

## **Section V**

### **Budget Detail Unappropriated Accounts Items 101 – 103**

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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 92% of the General Fund assessment for FY08) is the Town's share of MBTA operating costs.

FY09 Budget Highlights:

- The fiscal plan allows for a 2.5% increase in the MBTA assessment, to \$347,500.
- The budget estimate was made last September. Preliminary data from the Governor's budget released January 23, 2008, show General Fund assessments totaling \$370,365.

**Expenditures Summary**

|                    | FY06 Actual | FY07 Actual | FY08 Budgeted | FY09 Proposed |
|--------------------|-------------|-------------|---------------|---------------|
| General Fund       | \$367,733   | \$356,345   | \$367,696     | \$377,000     |
| Other Funds        | \$14,420    | \$14,660    | \$13,860      | \$13,920      |
| Total Expenditures | \$382,153   | \$371,005   | \$381,556     | \$390,920     |

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 was \$338,905 for FY08 and is estimated at \$347,000 for FY09. 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 FY08 is about 3.3% higher than the previous year, but about 7% less than the peak year FY01 assessment of \$364,828.

**Detail – General Fund Charges**

|                                | FY06 Actual | FY07 Actual | FY08 est. | FY09 est. |
|--------------------------------|-------------|-------------|-----------|-----------|
| MBTA Assessment                | \$316,373   | \$328,032   | \$338,905 | \$347,500 |
| Air Pollution Control District | 7,312       | 7,499       | 7,239     | 7,500     |
| Metro Area Planning Council    | 4,328       | 4,460       | 4,571     | 5,000     |
| Charter School Assessment      | 39,720      | 13,454      | 14,081    | 14,000    |
| School Choice Assessment       | 0           | 2,900       | 2,900     | 3,000     |
| Total                          | \$367,733   | \$356,345   | \$367,696 | \$377,000 |

**UNAPPROPRIATED: State & County Assessments**

**Item 101**

| Expenditure Detail |                       |                  |                  |                    |                         |
|--------------------|-----------------------|------------------|------------------|--------------------|-------------------------|
|                    | Previous Fiscal Years |                  |                  | FY09               |                         |
|                    | FY06 Actual           | FY07 Actual      | FY08 Budgeted    | Department Request | Town Manager's Proposed |
| State Assessments  | \$367,733             | \$356,345        | \$367,696        | \$377,000          | \$377,000               |
| Parking Surcharge  | 11,140                | 10,960           | 10,360           | 10,420             | 10,420                  |
| Excise Tax Clears  | 3,280                 | 3,700            | 3,500            | 3,500              | 3,500                   |
| Total Expenditure  | <u>\$382,153</u>      | <u>\$371,005</u> | <u>\$381,556</u> | <u>\$390,920</u>   | <u>\$390,920</u>        |

| Funding Plan       |                  |               |                  |               |                     |
|--------------------|------------------|---------------|------------------|---------------|---------------------|
|                    | FY08 Budgeted    | % of Budget   | FY09 Proposed    | % of Budget   | % Change in Dollars |
| General Fund       | \$379,124        | 96.3%         | \$377,000        | 96.4%         | -0.6%               |
| Parking Meter Fund | 10,360           | 2.6           | 10,420           | 2.7           | 0.6                 |
| Agency Fund        | 3,500            | 0.9           | 3,500            | 0.9           | 0.0                 |
| Totals             | <u>\$392,984</u> | <u>100.0%</u> | <u>\$390,920</u> | <u>100.0%</u> | <u>-0.5%</u>        |

| Capital Outlay Plan |             |               |               |               |               |               |               |
|---------------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Ref. #              | Description | FY08 Budgeted | FY09 Proposed | FY10 Proposed | FY11 Proposed | FY12 Proposed | FY13 Proposed |
|                     | None        |               |               |               |               |               |               |

| Personnel Services Summary |                |                |           |                |           |
|----------------------------|----------------|----------------|-----------|----------------|-----------|
| Code                       | Position Title | FY08 Budgeted  |           | FY09 Proposed  |           |
|                            |                | # of Positions | \$ Amount | # of Positions | \$ Amount |
|                            | None           |                |           |                |           |

**Mission Statement:**

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

**FY09 Budget Highlights:**

- The Overlay account increase for FY08 was based upon past experience in a triennial revaluation year.
- About \$100,000 of the Overlay account covers the cost of property tax exemptions granted to eligible taxpayers by State law.

