

Section IV

Budget Detail – Unappropriated

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Mission Statement:

This account funds certain charges that are levied on the Town by State Law, which are not subject to Town Meeting appropriation. The primary item (constituting 80% of the General Fund assessment for FY11) is the Town's share of MBTA operating costs.

Budget Highlights:

- The fiscal plan allows for a 2.5% increase in the MBTA assessment, to \$365,000.

Expenditure Summary

	FY09 Actual	FY10 Actual	FY11 Budgeted	FY12 Proposed
General Fund	\$ 353,725	\$ 377,395	\$ 441,741	\$ 452,785
Other Funds	\$ 19,480	\$ 11,760	\$ 11,760	\$ 11,760
Total Expenditures	\$ 373,205	\$ 389,155	\$ 453,501	\$ 464,545

Description:

Certain charges are levied on the Town by state law and are not subject to Town Meeting appropriation. The principal item is the Town's assessment for MBTA services, which is \$355,923 for FY11 and is estimated at \$365,000 for FY12. While existing state law stipulates that assessments on cities and towns in the aggregate cannot rise more than 2 ½% per year, the allocations to individual municipalities are determined in part by relative equalized property valuation. A portion of the MBTA charge is allocated by periodic passenger boarding counts. Thus, the forecasted charges to an individual municipality are not precisely predictable. Further, the state legislature has acted on occasion to exceed this overall 2 ½% growth limit.

Legislation enacted in 1999 as part of the state budget established a new structure for financing the MBTA. Over the ensuing years, this legislation promised a modest reduction in Concord's assessment as the paying district has been enlarged beyond the prior 78 cities and towns. The MBTA assessment for FY12 is projected to increase by 2 ½%.

Detail – General Fund Charges

	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Budget	FY12 Est.
MBTA Assessment	\$338,905	\$338,362	\$357,910	\$355,923	\$365,000
Air Pollution Control District	7,239	7,399	7,583	7,748	7,835
Metro Area Planning Council	4,571	4,614	4,877	4,945	5,000
Charter School Assessment	14,335	0	0	66,100	67,750
School Choice Assessment	0	3,350	7,025	7,025	7,200
Total	\$365,050	\$353,725	\$377,395	\$441,741	\$452,785

Expenditure Detail					
	Previous Fiscal Years			FY12	
	FY09 Actual	FY10 Actual	FY11 Budgeted	Department Request	Town Manager's Proposed
State Assessments	\$ 353,725	\$ 377,395	\$ 441,741	\$ 452,785	\$ 452,785
Parking Surcharge	17,420	8,140	8,140	8,140	8,140
Excise Tax Clears	2,060	3,620	3,620	3,620	3,620
Totals	<u>\$ 373,205</u>	<u>\$ 389,155</u>	<u>\$ 453,501</u>	<u>\$ 464,545</u>	<u>\$ 464,545</u>

Funding Plan					
	FY11 Budgeted	% of Budget	FY12 Proposed	% of Budget	% Change in Dollars
General Fund	\$ 441,741	97.41%	\$ 452,785	97.47%	2.50%
Parking Meter Fund	8,140	1.79%	8,140	1.75%	0.00%
Agency Fund	3,620	0.80%	3,620	0.78%	0.00%
Totals	<u>\$ 453,501</u>	100.00%	<u>\$ 464,545</u>	100.00%	2.44%

Mission Statement:

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

Budget Highlights:

- The Overlay account increase for FY12 was based upon past experience in a triennial revaluation year.
- About \$125,000 of the Overlay account covers the expected cost of property tax exemptions granted to eligible taxpayers by state law.

