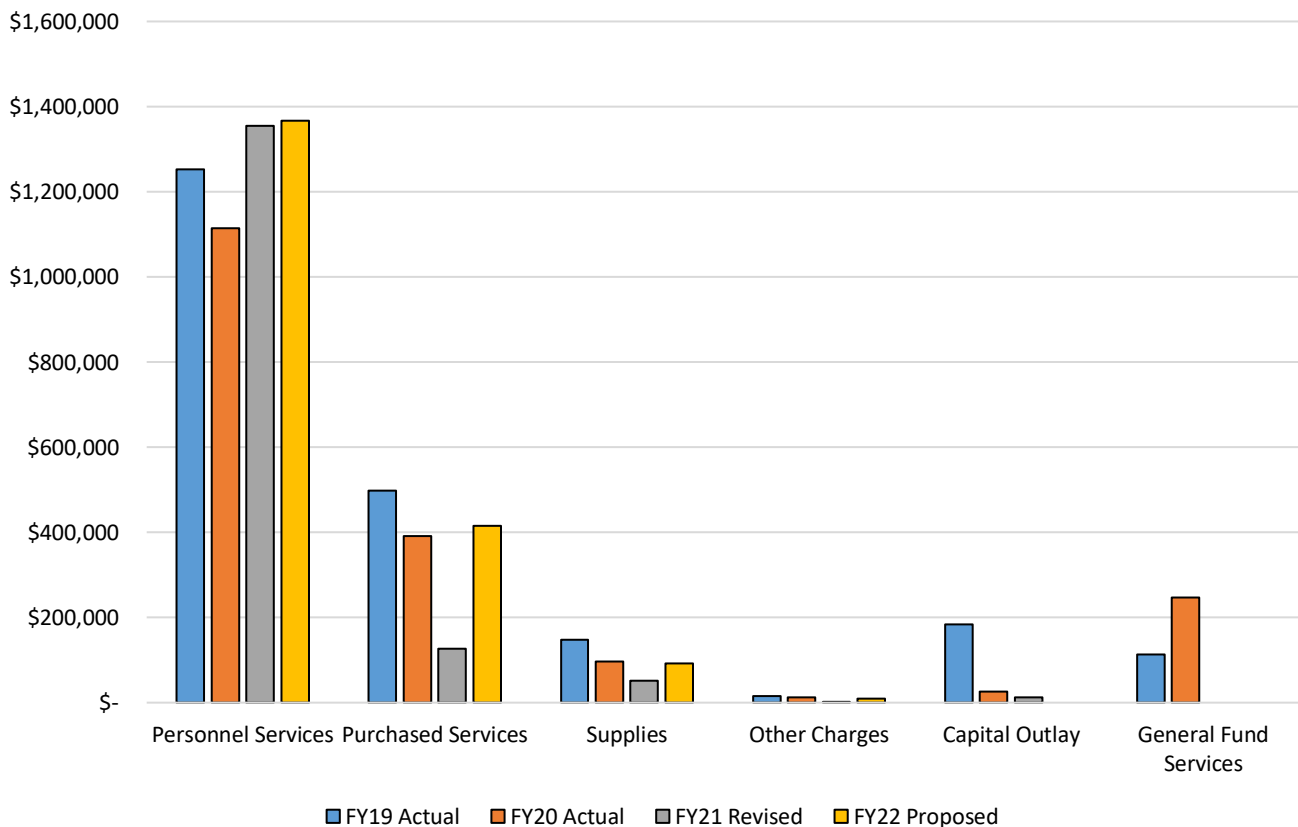
Operating Expenditures

Concord Recreation continues to monitor expenses closely to assure cost effective programs and events. The largest expense continues to be in Personnel Services. This category includes an invaluable group of 100+ part-time and full-time individuals that deliver high quality, customer focused programs, events, classes, and clinics. FY22 expenditures are proposed to total \$1,883,585.

OPERATING EXPENSES

	FY19 Actual	FY20 Actual	FY21 Revised	FY22 Proposed
Personnel Services	\$ 1,252,817	\$ 1,113,611	\$ 1,355,467	\$ 1,366,924
Purchased Services	498,641	391,162	127,129	415,406
Supplies	147,090	96,555	51,749	92,457
Other Charges	15,659	13,057	1,526	8,798
Capital Outlay	183,265	25,294	12,700	-
General Fund Services	112,691	247,109	-	-
Subtotal	\$ 2,210,163	\$ 1,886,788	\$ 1,548,570	\$ 1,883,585
Total Expenses	\$ 2,210,163	\$ 1,886,788	\$ 1,548,570	\$ 1,883,585

Recreation Fund Operating Expenditures



Recreation Fund – Expenditures

Personnel Services

AUTHORIZED POSITIONS (\$)

	FY21 Revised		FY22 Proposed	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
<u>Personnel</u>				
Full-Time Positions	7.50	\$ 536,421	7.33	\$ 547,192
Part-Time Positions	0.00	-	0.00	-
Limited Status Positions	1.84	57,629	1.14	35,569
Temporary Status Positions	18.23	674,859	18.18	672,928
Subtotal	27.57 FTEs	\$ 1,268,909	26.65 FTEs	\$ 1,255,689
<u>Employee Benefits</u>				
Health Insurance	N/A	\$ 22,298	N/A	\$ 36,283
Life Insurance	N/A	265	N/A	500
Dental Insurance	N/A	4,659	N/A	3,000
OPEB	N/A	-	N/A	-
Retirement Contribution	N/A	-	N/A	-
Subtotal	N/A	\$ 27,222	N/A	\$ 39,783
<u>Payroll Taxes</u>				
Medicare Tax	N/A	\$ 13,236	N/A	\$ 14,042
Social Security Contribution	N/A	34,184	N/A	35,210
Subtotal	N/A	\$ 47,420	N/A	\$ 49,252
<u>Other Personnel Costs</u>				
Overtime	N/A	\$ 6,206	N/A	\$ 2,000
Cell Phone Allowance	N/A	709	N/A	-
Incentive Pay	N/A	5,000	N/A	20,200
Unemployment Compensation	N/A	-	N/A	-
Car Allowance	N/A	-	N/A	-
Salary Reserve	N/A	-	N/A	-
Subtotal	N/A	\$ 11,915	N/A	\$ 22,200
Total Personnel Costs	27.57 FTEs	\$ 1,355,467	26.65 FTEs	\$ 1,366,924

Recreation Fund – Expenditures

General Fund Services

The Recreation Fund for the use services and support of General Fund programs contributes a set portion of funding each year to support personnel and non-personnel expenditures of certain accounts. No transfers are proposed to the General Fund in FY22 due to the impact of COVID-19 on Recreation Fund operations.

PAYMENTS TO THE GENERAL FUND

	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
Recreation Services	\$ -	\$ -	\$ -	-
Hunt Gym	21,997	17,829	-	-
Town Manager	25,602	29,991	-	-
Human Resources	16,458	22,644	-	-
Facilities Administration	-	-	-	-
55 Church Street	33,634	45,666	-	-
Visitors Center	-	85,738	-	-
Economic Vitality & Tourims	-	-	-	-
Parks & Playgrounds	-	30,241	-	-
Parks and Trees	15,000	15,000	-	-
Total	\$ 112,691	\$ 247,109	\$ -	-

