

# FY2023

Town Manager's Proposed  
Enterprise Budget Book  
For the Fiscal Year  
July 1, 2022 - June 30, 2023

## Town of Concord, Massachusetts

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**Town of Concord  
Massachusetts**

For the Fiscal Year Beginning

**July 01, 2021**

*Christopher P. Morill*

Executive Director



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Kerry Lafleur, Interim Town Manager

March 14, 2022

The Honorable Select Board:

I am pleased to submit for your review the Town Manager's Proposed Enterprise Budgets for Fiscal Year 2023 (July 1, 2022 – June 30, 2023). The document presents the Town's business-type operations. These operations have the following characteristics:

- They are supported by fees and charges directly related to the services provided, rather than by property tax;
- 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 ratepayers, 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 (CMLP) was established by 1898 Town Meeting. The CMLP provides for the distribution of electricity and operates in full compliance with generally accepted enterprise accounting standards.

The Concord Municipal Light Plant 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. Town Meeting annually authorizes the Town Manager to expend the income of the Light Fund without further appropriation.

This action will be taken under Article 39 of the 2022 Town Meeting Warrant.

## **Water Fund**

The bylaw that established the Water Revolving Fund dates back to 1974. Since 1984, the Town has applied enterprise accounting standards to both the accounting and reporting of the Water Fund activity. These standards include recording the acquisition cost of all plant assets and the recognition of depreciation as an operating expense.

The Concord Public Works (CPW) Department includes the Water/Sewer Division. The Town Manager appoints the five-member Public Works Commissioners, the Water/Sewer Superintendent who reports to the Public Works Director and all CPW staff.

The budget recommendations are developed for the Town Manager by CPW staff and are reviewed by the Public Works Commissioners. 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 FY23, this action will be taken under Article 43 of the 2022 Town Meeting Warrant.

## **Sewer Fund**

The bylaw that established the Sewer Revolving Fund was adopted by Town Meeting in 1976. Since 1984, the Town has applied enterprise accounting standards to both the accounting and reporting of the Sewer Fund activity. These standards include recording the acquisition cost of all plant assets and the recognition of depreciation as an operating expense.

The budget recommendations are developed for the Town Manager by CPW staff and are 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 FY23, this action will be taken under Articles 41 and 42 of the 2022 Town Meeting Warrant.

## **Solid Waste Fund**

The bylaw that established the Solid Waste Revolving Fund was adopted by Town Meeting in 1989. The basic purpose of this fund 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 Commissioners, 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 FY23, this action will be taken under Article 40 of the 2022 Town Meeting Warrant.

## **Beede Swim & Fitness Center**

This facility opened its doors on April 18, 2006. The operations for the Center have 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.

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 45 of the 2022 Town Meeting Warrant will make an appropriation for the estimated expenses of the Center for the fiscal year beginning July 1, 2022 based upon an estimate of the income to be derived from the operation.

## **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 2022 Town Meeting.

## **Minuteman Media Network**

In 2015, the Annual Town Meeting voted to adopt Article 37 and accepted M.G.L. 44, Section 53F ¾ 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 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 FY23, Article 44 of the 2022 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 FY23 (calendar year 2022 for CMLP), and the related projections of operating and net income are:

	<b><u>Operating Revenue</u></b>	<b><u>Operating Expenditure</u></b>	<b><u>Operating Income</u></b>	<b><u>Net Income</u></b>
<b>Light Fund</b>	\$32,539,977	\$31,360,041	\$1,179,936	\$653,092
<b>Telecom. Fund</b>	1,618,394	1,457,797	160,597	119,228
<b>Water Fund</b>	6,742,022	5,046,222	1,695,800	1,450,912
<b>Sewer Fund</b>	3,503,027	3,414,573	88,454	339,904
<b>Solid Waste Fund</b>	2,109,081	2,227,107	-118,027	-118,027
<b>Beede Center Fund</b>	1,778,000	2,222,340	-444,340	-429,340
<b>Recreation Fund</b>	2,380,291	2,110,543	269,748	269,748
<b>MMN Fund</b>	396,281	376,802	19,479	19,479

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 table on the following page.

<b><u>Proposed Capital Plan</u></b>	<b><u>Light</u></b>	<b><u>Water</u></b>	<b><u>Sewer</u></b>	<b><u>Beede</u></b>
Net Income Projected	\$772,320	\$1,450,912	\$339,904	\$(429,340)
Depreciation Expense	<u>2,067,278</u>	<u>1,383,967</u>	<u>1,140,131</u>	<u>357,634</u>
Subtotal	2,839,598	2,834,879	1,480,035	(71,706)
Less:				
Debt Principal Payment	560,000	570,000	627,668	0
CMLP PILOT Payment	474,500	0	0	0
<b>Net Resources derived from Current Operations and available for Capital Purposes</b>	<b><u>\$1,805,098</u></b>	<b><u>\$2,264,879</u></b>	<b><u>\$ 852,367</u></b>	<b><u>\$(71,706)</u></b>

The planned FY23 capital expenditures of each enterprise (exclusive of expenditures that will be funded by debt issuance) are as follows:

	<b><u>Light</u></b>	<b><u>Water</u></b>	<b><u>Sewer</u></b>	<b><u>Beede</u></b>
Capital Outlay	\$1,267,355	\$2,112,500	\$1,297,700	\$123,000

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 the 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 2022, purchased power expense is projected to be approximately \$22.3 million or 71.2% 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).

CMLP 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 2022, the Light Plant expects to retire renewable energy certificates equal to 21% from nuclear, 13% from hydro, and 13% from wind for a total 46% from non-carbon emitting sources. The purchase of Renewable Energy Certificates (RECs) is expected to offset an additional 49% of the fossil fuel-base power supply expense.

In 2014, CMLP 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 2020, the Telecommunications Division's fund balance turned positive with an audited net position of \$249,163 covering 1,564 high-speed internet customers.

For 2022, the Net Income is projected to be \$119,228 and Fund Balance \$553,329.

## **Water Fund**

The Water Fund 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. The rehabilitation of Annursnac Hill storage reservoir has been successfully completed as well as a portion of the Nagog Pond intake. For FY23, the Water Division plans to clean and rehabilitate the remaining 1,100 linear feet (Phase II) of this century-old 16-inch intake pipe at Nagog to restore its original flow capacity and increase service reliability. In addition, the Water Division expects to complete final design and permitting, obtain necessary funding authorization and initiate construction of the long-anticipated Nagog Pond Treatment facility.

To maintain sufficient funds to cover operating and capital costs, the Water Division is proposing a rate increase of 4.0% for normal residential use as of June 1, 2022, which would result in an average residential customer bill of \$609 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).

In FY23, Net Income is projected to be \$1,450,912 and Fund Balance \$10.5 million.

## **Sewer Fund**

The Concord sewer system serves 1,905 residential and commercial customers representing about 34% of the community. 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 FY25 and FY26.

A rate increase of 2.0% is proposed to go into effect on June 1, 2022, which would result in an annual average sewer bill of \$741.

For FY23, Net income is projected to be \$339,904 and a Fund Balance of \$7.9 million.

## **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 3,700 customers in the program out of an estimated 5,500 households.

In FY23, it is projected that due to market forces both regionally and globally the Solid Waste Fund will run at a loss of \$118,027 with a projected fund balance of \$463,982.

The Town's long-term contract is set to expire on September 30, 2022. As a result, the Town is exploring service needs while comparing the cost benefit of a short-term contract extension, essentially maintaining a similar level of service, versus a longer-term contract that could potentially allow for more substantive changes to the collection and disposal services.

## **Beede Center Fund**

As the pandemic subsides, the Beede Center anticipates there will be an increase in membership and aquatic and fitness activities as people return to normal.

With a Fund Balance of \$2.3 million projected as of the end of FY23, the Beede Center Fund maintains sufficient reserves to weather temporary service disruptions.

## **Recreation Fund**

Recreation programs have recovered and the FY23 budget expects normal levels participation in the Before School, Afterschool, Early Release and Carousel Preschool programs, as well as Summer Camp.

For FY23, the Recreation Fund is projected to have net income of \$269,748 and a Fund Balance of over \$1.6 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 \$80,000.

In FY23, MMN is projected to have net income of \$19,479 and 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 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 Jeffrey Murawski (Water & Sewer Superintendent), Melissa Simoncini (Environmental Services Program Administrator), Robert Hill (Management Analyst), Nelson Mui (Management Analyst), Paul Reinhardt (Professional Project Specialist), Anna McKeown, (Recreation Director), Adam Lapointe (Assistant 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,

  
Kerry A. Lafleur

# Budget Introduction

## Introduction to Concord's Enterprise Budget

In an effort to breakdown Concord's FY2023 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:

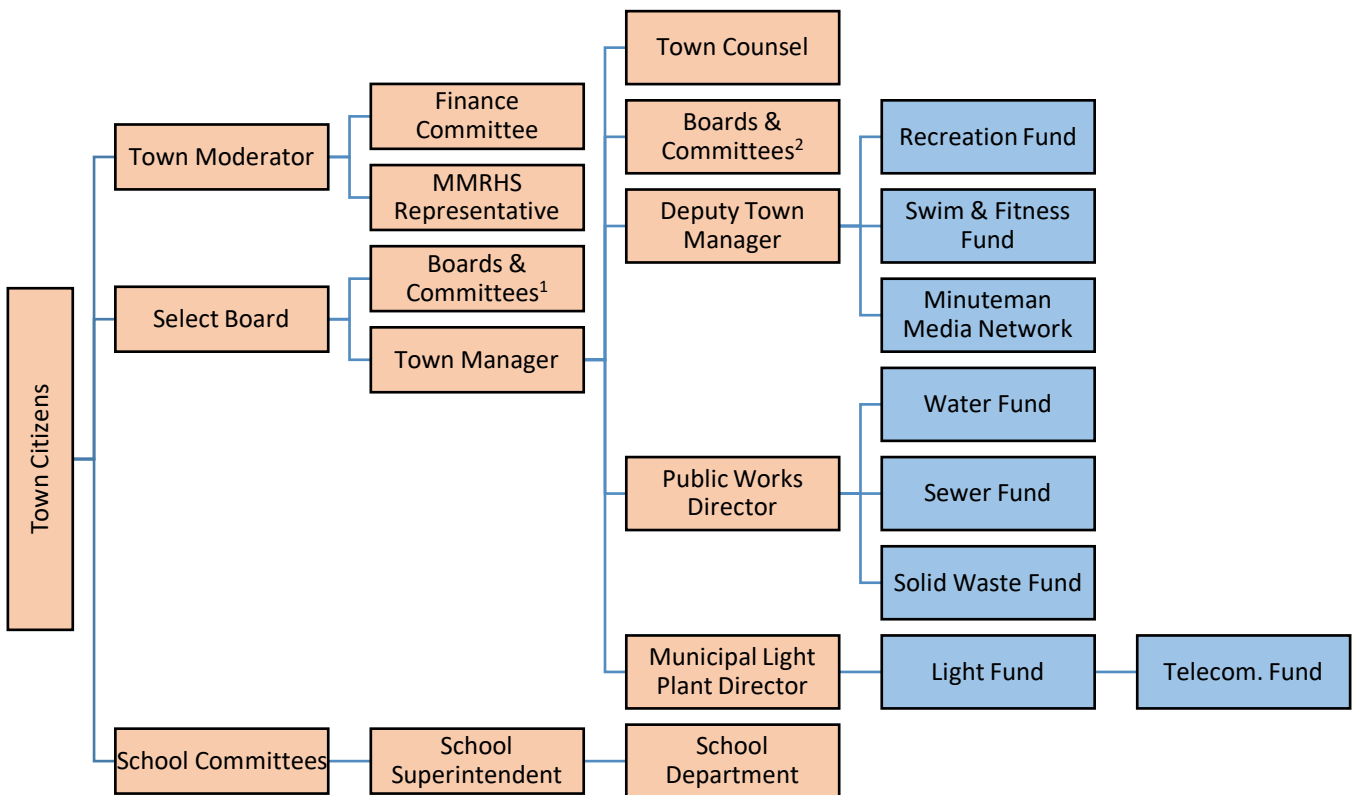
- **Introduction:** Provides an overview of Concord's proposed enterprise budget with information on the overall budget, financial and management policies, organizational structure, and key definitions.
- **Light Fund:** Provides a breakdown of Concord's Municipal Light Plant (CMLP) with information 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.



<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

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# Introduction

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# Introduction – Overview

## Enterprise Overview

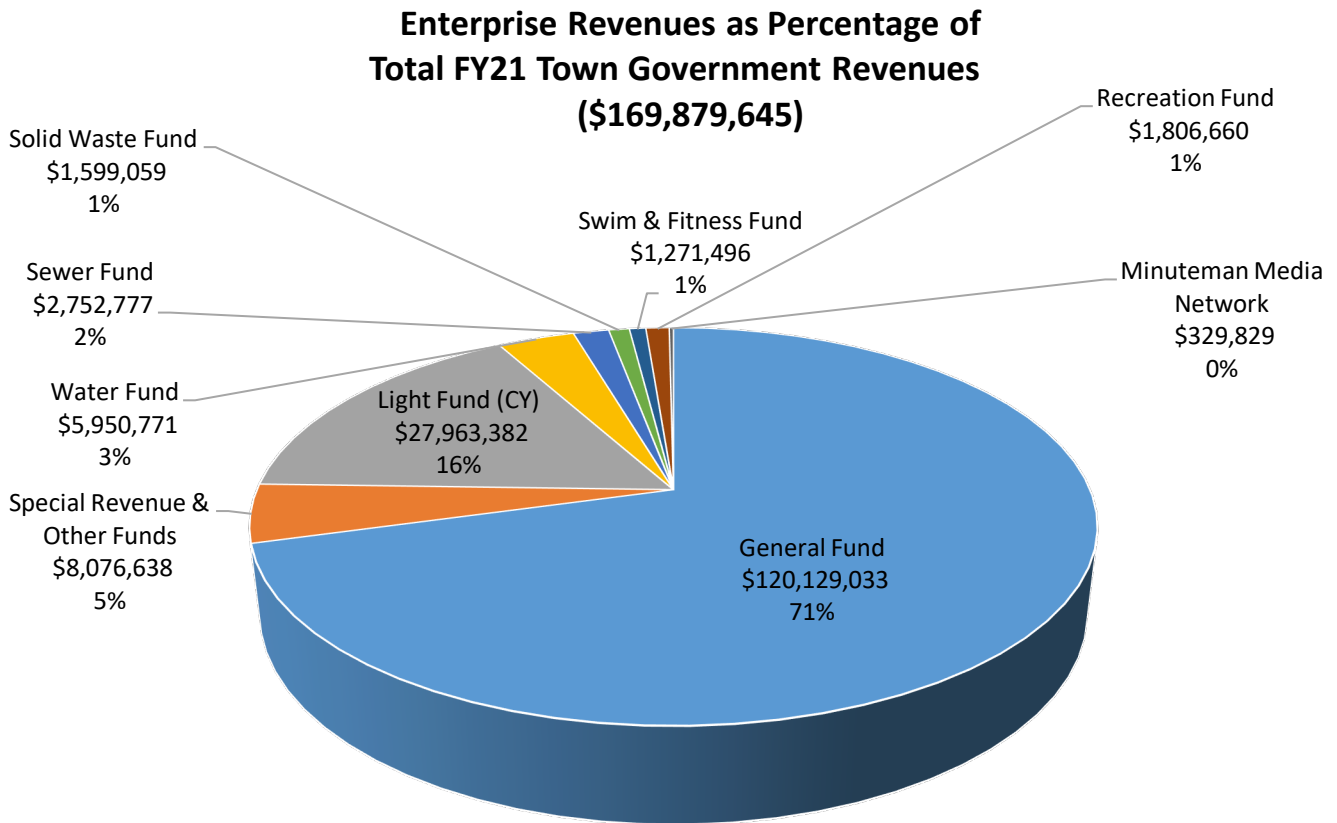
This introduction provides a general description of the Town’s management practices for the five enterprise funds (Light, Water, Sewer, Beede Center, and Minuteman Media Network), the special revenue funds (Solid Waste) and the revolving fund (Recreation).

### 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).

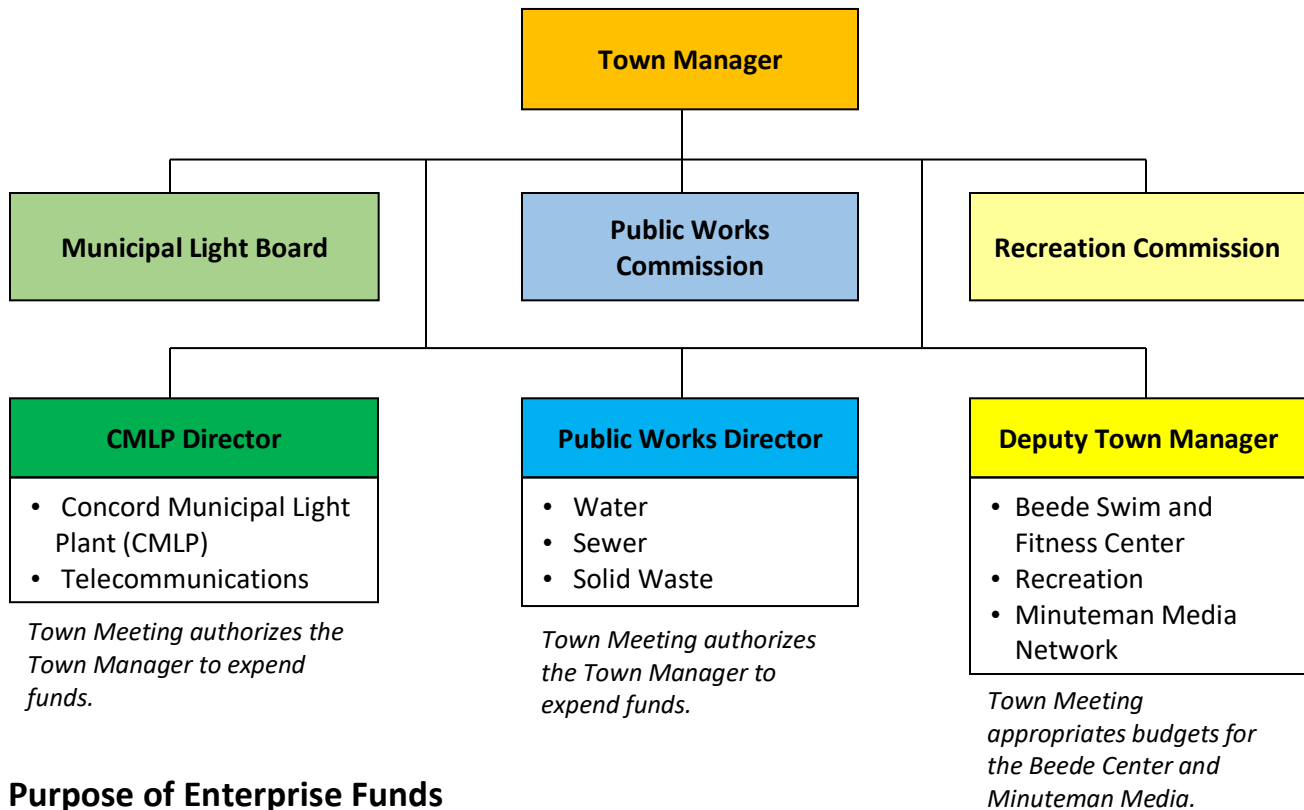
**Role of Town Meeting:** The budgets presented for the Light, Water, Sewer, and Solid Waste funds are spending plans and do not carry the same restrictive legal obligations as the voted appropriations made for the Town’s General Fund operations. However, the appropriation for Swim and Fitness Fund is 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.

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# Light Fund

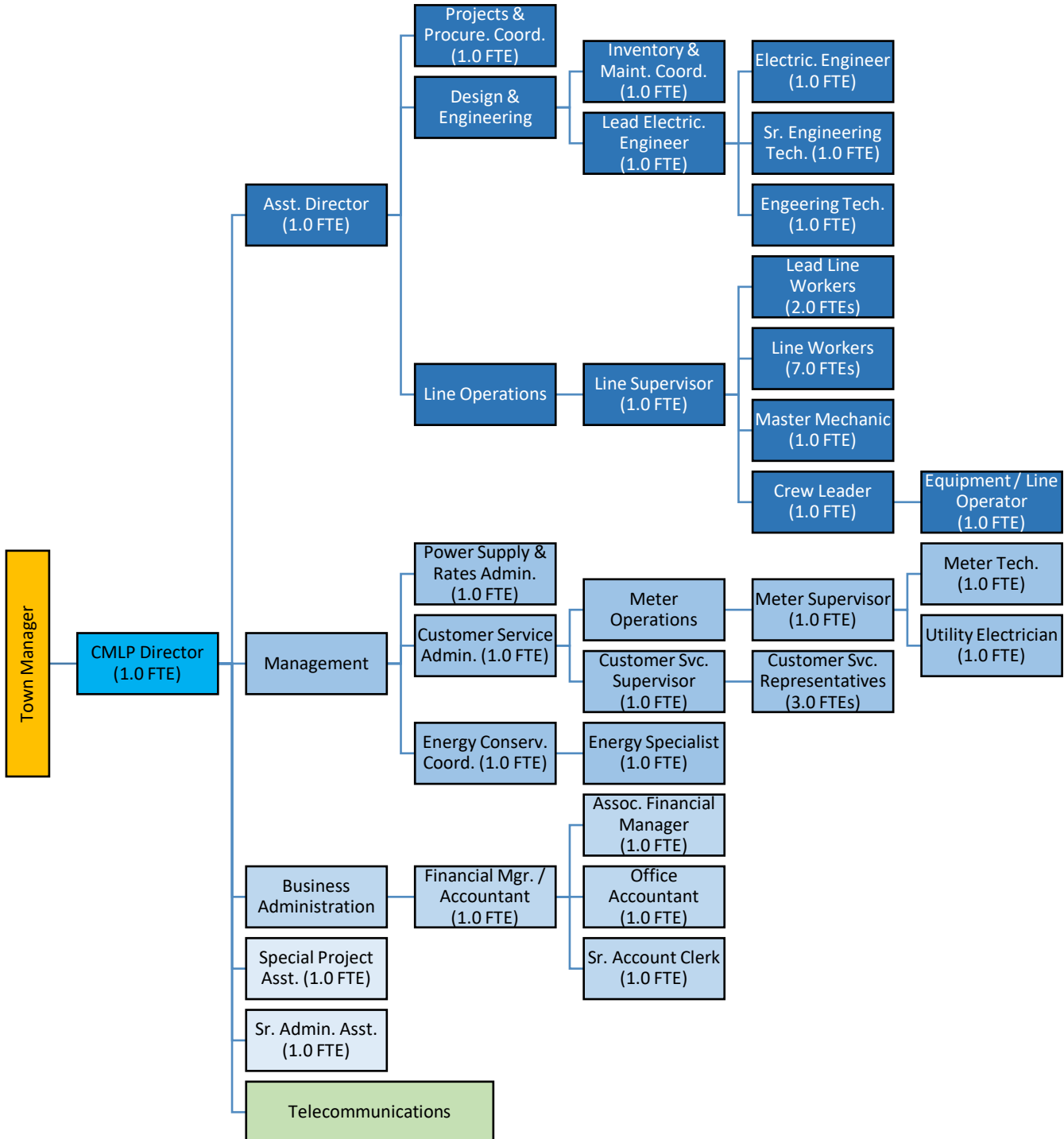
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# Light Fund

## 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 6,995 residential customers, 1,216 commercial customers, and 70 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.

## FY21 Accomplishments

- ☑ Added 370 kilowatts of customer-sited solar.
- ☑ Purchased 175 million kilowatt hours of non-carbon emitting power from a new solar facility to be located in the Connecticut River Valley transmission corridor.
- ☑ Redesigned and replaced underground conductors along Main Street between Walden Street and Old Bedford Road.
- ☑ 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.
- ☑ Launched a heating/cooling coaching service to help customers navigate the process of switching from fossil fuel heating systems to electrically-powered heat pumps. Carried out more than 175 coaching engagements in 2021.
- ☑ Launched a rebate program for residents who purchase an electric vehicle.

## 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 2022, it is estimated the Light Plant will supply 96% of its purchased power from non-carbon emitting resources: 13% from wind, 13% from hydro, 21% from nuclear, and 49% from the purchase of Renewable Energy Certificates (RECs). In addition, CMLP’s energy management services help our customers manage their energy costs and reduce their carbon emissions through electrification, improved efficiency, and generation of carbon-free solar power at their home or business.

