

SECTION 4: PLAN ELEMENTS

- 4.1 Cultural + Historic Resources
- 4.2 Economic Vitality
- 4.3 Housing
- 4.4 Land Use + Zoning
- 4.5 Mobility + Transportation
- 4.6 Open Space + Natural Resources
- 4.7 Public Facilities + Infrastructure
- 4.8 Fiscal Planning

Each plan element section contains the following information:

- Introduction
- What the Community Said
- This “Element” Today (Existing Conditions)
- Goals + Policies, Strategies, and Actions
- Systems Matrix*

**Section 4.8: Fiscal Planning does not contain a systems matrix, as its goals are overarching throughout the decision-making process.*



Concord Fire Station

SECTION 4.8 FISCAL PLANNING

INTRODUCTION

The Town of Concord has always strived to meet residents' needs for programs, services, and infrastructure while remaining fiscally responsible. The 2005 CLRP presented three main goals to help guide the Finance Department's planning:

1. Ensure that the distribution of the tax burden allows Concord residents to remain in Concord.
2. Provide high quality infrastructure through sustained, regular investment at the lowest reasonable cost.
3. Maintain stable operating budgets that consistently improve Town services and School programs that treat all Town and School employees fairly, and equitably distribute financial resources among Concord citizens.

The above goals are still valid today. The fiscal health of the town impacts every household and business in Concord. With the Town's reliance on revenue from a predominantly residential property tax base, increases in revenue from sources other than property taxes are strongly preferred to any increase in residential property tax rates. Concerns have been raised regarding increased property tax burden on those with fixed incomes and maintaining economic diversity of households in town. The 2018 Finance Committee (FinCom) suggests that financial planning employ all prudent measures necessary to maintain a property tax burden which will allow reasonably well-housed citizens to move to and remain in Concord. Increases in commercial property taxes, however, must be moderated to allow the existing and desired businesses to remain in town and to encourage new businesses to locate in Concord.

The issue of fiscal health and sustainability is an important focus for this Envision Concord plan. Shifting trends in consumer spending, work patterns, demographics, and the affordability of space all have an impact on the Town's tax base and on the level and expectations of Town services. For this reason, Fiscal Sustainability is one of the criteria for the comprehensive planning process and a framework for decision-making regarding fiscal health is provided as part of this plan. More information may be found in Section 2: The Vision in Practice in the Community Criteria and in Section 5: Implementation Actions on the CLRP Systems Check List.

The benefits of including considerations for fiscal health and sustainability in this plan are numerous and include:

- Supporting affordability efforts to address the cost-of-living challenges faced by residents as they seek ways to move to, or to remain in Concord.
- Ensuring decisions are not made in a vacuum but that trade-offs and cost-benefit analyses can be studied for all decisions to understand near and longer-term implications.
- Supporting the capacity of the Town to respond to environmental threats and emergencies.
- Ensuring that the Town remains nimble in answering changing needs and financial stresses.
- Acknowledging and addressing fiscal priorities as part of every planning and decision-making effort.
- Enabling the Town to assess both new initiatives and recurring initiatives for impacts and efficiencies.
- Encouraging the Town to review standing regulations and policies regularly to identify outdated or irrelevant initiatives and take necessary actions to remedy same.
- Allowing the Town to respond to necessary increase in services (sustainability commitment, potential increase in social services with aging population, etc.) in an informed manner.

WHAT THE COMMUNITY SAID...

The Envision Concord Survey and the 2016 Town Government Survey for Residents both provided community feedback for this plan with respect to fiscal planning issues.

October 2017 Envision Concord Survey Highlights

(Total of 458 Respondents from mid-September to mid-October 2017)

- While there were no specific questions regarding fiscal planning, several survey questions had space for comments.
- When asked if there was a quality or aspect missing from the eight planning categories listed in a prior question, twelve respondents wrote-in “property taxes,” “budget,” or “finance.”
- For two questions about improvements to the commercial centers, nine respondents commented that taxes on commercial properties might be negatively impacting small businesses.
- As part of a question about improvements for housing choices, ten respondents added taxes (combination of wanting lower property taxes, having a range of property taxes depending on house size).
- Additional comments stated that there was sufficient affordable housing and taxes should not be increased to create more.
- There were also write-in comments about balancing the budget, specifically in regards to school spending.