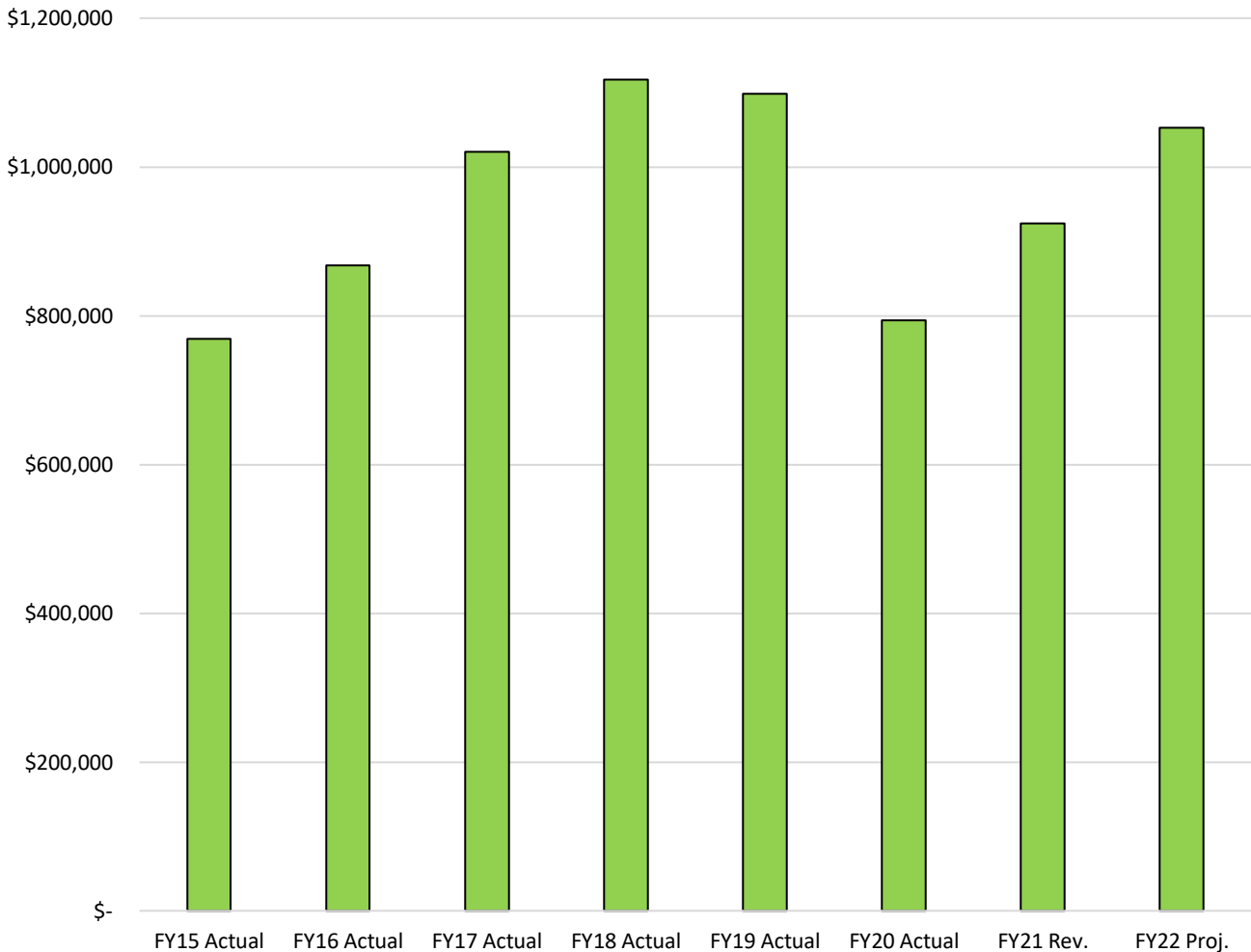
Recreation Fund – Net Income & Fund Balance

Net Income and Fund Balance

NET INCOME AND FUND BALANCE

	FY19 Actual	FY20 Actual	FY21 Revised	FY22 Proposed
Recreation				
Operating Revenues	\$ 2,191,500	\$ 1,581,864	\$ 1,679,133	\$ 2,012,306
Less Operating Expenses	(2,210,163)	(1,886,788)	(1,548,570)	(1,883,585)
Total Operating Income	\$ (18,663)	\$ (304,924)	\$ 130,563	\$ 128,721
Fund Balance:				
Beginning Fund Balance	\$ 1,117,159	\$ 1,098,496	\$ 793,573	\$ 924,136
Net Income	(18,663)	(304,924)	130,563	128,721
Ending Fund Balance	\$ 1,098,496	\$ 793,573	\$ 924,136	\$ 1,052,857

Recreation Fund Historical Fund Balance (As of June 30th)



Recreation Fund – Net Income & Fund Balance

PROGRAM NET INCOME

	FY19 Actual	FY20 Actual	FY21 Revised	FY22 Proposed
<u>Recreation Program</u>				
Operating Revenues	\$ 305,111	\$ 242,980	\$ 63,224	\$ 289,856
Less Operating Expenses	203,318	187,921	32,889	185,092
Operating Income	\$ 101,793	\$ 55,059	\$ 30,335	\$ 104,764
<u>White Pond</u>				
Operating Revenues	\$ 120,740	\$ 85,596	\$ 75,000	\$ 75,800
Less Operating Expenses	84,740	80,476	73,098	72,100
Operating Income	\$ 36,000	\$ 5,120	\$ 1,902	\$ 3,700
<u>Summer Camp</u>				
Operating Revenues	\$ 435,683	\$ 278,044	\$ 407,701	\$ 412,075
Less Operating Expenses	372,233	304,508	256,400	346,681
Operating Income	\$ 63,450	\$ (26,464)	\$ 151,301	\$ 65,394
<u>School Year</u>				
Operating Revenues	\$ 1,168,481	\$ 857,370	\$ 1,059,243	\$ 1,129,249
Less Operating Expenses	336,372	224,769	413,759	411,200
Operating Income	\$ 832,109	\$ 632,601	\$ 645,484	\$ 718,049
<u>Sports Clinics</u>				
Operating Revenues	\$ 66,554	\$ 44,613	\$ 39,037	\$ 63,226
Less Operating Expenses	39,670	31,446	12,200	42,707
Operating Income	\$ 26,884	\$ 13,167	\$ 26,837	\$ 20,519
<u>Special Programs</u>				
Operating Revenues	\$ 60,610	\$ 39,423	\$ 1,400	\$ 30,000
Less Operating Expenses	78,598	38,781	4,350	37,500
Operating Income	\$ (17,988)	\$ 642	\$ (2,950)	\$ (7,500)
<u>Visitors Center</u>				
Operating Revenues	\$ 19,630	\$ 25,056	\$ 20,403	\$ -
Less Operating Expenses	24,341	21,673	28,700	-
Operating Income	\$ (4,712)	\$ 3,383	\$ (8,297)	\$ -
Program Net Income	\$ 1,037,536	\$ 683,508	\$ 844,612	\$ 904,926
<u>General Recreation & Other Programs</u>				
Operating Revenues	\$ 14,691	\$ 8,782	\$ 13,125	\$ 12,100
Less Operating Expenses	1,070,890	997,214	727,174	788,305
Operating Income	\$ (1,056,199)	\$ (988,432)	\$ (714,049)	\$ (776,205)
Net Income	\$ (18,663)	\$ (304,924)	\$ 130,563	\$ 128,721

Recreation Fund – Moving Forward

Moving Forward

The Recreation Department has experienced a significant and distressing hit to operations during FY20 and FY21, directly influencing the planning and budget projection strategies for FY22.

Over the course of the last year, the Recreation Department has worked hard to run programs that meet the community’s needs, while continually showing flexibility, resourcefulness, and collaboration. While Concord Recreation believe that the effects of the COVID-19 pandemic will continue to impact operations into FY22, the Department is optimistic that current trends showing the community’s desire to return to a ‘new normal’ will continue.

The Department would like to thank the Town Manager’s Office, Facilities Department, Public Health Division, Public Works, and Concord Public Schools for lending support and providing necessary guidance to the Department over the last year.

Concord Recreation will remain committed to supporting the Concord community through wellness and play no matter what next year brings.

Minuteman Media Network

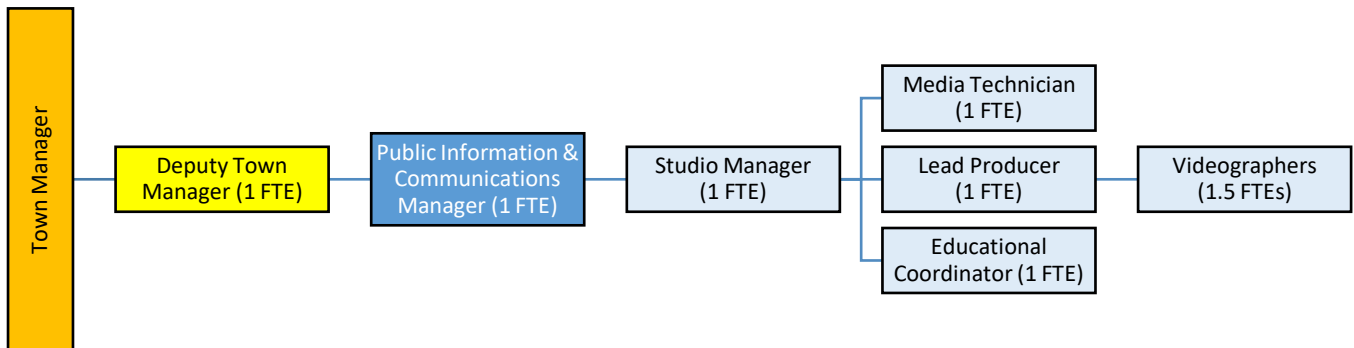
This page is intentionally left blank.