### Purchased Power: Energy and Capacity

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

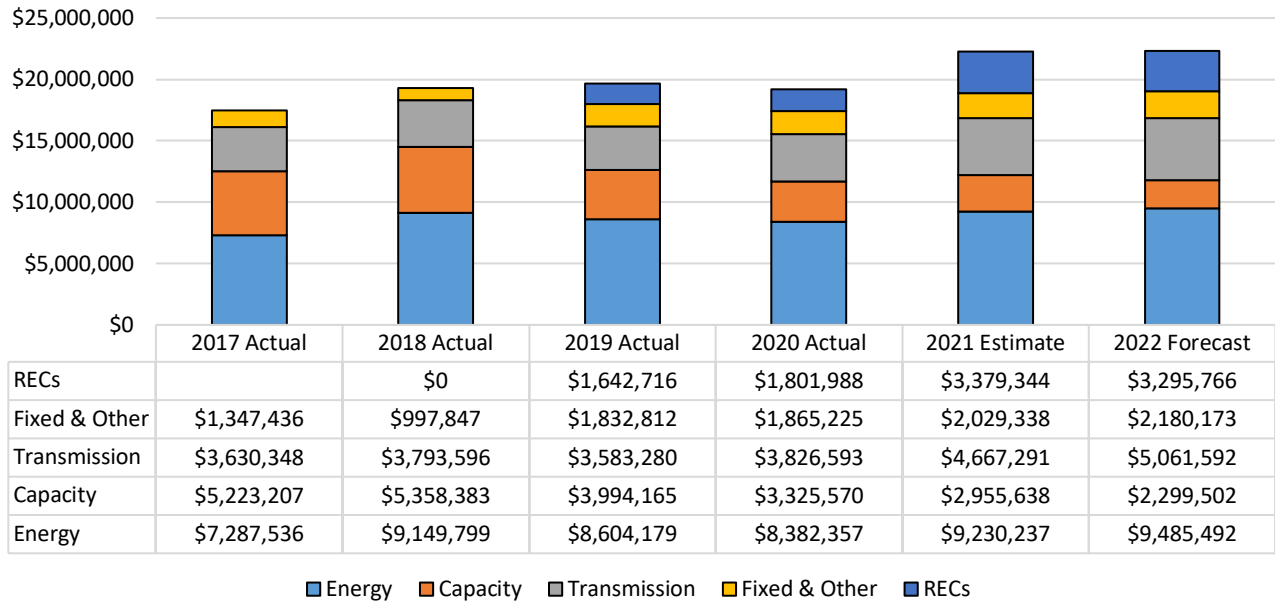
To understand the difference, one can use the analogy of water distribution. Electrical energy (kilowatt-hours) can be compared to the amount of water consumed (gallons) over time. Electrical capacity (megawatts or more precisely mega volt amperes that includes power lost during distribution) can be 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 2017 to 2022. 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 2018 was \$5.4 million whereas this cost in 2020 was \$3.3 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

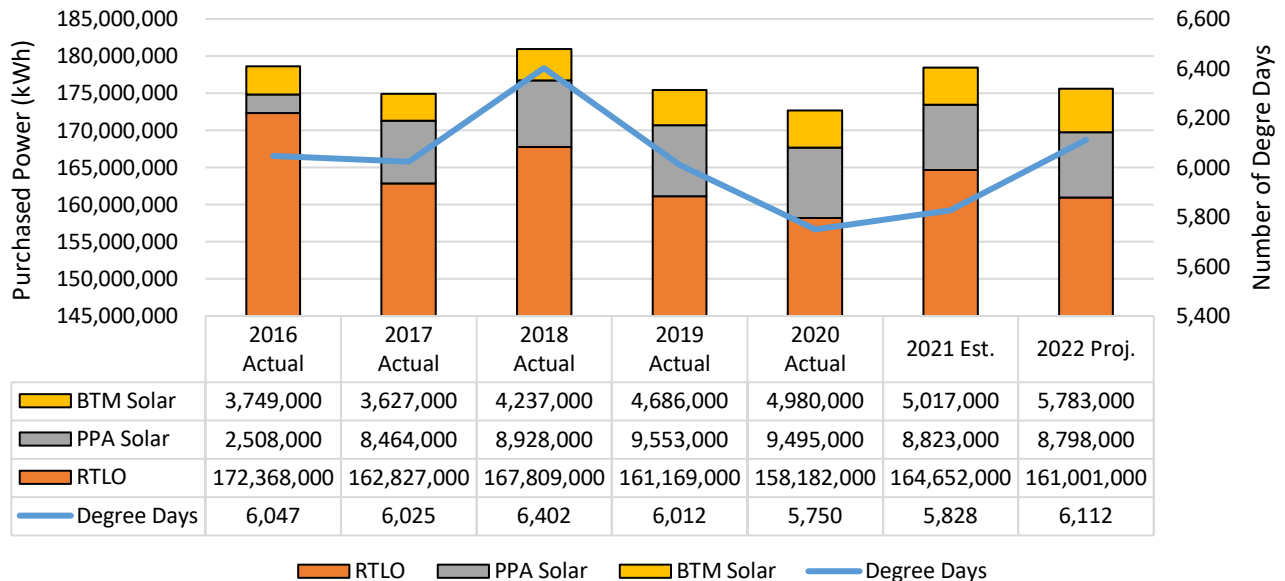
### Total Purchased Power Cost by Cost Category



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

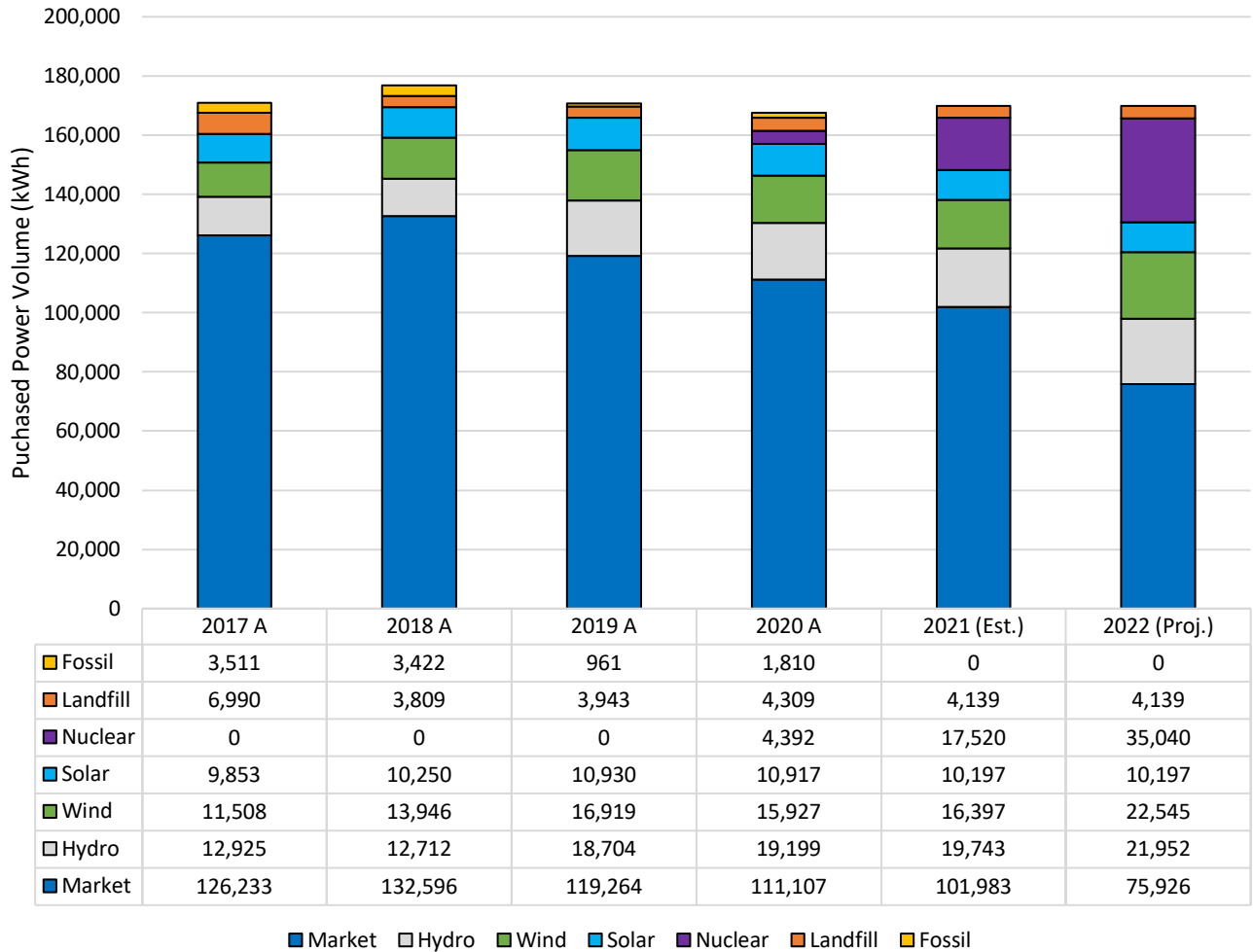


# Light Fund

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

The 2017 to 2022 power supply portfolio consists of the purchase of electricity from the following sources as detailed in the below graph.

**Energy Generation Type by Volume Purchased**



## Purchased Power: Local Conservation Initiatives

The Light Plant has initiated programs and policies to encourage energy conservation, beneficial electrification, and generation of carbon-free solar power at their home or business.

For example, one program includes Smart Grid Infrastructure that will allow CMLP to better manage its customers’ electricity demands.

Residential and commercial energy assessments help customers identify worthwhile energy efficiency measures. Rebate programs offered by CMLP help customers offset the cost of improvements such as weatherization, high efficiency lighting, rooftop solar PV arrays, heat pumps for space and water heating and purchases of electric vehicles and home EV charging systems. Off peak EV charging incentives reduce the impact of charging on peak demand. Technical support services help customers navigate the switch from conventional heating systems and vehicles to heat pumps and electric cars.

# Light Fund

## CY22 Goals

- Award advanced metering system and deploy new meters throughout the distribution system.
- Launch new air- and ground-source heat pump rebate programs that offer customers significantly higher rebates, especially for whole home heat pump adoption.
- Launch a program that will provide residential customers with an intensive in-home decarbonization assessment that will address near-term opportunities for energy efficiency as well as longer term opportunities, including fuel switching, personal transportation, behavioral practices, and appliances inside and outside the home.
- Complete the direct buried replacement project on Bartkus Farm.

## Long-Term Plans

- ⇒ 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

## CY22 Budget Highlights

The CY22 tier 1 – 3 electric rates per kWh represent a 4-7% increase over the CY21. The increase is largely attributable to the temporary imposition of a power cost adjustment charge to address high worldwide energy prices. The median residential customer will see a \$8.25 increase in their monthly electric bill. The CY22 budget also includes planned net capital investments equaling \$791,656 for the general plant and distribution infrastructure.

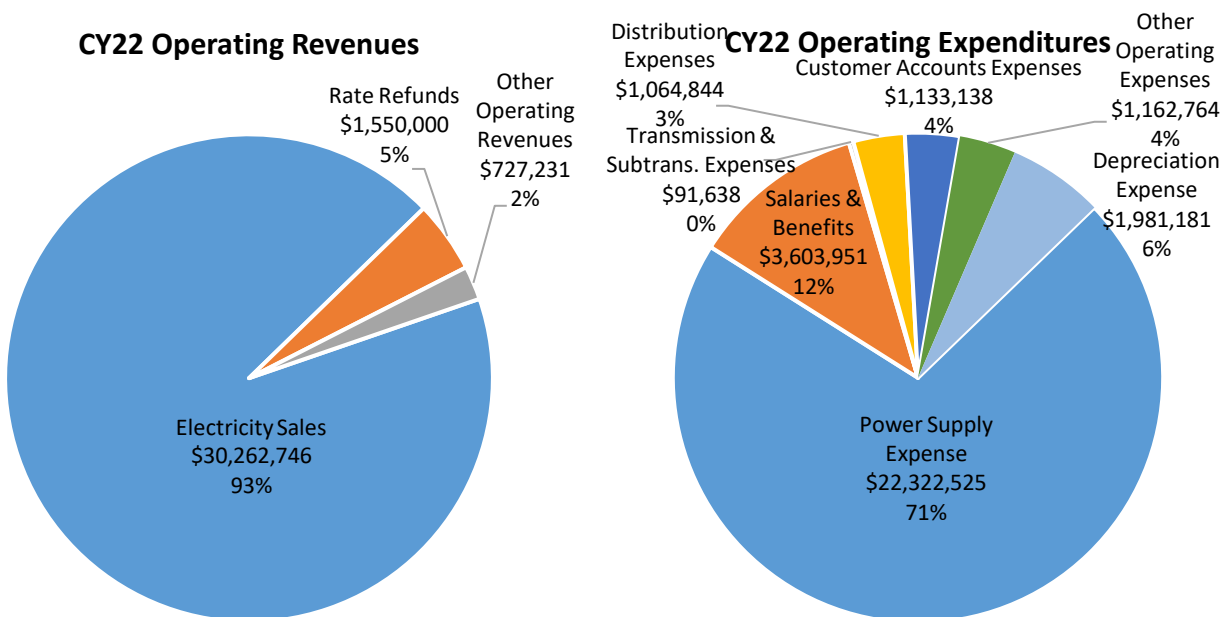
### Budget Highlights

CY22 Projected Operating Revenue	\$32,539,977
CY22 Projected Operating Expenses	<u>(31,360,041)</u>
CY22 Projected Operating Income	\$1,179,936
CY22 Projected Light Fund Balance	\$44,771,655

## Revenues and Expenditures Overview

For Calendar Year 2022, the Concord Municipal Light Plant is projecting that it will have \$32.5 million in operating revenues and \$31.3 million in operating expenditures. For revenues, funds collected from the sale of electricity are expected to increase from \$29.2 million in 2021 to \$30.2 million in 2022. For expenditures, the primary cost is the power supply expense. From 2021 to 2022, it is forecast that the power supply expense will increase from \$22.2 million to \$22.3 million. Purchased power expense is passed directly onto customers. In 2022, the Light Plant is proposed to have operating income of \$1,179,936 and net income from operations of \$653,092.

For the calculation of the Return per DPU formula, the DPU Qualified Income (\$715,504), which is the sum of net income from operations (\$653,092) and Payment in Lieu of Taxes (\$474,500) minus Underground Surcharge (\$412,088), divided by the previous year’s Cost of Plant for Returns Calculation (\$68,858,826) equals 1.04% for Return.



# Light Fund – Revenues

## Operating Revenues

Total operating revenue expected to be raised through electric operations in 2022 is projected to be \$32,539,977.

### Electricity Rate Highlights

Effective on January 1, 2022, the residential rate (R-1) is set at a meter charge of \$16.80 per month for a single-phase system and the following three-tiered volumetric rates listed to the right.

		<b>Tier Rates</b>	
			<u>per kWh</u>
Tier 1:	first 657 kWh		\$0.16131
Tier 2:	next 178 kWh		\$0.17125
Tier 3:	over 835 kWh		\$0.19031

The distribution charge is \$0.05158 and the energy charge is \$0.07665, 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:			
	2019	2020	2021	2022
	Actual	Actual	Estimated	Budgeted
<b>Electricity Sales</b>				
Residential Sales	\$ 9,997,604	\$ 10,532,666	\$ 10,845,033	\$ 11,506,943
Commercial Sales	12,654,012	11,641,128	11,879,733	12,175,153
Municipal Sales	1,464,202	1,361,990	1,403,923	1,493,972
Street Lighting	15,837	22,899	25,369	23,586
Meter Charge	1,434,001	1,378,480	1,787,658	1,876,671
Net Change in Unbilled Revenues	344,547	62,226	(102,479)	(109,345)
REC Purchase Surcharge	1,642,716	1,801,988	3,379,344	3,295,766
Audit Adjustment	(349,829)	(5,228)	-	-
<b>Electricity Sales Total</b>	<b>\$ 27,203,090</b>	<b>\$ 26,796,149</b>	<b>\$ 29,218,581</b>	<b>\$ 30,262,746</b>
<b>Rate Refunds</b>				
Provision for Rate Refund	\$ (497,074)	\$ (1,061,740)	\$ 1,748,680	\$ 1,550,000
Provision for Rate Stabilization	539,044	385,857	-	-
<b>Refunds Total</b>	<b>\$ 41,970</b>	<b>\$ (675,883)</b>	<b>\$ 1,748,680</b>	<b>\$ 1,550,000</b>
<b>Other Operating Revenues</b>				
Underground Surcharge	\$ 403,137	\$ 402,008	\$ 432,781	\$ 412,088
CARES Surcharge	91,770	139,359	4,993	-
Income from Merchandise and Jobbing	268,526	201,152	271,854	219,000
Fiber Optic School Lease	28,789	28,789	28,789	28,789
Other Miscellaneous Income	96,998	38,443	36,900	67,354
Audit Adjustment	(295,912)	(229,232)	-	-
<b>Other Operating Revenue</b>	<b>\$ 593,308</b>	<b>\$ 580,519</b>	<b>\$ 775,317</b>	<b>\$ 727,231</b>
<b>Operating Revenues Total</b>	<b>\$ 27,838,368</b>	<b>\$ 26,700,785</b>	<b>\$ 31,742,580</b>	<b>\$ 32,539,977</b>

## OPERATING SALES (kWh)

	Calendar Year:			
	2019	2020	2021	2022
	Actual	Actual	Estimated	Budgeted
<b>Kilowatt-hours Sold:</b>				
Residential	\$ 69,096,296	\$ 73,004,784	\$ 74,832,340	\$ 74,570,402
Commercial	85,643,395	80,032,476	85,989,574	81,941,112
Municipal	9,283,808	8,194,852	9,068,269	8,276,800
Street Lighting	248,009	172,368	173,612	184,839
Private Area Lighting	-	-	-	-
Unbilled Sales Adjustment	(3,711,009)	1,805,150	86,459	(606,467)
<b>Electric Sales Billed Total</b>	<b>\$ 160,560,499</b>	<b>\$163,209,630</b>	<b>\$170,150,254</b>	<b>\$164,366,686</b>

# Light Fund – Expenditures

## Operating Expenditures

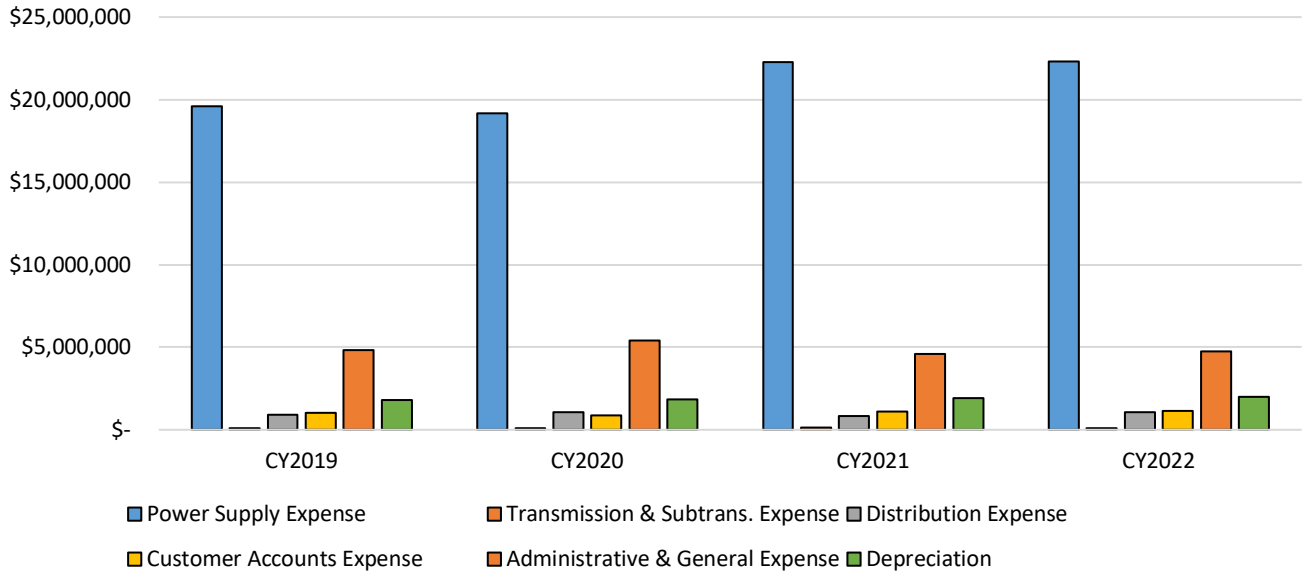
### OPERATING EXPENSES (\$)

	Calendar Year:			
	2019	2020	2021	2022
	Actual	Actual	Estimated	Budgeted
<b>Operating Accounts:</b>				
<b>Power Supply Expense</b>				
Power Supply Expense	\$ 19,657,153	\$ 19,201,733	\$ 22,261,848	\$ 22,322,525
Audit Adjustment	(71,760)	(44,764)	-	-
	<u>\$ 19,585,393</u>	<u>\$ 19,156,969</u>	<u>\$ 22,261,848</u>	<u>\$ 22,322,525</u>
<b>Administrative Salaries and Benefits</b>				
Administrative Salaries and Benefits	\$ 3,258,987	\$ 3,920,732	\$ 3,486,659	\$ 3,603,951
Audit Adjustment	-	1	-	-
	<u>\$ 3,258,987</u>	<u>\$ 3,920,733</u>	<u>\$ 3,486,659</u>	<u>\$ 3,603,951</u>
<b>Transmission &amp; Subtrans. Expenses:</b>				
Transmission	\$ 89,118	\$ 106,036	\$ 126,274	\$ 91,638
Audit Adjustment	(10,018)	(4,900)	-	-
	<u>\$ 79,100</u>	<u>\$ 101,136</u>	<u>\$ 126,274</u>	<u>\$ 91,638</u>
<b>Distribution Expenses:</b>				
Operation	\$ 865,428	\$ 1,059,931	\$ 816,425	\$ 1,064,844
Audit Adjustment	38,613	18,908	-	-
	<u>\$ 904,041</u>	<u>\$ 1,078,839</u>	<u>\$ 816,425</u>	<u>\$ 1,064,844</u>
<b>Customer Accounts Expenses:</b>				
Customer Accounts	\$ 677,761	\$ 460,336	\$ 457,469	\$ 479,992
CARES Expense	374,191	464,759	636,693	653,146
Audit Adjustment	(21,804)	(48,807)	-	-
	<u>\$ 1,030,148</u>	<u>\$ 876,288</u>	<u>\$ 1,094,162</u>	<u>\$ 1,133,138</u>
<b>Other Operating Expenses</b>				
Maintenance of General Plant	\$ 286,760	\$ 123,363	\$ 130,526	\$ 133,579
Transfer to General Fund	539,746	587,769	429,624	451,105
Other Operating Expenses	717,104	776,567	560,361	578,080
Audit Adjustment	30,503	(8,557)	-	-
	<u>\$ 1,574,113</u>	<u>\$ 1,479,142</u>	<u>\$ 1,120,511</u>	<u>\$ 1,162,764</u>
<b>Operating Accounts Subtotal</b>	<b>\$ 26,431,782</b>	<b>\$ 26,613,107</b>	<b>\$ 28,905,879</b>	<b>\$ 29,378,860</b>
<b>Depreciation Expense</b>	<b>\$ 1,811,059</b>	<b>\$ 1,856,017</b>	<b>\$ 1,900,352</b>	<b>\$ 1,981,181</b>
<b>Operating Expenses Total</b>	<b>\$ 28,242,841</b>	<b>\$ 28,469,124</b>	<b>\$ 30,806,231</b>	<b>\$ 31,360,041</b>

Source: 2019 and 2020 data are actual data from audited financial statements; 2021 data is estimated; and 2022 data is proposed.

# Light Fund – Expenditures

## Light Fund Operating Expenditures



## Personnel Summary

### AUTHORIZED POSITIONS

Code	Position Title	July 1, 2021 - June 30, 2022		July 1, 2022 - June 30, 2023	
		Grade	Fiscal Year 2022 # Positions	Fiscal Year 2023 # Positions	\$ Amount
	Light Plant Operations		37.0 FTEs	37.0 FTEs	\$ 3,503,633
	Line Worker Stand-by Pay		1320 hrs.	1320 hrs.	61,326
	Engineering Stand-by Pay				31,320
	<b>Salary Subtotal</b>				<b>\$ 3,596,279</b>
	Allowance for Salary Increases				157,663
517X	Group Insurance:				
	Health, Life, Dental				392,886
	Retirement				666,537
	OPEB Contribution				166,596
	Soc. Sec. & Medicare Tax				49,250
	Clothing Allowance				3,600
	<b>Benefits Subtotal</b>				<b>\$ 1,278,869</b>
	<b>Personnel Services Total</b>				<b>\$ 4,717,544</b>
					<b>\$ 5,039,503</b>

# Light Fund – Expenditures

## General Fund Services

<b>PAYMENTS TO THE GENERAL FUND</b>				
<b>Town Fiscal Year Basis</b>	<u>FY20</u> Actual	<u>FY21</u> Actual	<u>FY22</u> Estimated	<u>FY23</u> Budgeted
<b>Financial &amp; Administrative Services:</b>				
Town Manager's Office	\$ 116,970	\$ 125,848	\$ 128,400	\$ 117,652
Facilities Management	18,601	27,648	29,442	32,191
Town Accountant	59,354	61,045	44,286	43,567
Treasurer-Collector	58,143	64,235	63,546	61,230
Information Systems	119,017	119,484	119,296	139,032
Finance Administration	60,155	61,647	55,892	55,217
Human Resources	87,954	85,860	102,655	105,192
<b>Subtotal</b>	<b>\$ 520,194</b>	<b>\$ 545,767</b>	<b>\$ 543,517</b>	<b>\$ 554,081</b>
<b>Natural Resource Protection:</b>				
Planning	\$ 13,299	\$ 13,515	\$ 15,053	\$ 14,581
Natural Resources	24,073	28,554	29,758	33,664
<b>Subtotal</b>	<b>\$ 37,372</b>	<b>\$ 42,069</b>	<b>\$ 44,811</b>	<b>\$ 48,245</b>
<b>Landscaping @ Substations:</b>				
Parks & Trees	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
<b>Total</b>	<b>\$ 567,566</b>	<b>\$ 597,836</b>	<b>\$ 583,051</b>	<b>\$ 612,326</b>
<b>Payment in Lieu of Taxes (PILOT)</b>	<b>\$ 452,000</b>	<b>\$ 474,500</b>	<b>\$ 451,500</b>	<b>\$ 474,500</b>
<i>Calendar Year of PILOT Payment</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>

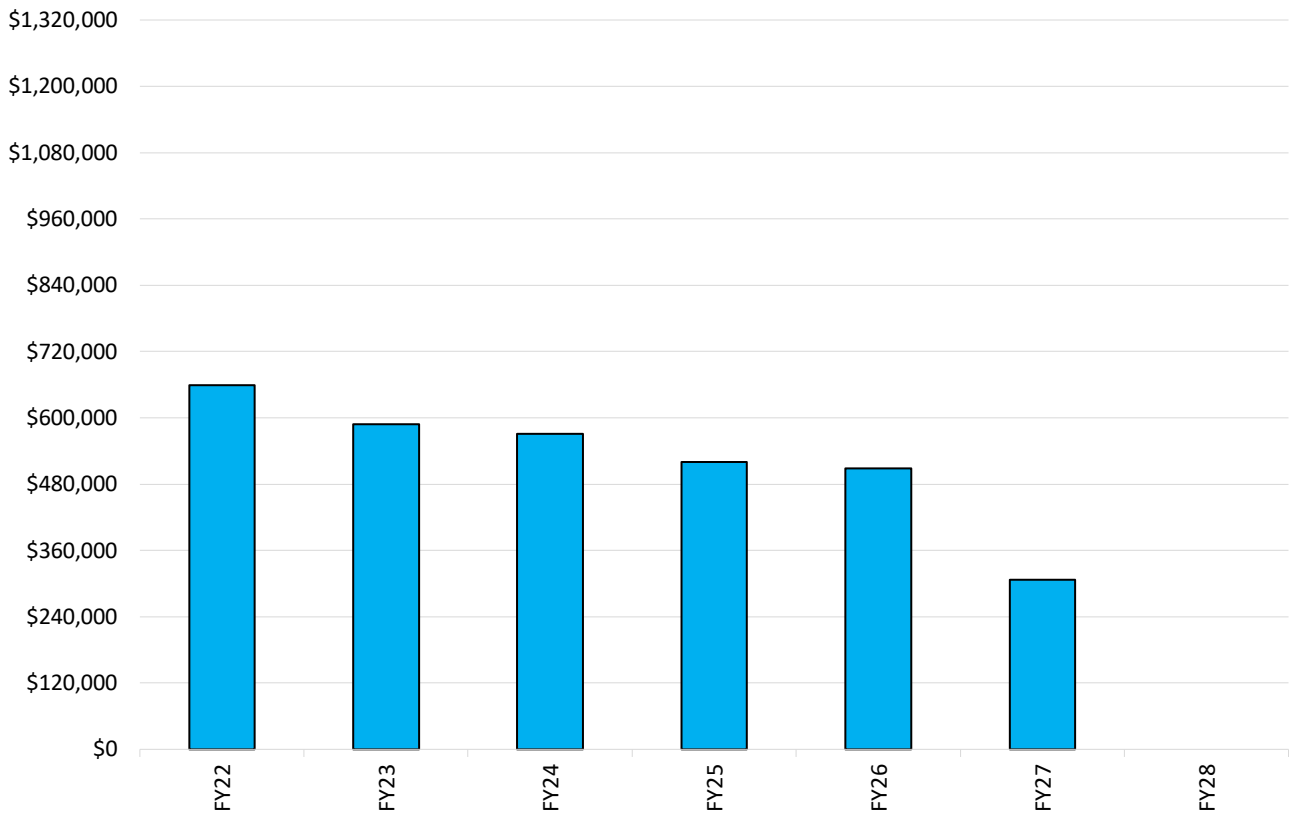
# Light Fund – Expenditures

## Capital (Capital Outlay and Debt-Funded)

### LIGHT FUND DEBT SERVICE

Fiscal Year	Principal	Interest	Total
FY22	\$ 569,000	\$ 90,497	\$ 659,497
FY23	\$ 510,000	\$ 78,725	\$ 588,725
FY24	\$ 512,000	\$ 59,225	\$ 571,225
FY25	\$ 480,000	\$ 39,625	\$ 519,625
FY26	\$ 485,000	\$ 23,875	\$ 508,875
FY27	\$ 300,000	\$ 7,500	\$ 307,500
FY28	\$ -	\$ -	\$ -
Totals	\$2,856,000	\$ 299,447	\$3,155,447

Light Fund Debt Service  
as of June 30, 2021



# Light Fund – Net Income and Fund Balance

## Net Income and Fund Balance

### NET INCOME

	Calendar Year:			
	2019 Actual	2020 Actual	2021 Estimated	2022 Budgeted
<b>Statement of Net Income</b>				
Operating Revenues	\$ 27,838,368	\$ 26,700,785	\$ 31,742,580	\$ 32,539,977
Less Operating Expenses	(28,242,841)	(28,469,125)	(30,806,231)	(31,360,041)
<b>Operating Income</b>	\$ (404,473)	\$ (1,768,340)	\$ 936,348	\$ 1,179,936
<b>Non-Operating Revenues (Expenses)</b>				
Interest Income	\$ 241,882	\$ 110,302	\$ 10,849	\$ 37,854
Interest Expense	(157,437)	(135,675)	(96,147)	(90,200)
Other	337,957	191,104	-	-
<b>Non-Operating Income Subtotal</b>	\$ 422,402	\$ 165,731	\$ (85,298)	\$ (52,346)
<b>Net Income Before Other Financing</b>	\$ 17,929	\$ (1,602,609)	\$ 851,049	\$ 1,127,591
<b>Other Financing (Uses)</b>				
Loss on Disposal of Capital Assets	(320,161)	(11,271)		
Payment in Lieu of Taxes	(452,000)	(474,500)	(451,500)	(474,500)
<b>Subtotal</b>	\$ (772,161)	\$ (485,771)	\$ (451,500)	\$ (474,500)
<b>Change in Net Position</b>	\$ (754,233)	\$ (2,088,379)	\$ 399,549	\$ 653,092