Envision Concord website and other input:

- Consistent questions as to how the Town can continue to provide increasing services if the tax base doesn’t grow accordingly. Concern about the ability of the Town to maintain its current high quality of life.

2016 Town Government Survey for Residents

- Results from the 2016 Town Government Survey for Residents highlighted the community’s priorities about fiscally responsible planning and spending and concerns about taxes.

FISCAL STATUS TODAY

Concord’s status as a desirable community rests on the balancing of the delivery of Town service, programs, and infrastructure with the fiscal budget. The Town’s annual budget drivers include:

- Salaries and hiring.
- Economic activity and population growth.
- Change in high school enrollment percentages between Concord and Carlisle.
- Other school-related needs and spending mandates, including transportation and Special Education.
- OPEB (Other post-employment benefits).
- Change in demographics and service demands.

The Finance Committee has studied and produced its Five-Year Projections with three possible scenarios depending on spending budget:

- Most likely scenario (moderate spending environment) – property taxes increase 2.3% - 3.5%.
- Alternative scenario 1 (below average expenditure growth) – property taxes increase 1.9% - 3.1%.
- Alternative scenario 2 (above average spending growth) – property taxes increase 2.8% - 4.0%.

As mentioned in Economic Vitality, although Concord has one of the lowest tax rates when compared to its neighboring towns, the property value assessments are high, resulting in generally higher tax bills. The Town has implemented several efforts and policies to assist property owners who have temporary difficulty in paying their property taxes.

In addition, there are a number of issues that impact fiscal planning. These include:

- Financial implications of changes in economic diversity of residents and increasing needs for assistance.
- Long-range capital planning budgeting being given a higher priority.
- Balancing Town and School budgets.
- Long-term implications of near-term human resource decisions (payroll/OPEB).
- Unfunded mandates resulting from Town Meeting actions as well as State and Federal actions.

GOALS + POLICIES, STRATEGIES, AND ACTIONS

The main focus of the Town's Finance Committee for overall financial health and sustainability is to reinforce Concord's economic soundness, financial strength, and flexibility through maintaining excess levy limit capacity to avoid overrides, maintaining a free cash balance, continually investing in capital needs, and avoiding burdening taxpayers beyond normal expectations. These principles and goals are affirmed. In addition to building on the three goals of the 2005 CLRP, given the ubiquitous concern of rising property taxes and the consequent demands on social services, this CLRP embraces the following four additional goals:

Goal 1: Establish a long-term (10 year) fiscal projection tool, including associated expenses for long-term capital spending plan, and a department-by-department illustration of anticipated level of service provision corresponding to three fiscal scenarios.

The Finance Committee in concert with the Town's Senior Management Team should explore existing tools available to establish a longer term capital spending plan that takes into consideration potential impacts to levels of service.

Goal 2: Establish a process for setting fiscal guidelines for expenditures (i.e., identify the highest amount of spending – without commensurate revenue generation – that protects the Town's ability to maintain the balance between expenditure levels and the values described in the Community Criteria in Section 2).

This CLRP sets in place goals and priorities until 2030. The guidelines for expenditures should also take into account the potential for unexpected events or rapid changes in technology that may influence decision-making and spending decisions.

Goal 3: Evaluate new spending opportunities using integrated planning principles with a view to achieving multiple objectives with any specific investment. This includes actively seeking short-term capital investment ideas that will result in long-term cost-savings or revenue generation (e.g., transit, centralization of Town offices, etc.)

The CLRP Systems Checklist and Goals/Actions Chart formalizes the process of ensuring that fiscal ramifications from decisions are understood across departments and that the resources are available to cover all the budget requirements, both direct and indirect, of actions taken as a result of this Plan.

Goal 4: Proactively strengthen Town-School fiscal coordination.

Given the anticipated changing demographics in the community, the Town and School administrations should strengthen regular communication throughout the year and better coordinate significant funding requests to ensure equity for the fiscal health of all town residents.

Systems Checklist and Implementation Action Chart

The Envision Concord Systems Checklist incorporating fiscal questions and Implementation Action Chart found in Section 5: Implementation Actions includes Goals and Actions for each Section 4 plan element presented in this section and includes action type, implementing parties, and recommended timeframe.

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