Minuteman Media Network

Mission Statement

The mission of Minuteman Media Network (MMN) is to enable the residents of Concord to learn, listen and communicate through television and web-based media services. As an integral service in the community, MMN endeavors to manage and improve upon its electronic forum in order to encourage the free exchange of information and ideas of our citizenry.

Organizational Chart



Minuteman Media Network

Overview

Pursuant to Section 611 of the Federal Communications Act, local franchising authorities, such as Concord, are able to require certain cable operators, such as Comcast, to set aside channels for public, educational, or governmental ("PEG") use by and through the community.

- **Public** access channels are available for use by the general public for a variety of shows, ideas, programs and documentaries.
- **Educational** access channels are used by educational entities for programming related to schools and school-sponsored activities.
- **Governmental** access channels are used for programming by local government and are used as an educational tool for the community to learn about what their civic and community leaders are doing.

In October of 2018, the Town assumed responsibility for the services and operations of the PEG Services Division from Concord-Carlisle Television, Inc. (CCTV). PEG Services in Concord are operated by Minuteman Media Network (MMN) and are overseen by the Public Information Division, which is managed by the Public Information and Communications Manager and overseen by the Deputy Town Manager.

Accomplishments

- ☑ Over the past year, MMN has increased the number of government meetings available to be viewed online with the help of Zoom record features and provided assistance to departments, committees, non-profits and others looking for video/media needs and assistance shifting to a virtual format.
- ☑ Despite complications from the COVID-19 pandemic, MMN has been able to produce videos showcasing the towns of Concord and Carlisle and continue through remote and COVID-19 compliant practices to work with the community to produce short documentaries, public service announcements, and other videos showcasing the community. These included events, ideas, and community in the time of COVID-19. Examples of the work done during this time include a music video with the Concord Carlisle High School Chorus which was nominated for an Emmy, a video on the West Concord 5 & 10, and PSA's on health and wellness during COVID-19.
- ☑ Studio was rearranged for better COVID-19 compliance and all equipment was tested, fixed/updated, and reconfigured to best suit the MMN studio to prepare for a hopeful reopening to the community in 2021.

Performance

Minuteman Media Network has continued to improve over time with engaging with the community, getting participation, and becoming a community asset.

From January 2020 to December 2020, MMN's YouTube subscribership rose by 248 individual subscribers, an 80% increase over the previous year. In addition, MMN's YouTube channel had 55,700 views, an 83% increase from the previous year.

As MMN continues to showcase the talented staff and raise community trust in their abilities, there were 49 formal requests for filming/video production in 2020, a 53% increase over 2019 despite the challenges of the COVID-19 pandemic stopping production for nearly 6 months.

Minuteman Media Network

FY22 Goals

- Increase community involvement with MMN:
 - Expand public programming,
 - Train interested community members on how to use available loaned equipment and public media offerings, and
 - Propose Continuing Education Classes and/or Workshops for interested parties.
- Offer a robust school-aged educational program relative to media and cable-related mediums in partnership with the Concord Public Schools and MMN's new Education Coordinator proposed for recruitment in the summer 2021.
- Cultivate and promote community access to MMN studio and equipment for all interested parties.
- Organize and coordinate community and public events with special focus on community involvement and education relative to MMN offerings and various types of media and cable-related productions.

Long-Term Plans

- ⇒ Grow public awareness of MMN programming and services.
- ⇒ Maintain a healthy fund balance to ensure continued MMN operations for public consumption.

Minuteman Media Network – Overview & Budget Highlights

FY22 Budget Highlights

In FY22, Operating Revenues are projected to total \$411,522 while proposed Operating Expenses are budgeted to total \$431,108. This results in a projected net loss of \$19,586 and a projected fund balance of \$1,472,448 at the end of the fiscal year.

Budget Highlights

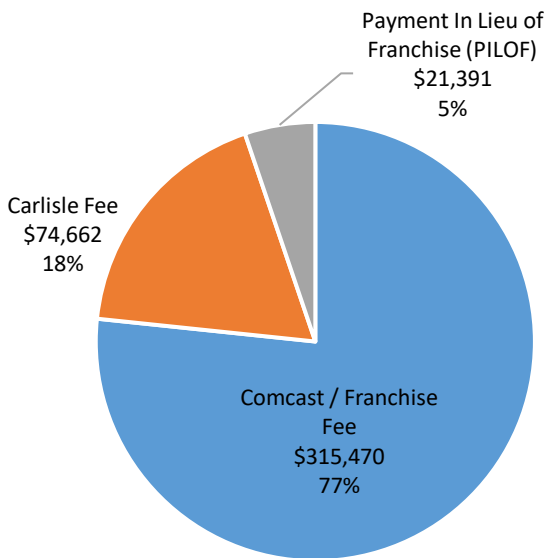
FY22 Projected Revenue	\$411,522
FY22 Projected Expenses	<u>(431,108)</u>
FY22 Projected Operating Income	\$(19,586)
FY22 Projected Net Income	\$(19,586)
FY22 Projected MMN Fund Balance	\$1,472,448

Revenues and Expenditures Overview

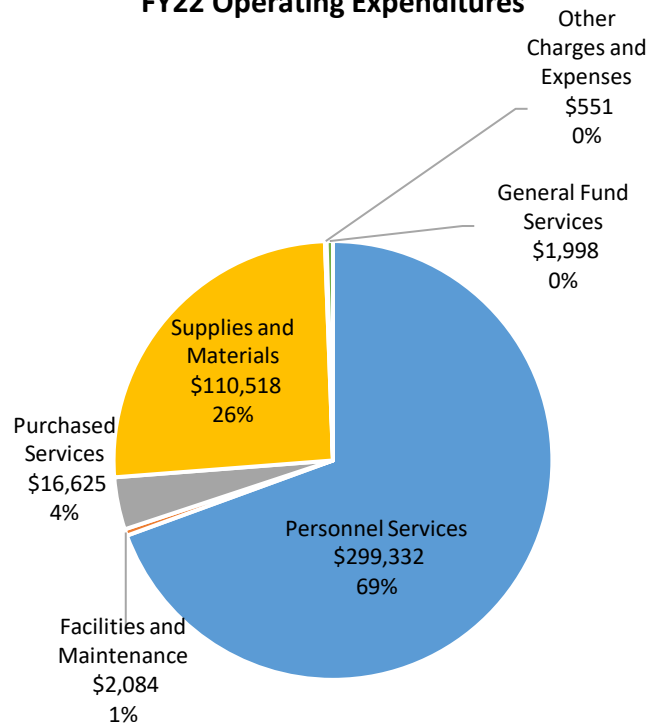
In FY22, operating revenues are projected to be \$411,522 and operating expenses to be \$431,108 resulting in a net loss of \$19,586. Sixty-nine percent of expenditures are for personnel services, which includes both full-time and part-time staff as well as their benefits.

The projected deficit in operating will allow the Network to purchase new equipment and supplies while providing continued support and improvement in the exchange of information and ideas through a variety of mediums.

FY22 Operating Revenue



FY22 Operating Expenditures



Minuteman Media Network – Key Initiatives

Key Initiatives

- Completing all new and updated personnel actions for MMN including finalizing all regular-status job descriptions and adopting a market-appropriate and streamlined compensation plan for full-time and part-time staff.
- Expanding MMN’s educational offerings with particular focus on the High School and Middle School student populations.
- Intensifying “P” offerings including enticing citizens to create and take part in new programming initiatives and developing a greater volunteer base.
- Finalize the new MMN website and historical digital database for former CCTV, Inc. recordings as well as current and future MMN programs.

Under the 1984 Cable Act, local franchising authorities, such as Concord, are able to require that cable operators, such as Comcast, Inc., set aside channels for public, educational, or governmental ("PEG") use. In addition, franchising authorities may require cable operators to provide services, facilities, and equipment for the use of these channels. Many cable systems include several PEG channels; Concord currently has three dedicated channels.

In general, cable operators are not permitted to control the content of programming on PEG channels. Cable operators may impose non-content-based requirements, such as minimum production standards, and may mandate equipment user training.

PEG channels are not mandated by federal law, rather they are a right given to the franchising authority, which it may choose to exercise. The decision whether to require the cable operator to carry PEG channels is up to the local franchising authority. If the franchise authority does require PEG channels, that requirement will be set out in the franchise agreement between the franchising authority and the cable operator. Concord has chosen to exercise this right in its agreement with Comcast. In accordance with applicable franchise agreements, local franchising authorities or cable operators may adopt on their own, non-content-based rules governing the use of PEG channels. Concord’s agreement does not currently have such rules provided by Comcast.