**Account Summary**

|                  | FY06<br>Actual | FY07<br>Actual | FY08<br>Budgeted | FY09<br>Proposed |
|------------------|----------------|----------------|------------------|------------------|
| Original Overlay | \$481,979      | \$453,991      | \$589,471        | \$500,000        |

**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 1/2."

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 1/2."

**Overlay Details**

| Fiscal Year     | Tax Levy     | Overlay   | Overlay as % of Levy | Used as of 6/30/07 |           | Balance as of 6/30/07 |
|-----------------|--------------|-----------|----------------------|--------------------|-----------|-----------------------|
|                 |              |           |                      | \$                 | % of Levy |                       |
| FY03            | \$42,496,029 | \$413,140 | 1.0%                 | \$511,269          | 1.2%      | \$0                   |
| FY04            | 46,496,029   | 500,207   | 1.1                  | 342,891            | 0.7       | 157,316               |
| FY05            | 50,147,585   | 584,657   | 1.2                  | 463,841            | 0.9       | 90,816                |
| FY06            | 53,273,087   | 481,979   | 0.9                  | 190,781            | 0.4       | 166,198               |
| FY07            | 56,085,720   | 453,991   | 0.8                  | 185,802            | 0.3       | 268,189               |
| FY08 (budget)   | 58,947,463   | 589,471   | 1.0                  | -                  | -         | -                     |
| FY09 (proposed) | 62,858,544   | 500,000   | 0.8                  | -                  | -         | -                     |

**UNAPPROPRIATED: Overlay**

**Item 102**

| Expenditure Detail                                    |                       |             |               |                    |                         |
|---|-----------------------|-------------|---------------|--------------------|-------------------------|
|   | Previous Fiscal Years |             |               | FY09               |                         |
|   | FY06 Actual           | FY07 Actual | FY08 Budgeted | Department Request | Town Manager's Proposed |
| Original Overlay                                      | \$481,979             | \$453,991   | \$589,471     | \$500,000          | \$500,000               |
| Plus: Amount to be raised from recap                  | 0                     | 0           | -             | -                  | -                       |
| Less: Used for abatements and exemptions thru 6/30/07 | (190,781)             | (185,802)   | -             | -                  | -                       |
| Transferred to (from) other years                     | 0                     | 0           | -             | -                  | -                       |
| Transferred to unreserved fund balance                | (125,000)             | 0           | -             | -                  | -                       |
| Balance as of June 30, 2007                           | \$166,198             | \$268,189   | N/A           | N/A                | N/A                     |

| Funding Plan |                  |               |                  |               |                     |
|--------------|------------------|---------------|------------------|---------------|---------------------|
|              | FY08 Budgeted    | % of Budget   | FY09 Proposed    | % of Budget   | % Change in Dollars |
| General Fund | \$589,471        | 100.0%        | \$500,000        | 100.0%        | -15.23%             |
| Totals       | <u>\$589,471</u> | <u>100.0%</u> | <u>\$500,000</u> | <u>100.0%</u> | <u>-15.23%</u>      |

| Capital Outlay Plan |             |               |               |               |               |               |               |
|---------------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Ref. #              | Description | FY08 Budgeted | FY09 Proposed | FY10 Proposed | FY11 Proposed | FY12 Proposed | FY13 Proposed |
|                     | None        |               |               |               |               |               |               |

| Personnel Services Summary |                |                |           |                |           |
|----------------------------|----------------|----------------|-----------|----------------|-----------|
|                            |                | FY08 Budgeted  |           | FY09 Proposed  |           |
| Code                       | Position Title | # of Positions | \$ Amount | # of Positions | \$ Amount |
|                            | None           |                |           |                |           |

Mission Statement:

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. These events are less frequent.

