



2013 CONCORD ANNUAL TOWN REPORT

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Seated from left: Lynn Salinger, Wendy Rovelli, Linda Miller, Patricia Nelson, Janet Rothrock, recorder. Standing from left: Rob Mandeville, Alexandra Kuchar, John Hutchins, Chair; Richard Giles, June Rzepczynski, Mark Garvey. Not pictured: Lisa Bergen, Paul McGinn, Scott Randall, Triveni Upadhyay

The Finance Committee consists of fifteen members who are appointed by the Town Moderator to represent a diversity of ages, precincts, financial circumstances and professional backgrounds. Each member is appointed for a three-year term, with five terms expiring each year at the close of the Annual Town Meeting. No member shall serve concurrently as an officer of the Town or as a member of any board of the Town. The Finance Committee has served the Town as an overseer of the Town's financial matters and advisor to

the Town Meeting since its creation at the 1922 Annual Town Meeting.

The town's bylaws require that when the warrant for a Town Meeting contains any article where an appropriation or expenditure of money or the disposition of any property of the Town may be made, the Finance Committee shall consider such article or articles after holding one or more public hearings and shall report its recommendations to the Town Meeting in print. These recommendations are included in The Report of the Finance Committee, which is issued each spring in advance of the Annual Town Meeting.

It is the Finance Committee's charge to consider any or all municipal questions for the purpose of making reports or recommendations to the town, including: carrying out special studies of town services, programs and facilities; approving or disapproving the transfer of moneys from the Reserve Fund; and making recommendations to the town regarding the transfer of any amount of public money previously appropriated to any other use authorized by law. In addition, Finance Committee members also observe other Town committees and follow issues of financial importance to the town, contributing to financial oversight by asking questions of the appropriate bodies regarding the financial analyses being conducted.

At the Special Town Meeting of November 7, 2011, the voters approved a warrant article requesting the Finance Committee provide a Five-Year Projection of Tax Burden on Citizens. The Committee has included such a projection in each of its Reports since that date and continues to refine its model for preparing the Projection.

FY15 operating budget guidelines

Every fall, the Finance Committee considers the upcoming spending needs of our town departments and school systems in order to set operating budget guidelines for the following fiscal year. These guidelines are meant to inform and advise the town and school administrations, the Board of Selectmen and the School Committees as to what the Finance Committee believes are the appropriate levels of spending. Salary requirements, regular capital spending, operating expenses and other budget drivers are all considered.

The Finance Committee evaluates these needs against a variety of other considerations. What is the economic outlook, especially for our state and town? What is the likely availability of resources other than property taxes (such as state aid, other local taxes and new property growth in town)? What recent trends have characterized the overall levy and property taxes assessed on existing taxpayers and what is projected to be the impact on taxes of budget increases in the coming year and for five years forward? What is the additional impact of already-approved, excluded debt on taxpayers? What are the effects of shifting demographics between Concord and Carlisle regarding

relative assessments by the Regional School District, regarding enrollment changes within the Concord Public Schools, and regarding needs for new or enhanced town services? How do different categories of households -- by income group or household age -- perceive Concord's "affordability"? How do Concord's tax bills and spending levels compare with those in other reference communities? How do they compare with growth rates and levels of household income?

Trying to find the right balance for the times is a complex process. Members of the Finance Committee research, debate, interview, invite feedback and seek consensus -- within the Committee, with the budgeting entities and ultimately with the town's citizens.

Over the last twelve years, the rate of increase in Concord's property taxes has been declining, particularly as the effects of the national recession were felt locally. Whereas from FY 2002 through 2007, taxes levied on existing taxpayers rose an average of 6.45% per year, increases for FY2008 through FY2014 averaged 2.41% per year; for the last four fiscal years (FY11 through FY14), the average increase for existing taxpayers has been just 1.55% per year (although the differences from that average can be significant in particular cases). The Board of Selectmen, Town Manager, School Committees and Superintendent of Schools work collaboratively with the Finance Committee to reach consensus on budgets without impairing any important town services or the quality of public education in Concord.

The Finance Committee issued its FY2015 guidelines on November 30, 2013, as required by our town's bylaw. Those guidelines provide for modest growth in operating budgets for the town and for both our K-8 and 9-12 school districts. The guidelines recognize, among other things, rather dramatic increases in existing and projected enrollments in the schools, anticipated changes in the costs of special education services among the schools, and the need to provide additional emergency ambulance service, particularly for West Concord. The 4.08% increase in operating budgets contemplated by the Guidelines would result in a forecasted 3.98% overall increase in the property tax in FY15 for existing taxpayers, inclusive of the debt service on excluded debt. The total levy projected for FY15 remains well within the Proposition 2½ levy limit.

Looking ahead, the Committee foresees a number of upcoming demands for fiscal resources. The burden of the debt service for the high school building project began to impact taxpayers in FY14 and will peak in FY18. Other possible future expenditures have been identified, though some of their parameters are not yet defined. These include possible shifts in Concord's assessment for CCHS costs due to changes in enrollment ratios, as well as possible needs to construct a school bus transportation depot, replace athletic facilities, remediate an old landfill site under the present CCHS student parking lot, acquire additional office space to alleviate overcrowding in

existing town government facilities, and increase our annual contribution toward the Town's unfunded liability for future health insurance benefits for the Town's retirees. Utility and other public works infrastructure decisions are also on the horizon. The Finance Committee's five-year projection will be updated periodically as new information is received with respect to these factors in order to provide citizens with up-to-date projections.