Examples of such types of rules may include:

- Rules may be adopted for allocating time among competing applicants on a reasonable basis other than the content of their programming;
- Minimum production standards may be required;
- Users may be required to undergo training.

Federal law once permitted a cable operator and their franchise communities to prohibit the use of their PEG channels for programming that contained obscene material, sexually explicit conduct, indecency, nudity, or material which solicits or promotes unlawful conduct. However, nearly a decade ago the U.S. Supreme Court determined that this law was unconstitutional. Currently, we do not control the content of programming on public access channels, but we do control when a particular program may air. Programs that may be deemed controversial, offensive or explicit may be scheduled to air during ‘off’ times such as early morning and late night hours.

Minuteman Media Network – Programming

Program Implementation

In October of 2018, the Town assumed the responsibility for the PEG-Access Cable services. Over the past six months, the Town have been working to develop an internal operating structure to design regular status positions and other applicable and necessary part-time positions to ensure the highest quality of programming and even higher levels of service. In addition to the Town’s staffing needs, the team has been taking a comprehensive approach to developing and outlining policies and procedures relative to the public’s use of equipment and studio space. Procedures for how one may request services, editing assistance and record help are also being explored and workshopped.

New modes of communication via web-based ‘On Demand’ and YouTube-style channels have been explored and are currently in use or in ‘pilot program’ mode. A new and updated website solely dedicated to Minuteman Media Network is nearly complete and will be prepared to go ‘live’ early in FY21. The concept of digital signage is being explored and the Town team has taken a great deal of time to explore and understand the current technological capabilities that exist in the current studio and with the related equipment. Advances and upgrades related to these capital assets are underway and the Town expects to have some capital plans in place for July 1st. Additional technical capabilities relative to satellite campuses or ‘studio-in-a-box’ type arenas are in the exploratory phases.

As a relatively new entity within the Town, FY22 will be the third full year in which Minuteman Media Network will be a Town-run entity. As with many new initiatives, on-the-job learning curves and the changes they bring are expected and, at times, required.

To this end, the role of the PEG Advisory Committee will be vital to the success and enhancement of the Division as it navigates through its first full year as a Town operation.

Minuteman Media Network – Revenues

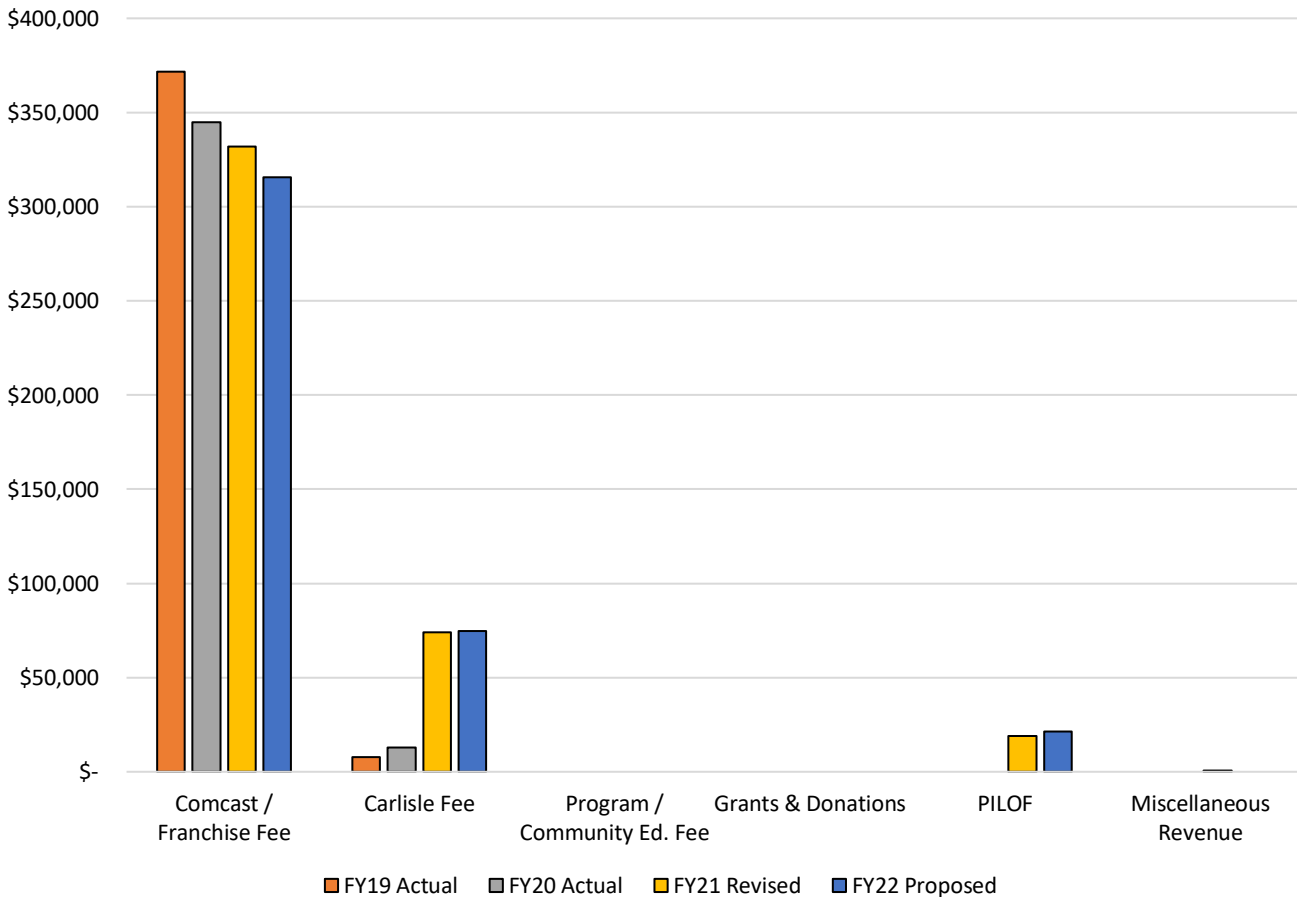
Operating Revenues

The majority of Operating Revenue collected in FY20 came from the Comcast / Franchise Fee paid quarterly to the Town. Other sources of revenue included support from Carlisle as they receive services for their commitment of funding each year. In FY22, \$315,470 is proposed to be collected from the Comcast / Franchise Fee in addition to \$74,662 from Carlisle. In FY22, MMN is also projected to receive \$21,391 from the Concord Municipal Light Plant (CMLP)'s Telecommunications Fund.

OPERATING REVENUES				
	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
Comcast / Franchise Fee	\$ 371,626	\$ 345,012	\$ 332,074	\$ 315,470
Carlisle Fee	7,710	12,763	74,199	74,662
Program / Community Ed. Fee	-	-	-	-
Grants & Donations	-	-	-	-
Payment In Lieu of Franchise (PILOF)*	-	-	18,915	21,391
Miscellaneous Revenue	-	-	657	-
Operating Revenues Total	\$ 379,335	\$ 357,775	\$ 425,845	\$ 411,522

* In FY22, the Telecommunications Fund (boadband service) operated by the Concord Municipal Light Plant is proposed to contribute 1.5% of CY2021 broadband sales (up to \$60,000) to support MMN. Forecasted CY2021 broadband sales total \$1,426,059 and 1.5% of those sales is \$21,391.