### NET POSITION

	Calendar Year:			
	2019 Actual	2020 Actual	2021 Estimated	2022 Budgeted
<b>Change in Net Position</b>	\$ (754,233)	\$ (2,088,379)	\$ 399,549	\$ 653,092
<b>Net Position</b>				
Beginning of Year	\$ 46,561,626	\$ 45,807,393 <sup>(1)</sup>	\$ 43,719,014	\$ 44,118,563
End of Year	\$ 45,807,393	\$ 43,719,014	\$ 44,118,563	\$ 44,771,655
* Restated Amount				
<b>Unrestricted Net Position</b>				
End of Year	\$ 7,929,216 <sup>(2)</sup>	\$ 4,845,810 <sup>(2)</sup>		
(1) Restated Amount				
(2) Per Financial Statements				

# Light Fund – Net Income and Fund Balance

## Return Analysis

### RETURN ANALYSIS

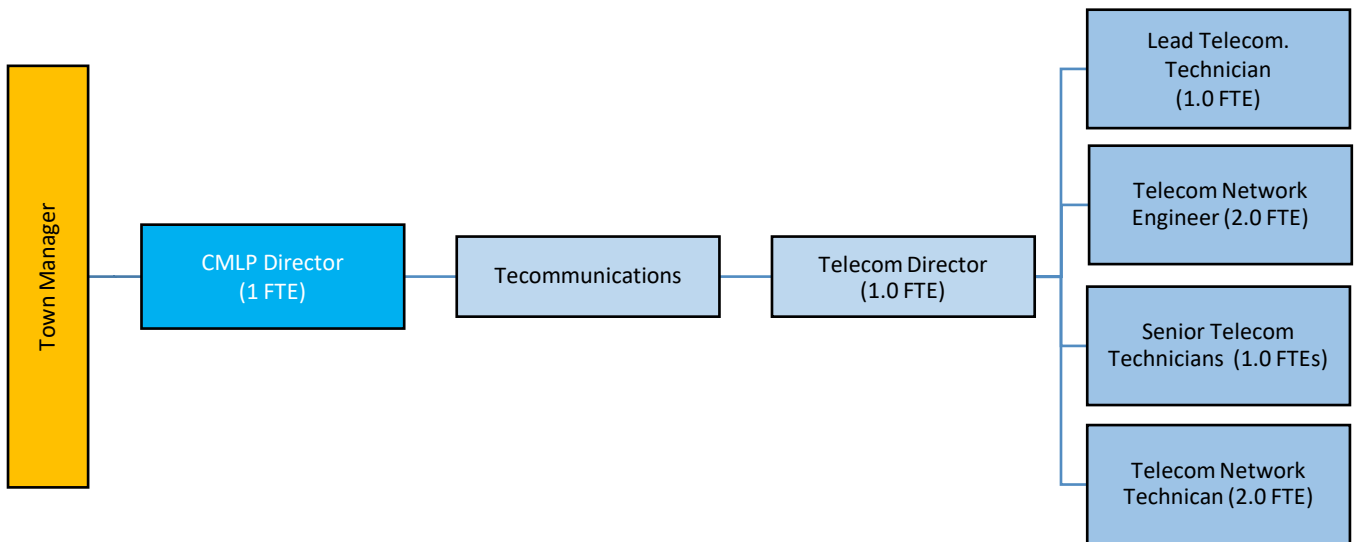
	Calendar Year:			
	2019	2020	2021	2022
	Actual	Actual	Estimated	Budgeted
<b>Return per DPU Formula</b>				
Net Income from Operations	\$ (754,233)	\$ (2,088,379)	\$ 399,549	\$ 653,092
Payment in Lieu of Taxes	452,000	474,500	451,500	474,500
Underground Surcharge	(91,770)	(402,008)	(432,781)	(412,088)
CARES Surcharge	(28,789)	(139,359)	(4,993)	-
<b>Return per DPU Formula</b>	<b>\$ (422,792)</b>	<b>\$ (2,155,246)</b>	<b>\$ 413,275</b>	<b>\$ 715,504</b>
<b>Cost of Plant</b>				
Cost of Plant for Return Calculations	\$ 65,587,823	\$ 66,064,765	\$ 67,651,702	\$ 68,858,826
<b>Return per DPU Formula Percentage</b>				
Return per DPU Formula	\$ (422,792)	\$ (2,155,246)	\$ 413,275	\$ 715,504
Cost of Plant for Return Calculations	\$ 65,587,823	\$ 66,064,765	\$ 67,651,702	\$ 68,858,826
<b>DPU Return Percentage</b>	<b>-0.64%</b>	<b>-3.26%</b>	<b>0.61%</b>	<b>1.04%</b>
<b>Effective Return</b>				
Net Income from Operations	\$ (754,233)	\$ (2,088,379)	\$ 399,549	\$ 653,092
Cost of Plant for Return Calculations	\$ 65,587,823	\$ 66,064,765	\$ 67,651,702	\$ 68,858,826
<b>Effective Return Percentage</b>	<b>-1.15%</b>	<b>-3.16%</b>	<b>0.59%</b>	<b>0.95%</b>
<b>Net Profit Margin</b>				
Net Income from Operations	\$ (754,233)	\$ (2,088,379)	\$ 399,549	\$ 653,092
Total Operating Revenue	\$ 28,080,250	\$ 26,811,087	\$ 31,753,429	\$ 32,577,831
<b>Net Profit Margin</b>	<b>-2.69%</b>	<b>-7.79%</b>	<b>1.26%</b>	<b>2.00%</b>
<b>Note:</b> 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 CY2019 and CY2020, 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.

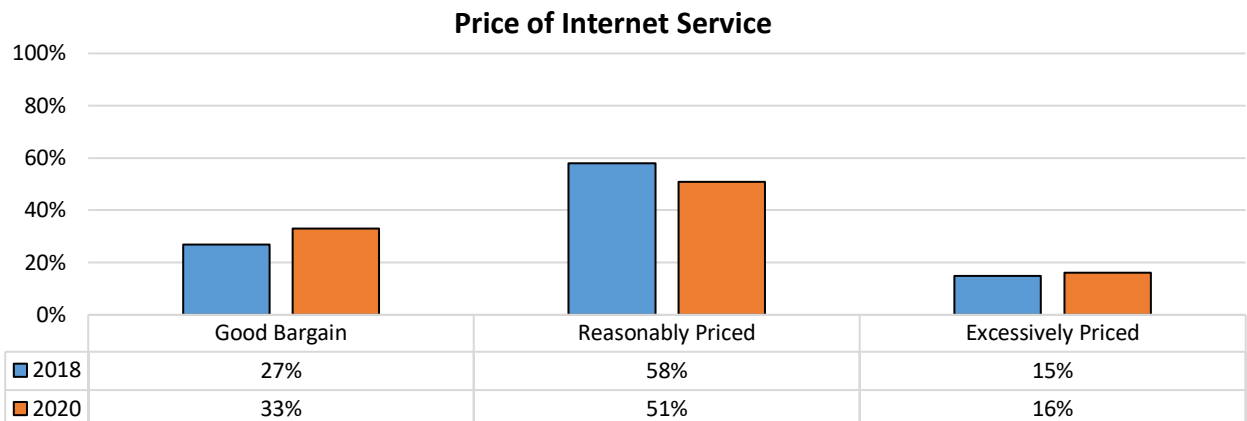
24x7 first Level Broadband Support is provided through a contracted Help Desk. Other contracts provide the Division with installation, emergency restoration, and network performance monitoring. Billing and account management are integrated with Electric Utility billing.

## FY21 Accomplishments

- Replaced server equipment and core switches that were at end of operational life.
- The Core 3850 Cisco routers were upgraded to accommodate bandwidth requirements during the COVID-19 pandemic.
- 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

## CY22 Goals

- Add one new technician to increase Broadband installations to better serve residents.
- 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

## CY22 Budget Highlights

In CY22, 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 \$249,163 according to the CY20 audited financial report. The proposed CY22 budget projects a fund balance of \$553,329 at the end of the calendar year resulting from projected \$1,618,394 in operating revenues and \$1,457,797 in operating expenses.

### Budget Highlights

CY22 Projected Operating Revenue	\$1,618,394
CY22 Projected Operating Expenses	<u>(1,457,797)</u>
CY22 Project Operating Income	\$160,597
CY22 Projected Telecommunications Fund Balance	\$553,329

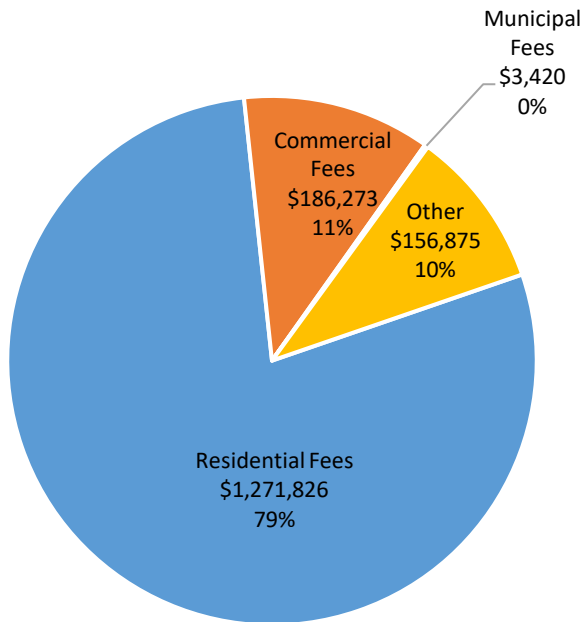
## Revenues and Expenditures Overview

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.

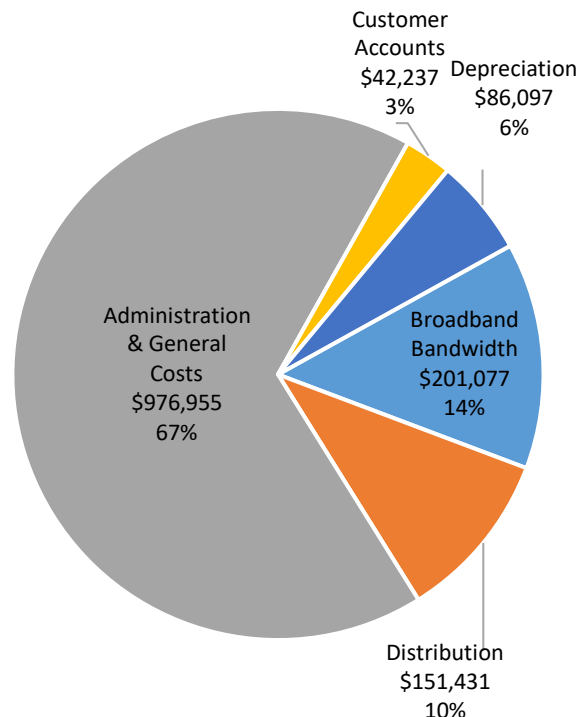
CMLP implemented an installation moratorium for the safety of both the residents and town employees. The moratorium allowed for new installations for new residents moving into Town as well as medical and education professionals without internet access to their home for remote access.

As of January 2022, 1,564 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.

**CY22 Operating Revenues**



**CY22 Operating Expenditures**



# Light Fund – Telecommunications – Program Highlights

## Telecommunications Business Results

CY2020 had minor growth due to the COVID-19 pandemic. During CY2021, the Broadband Division added 174 new subscribers. In CY22, the Division is projecting a 22.5% growth in subscriber base. Overall demand for service has increased with projections indicating an average of 30 new subscribers monthly in 2022.

In CY2022, 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.

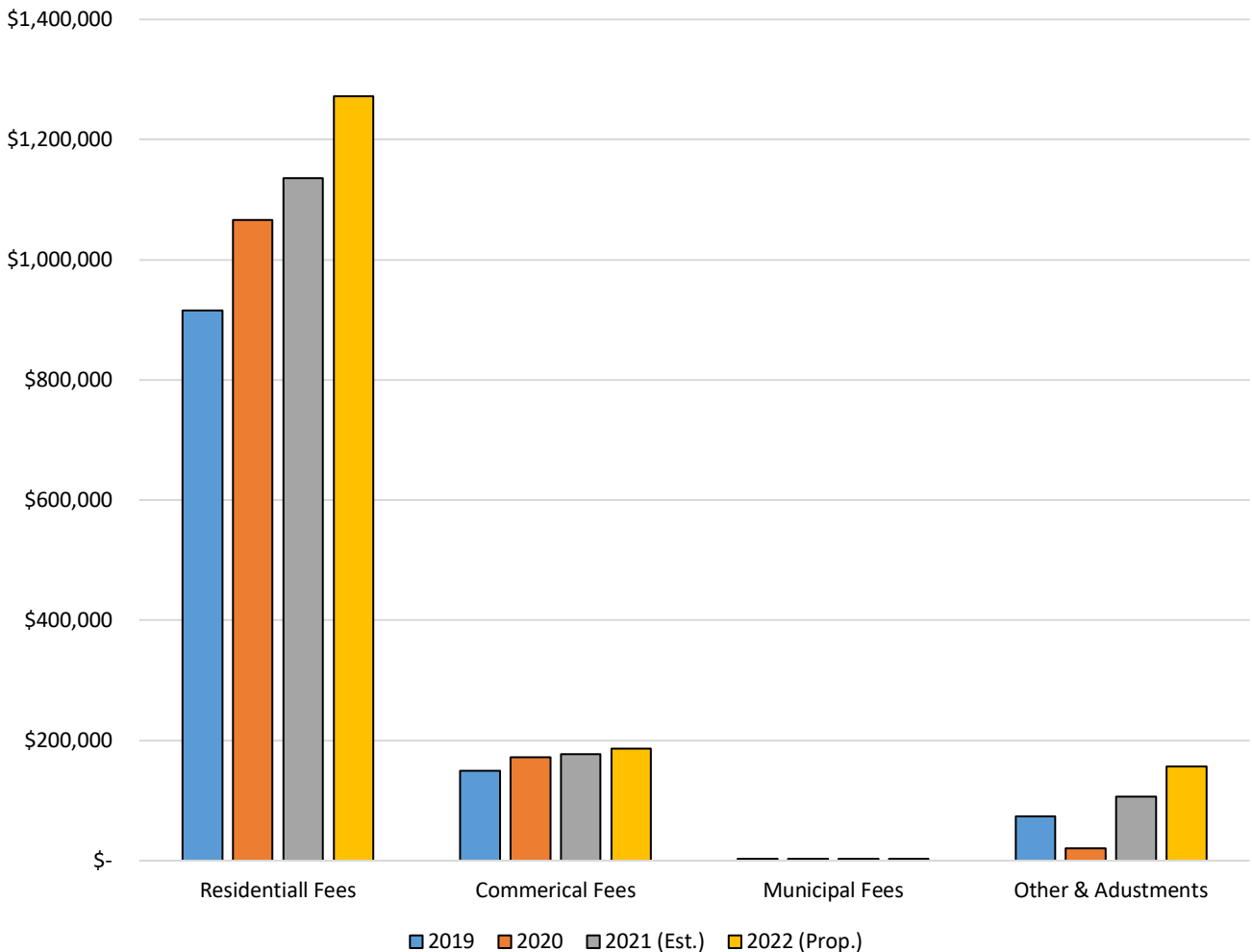
# Light Fund – Telecommunications – Revenues

## Operating Revenue

	Calendar Year:			
	2019 Actual	2020 Actual	2021 Estimated	2022 Proposed
<b>Operating Revenue</b>				
Residential Fees	\$ 915,982	\$ 1,066,677	\$ 1,135,559	\$ 1,271,826
Commerical Fees	149,967	172,171	177,403	186,273
Municipal Fees	3,480	3,420	3,420	3,420
Revenue Conversion Difference Balance (1)	59,297	-	-	-
Other	75,125	120,559	106,655	156,875
Audit Adjustment	(60,314)	(100,230)	-	-
<b>Operating Revenue Total</b>	<b>\$ 1,143,537</b>	<b>\$ 1,262,597</b>	<b>\$ 1,423,038</b>	<b>\$ 1,618,394</b>

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

### Telecommunications Division Operating Revenues

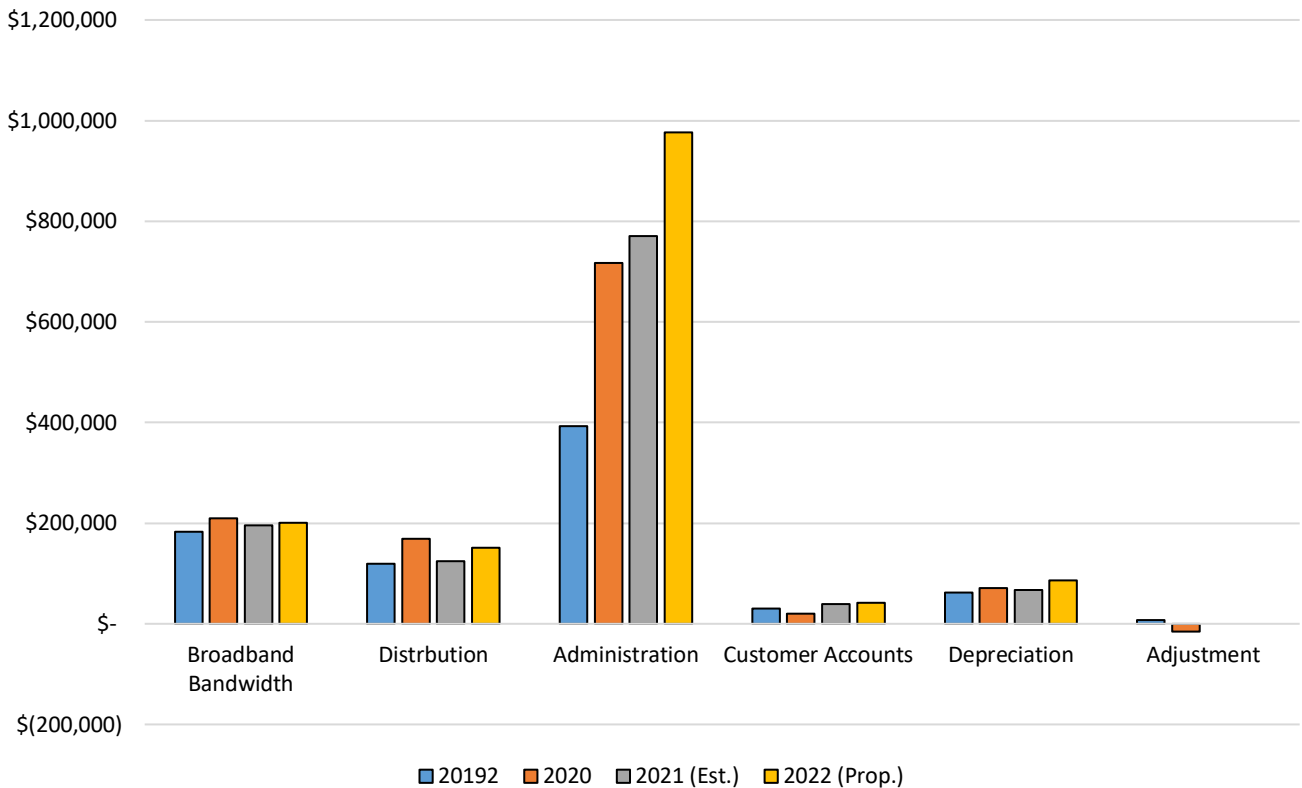


# Light Fund – Telecommunications – Expenditures

## Operating Expenditures

	Calendar Year:			
	2019 Actual	2020 Actual	2021 Estimated	2022 Proposed
<b>Operating Expenditures</b>				
Broadband Bandwidth	\$ 183,502	\$ 209,390	\$ 195,220	\$ 201,077
Distribution	118,776	168,863	124,051	151,431
Administration and General Costs	393,265	717,295	770,801	976,955
Customer Accounts	30,762	20,605	38,776	42,237
Depreciation	62,691	70,933	67,342	86,097
Audit Adjustment	7,120	(15,485)	-	-
<b>Operating Expense Total</b>	<b>\$ 796,116</b>	<b>\$ 1,171,601</b>	<b>\$ 1,196,190</b>	<b>\$ 1,457,797</b>

### Telecommunications Division Operating Expenditures



## Personnel Summary

### AUTHORIZED POSITIONS

	FY22 Estimated		FY23 Proposed	
	FTE	Amount	FTE	Amount
<b>Telecommunications</b>				
Regular Full-Time Personnel	7.00 FTEs	\$ 673,090	7.00 FTEs	\$ 673,090

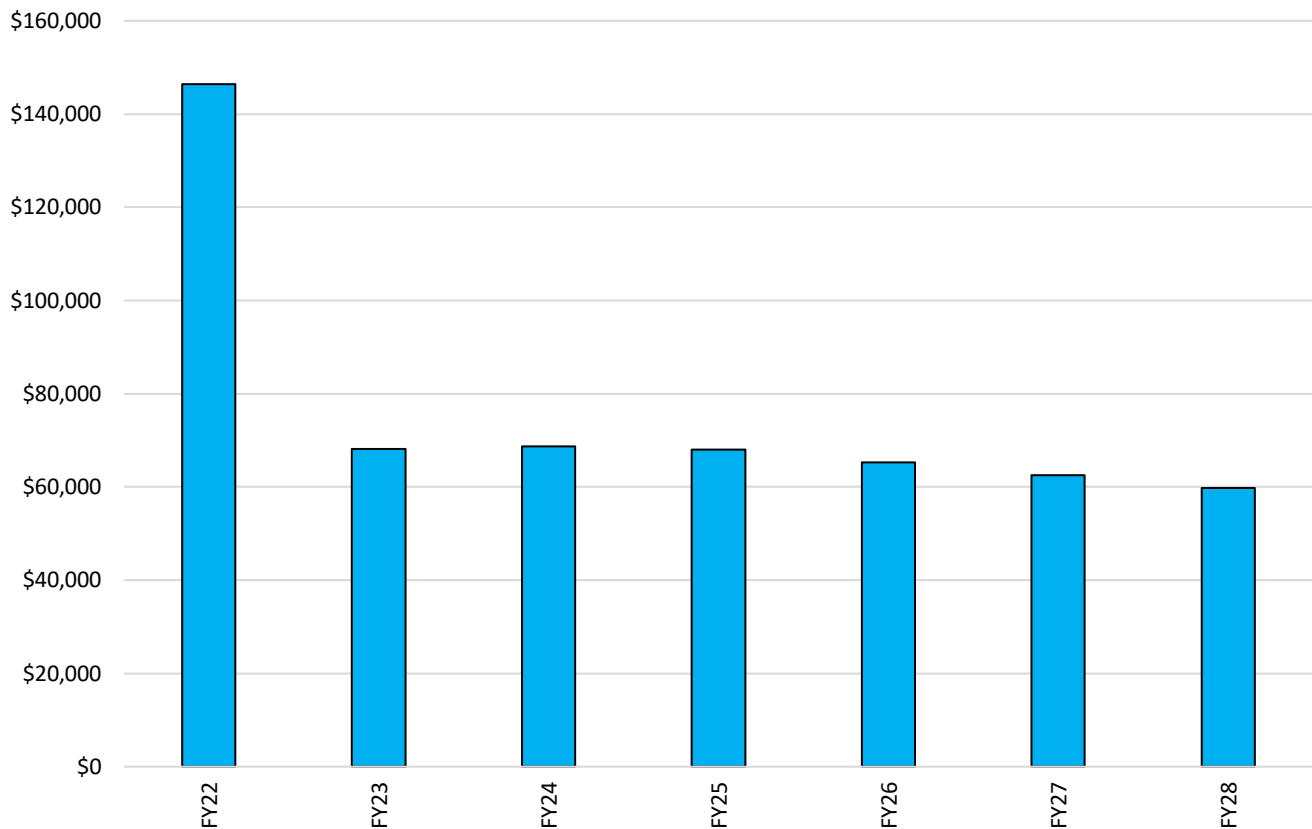
# Light Fund – Telecommunications – Expenditures

## Capital (Capital Outlay and Debt-Funded)

### TELECOM DEBT SERVICE

Fiscal Year	Principal	Interest	Total
FY22	\$126,000	\$20,472	\$146,472
FY23	\$50,000	\$18,150	\$68,150
FY24	\$53,000	\$15,650	\$68,650
FY25	\$55,000	\$12,970	\$67,970
FY26	\$55,000	\$10,250	\$65,250
FY27	\$55,000	\$7,500	\$62,500
FY28	\$55,000	\$4,750	\$59,750
<b>Totals</b>	<b>\$449,000</b>	<b>\$89,742</b>	<b>\$538,742</b>

Telecommunications Division Debt Service  
as of June 30, 2021



# Light Fund – Telecommunications – Net Income and Fund Balance

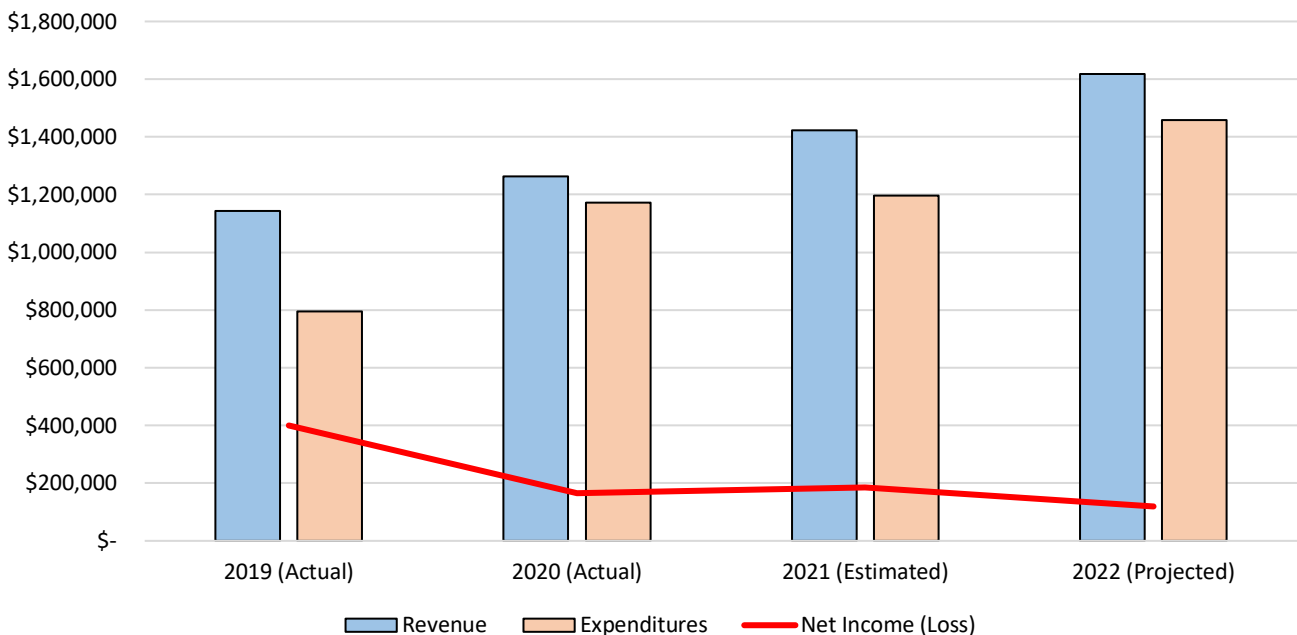
## Net Income and Fund Balance

	Calendar Year:			
	2019	2020	2021	2022
	Actual	Actual	Estimated	Proposed
<b>Operating Income (Loss)</b>	\$ 347,421	\$ 90,996	\$ 226,848	\$ 160,597
<b>Nonoperating Revenues (Expenses)</b>				
Interest Income	\$ -	\$ -	\$ -	\$ -
Interest Expense	(27,533)	(21,906)	(23,275)	(19,447)
Other	78,452	98,862	-	-
Audit Adjustment	-	-	-	-
<b>Operating Expense Total</b>	\$ 50,919	\$ 76,956	\$ (23,275)	\$ (19,447)
<b>Other Financing (Uses)</b>				
Loss on Disposal of Capital Assets	\$ 1,513	\$ (2,193)	\$ -	\$ -
Payment in Lieu of Franchise	-	-	(18,634)	(21,923)
<b>Subtotal</b>	\$ 1,513	\$ (2,193)	\$ (18,634)	\$ (21,923)
<b>Net Income (Loss)</b>	\$ 399,853	\$ 165,759	\$ 184,938	\$ 119,228
<b>Net Position</b>				
Net Position at Beginning of Year	* \$ (316,449)	\$ 83,404	\$ 249,163	\$ 434,101
Net Position at End of Year	\$ 83,404	\$ 249,163	\$ 434,101	\$ 553,329

\* Restated Amount

Source: CY2019 and CY2020 data are actual data from audited financial statements; CY2021 data is estimated; CY2022 data is proposed.