Expenditure Summary

	FY09 Actual	FY10 Actual	FY11 Budgeted	FY12 Proposed
Original Overlay	\$ 523,555	\$ 506,857	\$ 545,082	\$ 550,000

Description:

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

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

Overlay Details

Fiscal Year	Tax Levy	Overlay	Overlay as % of Levy	Used as of 6/30/10		Balance as of 6/30/10
				\$	% of Levy	
FY03	\$ 42,496,029	\$ 413,140	0.97%	\$ 511,269	1.20%	\$ -
FY04	46,496,029	500,207	1.08%	344,031	0.74%	156,176
FY05	50,147,585	584,657	1.17%	493,841	0.98%	90,816
FY06	53,273,087	481,979	0.90%	361,241	0.68%	120,738
FY07	56,065,720	453,991	0.81%	229,798	0.41%	224,193
FY08	58,946,964	588,461	1.00%	346,907	0.59%	241,554
FY09	62,648,641	523,555	0.84%	225,767	0.36%	297,788
FY10	65,797,569	506,857	0.77%	242,442	0.37%	264,415
FY11	66,545,397	545,082	0.82%			
FY12 (proposed)		550,000				

UNAPPROPRIATED: Overlay

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Expenditure Detail					
	Previous Fiscal Years			FY12	
	FY09 Actual	FY10 Actual	FY11 Budgeted	Department Request	Town Manager's Proposed
Original Overlay	\$ 523,555	\$ 506,857	\$ 545,082	\$ 550,000	\$ 550,000
Plus: Amount to be raised from recap	-	-	-	-	-
Less: Used for abatements and exemptions thru 6/30/10.	(225,767)	(242,442)	-	-	-
Transferred to (from) other years	-	-	-	-	-
Transferred to unreserved fund balance	-	-	-	-	-
Balance as of June 30th	\$ 297,788	\$ 264,415	N/A	N/A	N/A

Funding Plan					
	FY11 Budgeted	% of Budget	FY12 Proposed	% of Budget	% Change in Dollars
General Fund	\$ 545,082	100.00%	\$ 550,000	100.00%	0.90%
Totals	\$ 545,082	100.00%	\$ 550,000	100.00%	0.90%

Account Summary:

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

Budget Highlights:

- The average annual expenditures for FY01-FY10 is \$559,921.
- The budget objective is to appropriate at or close to the 10-year average (see Item 18, Snow & Ice Removal). The FY12 Budget Guideline constraint precludes meeting this objective.
- Variance from the average annual cost is significant; the standard deviation for the past ten years is \$131,987.
- The average annual snow account deficit for the past 5 years is \$156,185.
- The FY12 Budget Plan provides for a current year cost overrun at approximately the average deficit of the past 5 years.

Expenditure Summary - Snow Account Deficit

	FY09 Actual	FY10 Actual	FY11 Budgeted	FY12 Proposed
General Fund	\$ 358,915	\$ 239,730	\$ 99,199	\$ 160,000

Description:

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

The amounts shown above as an "expenditure" represent budget overruns of the prior year added to the budget of the year shown, as authorized by MGL Ch.44, s31D. For example, the FY11 snow and ice deficit budget covers the deficit that may be incurred during FY11 (July 1, 2010 - June 30, 2011) which would have to be funded as part of the FY12 tax levy. This is an estimate only, at this stage of the FY12 planning process.

Surplus (Deficit) History		Snow Appropriation	Snow Expenditure	State and Federal Aid	Net Expenditure	Surplus (Deficit)
Actual	FY01	335,000	615,817	53,708	562,109	(227,109)
	FY02	335,000	281,900	-	281,900	53,100
	FY03	360,000	654,568	44,726	609,842	(249,842)
	FY04	360,000	462,943	77,457	385,486	(25,486)
	FY05	405,000	822,732	78,795	743,937	(338,937)
	FY06	405,000	516,857	-	516,857	(111,857)
	FY07	430,000	401,226	-	401,226	28,774
	FY08	444,750	803,665	-	803,665	(358,915)
	FY09*	500,255	739,985	-	739,985	(239,730)
	FY10	455,000	554,199	-	554,199	(99,199)
Budgeted	FY11	495,000				
Proposed	FY12	513,000				