Minuteman Media Network Operating Revenues



Minuteman Media Network – Revenues

Comcast Franchise Agreement

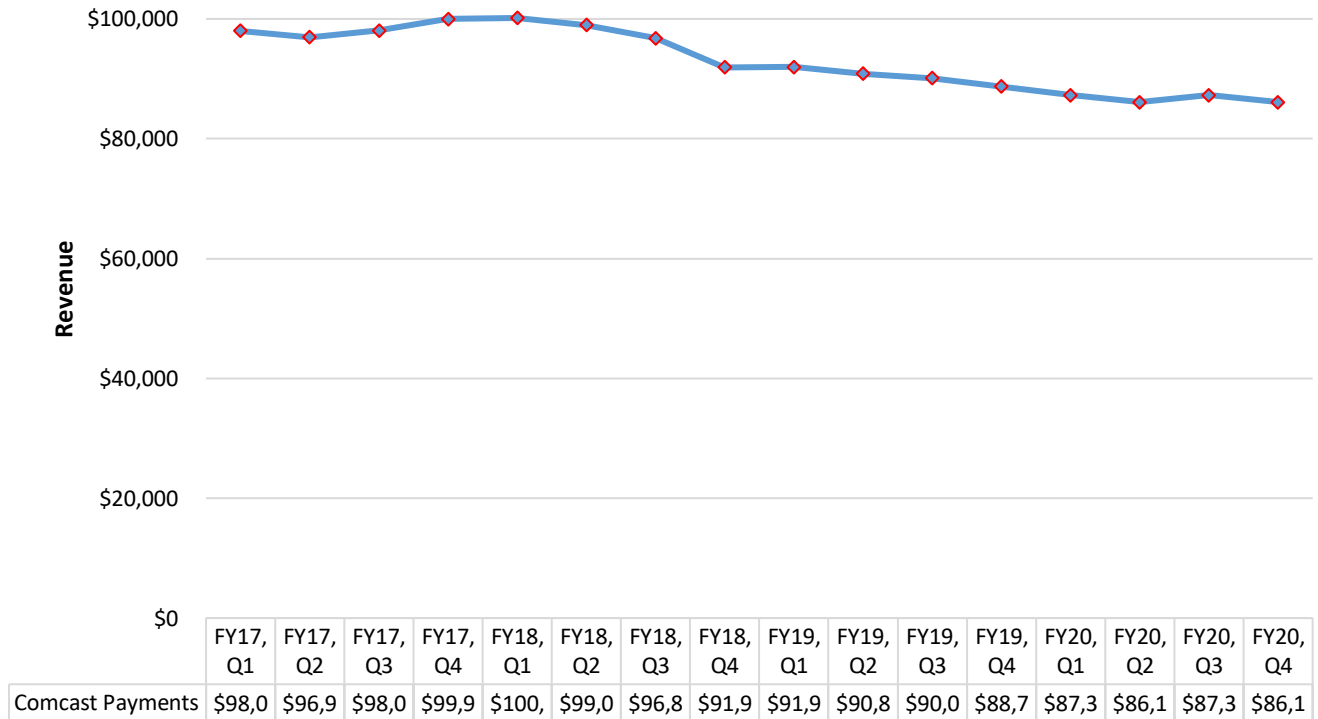
The Select Board issued a License Agreement to Comcast of Massachusetts III, Inc. for the period of April 22, 2014 through April 21, 2024, which authorizes the company to provide non-exclusive cable television and other telecommunication services to homes and businesses in the Town of Concord. The agreement provides for the delivery of PEG Access (Public, Educational, and Governmental) Television services, defined in the agreement as “noncommercial programming developed by any Concord residents or organizations, schools, government entities and the use of facilities, equipment and/or channels of the Cable System in accordance with 47 U.S.C. 531 and this Renewal License”.

Pursuant to Section 6 of the agreement, Comcast makes three channels available to the Town for PEG access programming and allocates 4.8% of the company’s gross annual revenue in Concord to support PEG access programming and its related expenses.

In 2015, Town Meeting voted to accept MGL Chapter 44, Section 53F-3/4 authorizing the creation of the PEG Access & Cable Related Fund. Revenue from Comcast is deposited into this fund and may be expended by the Town Manager only to support PEG access programming through the Town’s annual budget process.

The Concord-Carlisle Regional High School has set aside space in the school for a fully functioning and highly technical cable studio. This serves as the home base for the community television station. Costs related to the upkeep and maintenance of that space are paid for from the Comcast revenues received quarterly by the Town and include both personnel and non-personnel related charges.

Comcast Historical Quartley Revenues



Quartely Payments

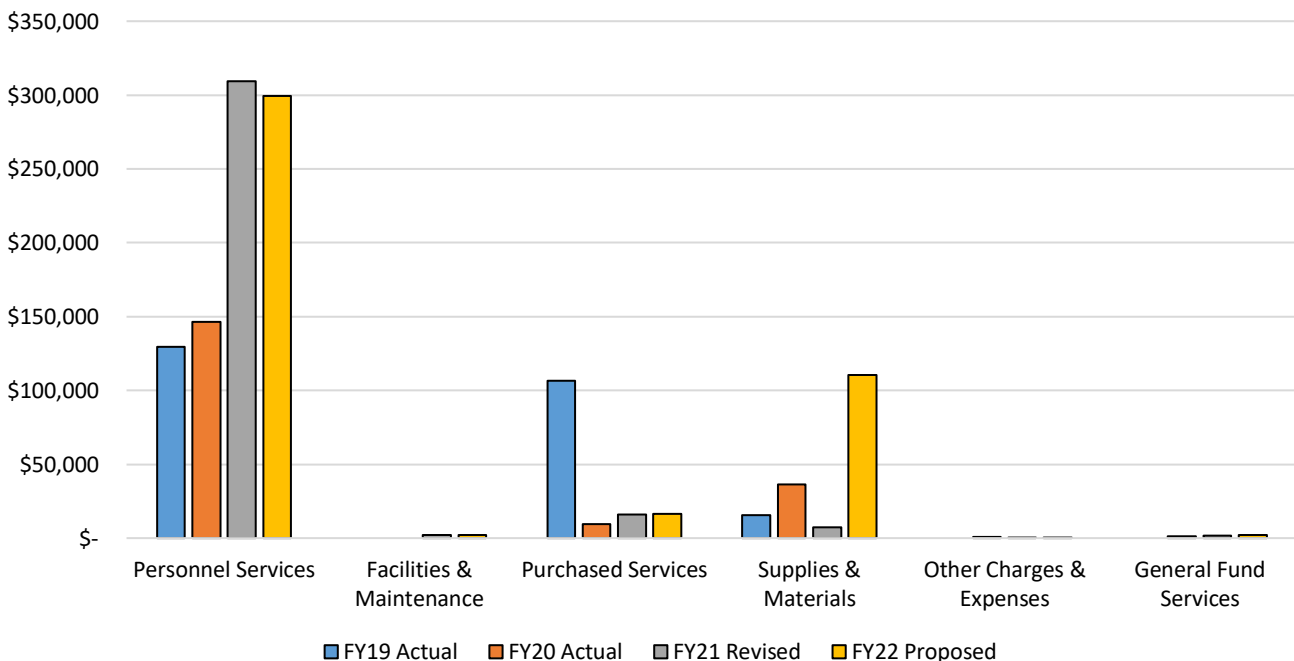
Minuteman Media Network – Expenditures

Operating Expenditures

With the assumption of responsibility for the reorganized network, the majority of planned expenses in FY21 and FY22 are focused on Personnel Services. These services in FY22 are proposed to include salaries, wages, and benefits for MMN staff that totals 69.4% of the budget. In addition, the FY22 proposed budget also includes \$26,978 for various facility needs, advertising, branding, and other technology related services as well as \$102,800 for equipment and studio upgrades.

OPERATING EXPENSES				
	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
Personnel Services				
Personnel Expenses	\$ 129,418	\$ 146,348	\$ 309,352	\$ 299,332
Retirement Adjustment				
Audit Adjustment	-	-	-	-
Subtotal	\$ 129,418	\$ 146,348	\$ 309,352	\$ 299,332
Non-Personnel Services				
Facilities and Maintenance	-		1,985	2,084
Purchased Services	106,658	9,301	15,834	16,625
Supplies & Materials	15,512	36,246	7,350	110,518
Other Charges & Expenses	-	805	525	551
Audit Adjustment	-	-	-	-
Subtotal	\$ 122,170	\$ 46,352	\$ 25,694	\$ 129,778
Other				
General Fund Services	\$ -	\$ 1,424	\$ 1,802	\$ 1,998
Audit Adjustment	-	-	-	-
Subtotal	\$ -	\$ 1,424	\$ 1,802	\$ 1,998
Total Operating Expense	\$ 251,587	\$ 194,124	\$ 336,848	\$ 431,108

Minuteman Media Network Operating Expenditures



Minuteman Media Network – Expenditures

AUTHORIZED POSITIONS

	FY21 Revised		FY22 Proposed	
	FTE	Amount	FTE	Amount
Staff				
Regular Full-Time Staff	5.50	\$ 269,190	5.50	\$ 264,979
Subtotal	5.50 FTEs	\$ 269,190	5.50 FTEs	\$ 264,979
Programming				
Educational Programming-Students	0 hrs.	\$ -	0 hrs.	\$ -
Community Programming	0 hrs.	-	0 hrs.	-
Subtotal	0.00 FTEs	\$ -	0.00 FTEs	\$ -
Employee Benefits				
Health Insurance	N/A	\$ 23,000	N/A	\$ 23,000
Life Insurance	N/A	-	N/A	-
Dental Insurance	N/A	2,080	N/A	2,080
Subtotal	N/A	\$ 25,080	N/A	\$ 25,080
Payroll Taxes				
Medicare Tax	N/A	\$ 3,903	N/A	\$ 3,842
Social Security Contribution	N/A	3,259	N/A	2,731
Subtotal	N/A	\$ 7,162	N/A	\$ 6,573
Other Personnel Costs				
Overtime	0 hrs.	\$ 2,700	0 hrs.	\$ 2,700
Unemployment Compensation	N/A	-	N/A	-
Car Allowance	N/A	5,220	N/A	-
IT Salary	N/A	-	N/A	-
Subtotal	N/A	\$ 7,920	N/A	\$ 2,700
Total Personnel Costs	5.50 FTEs	\$ 309,352	5.50 FTEs	\$ 299,332

Minuteman Media Network – Expenditures

General Fund Services

Minuteman Media Network for the use of General Fund services contributes a set portion of funding each year to support personnel and non-personnel expenditures of certain accounts. The FY22 proposed budget includes an estimated contribution of \$1,998 to the Department of Human Resources for the services they provide in on-boarding and off-boarding personnel as well as benefits management.