### Telecommunications Division Fund Historical Net Income



# Water Fund

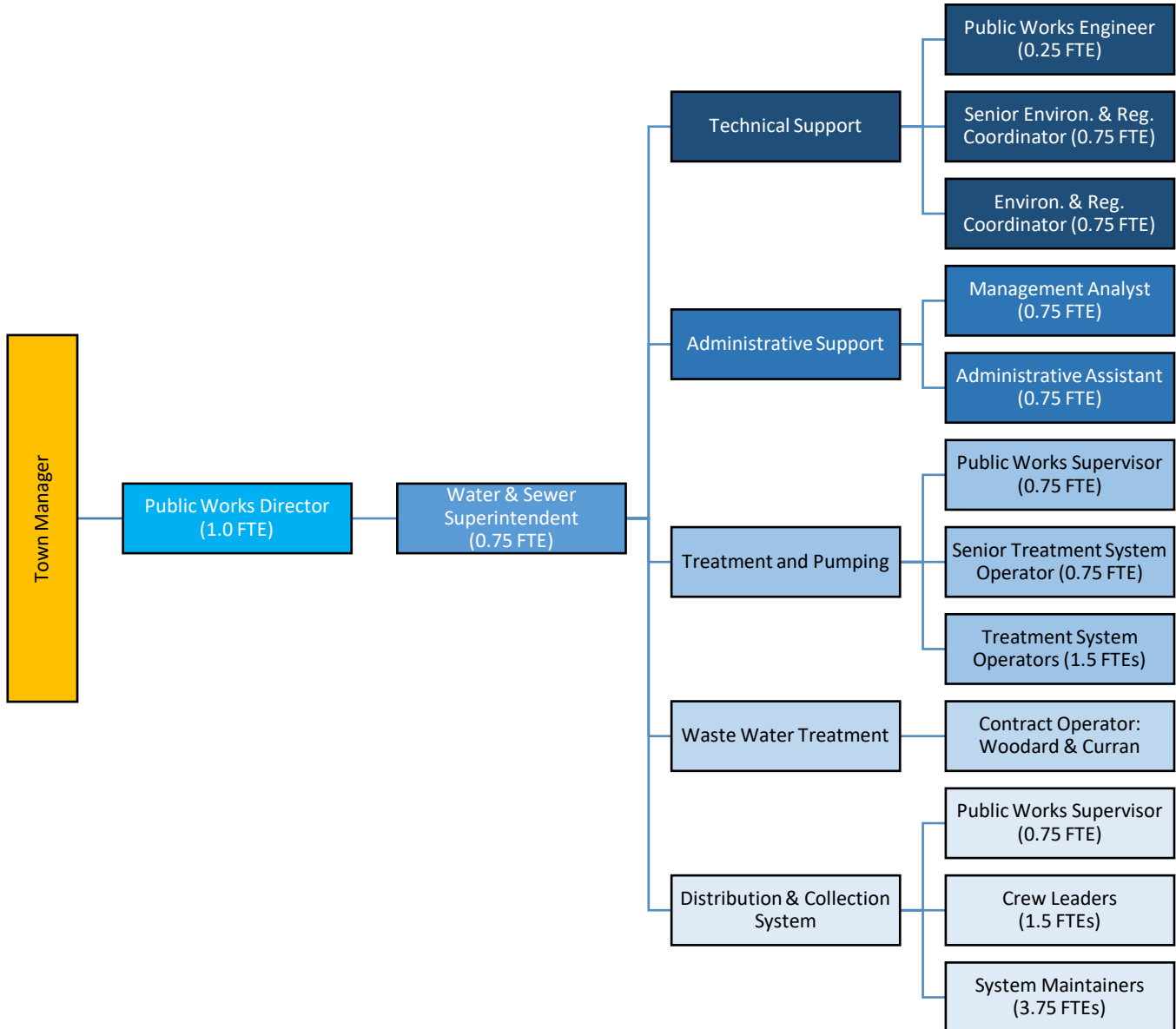
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# Water Fund

## 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, including 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 FY21, the total value of infrastructure assets was approximately \$25.9 million.

There are presently 5,651 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.

## FY21 Accomplishments

- ☑ Developed plans and specifications for water main replacement activities planned in the Butternut Circle/Minot Road neighborhood.
- ☑ Received notice of eligibility for a low-interest construction loan for the Nagog Pond Water Treatment Plant from the Massachusetts Clean Water Trust, Drinking Water State Revolving Fund program.
- ☑ Completed minor pump and motor assembly repairs at the White Pond Well and Deaconess Well #1 in conjunction with well redevelopment work.
- ☑ Completed a SCADA (supervisory control and data acquisition) system upgrade, a critical component of all water and wastewater facility operations, with specific attention placed on cybersecurity.
- ☑ Completed a major rehabilitation of the 2.5-million-gallon Annursnac Hill drinking water reservoir.
- ☑ Began the process of identifying programmatic gaps in our understanding of and long-range compliance goals associated with our drinking water supply, wastewater systems, and stormwater programs.
- ☑ Submitted a Water Management Act Permit renewal application to MassDEP.
- ☑ Performed a water main leak detection survey on approximately 50% of the water distribution system via acoustic survey.
- ☑ Lifted a mandatory outdoor water use restriction in August, following the Town's Seasonal Demand Management Plan, based on reduced demands attributed to an unusually wet summer.
- ☑ Maintained our commitment to a comprehensive water conservation program to encourage efficient water use via seasonal increasing block rates, the provision of complementary residential water-saving devices, and offered assistance to customers interested in learning more about indoor and outdoor water savings opportunities.
- ☑ Partnered with CMLP in the initial procurement of a new utility system meter reading platform.  
Awarded a new three-year service contract to Water Safety Services for cross-connection control inspection and testing services.
- ☑ Completed the first year of compliance sampling for Per- and Poly-fluoroalkyl (PFAS) Substances ("forever chemicals"), per state requirements.
- ☑ Continued to perform low-cost lead service lines replacement to customers to interested customers.
- ☑ Received a Water Fluoridation Quality Award from the Centers for Disease Control and Prevention (CDC), recognizing effective dosing and documentation of ongoing drinking water fluoridation efforts.

# Water Fund

## Performance

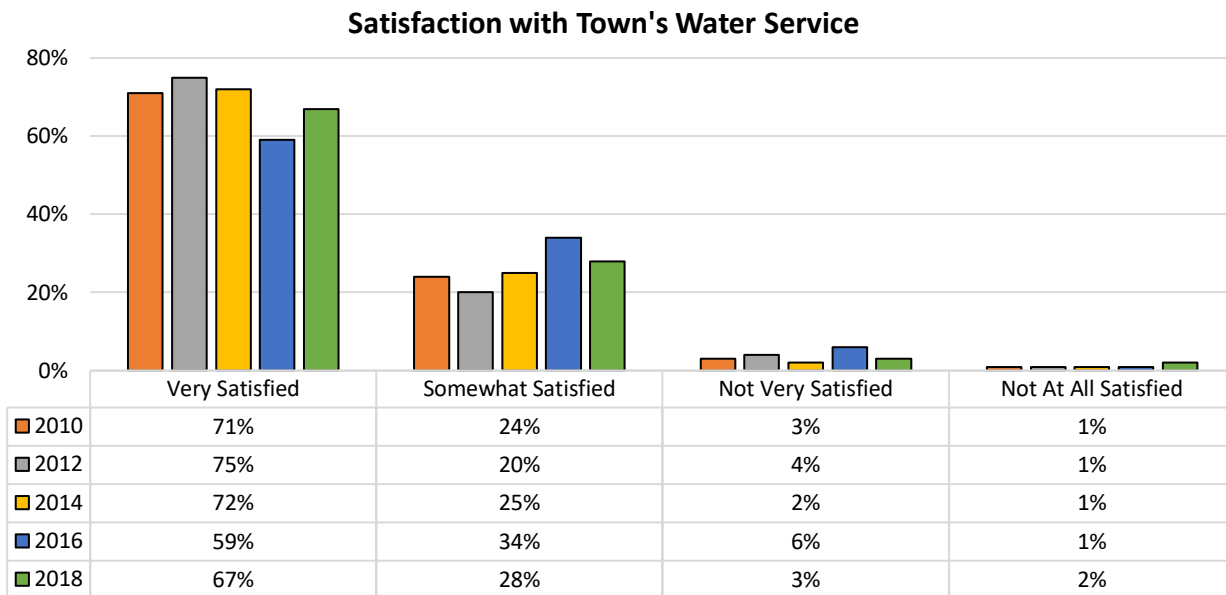
### Long Term Financial Stability

Along with its core mission to operate and maintain the Town's water system reliably and efficiently, the Water Enterprise must also be financially self-supporting. This measure 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 revenue and anticipated investments.

Since the establishment of the Water Enterprise fund in 1974, there have been no property tax contributions requested to subsidize annual operations or maintenance of pre-existing infrastructure. Taxpayer contributions are sought only 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 provided 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."



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, there is a consistent opinion water services are a good bargain. Most Concord households on Town water feel the service is at least "reasonably priced," while 8% of survey respondents even describe it as a "Good Bargain."

# Water Fund

**Price of Town Water Service**



## FY23 Goals

- Water Quality Monitoring:** Continue to perform routine and non-routine water quality sampling activities per Safe Drinking Water Act requirements as administered by Mass DEP. This effort will likely include a request for reduced monitoring of PFAs substances (a costly and difficult test to perform) if results show these compounds are consistently below drinking water standards.
- Nagog Pond Treatment:** 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:** Clean and rehabilitate the remaining 1,100 linear feet (Phase II) of this century-old 16-inch intake pipe to restore its original flow capacity and increase service reliability.
- Complete final design and permitting, obtain necessary funding authorization and initiate construction of the long-anticipated Nagog Pond Treatment facility.**
- Water Main Rehabilitation/Replacement:** Begin construction of priority replacement of water mains in the Butternut Circle and Minot Road neighborhood, along with associated valves and hydrants, in concert with the Roads Program.
- Move forward on the initial phase of a multi-year meter reading technology conversion using a new hardware and software system that will lead to real-time meter reading, improved billing, and water conservation management tools for water/sewer customers.**
- Maintain our customer commitment to a comprehensive water conservation program:** encouraging efficient water use via seasonal increasing block rates, providing complimentary residential water-saving devices, and assisting customers interested in learning more about indoor and outdoor water savings opportunities.
- Continue providing owners with identified lead service lines a low-cost, interest-free 12-month payment option to help incentivize replacement. Efforts will also expand to double back on our existing service line inventory to ensure identifying all likely lead service lines.**

# Water Fund

## Long-Term Plans

- ⇒ To continue performing water quality sampling, testing, and reporting activities that maintain compliance with Safe Drinking Water Act (SDWA) requirements.
- ⇒ To continue protecting, operating, maintaining, and developing drinking water supplies following 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. Include 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 tenets of a holistic Integrated Water Resource Management program into pertinent 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 following principles outlined within "Envision Concord – A bridge to 2030".
- ⇒ To ensure all operations are performed to ensure operator health and safety.
- ⇒ To incorporate energy-efficient design and operating principles into all aspects of water system operations, including future facility and equipment upgrades, considering accelerating investment into fleet electrification according to recommendations outlined within a recently drafted municipal fleet electrification study, to the greatest extent practicable.

# Water Fund – Overview & Budget Highlights

## FY23 Budget Highlights

The proposed FY23 water rate of \$0.0677 per cubic foot represents a 4% increase over the FY22 rate of \$0.0651 per cubic foot. For the average residential customer, the annual increase in their water bill will be \$23.40 or \$1.95 per month. The proposed FY23 capital improvement plan is \$3,062,500, including \$700,000 towards water main replacements, \$250,000 towards system-wide water Meter Replacement Program/upgrade in conjunction with meter system upgrades planned by the Concord Municipal Light Plant, \$1,200,000 to complete the replacement of the Nagog Pond intake structure (cove/shallow water section) and to advance the final design and permitting of the Surface Water Filtration plant. The proposed FY23 operating budget is \$5,047,298, an increase of 4.4% from FY22, primarily related to increases in utilities, materials, fuel, chemical supplies, and depreciation expenses.

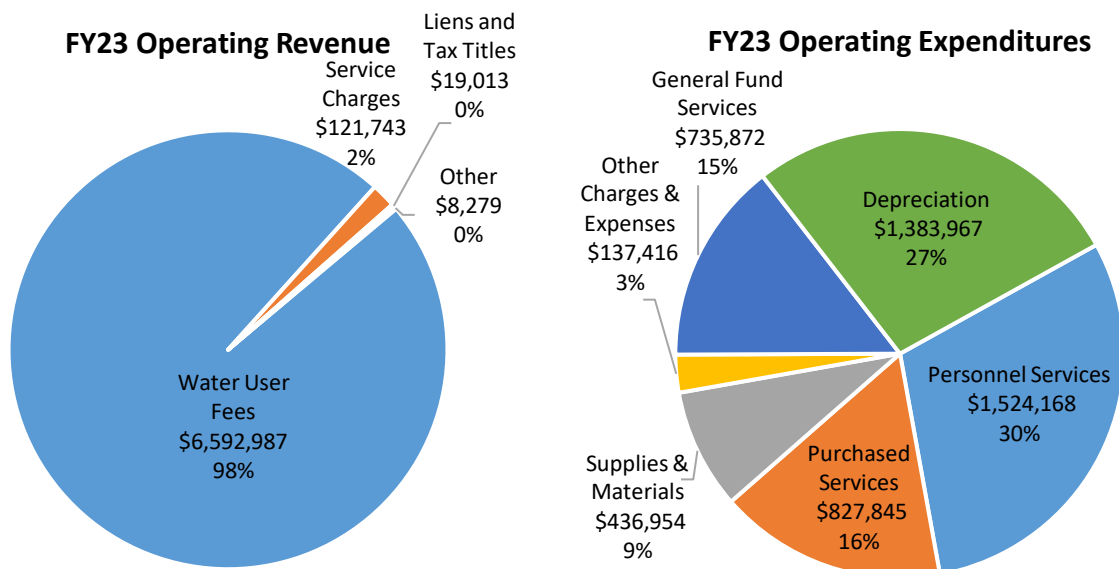
### Budget Highlights

FY23 Projected Revenue	\$6,742,022
FY23 Projected Expenses	<u>(5,046,222)</u>
FY23 Projected Operating Income	\$1,695,800
FY23 Projected Net Income	\$1,450,912
FY23 Projected Water Fund Balance	\$10,509,105

## Revenues and Expenditures Overview

Ninety-eight percent of the Water Division's revenues in FY23 is expected to come from water user fees (amounting to \$6,592,987 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 operating expense categories of the total \$5,047,298 proposed are depreciation, personnel services, and purchased services.



# Water Fund – Proforma

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 inform daily operations, maintenance, and capital investments, and budget plans are required to comply with related directives.

On the federal level, the Division's operations are governed by the Safe Drinking Water Act (SDWA). Initially enacted in 1974, the SDWA allows the Environmental Protection Agency (EPA) to promulgate national primary drinking water regulations to regulate contaminants that may pose health risks and 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 specific 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 under 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 Water Fund's short-term and long-term financial well-being.

## Regulatory Update

**Nagog Pond Filtration Avoidance Waiver:** Nagog Pond continues to be operated under 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.

**Water Management Act (WMA):** Registration statements authorizing continued operation of "grandfathered" water rights were set to expire on December 31, 2021, unless the Department of Environmental Protection Agencies (MassDEP) received a completed and signed Registration Renewal Request Form by June 15, 2021; the Division submitted a completed Renewal Request Form on June 11, 2021. Due to Governor Baker's "COVID Order No. 42," the MassDEP permits and approvals expiration dates, including WMA Registrations, were extended to April 7, 2023. On August 9, 2021, MassDEP issued Concord an "Order to Complete" (OTC), initiating a formal WMA renewal process. The OTC included new management and operating provisions relating to drinking water withdrawal "allowances" with demand management practices to balance environmental protection goals.

**Federal Lead and Copper Rule Revisions (LCRR):** On January 15, 2021, EPA published notable regulatory revisions to the Lead and Copper Rule. The final rule was signed on June 10, 2021, with an effective date of December 16, 2021, and a compliance deadline of October 16, 2024. Several notable developments associated with this new rule include the development of lower lead action levels, development of a public-facing lead service line (LSL) inventory, as well as an LSL replacement plan; increased educational outreach, and an annual notification requirement to customers with LSLs or service lines of unknown material; annual testing of schools and early education and childcare facilities, and updated sample site selection and sample collection procedures. Staff will continue to monitor developments related to the LCRR and take steps to proactively address the impending new requirements ahead of the 2024 compliance deadline.

**Emerging Water Quality Contaminants - PFAS:** 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 does 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 many industrial processes. Quarterly water quality samples collected from

# Water Fund – Proforma

Concord's water supplies demonstrated that concentrations were consistently below the established drinking water standards.

**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 under MassDEP regulations. These continue to demonstrate that the drinking water provided to customers satisfies State and Federal requirements for public water systems, with one continued exception; bromate in the Nagog finished water. Recent modifications to the temporary disinfection (ozone) treatment process to improve its reliability of operations resulted in an increased level of bromate, causing an exceedance of the 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. Even though Nagog Pond was not placed in operation during the summer of 2021, notification criteria detailed within DBR regulations do not account for seasonal operations like those performed at Nagog Pond. Public Notices were again sent to all customers to comply with notification requirements, informing them of the occurrences dating back to 2019, 2020, and 2021.

**Cross-Connection Control Program:** Water Safety Services (Woburn, MA) performed routine inspections 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 (or reversal of flow) from water introduced into an industrial/commercial process that would render it undrinkable.

**Nagog Pond Water Treatment Facility:** Environmental Partners continues to advance design concepts for the Nagog Pond water treatment facility under siting and permitting challenges. Based on their assessment of the condition of the intake pipe performed in the spring of 2021, they have provided a recommendation to "recondition" the remaining section of the intake main (not replaced in 2021) rather than replace it. This recommendation is driven primarily by cost and potential environmental impact/mitigation.

**Water System Capacity & Resiliency Planning:** The Integrated Water Resources Plan (IWRP) effort led by Kleinfelder (Boston, MA), and supported by Brown & Caldwell (Andover, MA), began with an assessment of existing reports and documents relating to the water supply system. This work dovetailed with the support they have been providing for Water Management Act permit renewal activities.

**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 2021, the total water production required to meet our system demands was 1.77 million gallons per day, or 647 million gallons per year. A peak day demand of 3.04 million gallons occurred on June 29, 2021. The calculated RGPDC and total system losses ("unaccounted" for water use) are 62.2 gals/day and 12.2%, respectively.

**Leak Detection Survey:** New England Water Distribution Services LLC (Windham, NH) performed a water main leak detection survey on approximately 50% of the water distribution system. The acoustic survey targeted water mains, hydrants, select gate valves, and select service lines located in the southern half of the distribution system. Minor leaks were identified at five (5) hydrants, accounting for an estimated loss of approximately 6.57 million gallons per year. Four of five hydrant leaks were repaired.

**Annursnac Hill Reservoir:** During the fall of 2021, DN Tanks, Inc., of Wakefield, MA, performed renovation work installing a new concrete floor, metalwork on the geodesic dome to improve access and ventilation of this 2.5-

## Water Fund – Proforma

million-gallon storage facility, and the fabrication of a retrieval and placement system for a dedicated water mixing system.

**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 White Pond Well and Deaconess Well #1, including minor repairs of associated pump and motor assemblies (performed by Denis L. Maher Company, Ayer, MA).

**Meter Replacement Program:** In conjunction with CMLP and an outside consultant, Water and Sewer participated in a competitive procurement process required to select a vendor 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.

**Water 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 USEPA 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 5-10 breaks per year. In 2021 Water operations crews responded to four (4) emergency repairs: September 28, 2021, at MacIntosh Lane (Concord Green); October 29, 2021, at Commerford Road; on November 4, 2021, on State Route 2 (near the Rotary); and December 26, 2021, on Monument Street.

Developed plans and specifications for water main replacement activities planned in the Butternut Circle/Minot Road neighborhood for completion during the 2022 construction season.

**Lead Service Line Awareness and Replacement Program:** CPW's Water Division continues to eliminate lead service lines in Concord under 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. This program 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 offered an interest-free 12-month payment plan. Since the program's inception, three dozen lead service lines have been replaced, with another half dozen performed this past summer and fall.

# Water Fund – Proforma

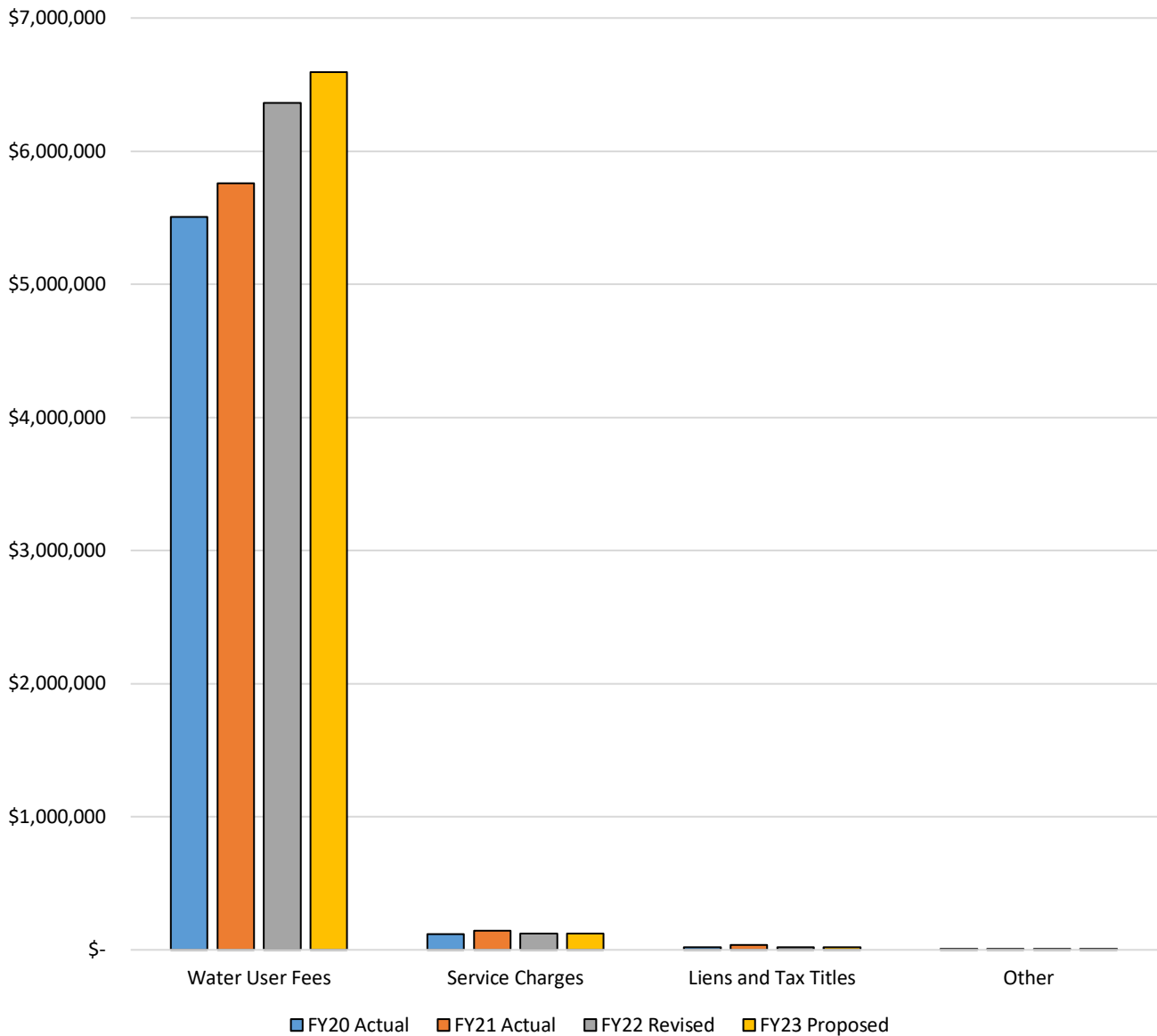
Water Fund: Plan and Projection	10 years												
	Actual FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 23-32
<b>Operating Revenue</b>													
User Fees	5,758,839	6,363,987	6,592,987	6,827,987	7,072,987	7,325,987	7,586,987	7,863,987	8,224,987	8,602,987	8,997,987	9,416,987	78,513,870
Other	191,932	148,035	149,035	150,035	151,035	152,035	153,035	154,035	155,035	156,035	157,035	158,035	1,535,350
Subtotal	5,950,771	6,512,022	6,742,022	6,978,022	7,224,022	7,478,022	7,740,022	8,018,022	8,380,022	8,759,022	9,155,022	9,575,022	80,049,220
<b>Operating Expense</b>													
O & M	3,127,719	3,482,674	3,662,255	3,910,494	4,029,714	4,152,644	4,279,404	4,410,120	4,544,921	4,683,940	4,827,318	4,975,196	43,476,005
Depreciation	1,065,469	1,352,891	1,383,967	1,665,142	2,145,751	2,417,945	2,452,068	2,472,442	2,517,403	2,566,766	2,621,484	2,694,206	22,937,173
Subtotal	4,193,188	4,835,565	5,046,222	5,575,636	6,175,464	6,570,588	6,731,472	6,882,562	7,062,324	7,250,707	7,448,801	7,669,402	66,413,178
<b>Operating Income</b>	1,757,583	1,676,457	1,695,800	1,402,386	1,048,558	907,434	1,008,550	1,135,460	1,317,698	1,508,315	1,706,221	1,905,620	13,636,042
ADD: Interest Income	22,992	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	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS: Interest Expense													
Existing Debt	86,052	49,435	33,365	23,315	14,995	8,300	1,550	0	0	0	0	0	81,525
Future Debt	0	96,465	267,316	291,704	896,662	1,450,126	1,373,591	1,297,055	1,220,519	1,143,984	1,067,448	990,912	9,999,318
Bond Anticipation Notes (BANs)	0	0	43,920	9,500	155,118	150,000	0	0	0	0	0	0	358,538
Issuance expense (Premium)	0	4,392	44,870	25,012	170,118	150,000	0	0	0	0	0	0	389,999
<b>Net Income</b>	1,694,523	1,713,826	1,450,912	1,157,305	-102,336	-777,793	-302,233	-101,157	155,761	422,699	697,140	973,075	3,573,373
<b>Available Resources from:</b>													
Net income	1,694,523	1,713,826	1,450,912	1,157,305	-102,336	-777,793	-302,233	-101,157	155,761	422,699	697,140	973,075	3,573,373
Depreciation expense	1,065,469	1,352,891	1,383,967	1,665,142	2,145,751	2,417,945	2,452,068	2,472,442	2,517,403	2,566,766	2,621,484	2,694,206	22,937,173
subtotal	2,759,992	3,066,717	2,834,879	2,822,447	2,043,415	1,640,152	2,149,835	2,371,285	2,673,164	2,989,465	3,318,624	3,667,281	26,510,546
Bond proceeds	3,270,000	0	4,392,000	950,000	15,511,754	15,000,000	0	0	0	0	0	0	35,853,754
Loan proceeds	0	4,392,000	950,000	15,511,754	15,000,000	0	0	0	0	0	0	0	31,461,754
LESS: Principal repayments													
Existing Debt	785,000	373,000	225,000	220,000	217,000	215,000	155,000	0	0	0	0	0	1,032,000
New Debt	0	120,705	340,305	387,805	1,163,393	1,913,393	1,913,393	1,913,393	1,913,393	1,913,393	1,913,393	1,913,393	15,285,255
BAN Repayment	3,000,000	0	4,392,000	950,000	15,511,754	15,000,000	0	0	0	0	0	0	35,853,754
Amort of bond premium	15,242	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Available for Capital Purposes</b>	2,229,750	6,965,011	3,219,573	17,726,396	15,663,022	-488,241	81,442	457,892	759,771	1,076,072	1,405,231	1,753,888	41,655,045
<b>Capital Plan</b>	3,416,312	7,000,000	3,062,500	16,648,000	16,734,300	1,624,350	1,918,150	2,033,750	2,011,800	2,033,300	2,093,300	2,218,500	50,377,950
<b>Cash Position</b>													
Beginning balance	12,129,476	11,568,187	11,533,199	11,690,272	12,768,668	11,697,389	9,584,798	7,748,090	6,172,232	4,920,203	3,962,975	3,274,906	
ADD: Net available	2,229,750	6,965,011	3,219,573	17,726,396	15,663,022	-488,241	81,442	457,892	759,771	1,076,072	1,405,231	1,753,888	
LESS: Planned Capital	3,416,312	7,000,000	3,062,500	16,648,000	16,734,300	1,624,350	1,918,150	2,033,750	2,011,800	2,033,300	2,093,300	2,218,500	
Changes in assets & liabilities	625,274	0	0	0	0	0	0	0	0	0	0	0	
Ending balance	11,568,187	11,533,199	11,690,272	12,768,668	11,697,389	9,584,798	7,748,090	6,172,232	4,920,203	3,962,975	3,274,906	2,810,294	
ending cash balance	11,568,187	11,533,199	11,690,272	12,768,668	11,697,389	9,584,798	7,748,090	6,172,232	4,920,203	3,962,975	3,274,906	2,810,294	

# Water Fund – Revenues

## Operating Revenues

OPERATING REVENUES				
	FY20	FY21	FY22	FY23
	Actual	Actual	Revised	Proposed
Water User Fees	\$ 5,507,291	\$ 5,758,839	\$ 6,363,987	\$ 6,592,987
Service Charges	118,743	145,528	120,743	121,743
Liens and Tax Titles	19,013	38,537	19,013	19,013
Other	8,279	7,867	8,279	8,279
Operating Revenues Total	\$ 5,653,326	\$ 5,950,771	\$ 6,512,022	\$ 6,742,022

### Water Operating Revenues



# Water Fund – Revenues

## Water Rates

The total revenue projected to be raised through water user fees in FY23 is \$6,592,987, representing 98% of total Water Fund revenues. User fees are assessed according to actual measured (metered) use. The Public Works Commission sets rates each year 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.