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

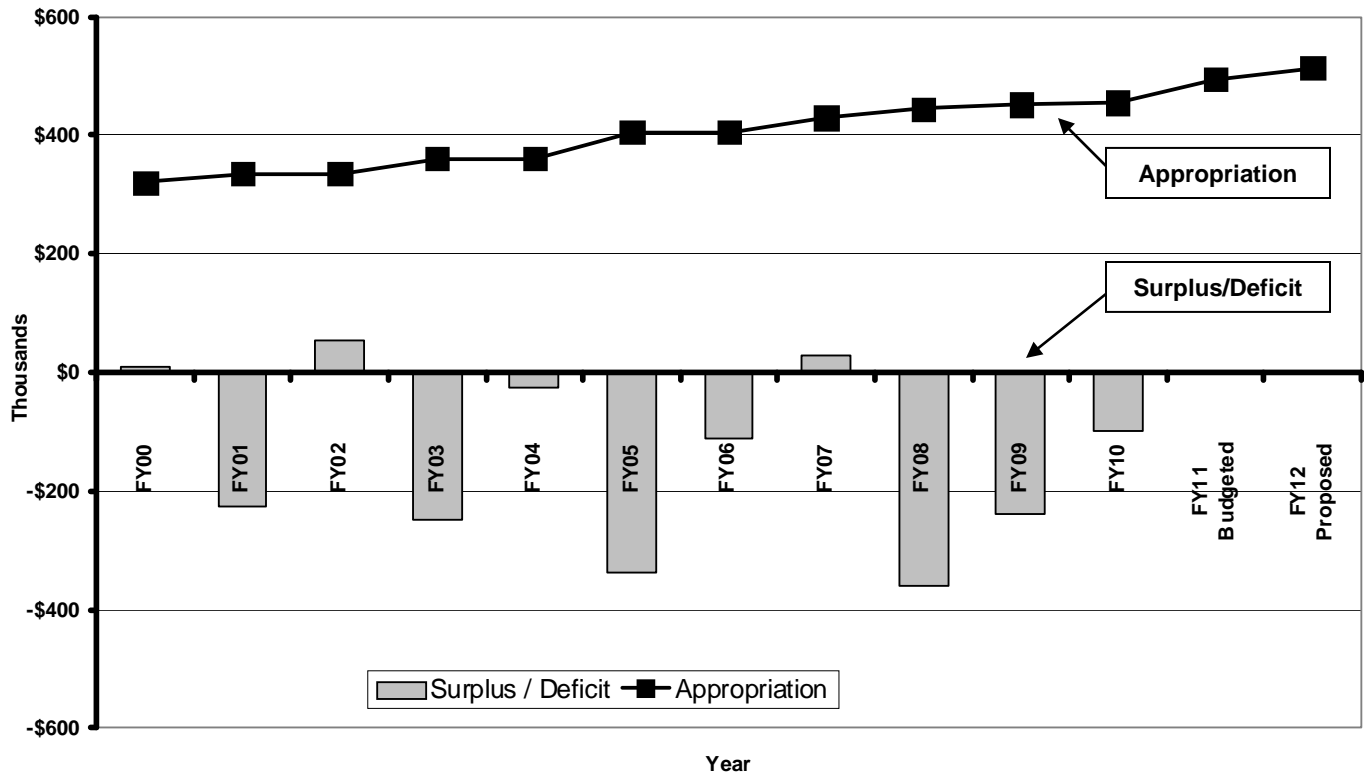
UNAPPROPRIATED: Snow and Ice Deficit/Other Deficits

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Expenditure Detail					
	Previous Fiscal Years			FY12	
	FY09 Actual	FY10 Actual	FY11 Budgeted	Department Request	Town Manager's Proposed
Snow and Ice Deficit of Prior Year (raised in current tax levy)	\$ 358,915	\$ 239,730	\$ 99,199	\$ 160,000	\$ 160,000
Totals	\$ 358,915	\$ 239,730	\$ 99,199	\$ 160,000	\$ 160,000

Funding Plan					
	FY11 Budgeted	% of Budget	FY12 Proposed	% of Budget	% Change in Dollars
General Fund	\$ 99,199	100.00%	\$ 160,000	100.00%	61.29%
Totals	\$ 99,199	100.00%	\$ 160,000	100.00%	61.29%

Snow and Ice Appropriation and Surplus/Deficit History



Discussion: The above chart demonstrates that while the Town's snow and ice removal appropriation has risen steadily over the past 10-years (see the above line-graph), the actual cost of snow and ice removal is unpredictable (see the above bar graph).

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