PAYMENTS TO THE GENERAL FUND

	FY19 Actual	FY20 Actual	FY21 Revised	FY22 Proposed
<u>Finance & Administrative</u>				
Town Manager	\$ -	\$ -	\$ -	-
Human Resources	-	1,424	1,802	1,998
Town Accountant				
Accounting Services	-	-	-	-
Audit Services	-	-	-	-
Treasurer-Collector	-	-	-	-
Finance Administration	-	-	-	-
Facilities Maintenance	-	-	-	-
Subtotal	\$ -	\$ 1,424	\$ 1,802	\$ 1,998
Salary Reserve	-	-	-	-
Audit Adjustments	-	-	-	-
Totals	\$ -	\$ 1,424	\$ 1,802	\$ 1,998

Minuteman Media Network – Net Income & Fund Balance

Net Income and Fund Balance

NET INCOME				
	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
Statement of Net Income:				
Operating Revenues	\$ 379,335	\$ 357,775	\$ 425,845	\$ 411,522
Less Operating Expenses	(251,587)	(194,124)	(336,848)	(431,108)
Operating Income	\$ 127,748	\$ 163,652	\$ 88,997	\$ (19,586)
Nonoperating Revenues (Expenses)				
Add Investment Income	\$ -	\$ -	\$ -	\$ -
Add Other Revenue/Expense	-	-	-	-
Less Interest Expense	-	-	-	-
Less Issuance Expense	-	-	-	-
Nonoperating Income	\$ -	\$ -	\$ -	\$ -
Net Income	\$ 127,748	\$ 163,652	\$ 88,997	\$ (19,586)

AVAILABLE RESOURCES				
Resources Available from Current Operations for Replacement & Renewal of Facility:				
	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
Capital Purposes				
Add Net Income	127,748	163,652	88,997	(19,586)
Add Debt Financing	-	-	-	-
Less Bonds Payable	-	-	-	-
Net Available for Capital	\$ 127,748	\$ 163,652	\$ 88,997	\$ (19,586)

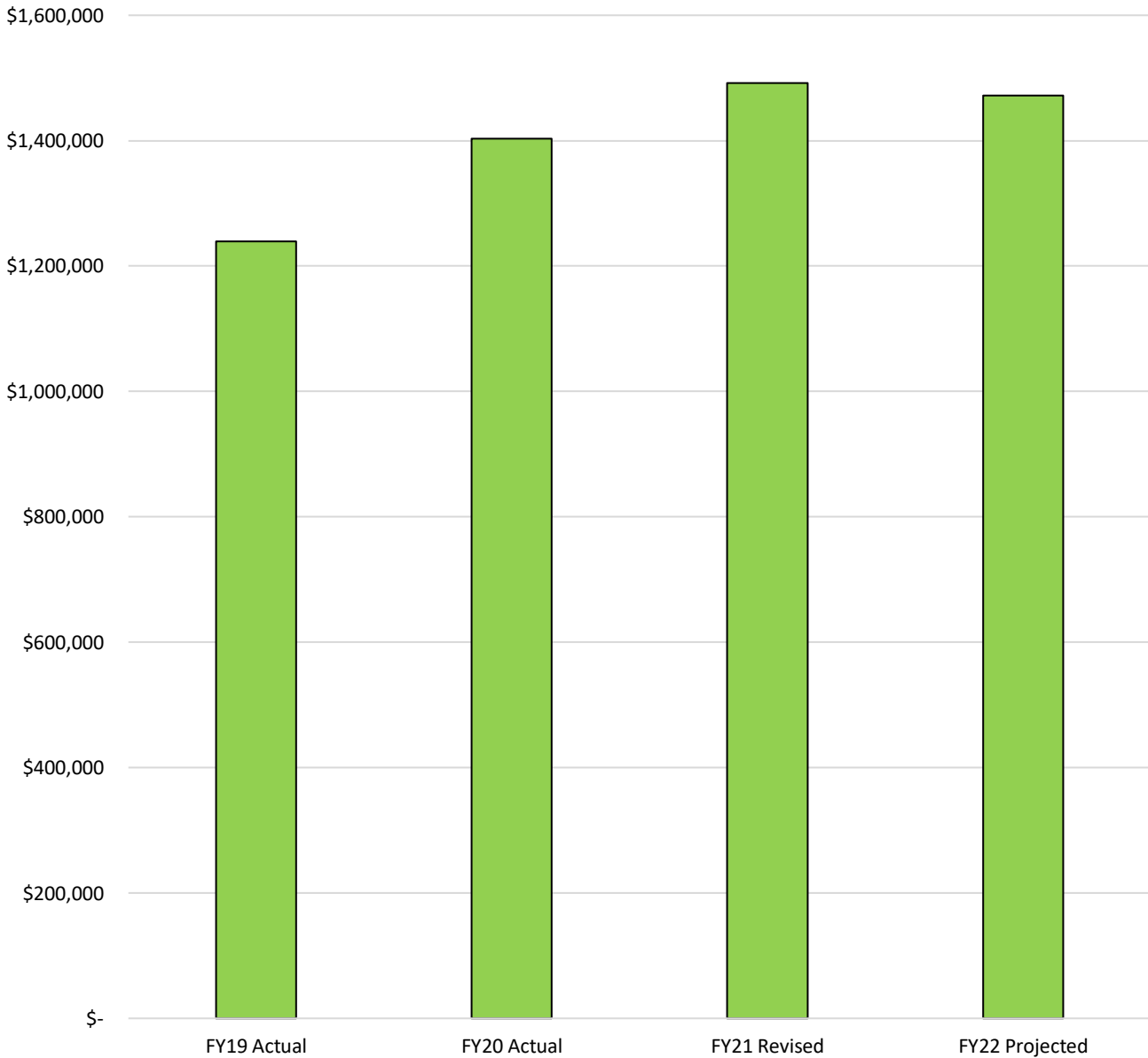
CASH POSITION AND FUND BALANCE FORECAST				
<u>Cash at Year Opening</u>	FY21		FY22	
Cash on July 1st	\$	1,409,565	\$	1,498,562
Add Receivables		-		-
Add Inventory & Other Assets		-		-
Less Cash held for Liabilities		(6,528)		(6,528)
Deferred Outflows (Inflows)		-		-
Fund Balance on July 1st	\$	1,403,037	\$	1,492,034
	Credit	Debit	Credit	Debit
Fund Balance Details (projected)				
Fund Balance on July 1st	\$ 1,403,037	\$ -	\$ 1,492,034	\$ -
Net Income	88,997		(19,586)	
Bond Principal Repayment	-			
BAN and Bond Proceeds	-			
Capital Borrowing	-			
Capital Outlay (non-borrowing)	-	-		-
Balance Projected at June 30th	1,492,034	-	1,472,448	-
Fund Balance on June 30th	\$	1,492,034	\$	1,472,448
	Credit	Debit	Credit	Debit
Cash at Year End (projected)				
Fund Balance on June 30th	\$ 1,492,034		\$ 1,472,448	
Less Receivables	-			-
Less Inventory & Other Assets	-			-
Add Cash Held for Liabilities		6,528		6,528
Add Cash Held for Deferred Inflows		-		-
Projected Cash at June 30th	\$	1,498,562	\$	1,478,977

Minuteman Media Network – Net Income & Fund Balance

In an effort to maintain and improve services provided by the newly formed MMN, special attention is paid to monitor the network’s fund balance. With the newly reorganized network under Town management in October of 2018, the fund balance at the end of FY19 according to audited financial statements was \$1.2 million. The proposed FY22 budget estimates the fund balance to be \$1,472,448 by fiscal year end.