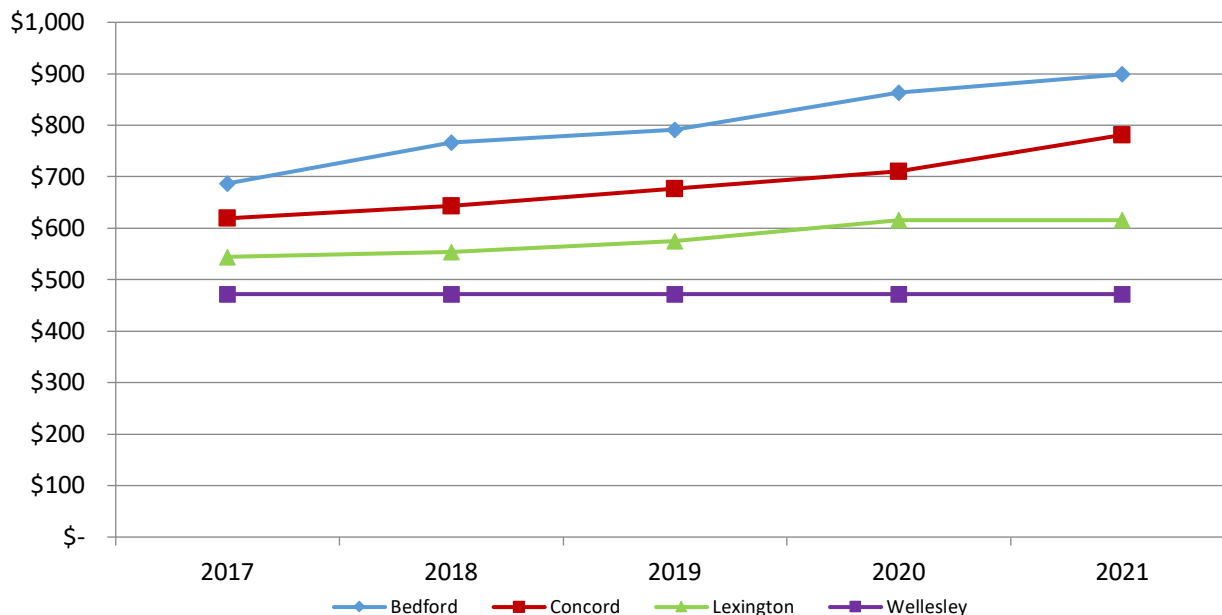
## Water Rate Highlights

The FY23 proposed Residential Service (step 1) water rate is \$0.0677 per cubic foot (1 cubic foot = 7.48 gallons). The FY23 rate of \$0.0677 represents a 4% increase over the FY22 rate of \$0.0651. Since FY 2010, water rates have increased at an average annual rate of 4.4% per year.

In FY23, the average residential customer is expected to pay a total of \$609 in water use for 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 their 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 that have adopted a seasonal ascending-block conservation rate structure.

# Water Fund – Expenditures

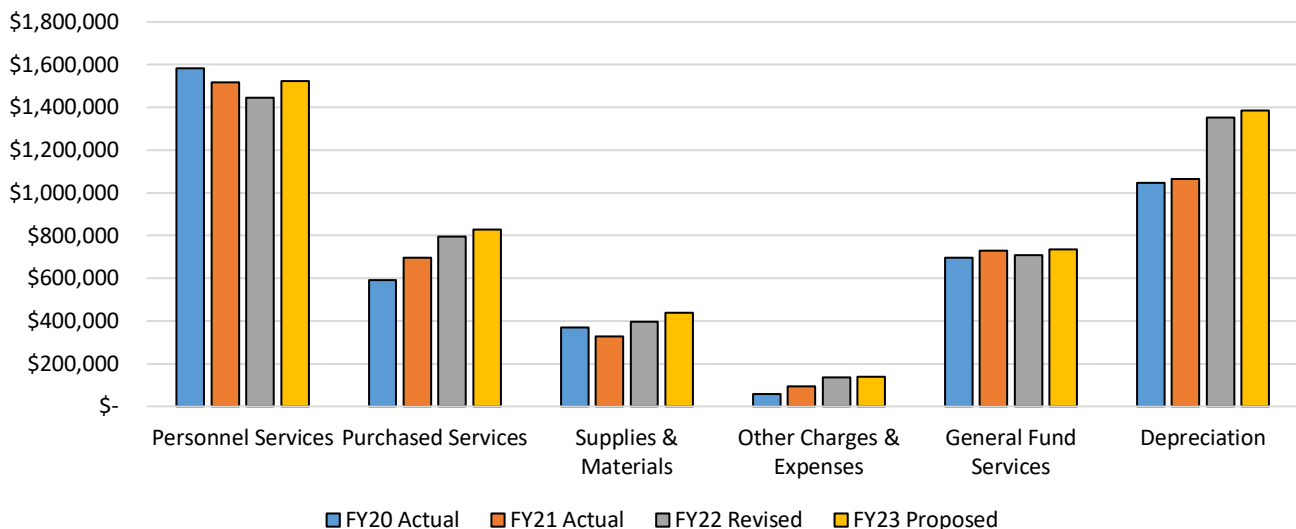
## Operating Expenditures

<b>OPERATING EXPENSES</b>				
	FY20	FY21	FY22	FY23
<u>Personnel Services</u>	Actual	Actual	Revised	Proposed
Personnel Expenses	\$ 1,584,202	\$ 1,329,215	\$ 1,446,400	\$ 1,524,168
Audit Adjustment	-	-	-	-
<b>Subtotal</b>	<b>\$ 1,584,202</b>	<b>\$ 1,329,215</b>	<b>\$ 1,446,400</b>	<b>\$ 1,524,168</b>
<u>Non-Personnel Services</u>				
Purchased Services	590,875	695,517	795,477	827,845
Supplies & Materials	368,812	326,280	396,364	436,954
Other Charges & Expenses	57,586	37,544	135,136	137,416
Audit Adjustment	-	-	-	-
<b>Subtotal</b>	<b>\$ 1,017,273</b>	<b>\$ 1,059,342</b>	<b>\$ 1,326,978</b>	<b>\$ 1,402,216</b>
<u>Other</u>				
General Fund Services	695,186	739,163	709,298	735,872
Depreciation Expense	1,046,939	1,065,469	1,352,891	1,383,967
<b>Subtotal</b>	<b>\$ 1,742,125</b>	<b>\$ 1,804,632</b>	<b>\$ 2,062,189</b>	<b>\$ 2,119,839</b>
<b>Total Operating Expense</b>	<b>\$ 4,343,600</b>	<b>\$ 4,193,189</b>	<b>\$ 4,835,565</b>	<b>\$ 5,046,222</b>

## RETIREMENT AND OPEB ASSESSMENT

<i>For Informational Purposes Only</i>				
	FY20	FY21	FY22	FY23
<u>Personnel Services</u>	Actual	Actual	Revised	Proposed
Retirement Assessment	\$ 146,719	\$ 126,942	\$ 124,623	\$ 124,623
OPEB Assessment	19,148	25,000	44,512	44,512
<b>Total Assessment</b>	<b>\$ 165,867</b>	<b>\$ 151,942</b>	<b>\$ 169,135</b>	<b>\$ 169,135</b>

## Water Operating Expenditures



# Water Fund – Expenditures

## Personnel Summary

### AUTHORIZED POSITIONS

	FY22 Revised		FY23 Proposed	
	\$ Amount	Position/Hours	\$ Amount	Position/Hours
Regular Staff	13.00 FTEs	\$ 1,004,387	13.00 FTEs	\$ 1,081,865
Part-Time Staff	0.56 FTEs	17,110	0.56 FTEs	17,400
<b>Subtotal</b>	<b>13.56 FTEs</b>	<b>\$ 1,021,497</b>	<b>13.56 FTEs</b>	<b>\$ 1,099,265</b>
<b>Employee Benefits</b>				
Group Insurance	N/A	\$ 96,015	N/A	\$ 96,015
Retirement Contribution	N/A	124,623	N/A	124,623
OPEB Contribution	N/A	44,512	N/A	44,512
<b>Subtotal</b>	<b>N/A</b>	<b>\$ 265,150</b>	<b>N/A</b>	<b>\$ 265,150</b>
<b>Payroll Taxes</b>				
Medicare Tax	N/A	\$ 14,600	N/A	\$ 14,600
Social Security Contribution	N/A	549	N/A	549
<b>Subtotal</b>	<b>N/A</b>	<b>\$ 15,149</b>	<b>N/A</b>	<b>\$ 15,149</b>
<b>Other Personnel Costs</b>				
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	-	N/A	-
<b>Subtotal</b>	<b>N/A</b>	<b>\$ 144,604</b>	<b>N/A</b>	<b>\$ 144,604</b>
<b>Total Personnel Costs</b>	<b>13.56 FTEs</b>	<b>\$ 1,446,400</b>	<b>13.56 FTEs</b>	<b>\$ 1,524,168</b>

# 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 specific accounts.

### PAYMENTS TO THE GENERAL FUND

	FY20	FY21	FY22	FY23
	Actual	Actual	Revised	Proposed
<b><u>Management &amp; Engineering</u></b>				
Public Works Administration	\$ 98,170	\$ 103,335	\$ 94,098	\$ 93,503
Public Works Engineering	91,222	89,981	91,266	93,670
Highway Maintenance	19,750	19,630	17,579	17,579
133/135 Keyes Road	49,070	44,601	44,601	50,366
<b>Subtotal</b>	<b>\$ 254,959</b>	<b>\$ 257,547</b>	<b>\$ 247,544</b>	<b>\$ 255,118</b>
<b><u>General Government</u></b>				
Town Manager	\$ 69,598	\$ 73,603	\$ 75,959	\$ 70,593
Human Resources	23,152	22,244	26,253	27,722
Information Systems	22,159	23,799	23,599	27,810
Facilities Administration	-	7,137	17,477	26,243
Town House	8,359	7,603	-	-
<b>Subtotal</b>	<b>\$ 123,268</b>	<b>\$ 134,386</b>	<b>\$ 143,288</b>	<b>\$ 152,368</b>
<b><u>Finance</u></b>				
Finance Administration	\$ 92,093	\$ 97,169	\$ 86,652	\$ 88,345
Treasurer-Collector	54,384	55,085	53,645	54,573
Town Accountant				
Accounting Services	50,210	54,321	45,263	46,666
Audit Services	6,000	6,000	6,000	6,000
<b>Subtotal</b>	<b>\$ 202,687</b>	<b>\$ 212,575</b>	<b>\$ 191,560</b>	<b>\$ 195,584</b>
<b><u>Natural Resources</u></b>				
Planning Administration	\$ 52,623	\$ 57,477	\$ 58,846	\$ 58,314
Natural Resource Protection	29,103	34,518	35,285	41,053
Health Department Services	32,546	32,054	32,775	33,435
<b>Subtotal</b>	<b>\$ 114,272</b>	<b>\$ 124,049</b>	<b>\$ 126,906</b>	<b>\$ 132,802</b>
Salary Reserve	-	-	-	-
Audit Adjustments	-	-	-	-
<b>Totals</b>	<b>\$ 695,186</b>	<b>\$ 728,557</b>	<b>\$ 709,298</b>	<b>\$ 735,872</b>

# Water Fund – Expenditures

## Capital (Capital Outlay and Debt-Funded)

WATER FUND CAPITAL PLAN	Actual FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total FY23-27
Water System Improvements								
DISTRIBUTION SYSTEM								
Water Mains (User Fees)	334,700	0	0	388,246	1,000,000	1,200,000	1,500,000	4,088,246
Water Mains (Debt)	<b>1,283,246</b>	<b>222,000</b>	<b>700,000</b>	<b>511,754</b>				1,211,754
Meter Replacements	44,004	100,000	250,000	250,000	100,000	50,000	50,000	700,000
Hydrants	504	30,000	30,000	31,000	32,000	33,000	34,000	160,000
	1,662,454	352,000	980,000	1,181,000	1,132,000	1,283,000	1,584,000	6,160,000
PUMPING STATIONS & TREATMENT								
Structures	34,674	100,000	100,000	50,000	52,000	54,000	56,000	312,000
Equipment	87,878	75,000	50,000	55,000	57,000	59,000	61,000	282,000
Reservoir Improvements	70,258	320,000	150,000	15,000	16,000	17,000	18,000	216,000
Nagog Improvements								
Temporary Ozone								
Route 2A and Filtration Construction (Debt)		<b>250,000</b>	<b>250,000</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>0</b>		30,250,000
Route 2A and Filtration Construction (Fund Bal)								
Filtration Design, Con Admin & Legal	216,712	1,200,000	1,100,000	160,000	250,000			1,510,000
Nagog Intake Construction	<b>1,080,921</b>	<b>3,920,000</b>	100,000					100,000
Nagog Intake Design & Con. Admin.	151,822	313,000						0
Contingency								
Iron & Manganese Removal Project								
Other (7 year life)								
Total: Stations & Treatment Plant	1,642,266	6,178,000	1,750,000	15,280,000	15,375,000	130,000	135,000	32,670,000
GENERAL PLANT								
Keyes Road CPW Facility		50,000	25,000	26,000	27,000	28,000	29,000	135,000
Vehicle Replacements (>=10 year life)			122,500					
Vehicle Replacements (7 year life)	94,463	235,000	0	120,000	157,500	138,750	123,750	540,000
Miscellaneous Equipment	17,130	15,000	15,000	16,000	17,000	18,000	19,000	85,000
Personal Services		0	0	0	0	0	0	0
Total: General Plant	111,593	300,000	162,500	162,000	201,500	184,750	171,750	882,500
SUPPLY/ CAPACITY								
Source Protection	0	170,000	170,000	25,000	25,800	26,600	27,400	274,800
Land								
Water Conservation								
New Source Permitting, Design								
Total: New Source/Capacity	0	170,000	170,000	25,000	25,800	26,600	27,400	274,800
Total User Fee Supported	1,052,145	2,608,000	2,112,500	1,136,246	1,734,300	1,624,350	1,918,150	8,525,546
Total from Debt	<b>2,364,167</b>	<b>4,392,000</b>	<b>950,000</b>	<b>15,511,754</b>	<b>15,000,000</b>	<b>0</b>	<b>0</b>	<b>31,461,754</b>
<b>Grand Total Water Fund:</b>	<b>3,416,312</b>	<b>7,000,000</b>	<b>3,062,500</b>	<b>16,648,000</b>	<b>16,734,300</b>	<b>1,624,350</b>	<b>1,918,150</b>	<b>39,987,300</b>

# Water Fund – Expenditures

## DEBT SERVICE

Long-Term Debt Repayment	FY20		FY21		FY22		FY23	
	Actual		Actual		Revised		Proposed	
Principal	\$	485,000	\$	520,000	\$	714,500	\$	570,000
Interest		78,735		68,385		151,074		156,115
<b>Total</b>	<b>\$</b>	<b>563,735</b>	<b>\$</b>	<b>588,385</b>	<b>\$</b>	<b>865,574</b>	<b>\$</b>	<b>726,115</b>

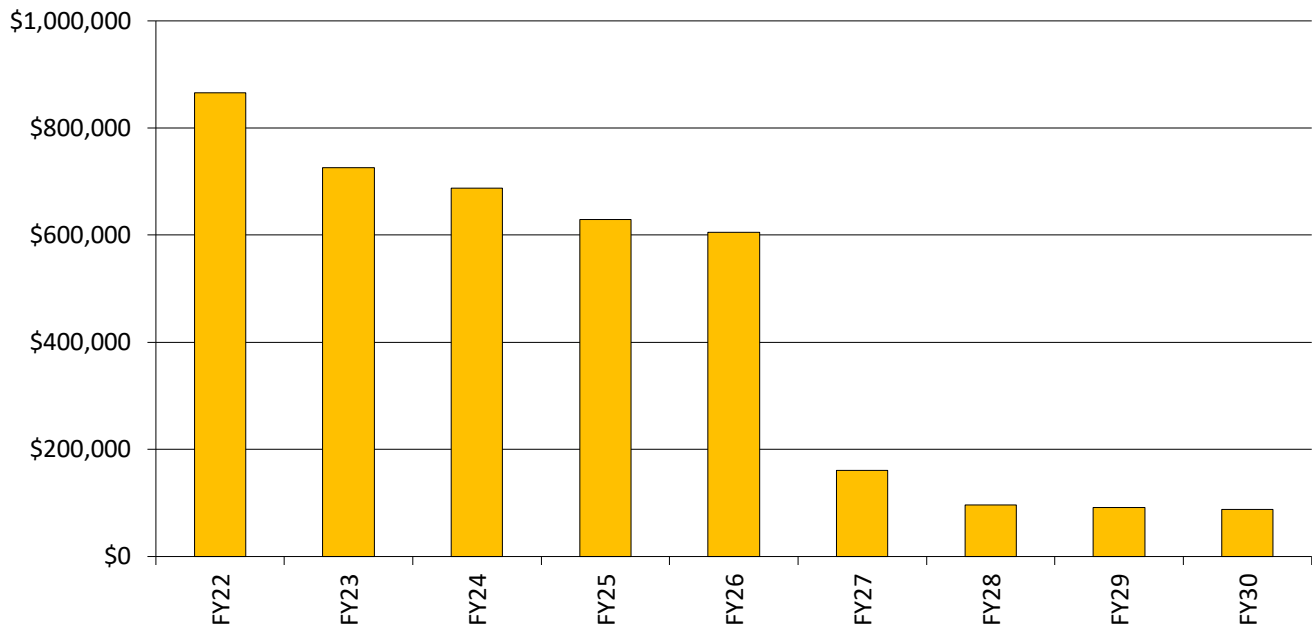
## Water Debt Service Schedule

(Issued through June 30, 2021)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY22	714,500	151,074	865,574
FY23	570,000	156,115	726,115
FY24	557,000	130,565	687,565
FY25	522,000	106,995	628,995
FY26	520,000	85,050	605,050
FY27	155,000	6,200	161,200
FY28	80,000	16,000	96,000
FY29	80,000	12,000	92,000
FY30	80,000	8,000	88,000
<b>Totals</b>	<b>\$ 2,564,000</b>	<b>\$ 520,925</b>	<b>\$ 3,084,925</b>

## Water Fund Debt Service

(As of June 30, 2021)



# Water Fund – Net Income & Fund Balance

## Net Income and Fund Balance

### NET INCOME

	FY20	FY21	FY22	FY23
	Actual	Actual	Revised	Proposed
<b>Statement of Net Income:</b>				
Operating Revenues	\$ 5,653,326	\$ 5,950,771	\$ 6,512,022	\$ 6,742,022
Less Operating Expenses	(4,343,600)	(4,193,189)	(4,835,565)	(5,046,222)
<b>Operating Income</b>	<b>\$ 1,309,727</b>	<b>\$ 1,757,582</b>	<b>\$ 1,676,457</b>	<b>\$ 1,695,800</b>
<b>Nonoperating Revenues (Expenses)</b>				
Add Investment Income	\$ 195,435	\$ 22,992	\$ 187,660	\$ 144,583
Add Other Revenue/Expense	-	-	-	-
Less Interest Expense	(120,445)	(86,052)	(169,541)	(344,600)
Less Issuance Expense	-	-	(28,034)	(44,870)
<b>Nonoperating Income</b>	<b>\$ 74,990</b>	<b>\$ (63,060)</b>	<b>\$ (9,915)</b>	<b>\$ (244,887)</b>
<b>Net Income</b>	<b>\$ 1,384,716</b>	<b>\$ 1,694,523</b>	<b>\$ 1,666,542</b>	<b>\$ 1,450,912</b>

### AVAILABLE RESOURCES

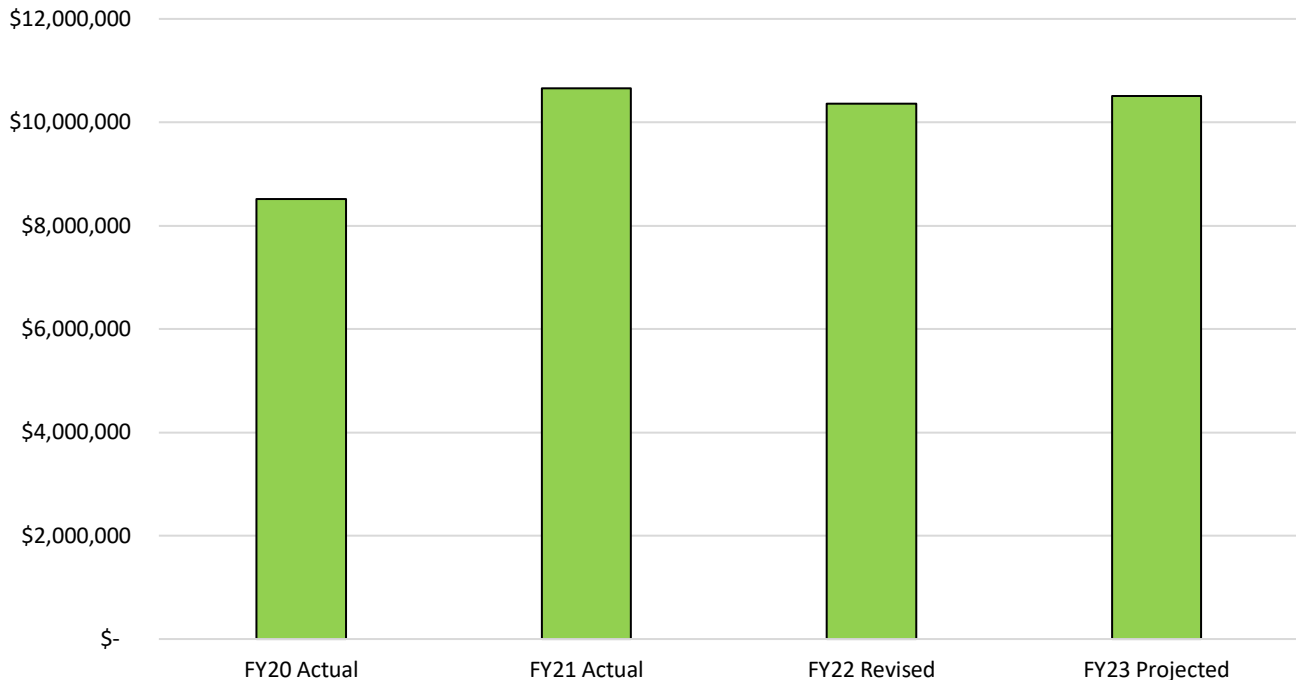
<b>Resources Available from Current Operations for Replacement &amp; Renewal of Facility:</b>				
	FY20	FY21	FY22	FY23
<b>Capital Purposes</b>	Actual	Actual	Revised	Proposed
Add Depreciation Expense	\$ 1,046,939	\$ 1,065,469	\$ 1,352,891	\$ 1,383,967
Add Net Income	1,384,716	1,694,523	1,666,542	1,450,912
Add Debt Financing	-	2,364,167	4,392,000	950,000
Less Bonds Payable	(485,000)	(520,000)	(714,500)	(570,000)
<b>Net Available for Capital</b>	<b>\$ 1,946,655</b>	<b>\$ 4,604,159</b>	<b>\$ 6,696,933</b>	<b>\$ 3,214,879</b>

# Water Fund – Net Income & Fund Balance

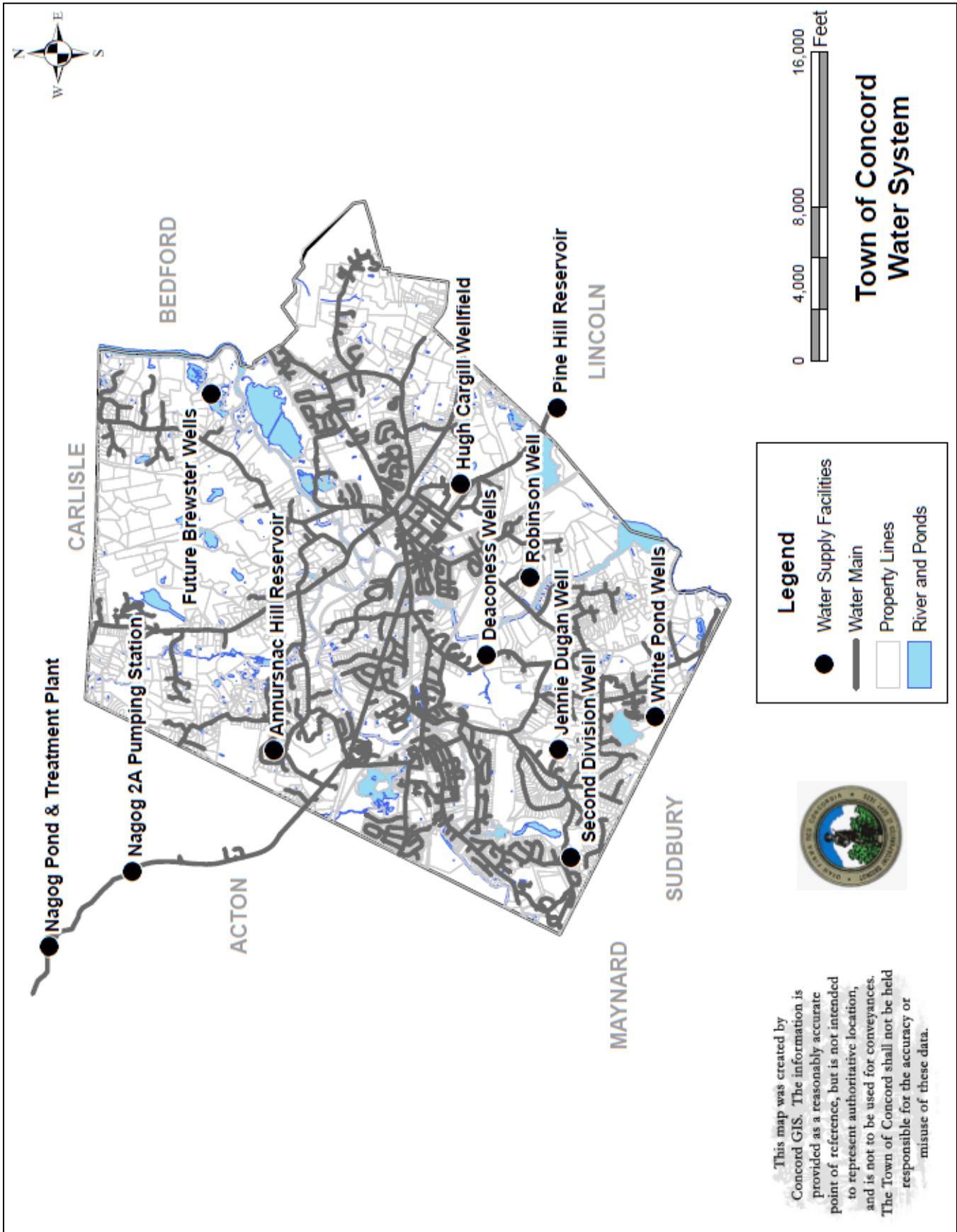
## CASH POSITION AND FUND BALANCE FORECAST