FY09 Budget Highlights:

- The average annual expenditures for FY98-FY07 are \$452,118.
- The budget objective is to appropriate at or close to the 10-year average (see Item 21, Snow & Ice Removal).
- Variance from the average annual cost is significant; the standard deviation for the past ten years is \$124,854.
- The average snow account deficit for the past 5 years is \$139,470.
- The FY09 Budget Plan provides for a current year cost overrun of this magnitude.

**Expenditures Summary**

|              | FY06<br>Actual | FY07<br>Actual | FY08<br>Budgeted | FY09<br>Proposed |
|--------------|----------------|----------------|------------------|------------------|
| General Fund | \$338,937      | \$111,857      | \$0              | \$140,000        |

Description:

Snow removal expense is unpredictable from year to year, and subject to wide variations. The budget strategy is to recognize long-term trends without assuming a "worst-case" situation. As long as the amount appropriated is at least equal to the prior year's 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 planned.) This deficit spending allowance is contingent upon the appropriation amount being no less than the prior year's appropriation. 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 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 FY07 "snow and ice deficit" budget covers the deficit incurred during FY06 (July 1, 2005 - June 30, 2006) which was funded as part of the FY07 tax levy.

| 10-Year History Highlights |      | Snow<br>Appropriation | Snow<br>Expenditure | State and<br>Federal Aid | Net<br>Expenditure | Surplus<br>(Deficit) |
|----------------------------|------|-----------------------|---------------------|--------------------------|--------------------|----------------------|
| Actual                     | FY98 | \$315,000             | \$320,942           | \$0                      | \$320,942          | (\$5,942)            |
|                            | FY99 | 315,000               | 387,641             | 0                        | 387,641            | (72,641)             |
|                            | FY00 | 320,000               | 311,243             | 0                        | 311,243            | 8,757                |
|                            | FY01 | 335,000               | 615,817             | 53,708                   | 562,109            | (227,109)            |
|                            | FY02 | 335,000               | 281,900             | 0                        | 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             | 0                        | 516,857            | (111,857)            |
| Budgeted                   | FY07 | 430,000               | 401,226             | 0                        | 401,226            | 28,774               |
|                            | FY08 | 444,750               | -                   | -                        | -                  | -                    |
| Proposed                   | FY09 | 452,000               | -                   | -                        | -                  | -                    |



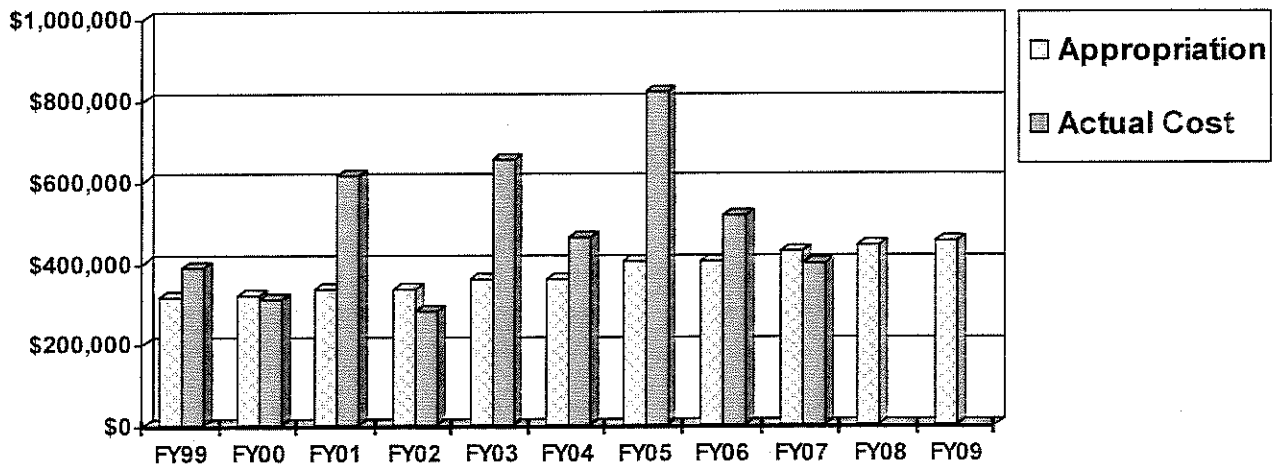
**UNAPPROPRIATED: Snow and Ice Deficit/Other Deficits**