FUND BALANCE				
MMN Fund Balance	FY19	FY20	FY21	FY22
	Actual	Actual	Revised	Proposed
Operations	\$ 1,239,385	\$ 1,403,037	\$ 1,492,034	\$ 1,472,448
Capital	-	-	-	-
Undesignated	-	-	-	-
Total	\$ 1,239,385	\$ 1,403,037	\$ 1,492,034	\$ 1,472,448

Minuteman Media Network Historical Fund Balance
(As of June 30th)



This page is intentionally left blank.

Appendix

Appendix – Budget Process

This page is intentionally left blank.

Appendix – Budget Process

Budget Process

The Town of Concord operates under state statutes in general; and under the Town Charter as amended, which established the present Selectmen-Town Manager form of government; and under various Town bylaws. The legislative body of Concord is an Open Town Meeting, in which all voters registered in Concord are permitted to participate. While Town Meeting has the sole authority to appropriate funds for the General Fund operating budget and capital projects, it does not appropriate funds for the electric, sewer, and water enterprise funds, or for the special revenue funds. For the three existing enterprise funds and Solid Waste Special Revenue Fund, the responsible department heads, with review by the Town Manager, develop the proposed budgets. The Town Manager then submits these proposed budgets to the Board of Selectmen and Finance Committee, and to the public, prior to the Annual Town Meeting. Each budget is approved by the responsible policy committee as a spending plan, and the Town Meeting authorizes the Town Manager to expend the funds. The new Swim and Fitness Center enterprise fund follows this same pattern, with the additional requirement that the Town Meeting enacts this budget as an appropriation. The Swim and Fitness Center Fund is authorized under MGL c. 44, s. 53F½, a state law enacted in 1986 that sets forth conditions for newly-established enterprise funds. The fiscal year for the electric utility begins on January 1, while the fiscal year for all other funds begins on July 1.

Like prior budgets, these CY21/FY22 budgets have been developed based upon projected assumptions of available revenue. These budgets are based primarily upon fees charged for the services provided by each activity. Added to these service fees are projections for grants and miscellaneous non-operating revenues, such as interest earnings.

The projected expenditures are calculated based upon the costs of operating the existing service. These operating costs include salaries and employee benefits, debt interest payments, and infrastructure repair and maintenance, including depreciation expense.

Budget Schedule

Beginning in November of this fiscal year due to the COVID-19 pandemic, the responsible boards and commissions discuss budget issues and provide policy guidance to the staff at a series of working meetings. By early April, the responsible departments develop and submit their budgets to the Town Manager. With input from these parties, the Town Manager submits the proposed budgets to the public at a hearing held in mid to late April.

Shown on the following pages are a calendar of important dates and a chart of the budget schedules for developing and acting on the CY21/FY22 budgets, including the enterprise/special revenue budgets.

Appendix – Budget Calendar

July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June
				Establish Goals; Hold planning meetings							
						Depts. develop operating & CIP budget requests					
						Depts. Present budget requests; Finance Committee presents guidelines					
							Warrant is Open				
							Town Mgr. reviews budgets & submits them to Board of Selectmen				
							Departments develop & submit Enterprise Fund budgets to Town Manager				
							Finance Comm. Holds hearings & completes final recommendations on Town Govt., School Budgets, & all articles.				
							Town Mgr. reviews, publishes, & holds				
							Town Meeting discusses & adopts Town Govt., Schools, & capital budgets.				

Appendix – Budget Calendar

Budget Calendar

This calendar describes the steps leading to adoption of the budget for those accounts overseen by the Town Manager under the jurisdiction of the Select Board and requiring appropriation by the Town Meeting. The School Superintendent and School Committees carry out similar steps.

2020

November 6	Capital Improvement Program (FY22-26) instructions issued
November 30	Bylaw required deadline to issue Guidelines
December 4	Capital Improvement Program (FY21-25) requests due

2021

January 6	FY22 Budget instructions issued to all departments, boards, and committees
January 27	FY22 General Fund Operating Budget requests due
January 28 - February 5	FY22 General Fund Operating and FY22-26 Capital Budget Requests review: meetings with Town Department Heads and Budget Review Team
February 4	Guidelines subcommittee - Town Manager's and Superintendent's (CPS) to Tentative Guidelines
February 11	Guidelines subcommittee - Superintendent's (CCRS) Response to Tentative Guidelines
February 25	Final Guidelines to be issued to Select Board and School Committees
February 27	Warrant opened - Select Board/Committees Coordination Meeting; planning session for 2021 Annual Town Meeting and review of known articles
March 15	Presentation of Preliminary FY22 General Fund Operating and FY22-26 Capital Budget recommendations by Town Manager to the Select Board.
March 16	Presentation of FY22 General Fund Budget to Finance Committee
March 25	Town Manager's Proposed FY22 General Fund Budget is published
March 26	Warrant for Town Meeting closes at 4:00 PM
April 2	Proposed FY22 Enterprise Budget Request due

Appendix – Budget Calendar

2021 (Continued)

April 5 - 9	Enterprise Budget Request review: Meetings with Enterprise Directors and Budget Review Team
April 15	Public Hearing advertised (for FY22 General Fund operations)
April 18	Target Date for Mailing of Town Meeting Warrant to Residents (At least 10 Days Prior to Public Hearing)
April 29	Finance Committee public hearing regarding Town Manager's General Fund operating and capital budget proposals for FY22 and other non-school and non-CPA financial articles on the Town Meeting Warrant
May 4	Town Manager's Proposed FY22 Enterprise Budget is published
May 6	Finance Committee public hearing on Education budget proposals for FY22 (Concord Public Schools, Concord-Carlisle Regional High School, and Minuteman Career and Technical High School) and Community Preservation Act Article
May 11	Finance Committee public hearing on FY22 Enterprise Fund Budgets and Articles
May 20	Finance Committee Completes its recommendations for Town Meeting
May 21	Finance Committee Report to Printer
June 3	Finance Committee Report mailed to residents (at least 10 days prior to Town Meeting)
June 13	Annual Town Meeting

Appendix – Financial Statements

TOWN OF CONCORD, MASSACHUSETTS
 Proprietary Funds
 Statement of Net Position
 June 30, 2020
 (Except for the Electric Enterprise Fund, which is as of December 31, 2019)

	Business-Type Activities				Total
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	
Assets					
Current:					
Cash and short-term investments	\$ 12,129,476	\$ 11,915,084	\$ 4,362,542	\$ 3,753,237	\$ 32,160,339
User fees, net of allowance for uncollectibles	1,404,374	489,766	3,875,038	-	5,769,178
Betterment receivables	-	42,000	-	-	42,000
Inventory	89,300	-	1,270,355	-	1,359,655
Prepaid expenses	-	-	1,974,732	-	1,974,732
Other assets	-	-	6,107	-	6,107
Total Current Assets	13,623,150	12,446,850	11,488,774	3,753,237	41,312,011
Noncurrent:					
Betterment receivables, net of current portion	-	295,754	-	-	295,754
Restricted cash	-	-	9,560,656	-	9,560,656
Investment in associated companies	-	-	353,766	-	353,766
Capital assets being depreciated, net	20,122,165	14,075,671	37,823,861	7,703,032	79,724,729
Capital assets not being depreciated	4,099,028	850,000	2,970,687	-	7,919,715
Total Noncurrent Assets	24,221,193	15,221,425	50,708,970	7,703,032	97,854,620
Total Assets	37,844,343	27,668,275	62,197,744	11,456,269	139,166,631
Deferred Outflows of Resources					
Related to pensions	351,918	87,981	3,026,887	112,352	3,579,138
Related to OPEB	182,332	27,906	121,916	15,621	347,775
Total Deferred Outflow of Resources	534,250	115,887	3,148,803	127,973	3,926,913
Liabilities					
Current:					
Warrants payable	248,903	236,240	3,455,989	79,107	4,020,239
Accrued liabilities	17,448	54,368	201,645	1,707	275,168
Accrued payroll	31,621	10,889	-	15,039	57,549
Unearned revenue	-	-	-	50,450	50,450
Customer deposits	-	-	647,374	-	647,374
Customer advances for construction	-	-	91,872	-	91,872
Notes payable	3,000,000	-	-	-	3,000,000
Other current liabilities	-	-	-	5,463	5,463
Current portion of long-term liabilities:					
Bonds payable	500,242	922,688	810,000	-	2,232,930
Accrued employee benefits	10,768	2,692	8,209	4,008	25,677
Total Current Liabilities	3,808,982	1,216,877	5,215,089	155,774	10,406,722
Noncurrent:					
Bonds payable, net of current portion	1,511,698	5,172,756	4,261,661	-	10,946,115
Net pension liability	603,948	150,988	3,687,216	271,898	4,714,050
Net OPEB liability	467,173	96,523	2,385,590	204,629	3,153,915
Accrued employee benefits, net of current portion	96,916	24,229	155,980	36,076	313,201
Total Noncurrent Liabilities	2,679,735	5,444,496	10,490,447	512,603	19,127,281
Total Liabilities	6,488,717	6,671,373	15,705,536	668,377	29,534,003
Deferred Inflows of Resources					
Related to pensions	190,441	47,611	564,080	159,463	961,595
Related to OPEB	-	-	19,330	275,665	294,995
Other	-	-	3,166,804	-	3,166,804
Total Deferred Inflows of Resources	190,441	47,611	3,750,214	435,128	4,423,394
Net Position					
Net investment in capital assets	23,179,780	9,493,954	36,009,547	7,703,032	76,386,313
Restricted for debt service	-	878,846	-	-	878,846
Restricted for capital improvements	-	4,914,831	3,609,450	-	8,524,281
Unrestricted	8,519,655	5,777,547	6,271,800	2,777,705	23,346,707
Total Net Position	\$ 31,699,435	\$ 21,065,178	\$ 45,890,797	\$ 10,480,737	\$ 109,136,147