<b>Cash at Year Opening</b>	<b>FY22</b>		<b>FY23</b>	
<b>Cash on July 1st</b>		<b>\$ 11,568,187</b>		<b>\$ 11,265,120</b>
Add Receivables		1,144,668		1,144,668
Add Inventory & Other Assets		114,453		114,453
Less Cash held for Liabilities		(2,002,560)		(2,002,560)
Deferred Outflows (Inflows)		(164,955)		(164,955)
<b>Fund Balance on July 1st</b>		<b>\$ 10,659,793</b>		<b>\$ 10,356,726</b>
<b>Fund Balance Details (projected)</b>	Credits	Debits	Credits	Debits
Net Income	1,666,542		1,450,912	
Bond Principal Repayment		(714,500)		(570,000)
BAN and Bond Proceeds	4,392,000		950,000	
Capital Borrowing		(4,392,000)		(950,000)
Capital Outlay (non-borrowing)		(2,608,000)		(2,112,500)
Add Depreciation Expense	1,352,891		1,383,967	
Balance Projected at June 30th	7,411,433	(7,714,500)	3,784,879	(3,632,500)
<b>Fund Balance on June 30th</b>		<b>\$ 10,356,726</b>		<b>\$ 10,509,105</b>
<b>Cash at Year End (projected)</b>				
Fund Balance on June 30th		\$ 10,356,726		\$ 10,509,105
Less Receivables		(1,144,668)		(1,144,668)
Less Inventory & Other Assets		(114,453)		(114,453)
Add Cash Held for Liabilities		2,002,560		2,002,560
Add Cash Held for Deferred Inflows		164,955		164,955
<b>Projected Cash at June 30th</b>		<b>\$ 11,265,120</b>		<b>\$ 11,417,499</b>

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



# Water Fund – Service Map



# Sewer Fund

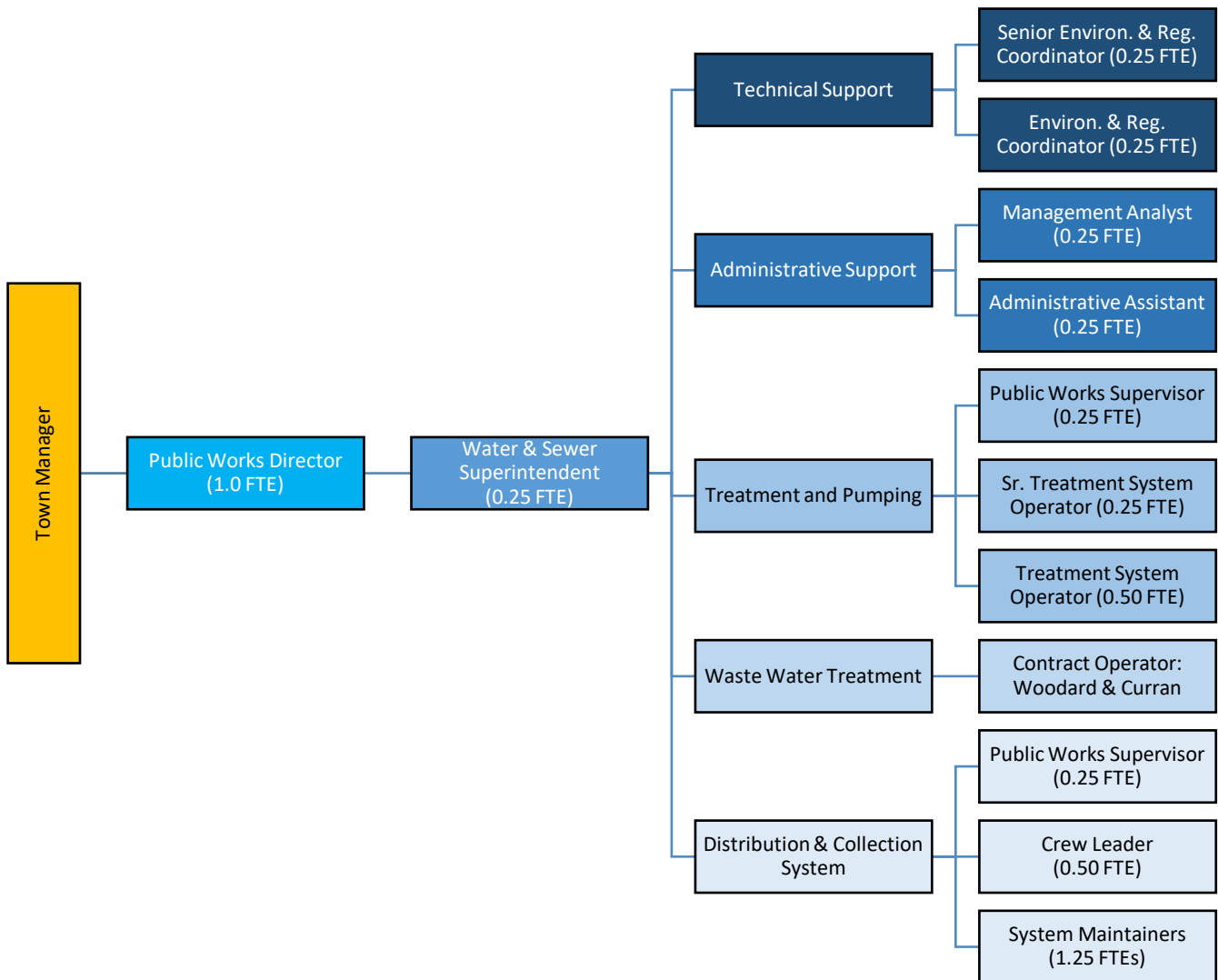
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# Sewer Fund

## 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. 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 sewer system's operation, maintenance, and capital improvement would be a financially viable enterprise. Expenses for this system are covered entirely by user fees. As of 2021, the total value of the collection system and treatment plant infrastructure assets was approximately \$17.1 million. The municipal sewer system serves 1,905 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.

## FY21 Accomplishments

- ☑ Continued to operate the municipal wastewater treatment facility in accordance with Concord's National Pollutant Discharge Elimination System (NPDES) permit conditions.
- ☑ Maintained collection system with no reportable sanitary sewer overflows reported in 2021.
- ☑ Completed the rehabilitation of Lowell Road and Assabet Sewer pumping stations, the two largest in the Town's system.
- ☑ Replaced 1 of 3 intermediate suction lift pumps at the Wastewater Treatment Facility.
- ☑ Replaced a bank of three plant air compressors at the Wastewater Treatment Facility.
- ☑ Completed the installation of an updated supervisory control and data acquisition (SCADA) system, including rigorous cybersecurity.
- ☑ Rehabilitated 2,300 LF of 6-inch and 8-inch vitrified clay sewer main along Hubbard Street using a "cured-in-place" pipe trenchless technology.
- ☑ Initiated work with a third-party consulting team (Kleinfelder – partnering with Brown & Caldwell) on preparing an Integrated Water Resources Plan (IWRP) that will provide recommendations for addressing water supply, wastewater, and stormwater in a holistic, integrated, and sustainable manner.

## Performance

### Long-Term Financial Stability

Along with its core mission to operate and maintain the Town's municipal sewer system reliably and efficiently, the sewer enterprise must also be financially self-supporting. This responsibility 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.

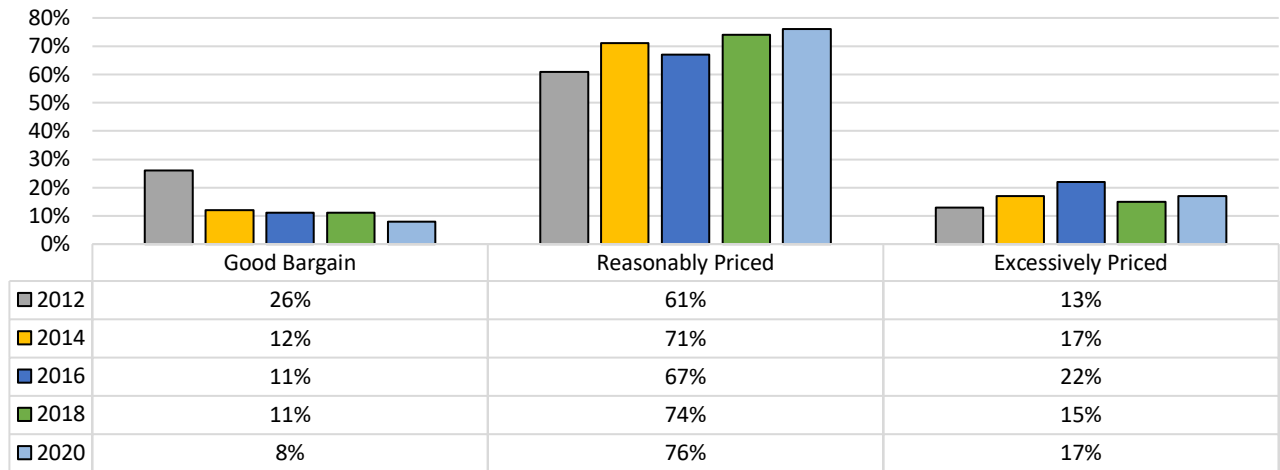
Since the Town established the sewer enterprise fund in 1976, there have been no property tax contributions to subsidize pre-existing operations or infrastructure improvements. Taxpayer support has been sought through Town Meeting for projects designed to expand the sewer collection system and to support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



## FY23 Goals

- Continue to oversee successful contract operation of the municipal wastewater treatment facility according to Concord's National Pollutant Discharge Elimination System (NPDES) permit conditions and include anticipated and negotiated updates to that NPDES permit.
- Update 20-year-old Facilities Plan at the wastewater treatment facility to identify and prioritize capital improvement over the next 10-year budget cycle.
- Engage with regulators and begin negotiations for renewing the Town's NPDES permit with consideration of the need for increased flow.
- Sewer Rehabilitation and Inspection Services: Identify and perform priority cleaning and closed-circuit television (CCTV) inspection of approximately 1/3 of the existing sanitary sewers system (about 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 repair associated brick leveling courses to reduce stormwater inflow entering into the sewer system.

## Long-Term Plans

- ⇒ Continue to operate the municipal wastewater treatment facility in accordance with Concord's NPDES permit conditions.
- ⇒ Continue to manage finite wastewater capacity proactively per the 2003-dated Comprehensive Wastewater Management Plan (CWMP) and evolving community planning goals and interests.
- ⇒ Integrate growth and development goals and long-range sustainability goals outlined within Envision Concord with consideration of wastewater collection and treatment needs.
- ⇒ Continue to perform sewer collection system inspection activities required to help prioritize system repair and replacement needs.

## Sewer Fund

- ⇒ Track policy and regulatory developments relating to Per- and Poly-fluoroalkyl (PFAS) Substances ("forever chemicals") as they may impact residuals management issues in the wastewater management industry.
- ⇒ Develop and implement a "fats, oils, and grease" (FOG) management/prevention program, with the goal of exploring opportunities that would work well for Concord.

# Sewer Fund – Overview & Budget Highlights

## FY23 Budget Highlights

The proposed FY23 sewer rate of \$0.1236 per cubic foot represents a 2.0% increase over the FY22 rate of \$0.1212 per cubic foot. For the average residential customer, the annual increase in their sewer bill will be \$14.54, or \$1.21 per month.

The proposed FY23 capital improvement plan is \$1,397,700. It includes \$200,000 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 \$563,200 on wastewater treatment plant improvements (including a trickling filter unit and misc. electrical system upgrades) and \$320,000 for a jetting/vacuum truck replacement.

The proposed FY23 operating budget is \$3,414,573, an increase of 5.1% from FY22, primarily related to an increase in services, WWTP contract, and depreciation expenses. The Wastewater Treatment Plant’s National Pollutant Discharge Elimination System (NPDES) permit is under review by the EPA following Concord's formal request for renewal. A budget allowance is provided for potential changes in wastewater effluent discharge limits.

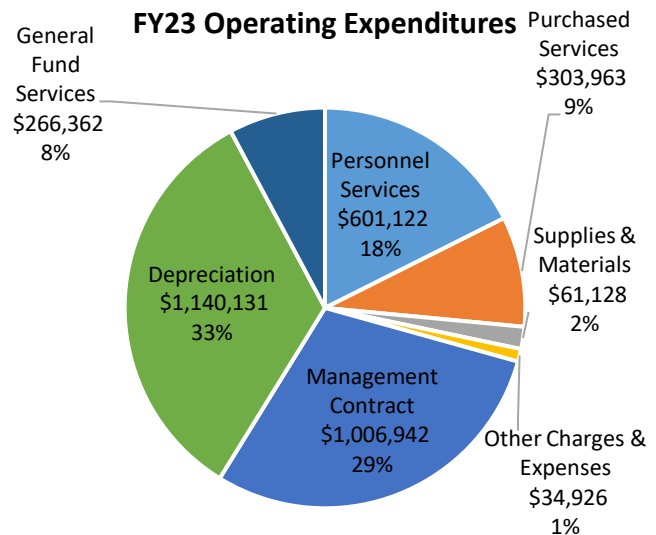
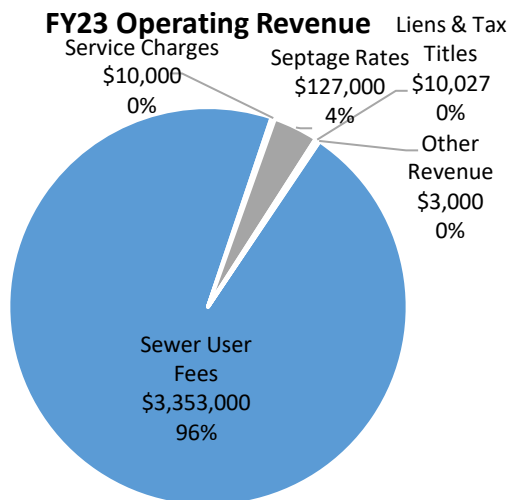
### Budget Highlights

FY23 Projected Revenue	\$3,503,027
FY23 Projected Expenses	<u>(3,414,573)</u>
FY23 Projected Operating Income	\$88,454
FY23 Projected Net Income	\$339,904
FY23 Projected Sewer Fund Balance	\$7,934,663

## Revenues and Expenditures Overview

Ninety-six percent of the Sewer Division’s revenue in FY23 is expected to come from sewer user fees (\$3,353,000 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 \$3,414,573 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.

**Sewage Release Notification Bill:** The Massachusetts legislature enacted a new statewide sewage notification bill signed into law on January 12, 2021. The purpose of the bill is to increase public notice and awareness of antiquated sewer infrastructure, which, based on the original design, can allow for untreated or partially treated sewage discharges to be introduced to public water bodies. MassDEP has been tasked to develop regulations that establish specific release triggers and notification procedures.

**NPDES – Permit Renewal:** Concord Sewer Division submitted a formal request to EPA in 2018 to renew its National Pollutant Discharge Elimination System (NPDES) permit associated with its wastewater treatment facility following a federally mandated five-year permit cycle. Included in this renewal request was a 10% increase in flow needed to support the community's economic/residential growth and development interests. In January 2022, USEPA notified Concord, MA, that the Town's wastewater treatment plant's NPDES would be incorporated into a new General Permit anticipated to be finalized in mid-to-late 2022.

**Annual I&I Report:** Submitted to EPA/Mass DEP per existing NPDES permit for calendar 2021. The infiltration rate calculated for Concord's collection system was 12.1%, and the inflow rate estimate was approximately 0.3%. These rates fall well within acceptable industry limits and well below "excessive" rates defined by the MassDEP. The I/I Control Plan schedule for 2021 included Phase III smoke testing and the remaining Phase I sewer investigations. Due to the COVID-19 pandemic, the Town delayed smoke testing activities for both Phase II and Phase III to avoid having staff enter private homes and businesses during the pandemic.

**Sewer System Infiltration and Inflow (I/I) Rehabilitation Project:** Insituform performed 2,300 LF of 6-inch and 8-inch vitrified clay sewer main rehabilitation along Hubbard Street using a "cured-in-place pipe" (CIPP) technology. During this work, the CIPP inversion process caused a sewer line collapse in the vicinity of 94 Hubbard Street, requiring an emergency excavation repair. A subsequent review of the rehabilitation effort using CCTV video equipment indicated another section of approximately 20 - 40 ft of the cured liner had failed to adhere to the host pipe, requiring a conventional open-cut trench replacement.

**Wastewater Treatment Plant Improvements:** A bank of three air compressors, installed during the facility's construction in the mid-1980s, was replaced. These units are integral to the operation of the pneumatic valving system associated with the CoMag tertiary treatment system, used to feed the bubble tubes for wet well level monitoring, and support the operation of air-powered tools used throughout the facility. One of three high capacity (30 Hp) intermediate suction lift pumps was replaced. These pumps transfer partially treated wastewater from a wet well to active trickling filters or secondary clarifiers. D&C Construction performed this work in conjunction with the Lowell Road and Assabet Pump Station Rehab project.

# Sewer Fund – Proforma

Sewer Fund: Plan and Projection	Actual 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
<b>Operating Revenue</b>													
User Fees	2,617,590	3,286,000	3,353,000	3,421,000	3,490,000	3,560,000	3,632,000	3,706,000	3,781,000	3,856,000	3,935,000	4,014,000	36,748,000
Other	135,187	148,027	150,027	151,027	152,027	154,027	155,027	156,027	159,027	162,027	164,027	167,027	1,570,273
Subtotal	2,752,777	3,434,027	3,503,027	3,572,027	3,642,027	3,714,027	3,787,027	3,862,027	3,940,027	4,018,027	4,099,027	4,181,027	36,225,023
<b>Operating Expense</b>													
O & M	1,758,837	2,146,371	2,274,442	2,343,144	2,413,939	2,486,894	2,562,075	2,639,552	2,719,395	2,801,681	2,886,483	2,973,883	26,101,489
Depreciation	873,933	1,100,215	1,140,131	1,202,455	1,197,950	1,221,666	1,273,181	1,425,769	1,374,453	1,367,449	1,225,334	1,100,522	12,528,910
Subtotal	2,632,770	3,246,586	3,414,573	3,545,599	3,611,889	3,708,561	3,835,256	4,065,320	4,093,848	4,169,129	4,111,818	4,074,405	36,323,532
<b>Operating Income</b>	120,007	187,441	88,454	26,429	30,138	5,467	-48,228	-203,293	-153,821	-151,102	-12,791	106,623	-312,125
ADD: Interest Income	21,972	154,298	129,574	93,495	79,964	84,484	88,101	97,122	111,810	125,986	125,986	125,986	1,062,497
Bond Premium	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Improvement Fees	224,191	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	58,441	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
New Debt	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
Issuance expense	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Income</b>	307,729	449,430	339,904	255,224	258,963	251,494	214,343	74,829	138,989	155,883	294,195	413,608	2,397,432
<b>Available Resources from:</b>													
Net income	307,729	449,430	339,904	255,224	258,963	251,494	214,343	74,829	138,989	155,883	294,195	413,608	2,397,432
Depreciation expense	873,933	1,100,215	1,140,131	1,202,455	1,197,950	1,221,666	1,273,181	1,425,769	1,374,453	1,367,449	1,225,334	1,100,522	12,528,910
subtotal	1,181,662	1,549,645	1,480,035	1,457,679	1,456,913	1,473,160	1,487,524	1,500,598	1,513,442	1,523,332	1,519,529	1,514,130	14,926,342
Bond proceeds													
Loan proceeds													
LESS: Principal repayments													
Existing Debt	694,036	670,734	627,668	637,843	627,265	639,936	652,865	0	0	0	0	0	3,185,577
New Debt	0	0	0	0	0	0	0	0	0	0	0	0	0
BAN Repayment													
<b>Net Available for Capital Purposes</b>	487,626	878,911	852,367	819,836	829,648	833,224	834,659	1,500,598	1,513,442	1,523,332	1,519,529	1,514,130	11,740,765
<b>Capital Plan:</b>													
User Fee Supported	2,908,945	929,810	1,297,700	884,600	517,510	468,690	2,980,130	3,019,080	1,510,290	517,270	536,760	556,270	12,288,300
Improvement Fee Supported	167,696	286,000	100,000	484,000	1,900,000	1,900,000	500,000	-	-	-	-	-	4,884,000
Borrowing Supported	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash Position</b>													
Beginning balance	11,468,139	8,879,124	8,542,225	7,996,892	7,448,128	5,860,266	4,324,800	1,679,329	160,847	163,999	1,170,061	2,152,830	3,110,690
ADD: Net available	487,626	878,911	852,367	819,836	829,648	833,224	834,659	1,500,598	1,513,442	1,523,332	1,519,529	1,514,130	14,926,342
LESS: Planned Capital	3,076,641	1,215,810	1,397,700	1,368,600	2,417,510	2,368,690	3,480,130	3,019,080	1,510,290	517,270	536,760	556,270	12,288,300
Changes in assets & liabilities													
Ending balance	8,879,124	8,542,225	7,996,892	7,448,128	5,860,266	4,324,800	1,679,329	160,847	163,999	1,170,061	2,152,830	3,110,690	14,926,342

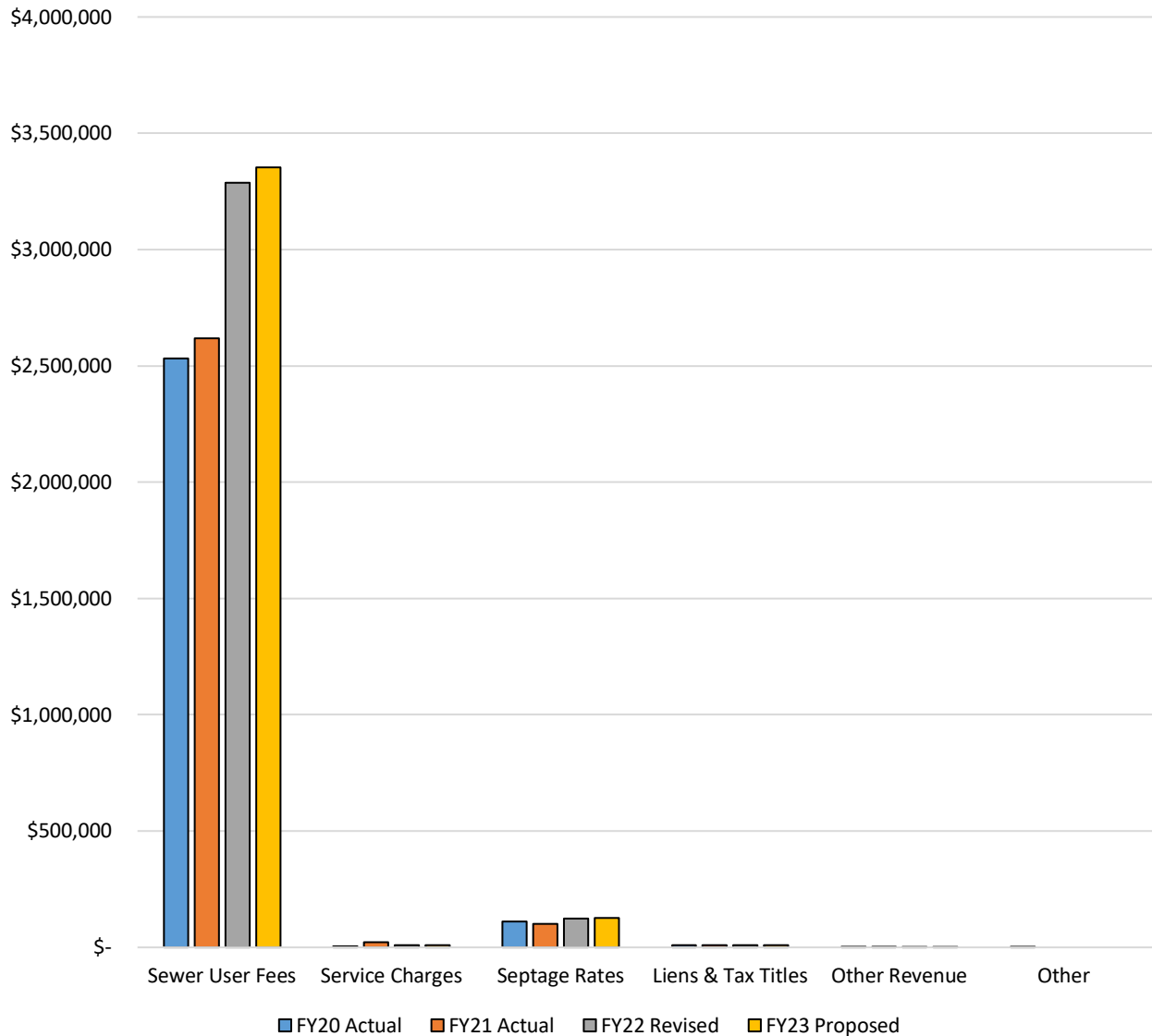
# Sewer Fund – Revenues

## Operating Revenues

### OPERATING REVENUES

	FY20 Actual	FY21 Actual	FY22 Revised	FY23 Proposed
Sewer User Fees	\$ 2,532,021	\$ 2,617,590	\$ 3,286,000	\$ 3,353,000
Service Charges	4,478	21,748	10,000	10,000
Septage Rates	112,103	100,963	125,000	127,000
Liens & Tax Titles	9,327	\$ 10,027	10,027	10,027
Other Revenue	1,943	2,450	3,000	3,000
Other	3	-	-	-
<b>Total Operating Revenues</b>	<b>\$ 2,659,874</b>	<b>\$ 2,752,777</b>	<b>\$ 3,434,027</b>	<b>\$ 3,503,027</b>

### Sewer Operating Revenues



# Sewer Fund – Revenues

## Sewer Rates

The total revenue projected to be raised through sewer rates in FY23 is \$3,353,000. The Public Works Commission sets rates each year 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 FY23 proposed sewer use rate is \$0.1236 per cubic foot (1 cubic foot = 7.48 gallons).

The FY23 rate of \$0.1236 represents a 2% increase over the FY22 rate of \$0.1212. Since FY2010, sewer rates have increased at an average annual rate of 3.2% per year.

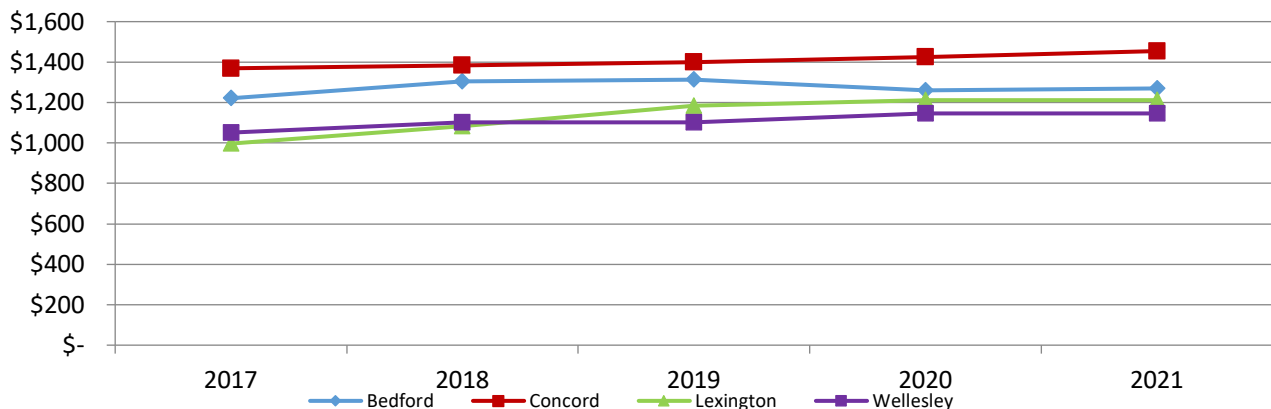
In FY23, the average residential customer is expected to pay a total of \$741 in sewer use for the year. The average residential customer is assumed to use 750 cubic feet per month. Customers who use more than 1,200 cubic feet of water per month will pay a higher rate (a Conservation Step).