**Item 103**

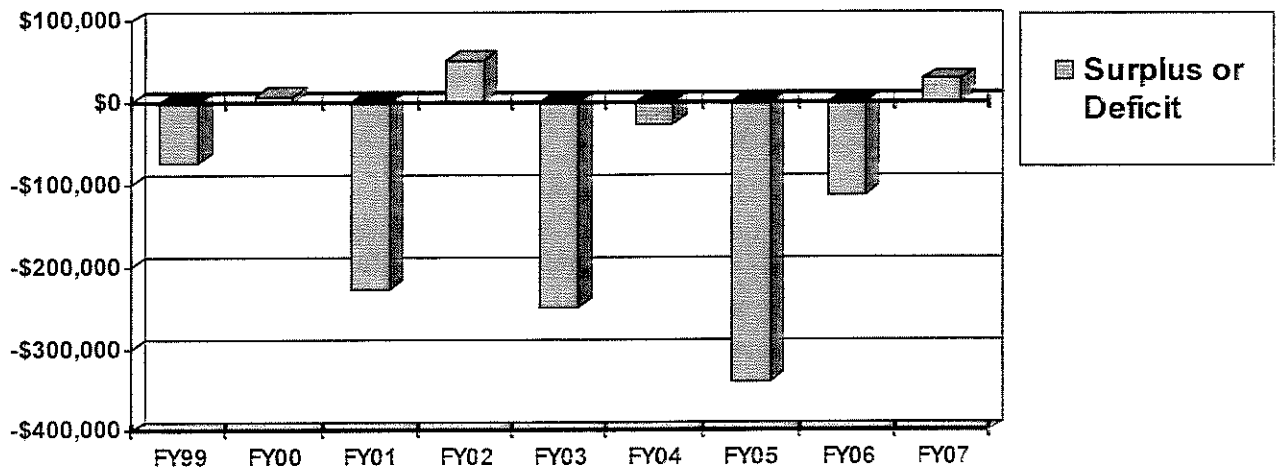
| Expenditure Detail   |                       |                  |               |                  |                         |
|----------------------|-----------------------|------------------|---------------|------------------|-------------------------|
|                      | Previous Fiscal Years |                  |               | FY09             |                         |
|                      | FY06 Actual           | FY07 Actual      | FY08 Budgeted | Fiscal Plan      | Town Manager's Proposed |
| Snow and Ice Deficit | \$338,937             | \$111,857        | \$0           | \$140,000        | \$140,000               |
| Overlay Deficit      | 0                     | 0                | 0             | 0                | 0                       |
| <b>Totals</b>        | <b>\$338,937</b>      | <b>\$111,857</b> | <b>\$0</b>    | <b>\$140,000</b> | <b>\$140,000</b>        |

| Funding Plan  |               |             |                  |               |                     |
|---------------|---------------|-------------|------------------|---------------|---------------------|
|               | FY08 Budgeted | % of Budget | FY09 Proposed    | % of Budget   | % Change in Dollars |
| General Fund  | \$0           | N/A         | \$140,000        | 100.0%        | N/A                 |
| <b>Totals</b> | <b>\$0</b>    | <b>N/A</b>  | <b>\$140,000</b> | <b>100.0%</b> | <b>N/A</b>          |

**Snow Appropriation: History of Appropriation vs. Actual Cost**



**Snow Appropriation: History of Surplus/Deficit Occurrences**



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