Appendix – Financial Statements

TOWN OF CONCORD, MASSACHUSETTS

Proprietary Funds
 Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Year Ended June 30, 2020
 (Except for the Electric Enterprise Fund, which is for the year-ended December 31, 2019)

	Business-Type Activities				Total
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	
Operating Revenues					
Charges for services	\$ 5,653,326	\$ 2,659,874	\$ 29,279,315	\$ 1,826,971	\$ 39,419,486
Total Operating Revenues	5,653,326	2,659,874	29,279,315	1,826,971	39,419,486
Operating Expenses					
Salaries and benefits	2,013,677	637,930	3,552,333	749,219	6,953,159
Other operating expenses	1,136,265	1,019,473	1,654,310	961,924	4,771,972
Depreciation	1,046,939	797,793	1,873,750	371,376	4,089,858
Electric operations	-	-	21,921,195	-	21,921,195
Total Operating Expenses	4,196,881	2,455,196	29,001,588	2,082,519	37,736,184
Operating Income (Loss)	1,456,445	204,678	277,727	(255,548)	1,683,302
Nonoperating Revenues (Expenses)					
Investment income	195,435	151,642	241,882	53,963	642,922
Interest expense	(120,445)	(128,928)	(184,970)	-	(434,343)
Loss on disposal of capital assets	-	-	(318,648)	-	(318,648)
Other	-	-	81,629	-	81,629
Total Nonoperating Revenues (Expenses), Net	74,990	22,714	(180,107)	53,963	(28,440)
Income (Loss) Before Transfers and Capital Contributions	1,531,435	227,392	97,620	(201,585)	1,654,862
Capital contributions	-	294,624	-	-	294,624
Transfers in	-	87,632	-	-	87,632
Transfers out	(146,719)	(36,680)	(452,000)	(66,053)	(701,452)
Change in Net Position	1,384,716	572,968	(354,380)	(267,638)	1,335,666
Net Position at Beginning of Year	30,314,719	20,492,210	46,245,177	10,748,375	107,800,481
Net Position at End of Year	\$ 31,699,435	\$ 21,065,178	\$ 45,890,797	\$ 10,480,737	\$ 109,136,147

Appendix – Financial Statements

TOWN OF CONCORD, MASSACHUSETTS

Proprietary Funds Statement of Cash Flows For the Year Ended June 30, 2020

(Except for the Electric Enterprise Fund, which is for the year-ended December 31, 2019)

	Business-Type Activities				
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	Total
Cash Flows From Operating Activities					
Receipts from customers and users	\$ 5,480,071	\$ 2,788,335	\$ 29,050,882	\$ 1,713,989	\$ 39,033,277
Payments to employees for salaries and benefits	(1,931,602)	(620,899)	(27,005,259)	(800,661)	(30,358,421)
Payments to suppliers and service providers	(1,595,782)	(983,288)	-	(906,932)	(3,486,002)
Net Cash Provided By (Used for) Operating Activities	1,952,687	1,184,148	2,045,623	6,396	5,188,854
Cash Flows From Noncapital Financing Activities					
Transfers out	(146,719)	(36,680)	(452,000)	(66,053)	(701,452)
Net Cash (Used for) Noncapital Financing Activities	(146,719)	(36,680)	(452,000)	(66,053)	(701,452)
Cash Flows From Capital and Related Financing Activities					
Acquisition and construction of capital assets	(1,353,078)	(409,435)	(2,702,735)	(148,495)	(4,613,743)
Capital contributions	-	359,254	-	-	359,254
Proceeds from issuance of bonds and notes	3,000,000	-	510,000	-	3,510,000
Principal payments on bonds	(485,000)	(906,694)	(750,000)	-	(2,141,694)
Principal payments on notes	(3,000,000)	-	(400,000)	-	(3,400,000)
Interest expense	(135,688)	(128,928)	(69,225)	-	(333,841)
Transfers in	-	87,632	-	-	87,632
Net Cash (Used For) Capital and Related Financing Activities	(1,973,766)	(998,171)	(3,411,960)	(148,495)	(6,532,392)
Cash Flows From Investing Activities					
Investment income	195,435	151,642	241,882	53,963	642,922
Net Cash Provided By Investing Activities	195,435	151,642	241,882	53,963	642,922
Net Change in Cash and Short-Term Investments	27,637	300,939	(1,576,455)	(154,189)	(1,402,068)
Cash and Short-Term Investments, Beginning of Year	12,101,839	11,614,145	15,499,653	3,907,426	43,123,063
Cash and Short-Term Investments, End of Year	\$ 12,129,476	\$ 11,915,084	\$ 13,923,198	\$ 3,753,237	\$ 41,720,995
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating income (loss)	\$ 1,456,445	\$ 204,678	\$ 277,727	\$ (255,548)	\$ 1,683,302
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,046,939	797,793	1,873,750	371,376	4,089,858
Changes in assets, liabilities, and deferred outflows/inflows:					
User fees receivables	(173,255)	128,461	(241,160)	-	(285,954)
Inventory	4,081	-	(70,184)	-	(66,103)
Prepaid and other assets	-	-	(211,022)	-	(211,022)
Deferred outflows:					
Related to pensions	(23,357)	(5,839)	(2,067,429)	42,769	(2,053,856)
Related to OPEB	(170,552)	(25,466)	117,645	(11,316)	(89,689)
Net pension liability	(28,566)	(7,141)	2,589,649	(74,919)	2,479,023
Net OPEB liability	207,323	31,263	40,183	(309,463)	(30,694)
Accounts payable and accrued liabilities	(206,616)	81,062	167,200	66,734	108,380
Accrued expenses	(256,982)	(44,877)	46,643	(11,742)	(266,958)
Unearned revenue	-	-	-	(112,982)	(112,982)
Deferred inflows:					
Related to pensions	121,822	30,455	(444,350)	22,398	(269,675)
Related to OPEB	(908)	(319)	(13,100)	269,257	254,930
Other	-	-	(32,051)	-	(32,051)
Other liabilities	(23,687)	(5,922)	12,122	9,832	(7,655)
Net Cash Provided By (Used For) Operating Activities	\$ 1,952,687	\$ 1,184,148	\$ 2,045,623	\$ 6,396	\$ 5,188,854
Schedule of non-cash capital and related financing activities:					
Disposal of capital assets	\$ -	\$ -	\$ (486,972)	\$ (26,576)	\$ (513,548)

Appendix – Glossary of Terms

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 smooths 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).

Appendix – Glossary of Terms

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.

Appendix – Glossary of Terms

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.

Appendix – Glossary of Terms

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 \$14.29 tax rate)

<i>House Value:</i>	\$700,000
<i>Tax Rate:</i>	\$14.29 (which means \$14.29 per thousand \$ of valuation)
<i>Levy Calculation:</i>	\$14.29 multiplied by \$700,000 divided by \$1,000.
<i>Result, Property Tax Levy:</i>	\$10,003

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.

Appendix – Glossary of Terms

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 limit plus 2.5 percent (base) plus **growth revenue**.

This page is intentionally left blank.



(Front Cover): The Minute Man, Old North Bridge, Concord, MA; Samuel Krueger
(Back Cover): West Concord Mural, West Concord, MA; Erin Stevens