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

## Benchmarking Sewer Rates

Comparing 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 considering 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 & Bond rate survey, 2014). The table below demonstrates how the 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

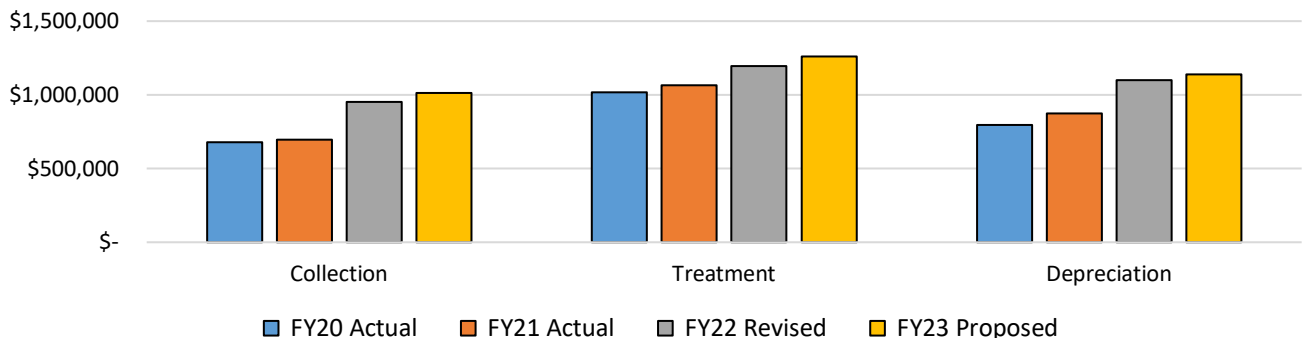
### OPERATING EXPENSES

<u>Sewer Divisions</u>	FY20	FY21	FY22	FY23
<u>Collection</u>	Actual	Actual	Revised	Proposed
Personnel Services	\$ 410,675	\$ 340,535	\$ 504,748	\$ 539,194
Purchased Services	107,483	144,676	230,927	243,963
Supplies & Materials	39,132	50,165	56,974	61,128
Other Charges & Expenses	(5,829)	26,863	31,313	34,926
General Fund Services	126,565	132,931	128,722	133,181
<b>Subtotal</b>	<b>\$ 678,027</b>	<b>\$ 695,169</b>	<b>\$ 952,684</b>	<b>\$ 1,012,390</b>
<u>Treatment</u>				
Personnel Expenses	\$ 54,071	\$ 66,402	\$ 61,928	\$ 61,928
Purchased Services	-	7,198	40,000	60,000
Management Contract	833,334	857,137	963,037	1,006,942
Supplies & Materials	-	-	-	-
Other Charges & Expenses	2,085	-	-	-
General Fund Services	126,565	132,931	128,722	133,181
<b>Subtotal</b>	<b>\$ 1,016,056</b>	<b>\$ 1,063,668</b>	<b>\$ 1,193,687</b>	<b>\$ 1,262,051</b>
Depreciation Expense	797,793	873,933	1,100,215	1,140,131
<b>Total Operating Expense</b>	<b>\$ 2,491,876</b>	<b>\$ 2,632,770</b>	<b>\$ 3,246,586</b>	<b>\$ 3,414,573</b>

### RETIREMENT AND OPEB ASSESSMENT

<i>For Informational Purpose Only</i>				
	FY20	FY21	FY22	FY23
	Actual	Actual	Revised	Proposed
Retirement Assessment	\$ 36,680	\$ 31,735	\$ 31,156	\$ 31,156
OPEB Assessment	-	5,000	10,949	11,715
<b>Total Assessment</b>	<b>\$ 36,680</b>	<b>\$ 36,735</b>	<b>\$ 42,105</b>	<b>\$ 42,871</b>

### Sewer Operating Expenditures



# Sewer Fund – Expenditures

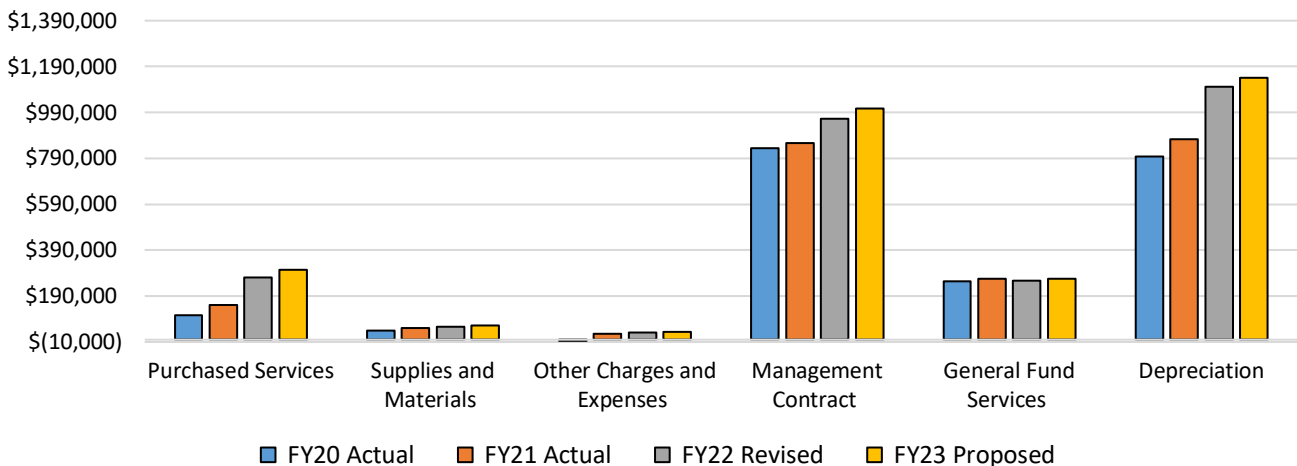
## Personnel Summary

### AUTHORIZED POSITIONS

	FY22 Revised		FY23 Proposed	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
<b>Regular Staff - Collections</b>	4.25 FTEs	\$ 348,593	4.25 FTEs	\$ 382,273
<b>Employee Benefits</b>				
Group Insurance	N/A	\$ 43,343	N/A	\$ 43,343
OPEB	N/A	10,949	N/A	11,715
Retirement Contribution	N/A	31,156	N/A	31,156
Subtotal	N/A	\$ 85,448	N/A	\$ 86,214
<b>Payroll Taxes</b>				
Medicare Tax	N/A	\$ 4,602	N/A	\$ 4,602
Social Security Contribution	N/A		N/A	
Subtotal	N/A	\$ 4,602	N/A	\$ 4,602
<b>Other Personnel Costs</b>				
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	2,159	N/A	2,159
Subtotal	N/A	\$ 66,105	N/A	\$ 66,105
<b>Total Collections</b>	4.25 FTEs	\$ 504,748	4.25 FTEs	\$ 539,194
Public Works Engineer	0.75 FTEs	\$ 75,337	0.75 FTEs	\$ 75,337
Charge to Capital Projects	N/A	(13,409)	N/A	(13,409)
Salary Adjustments	N/A	-	N/A	-
Medicare Tax	N/A	-	N/A	-
<b>Treatment Personnel Costs</b>	0.75 FTEs	\$ 61,928	0.75 FTEs	\$ 61,928
<b>Total Sewer Personnel</b>	<b>5.00 FTEs</b>	<b>\$ 566,676</b>	<b>5.00 FTEs</b>	<b>\$ 601,122</b>

## 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

	FY20	FY21	FY22	FY23
	Actual	Actual	Revised	Proposed
<b>Management &amp; Engineering:</b>				
Public Works Administration	\$ 41,294	\$ 41,558	\$ 37,641	\$ 37,402
Public Works Engineering	29,744	29,600	29,760	30,562
Highway Maintenance	6,584	6,899	5,861	5,861
133/135 Keyes Road	16,357	14,867	14,867	16,790
<b>Subtotals</b>	<b>\$ 93,979</b>	<b>\$ 92,924</b>	<b>\$ 88,129</b>	<b>\$ 90,615</b>
<b>Financial &amp; Administrative:</b>				
Town Manager	\$ 33,528	\$ 37,756	\$ 37,981	\$ 35,297
Human Resources	7,137	6,810	7,979	8,424
Information Systems	2,552	5,978	5,901	6,954
Facilities Administration	-	6,416	7,225	11,224
Finance Administration	24,064	24,661	21,665	22,088
Treasurer-Collector	13,559	14,234	13,240	13,477
Town Accountant:				
General Services	14,954	15,543	13,095	13,879
Audit Services	6,000	6,000	6,000	6,000
Town House	4,222	-	-	-
<b>Subtotals</b>	<b>\$ 106,016</b>	<b>\$ 117,398</b>	<b>\$ 113,086</b>	<b>\$ 117,343</b>
<b>Natural Resource:</b>				
Planning	\$ 8,866	\$ 9,677	\$ 9,810	\$ 9,721
Natural Resources	7,341	8,708	8,823	10,265
Health	36,929	37,154	37,596	38,418
<b>Subtotals</b>	<b>\$ 53,136</b>	<b>\$ 55,539</b>	<b>\$ 56,229</b>	<b>\$ 58,404</b>
Salary Reserve	\$ -	\$ -	\$ -	\$ -
<b>Totals</b>	<b>\$ 253,131</b>	<b>\$ 265,861</b>	<b>\$ 257,444</b>	<b>\$ 266,362</b>

# Sewer Fund – Expenditures

## Capital (Capital Outlay and Debt-Funded)

<b>SEWER FUND CAPITAL PLAN</b>	Actual FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	<b>Total FY23-27</b>
<b>COLLECTION SYSTEM</b>								
Pumping Plant								
Station Structures	4,500	10,000	10,000	11,000	12,000	13,000	14,000	60,000
Station Equipment	2,793,252	160,000	10,000	11,000	12,000	13,000	14,000	60,000
Other								
Subtotal: Pumping	2,797,752	170,000	20,000	22,000	24,000	26,000	28,000	120,000
Collection Plant								
Sewer Mains/Laterals	0	20,000	21,000	22,000	23,000	24,000	25,000	115,000
Inflow/Infiltration (Note 1)	167,696	135,000	0	0	0	0	0	0
Inflow/Infiltration	0	0	200,000	206,000	213,000	220,000	227,000	1,066,000
Meter Replacements	0	30,000	206,000	206,000	30,000	31,000	32,000	505,000
Sewer Service Connections								
Subtotal: Collection Plant	167,696	185,000	427,000	434,000	266,000	275,000	284,000	1,686,000
<b>Total: Collection System</b>	<b>2,965,448</b>	<b>355,000</b>	<b>447,000</b>	<b>456,000</b>	<b>290,000</b>	<b>301,000</b>	<b>312,000</b>	<b>1,806,000</b>
<b>WASTE WATER TREATMENT PLANT</b>								
Structures	0	357,000	250,000	250,000	30,000	31,000	32,000	593,000
Plant Equipment	61,817	245,000	100,000	103,000	107,000	50,000	52,000	412,000
Other (7 year life)								
Facilities Plan Improvements			100,000				2,500,000	2,600,000
Capacity/Treatment Optimization (Note 1)	0	151,000	100,000	484,000	1,900,000	1,900,000	500,000	4,884,000
Capacity/Treatment Optimization								
Personal Services (7 years)	17,888	12,810	13,200	13,600	14,010	14,440	14,880	70,130
Total: Wastewater Treatment Plant	79,705	765,810	563,200	850,600	2,051,010	1,995,440	3,098,880	8,559,130
<b>GENERAL PLANT</b>								
Keyes Road CPW Facility	0	10,000	10,000	11,000	12,000	13,000	14,000	60,000
GIS			0	0	0	0	0	0
Vehicle Replacements (10 year life)	0	0	367,500	0	0	0	0	367,500
Vehicle Replacements (7 year life)	31,488	85,000	0	40,000	52,500	46,250	41,250	180,000
Miscellaneous Equipment	0	0	10,000	11,000	12,000	13,000	14,000	60,000
Total: General Plant	31,488	95,000	387,500	62,000	76,500	72,250	69,250	667,500
Land Acquisition								
<b>WASTEWATER MANAGEMENT PROJECT</b>								
Wastewater Planning (Note 1)	0	0	0	0	0	0	0	0
Phase I Construction Cost								
Total: Wastewater Management Project	0	0	0	0	0	0	0	0
audit adjustment								
Total User Fee Supported	2,908,945	929,810	1,297,700	884,600	517,510	468,690	2,980,130	6,148,630
Total Improvement Fee Supported	167,696	286,000	100,000	484,000	1,900,000	1,900,000	500,000	4,884,000
Total Borrowing Supported								
<b>Grand Total Sewer Fund:</b>	<b>3,076,641</b>	<b>1,215,810</b>	<b>1,397,700</b>	<b>1,368,600</b>	<b>2,417,510</b>	<b>2,368,690</b>	<b>3,480,130</b>	<b>11,032,630</b>
Note 1: Charged to Sewer Improvement Fund								

# Sewer Fund – Expenditures

## DEBT SERVICE

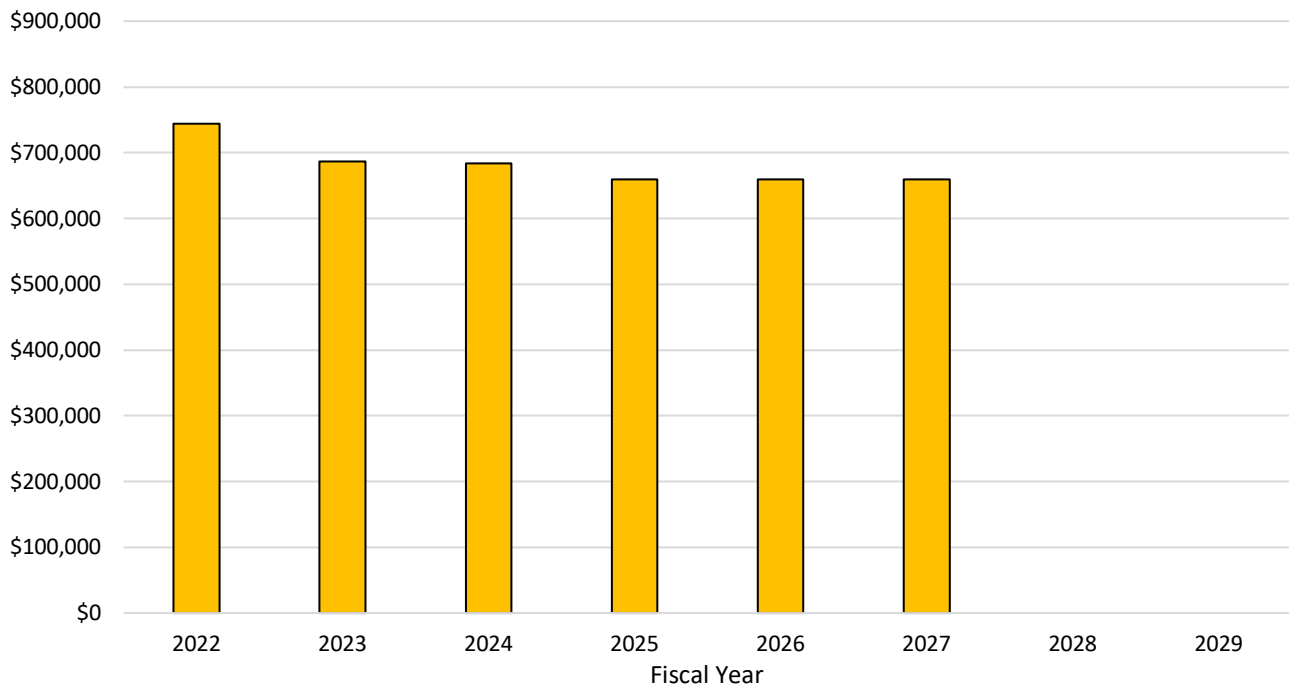
	FY20 Actual	FY21 Actual	FY22 Revised	FY23 Proposed
Long Term Debt Repayment:				
Principal	\$ 682,570	\$ 694,036	\$ 670,734	\$ 627,668
Interest	110,857	60,273	73,309	59,125
<b>Totals</b>	<b>\$ 793,428</b>	<b>\$ 754,309</b>	<b>\$ 744,043</b>	<b>\$ 686,792</b>

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 <i>Exclusive of betterment financing</i>			
Fiscal Year	Principal	Interest	Total
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	652,865	6,529	659,393
2028	-	-	-
2029	-	-	-
2030	-	-	-
<b>Totals</b>	<b>\$4,515,346</b>	<b>\$324,254</b>	<b>\$4,839,600</b>

## Sewer Fund Debt Service

(As of June 30, 2021)



# Sewer Fund – Net Income & Fund Balance

## Net Income

<b>NET INCOME</b>							
	FY20		FY21		FY22		FY23
	Actual		Actual		Revised		Proposed
<b>Operating Income</b>							
Operating Revenues	\$ 2,659,874	\$	2,752,777	\$	3,434,027	\$	3,503,027
Less Operating Expenses	(2,491,876)		(2,632,770)		(3,246,586)		(3,414,573)
<b>Operating Income</b>	<b>\$ 167,998</b>	<b>\$</b>	<b>120,007</b>	<b>\$</b>	<b>187,441</b>	<b>\$</b>	<b>88,454</b>
<b>Non-operating Income</b>							
Add Investment Income	\$ 151,642	\$	21,972	\$	154,298	\$	129,574
Add Bond Premium	-		-		-		-
Add Sewer Improvement Revenues	223,166		224,191		181,000		181,000
Less Int. Exp. and Admin. Fees	(109,986)		(58,441)		(73,309)		(59,125)
<b>Non-operating Income</b>	<b>\$ 264,822</b>	<b>\$</b>	<b>187,722</b>	<b>\$</b>	<b>261,989</b>	<b>\$</b>	<b>251,449</b>
<b>Net Income</b>	<b>\$ 432,820</b>	<b>\$</b>	<b>307,729</b>	<b>\$</b>	<b>449,430</b>	<b>\$</b>	<b>339,904</b>
<b>Reconciliation with Financials</b>							
Add Betterment Revenues	\$ 71,458	\$	65,877	\$	-	\$	-
WPAT Loan Int. Exp. And Fees	(18,942)		(46,071)		-		-
WPAT Transfer from General Fund	87,632		89,403		-		-
<b>Change in Net Position</b>	<b>\$ 572,968</b>	<b>\$</b>	<b>416,937</b>	<b>\$</b>	<b>449,430</b>	<b>\$</b>	<b>339,904</b>

## AVAILABLE RESOURCES

<b>Resources Available from Current Operations for Replacement &amp; Renewal of Facility:</b>							
	FY20		FY21		FY22		FY23
<b>Capital Purposes</b>	Actual		Actual		Revised		Proposed
Add Depreciation Expense	\$ 797,793	\$	873,933	\$	1,100,215	\$	1,140,131
Add Net Income	432,820		307,729		449,430		339,904
Add Sewer Improvement Allocation	37,264		167,696		286,000		100,000
Add Bond Proceeds	-		-		-		-
Less Bonds Payable	(682,570)		(694,036)		(670,734)		(627,668)
<b>Net Available for Capital</b>	<b>\$ 585,307</b>	<b>\$</b>	<b>655,322</b>	<b>\$</b>	<b>1,164,911</b>	<b>\$</b>	<b>952,367</b>

# Sewer Fund – Net Income & Fund Balance

## CASH POSITION AND FUND BALANCE FORECAST

<u>Cash at Year Opening</u>	FY22		FY23	
<b>Cash on July 1st</b>	\$	<b>8,879,124</b>	\$	<b>8,542,225</b>
Add Non-Cash Assets		628,235		628,235
Less Liabilities and Deferred Inflows		(690,464)		(690,464)
<b>Fund Balance on July 1st</b>	\$	<b>8,816,895</b>	\$	<b>8,479,996</b>
<b>Fund Balance Details (projected)</b>	Credits	Debits	Credits	Debits
Net Income	449,430		339,904	
Bond Principal Repayment		(670,734)		(627,668)
Capital (Borrowing)		-		-
Capital Outlay (Non-Borrowing)		(929,810)		(1,297,700)
Capital (Sewer Improvement Fund)		(286,000)		(100,000)
Add Depreciation Expense	1,100,215		1,140,131	
Balance Projected at June 30th	1,549,645	(1,886,544)	1,480,035	(2,025,368)
<b>Fund Balance on June 30th</b>	\$	<b>8,479,996</b>	\$	<b>7,934,663</b>
<b>Cash at Year End (projected)</b>				
Fund Balance on June 30th	\$	8,479,996	\$	7,934,663
Less Receivables		(628,235)		(628,235)
Add Cash Held for Liabilities		690,464		690,464
<b>Projected Cash at June 30th</b>	\$	<b>8,542,225</b>	\$	<b>7,996,892</b>
<b>Sewer Improvement Fund Cash</b>	\$	<b>4,999,855</b>	\$	<b>5,080,855</b>
<b>Unrestricted Cash</b>	\$	<b>3,542,370</b>	\$	<b>2,916,037</b>

## SEWER IMPROVEMENT FUND

	FY20	FY21	FY22	FY23
	Actual	Actual	Revised	Proposed
<b>Cash on July 1st</b>	\$ 4,705,490	\$ 4,914,831	\$ 5,104,855	\$ 4,999,855
Revenues	223,166	224,191	181,000	181,000
Expenditures	(37,264)	(167,696)	(286,000)	(100,000)
Adjustment	23,439	133,529	-	-
<b>Cash on June 30th</b>	\$ <b>4,914,831</b>	\$ <b>5,104,855</b>	\$ <b>4,999,855</b>	\$ <b>5,080,855</b>
<b>Net Activity</b>	\$ <b>209,341</b>	\$ <b>190,024</b>	\$ <b>(105,000)</b>	\$ <b>81,000</b>

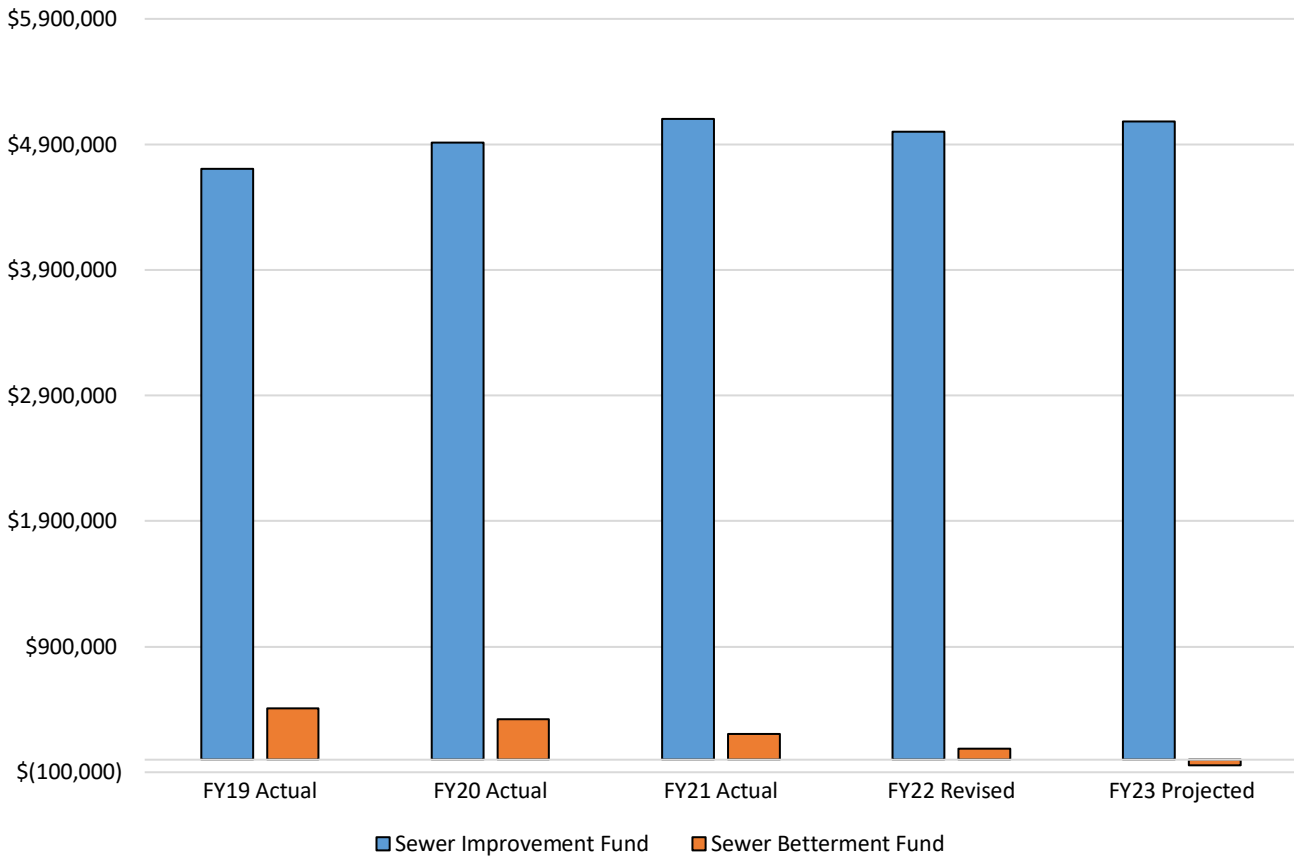
Note: The Sewer Improvement Fund is included in the cash and fund analysis found on the preceding page (the Sewer Betterment Account, shown below, is not).

# Sewer Fund – Net Income & Fund Balance

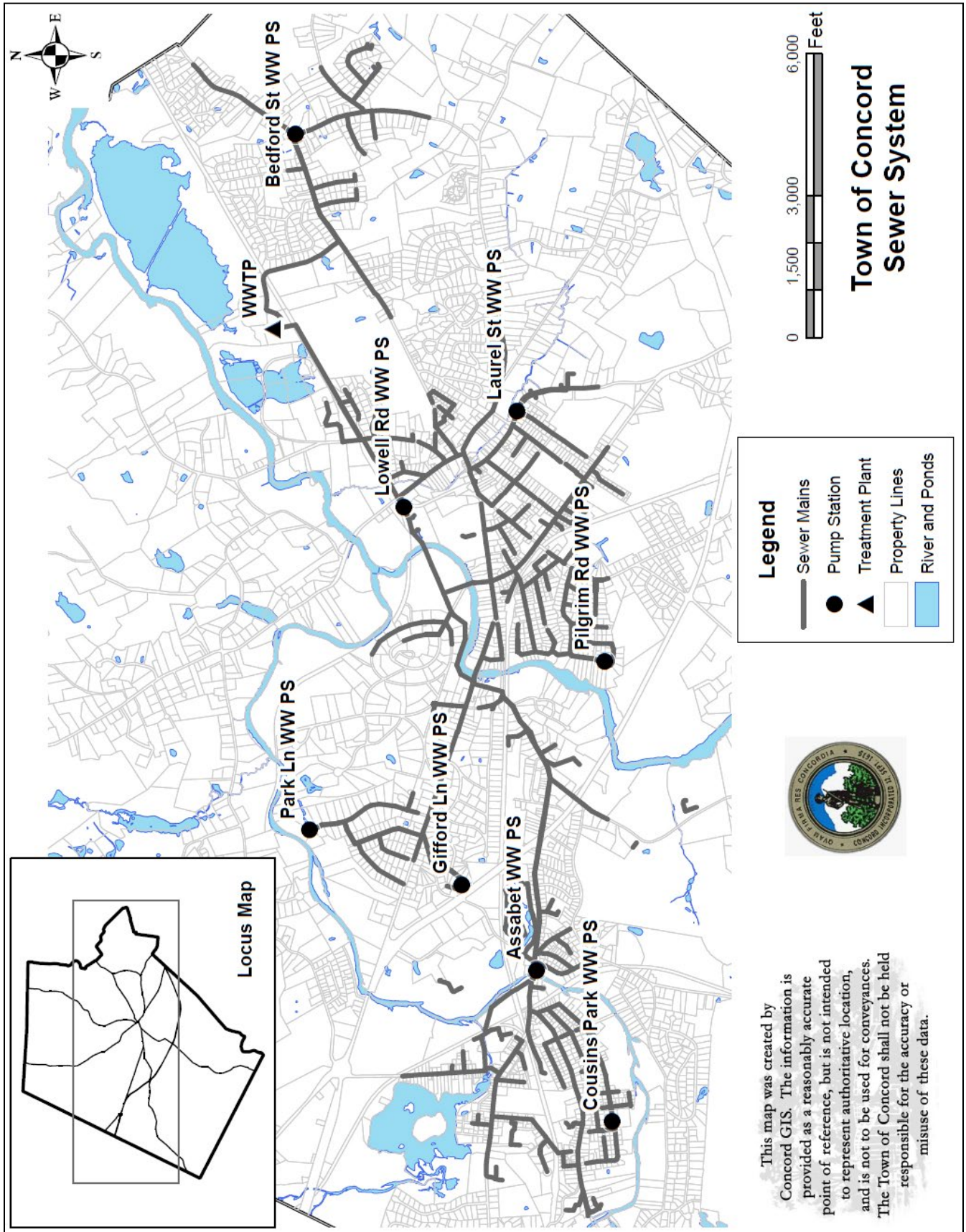
## SEWER BETTERMENT CASH FLOW ANALYSIS

<b>Activity</b>	FY20		FY21		FY22		FY23	
	Actual		Actual		Revised		Proposed	
<b>Cash at July 1st</b>	\$	<b>407,378</b>	\$	<b>323,402</b>	\$	<b>203,958</b>	\$	<b>88,638</b>
Cash Received		71,458		65,877		70,000		50,000
Debt Service		(155,433)		(185,321)		(185,321)		(185,321)
<b>Cash at June 30th</b>	\$	<b>323,402</b>	\$	<b>203,958</b>	\$	<b>88,638</b>	\$	<b>(46,683)</b>
<b>Net Activity</b>	\$	<b>(83,976)</b>	\$	<b>(119,444)</b>	\$	<b>(115,321)</b>	\$	<b>(135,321)</b>
<b><u>Net Assets (as of June 30th)</u></b>								
Cash	\$	323,402	\$	203,958	\$	88,638	\$	(46,683)
Betterment Receivables		337,754		278,420		280,000		230,000
<b>Net Assets</b>	\$	<b>661,156</b>	\$	<b>482,378</b>	\$	<b>368,638</b>	\$	<b>183,317</b>

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



# Sewer Fund – Service Map



# Solid Waste Fund

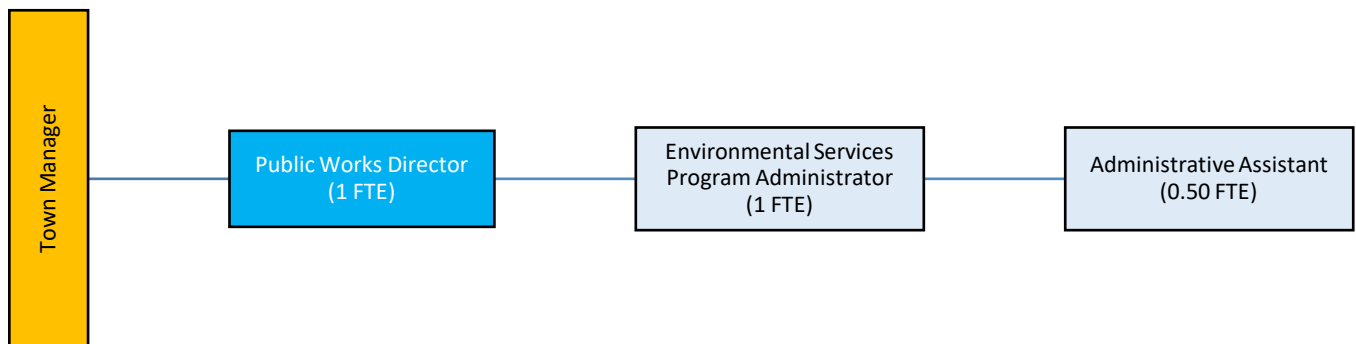
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# Solid Waste Fund

## 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 3,700 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 a more customized service (flexibility in the day of the week or off the road pickup) at a premium rate or are in multi-unit residential complexes with dumpster service.

The pay-as-you-throw curbside collection program encourages recycling, and Concord continues to be one of Massachusetts's top curbside recycling communities. The pay-as-you-throw collection program, coupled with the weekly recycling collection program, has resulted in a recycling rate of approximately 37% of materials set out at the curb.

## Contract Services and Industry Trends

Curbside Collection – Concord has been in a long-term contract with Waste Management Inc. for collection and disposal services, which expires September 30, 2022. Concord will be negotiating a new contract in 2022 for solid waste and recycling services.

Recycling Processing Fees – Recycling processing fees vary monthly according to market rates. For FY22 and FY23, the Solid Waste fund budgeted is based on the historic costs over the last five years, including projected escalation.

- Concord's Dual-Stream Recycling – By design, dual-stream recycling programs like Concord's, have a lower contamination rate than single-stream recycling programs. Compared 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.

## FY21 Accomplishments

- ☑ The Curbside Collection Program provided uninterrupted trash and recycling collection and disposal services to more than 3,700 households.
- ☑ The Spring and Fall Drop-off events successfully welcomed 1,420 households.
- ☑ Residents made more than 19,000 visits to the 755 Walden Street Compost Site, dropping off leaves, yard waste and brush.
- ☑ 208 households properly disposed of Household Hazardous Waste at the Minuteman Regional Hazardous Waste Facility.



# Solid Waste Fund

## 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.

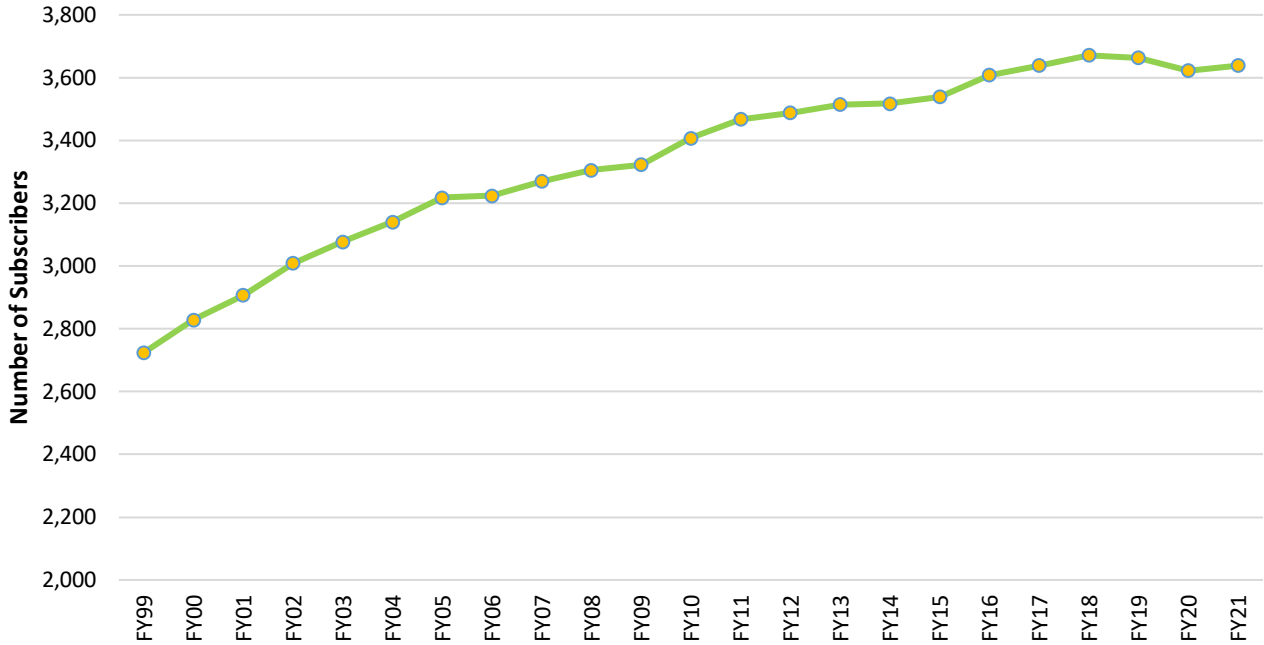
In FY21, subscribers to the municipal curbside collection program disposed of 3,248 tons of trash and recycled 1,660 tons of paper and commingled containers. This resulted in a recycling rate of 37%.

Historical tonnage and recycling rates are outlined in the following table along with additional graphs on the following page.

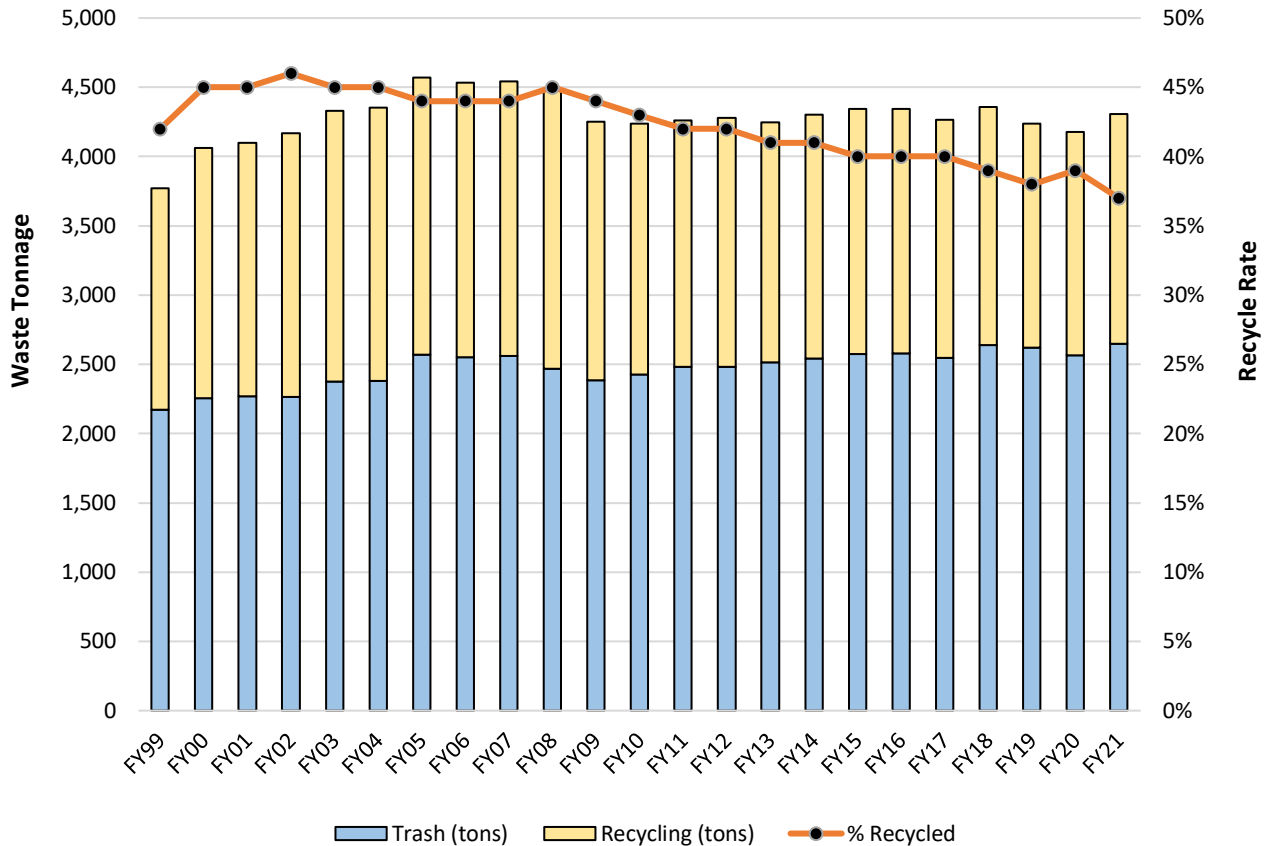
	No. of subscribers as of 6/30	Change in # of subscribers	Trash (tons)	Recycling (tons)	Total (Tons)	% Recycled
FY11	3,468	61	2,483	1,780	4,263	42%
FY12	3,488	20	2,484	1,794	4,278	42%
FY13	3,514	26	2,513	1,734	4,247	41%
FY14	3,517	3	2,544	1,760	4,304	41%
FY15	3,539	22	2,574	1,768	4,341	40%
FY16	3,608	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%
FY21	3,639	17	2,648	1,660	4,308	37%

# Solid Waste Fund

## Historic Curbside Subscribers



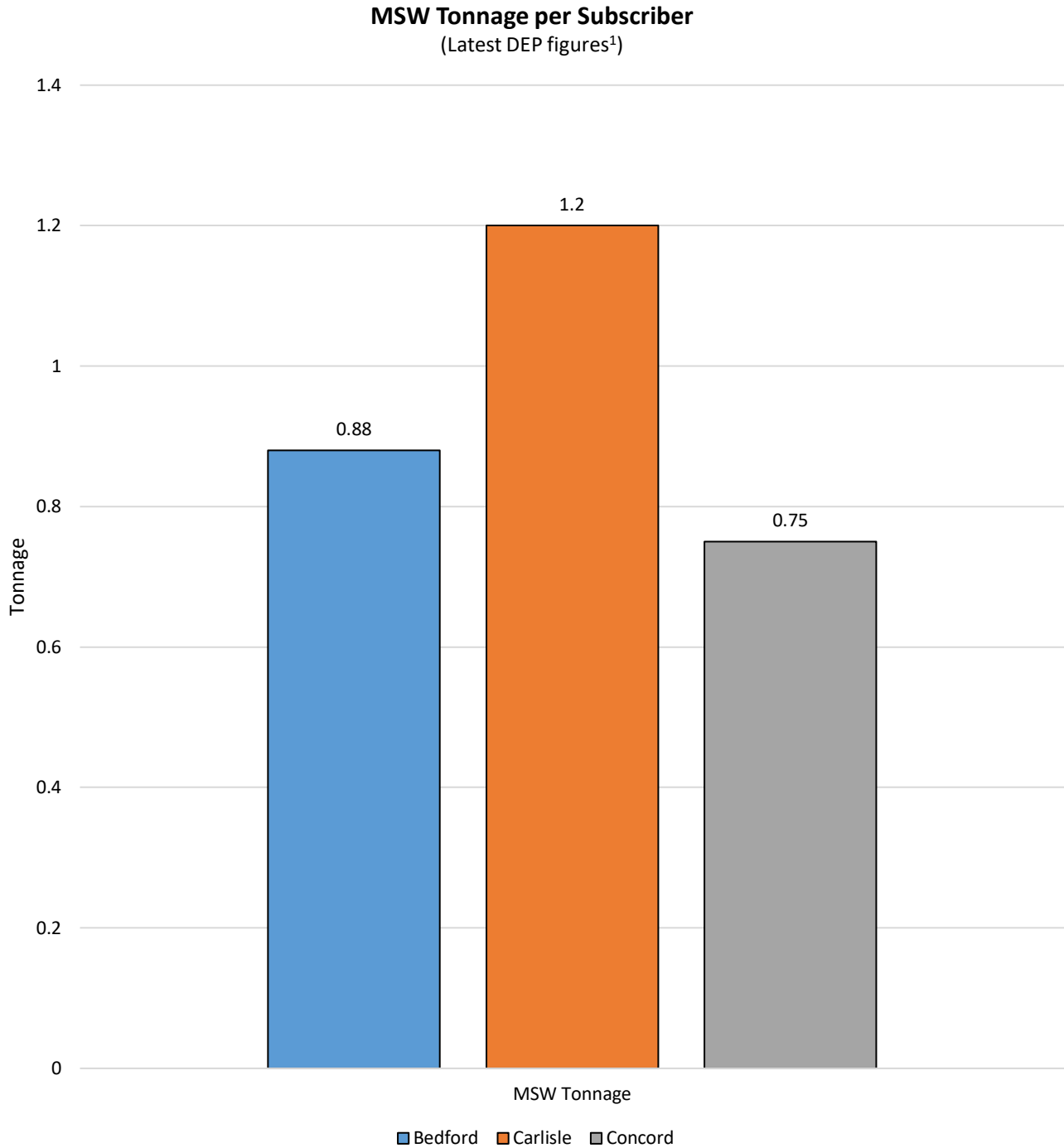
## Tonnage and Recycling Rate



# 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. The following graph shows that Concord's curbside program subscribers generate less trash than residents of some surrounding towns. To a large extent, this achievement results from 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.



<sup>1</sup> 2020 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 the annual cost to curbside subscribers with 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 allowance set out 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).

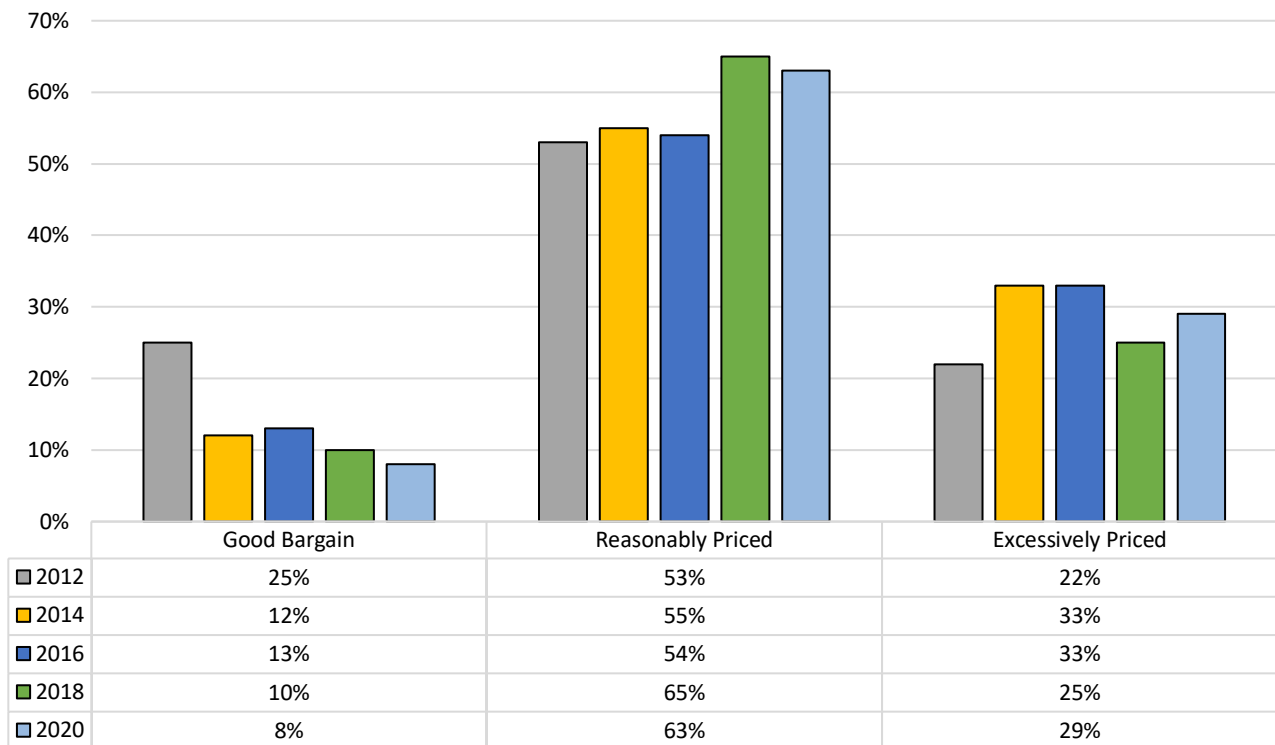
Concord curbside subscribers continue to realize a lower-cost option than is otherwise available in the area as noted by the table below.

	FY20	FY21	FY22	FY23
Town of Concord	\$378.08	\$409.30	\$449.30	\$449.30
Private Hauler 1	\$480.00	\$492.00	\$492.00	\$636.00
Private Hauler 2	\$480.00	\$468.00	\$468.80	No response
Private Hauler 3	\$528.00	\$504.00	\$528.00	\$528.00

## Town Residential Survey

During the fall of 2012, 2014, 2016, 2018, and 2020, the Town surveyed 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

## FY23 Goals

- Negotiate a multi-year curbside collection contract with waste hauling vendor.
- Increase education and outreach to encourage waste reduction.
- Evaluate new opportunities for improving services associated with hard to recycle materials and universal waste.
- Support local and state initiatives to reduce landfilled waste.
- Continue to host spring/fall DropOff recycling event.
- Continue to provide cost-effective and user-friendly collection and household hazardous waste disposal services for universal waste (mercury thermostats, batteries, fluorescent bulbs, etc.).

## Long-Term Plans

- ⇒ Evaluate how a circular economy can help communities like Concord move towards a Zero Waste goal.
- ⇒ Evaluate opportunities for disposal, recycling, and reuse opportunities at the municipal compost site.
- ⇒ Evaluate creative ways to help divert waste from landfills and support Concord's greenhouse gas reduction initiatives.
- ⇒ Help Massachusetts meet the waste reduction goals outlined 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

## FY23 Budget Highlights

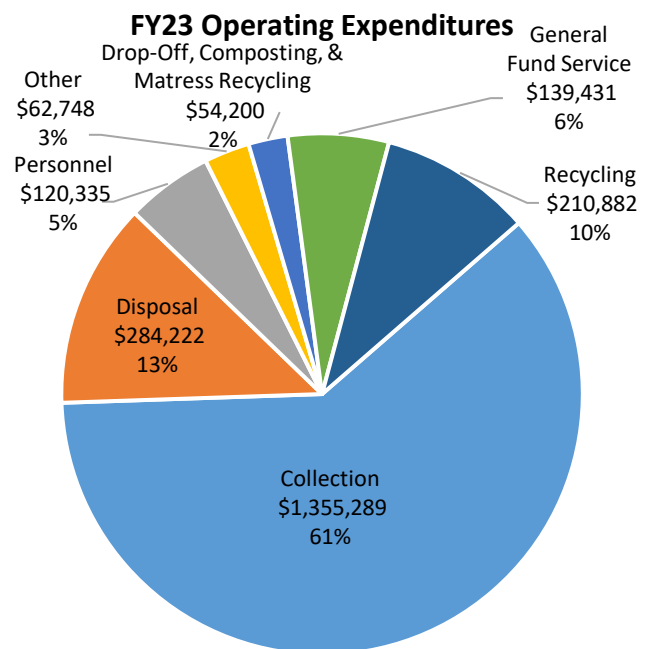
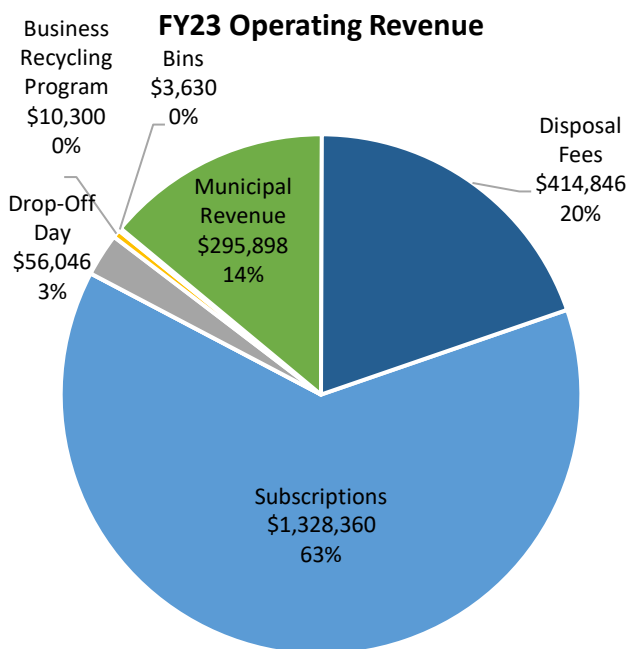
Revenues are projected to grow to \$2,109,081 in FY23 from \$1,856,413 in FY22, a \$252,668 or 13.6% increase. Expenses as proposed total \$2,227,107, a \$262,052 or 13.3% increase from the FY22 budget of \$1,965,055. The curbside subscription fee for FY23 will remain the same at \$322.00 per year, the 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 estimated overall impact of these rate increases to the average residential customer is 0%, based on the average set-out of 1.36 bags or barrels per week. This level funding is possible due to the increased market value of recyclable material (lower cost to process recyclables) during FY22. The projected deficit in the Solid Waste program projected for FY23 will be offset by drawing on the program’s fund balance.

### Budget Highlights

FY23 Projected Revenue	\$2,109,081
FY23 Projected Expenses	<u>(2,227,107)</u>
FY23 Projected Operating Income	\$(118,027)
FY23 Projected Net Income	\$(118,027)
FY23 Projected Solid Waste Fund Balance	\$463,982

## Revenues and Expenditures Overview

83% or \$1,743,206 of the FY23 Solid Waste Enterprise fund revenue is expected to come from curbside subscription and disposal fees. Municipal revenue, including schools, municipal buildings, parks, and open spaces, is projected to be \$295,898. Other revenues from Drop-Off Day, business recycling, and sales of recycling bins and compost bins are projected to total \$69,976.



# Solid Waste Fund – Overview & Budget Highlights

The two largest expense categories are the contracted collection and disposal costs. Based on the Town’s Waste Management's FY23 contract pricing, FY23 collection costs, including the Business Recycling Program, are budgeted to total \$1,355,289. This amount represents a 16.9% increase over the FY22 budget of \$196,047, reflecting an anticipated increase in subscribers and a per-customer cost increase.

Disposal costs are estimated to increase by 16.6% in FY23. The Town will be negotiating a new contract, as the current contract expires at the end of Q1 FY23.

## Collection Rate Highlights

With the FY23 Curbside Collection Rates unchanged from our FY22 rates, the average cost per household (based on 1.36 barrels per week) will remain at \$449.30 per year.

	Contract Charges				
	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	
Trash and Recycling	\$230.60	\$238.25	\$282.00	\$282.00	per subscriber per year
Recycling Only	\$137.00	\$145.00	\$153.00	\$153.00	per subscriber per year
Dumpster Pickup	\$53.00	\$55.00	\$17-80	\$17-80	per pickup (based on size)
Recycling Tote	\$2.75	\$2.75	\$2.93	\$2.93	Business recycling only
Public Barrels	\$2.95	\$3.10	\$3.25	\$3.25	per barrel per pickup
Trash Tonnage	\$79.00	\$79.00	\$84.00	\$84.00	per ton
Commingled					
Containers	\$33.00	\$34.00	\$114.61	\$114.61	per ton*
Paper Processing Fee	\$60.00	\$60.00	\$89.76	\$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>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	
Trash and Recycling					
Subscription	\$272.00	\$282.00	\$322.00	\$322.00	per year
Recycling Only Subscription	\$140.00	\$154.00	\$162.00	\$162.00	per year
Weekly Disposal Tag	\$1.50	\$1.80	\$1.80	\$1.80	per barrel per week
Barrel Sticker	\$78.00	\$93.60	\$93.60	\$93.60	per year
Cost per Household	\$378.08	\$409.30	\$449.30	\$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). Due to COVID social distancing protocols, combined with site management challenges identified at the Keyes Road municipal complex, SwapOff activities have been temporarily suspended as alternatives are being explored. 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 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 and fall 2021 events welcomed 1,420 households (630 and 790, respectively).

Events for 2022 are currently scheduled on May 14<sup>th</sup> and October 15<sup>th</sup>.

## 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 combined with the opportunity to reduce volume at the fall Drop-off Swap-off event led the Town to open the Document Shredding and Electronics Recycling event to both Concord business and residents on Friday, September 24, 2021. 16 Concord businesses and 62 residents attended the event.

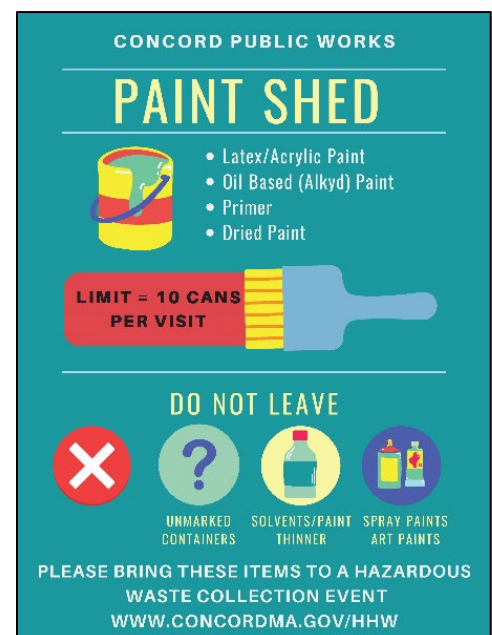
## Hazardous Waste Disposal

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 materials for proper disposal. Concord is one of eight Minuteman communities that help manage hazardous waste collection events at this site. The site is open one weekend day per month from April through November. 208 curbside subscribers visited the site in 2021. A list of Hazardous Waste Disposal days can be found on the Town [website](#).

## Paint Shed / Compost Site

The Compost Site & Paint Shed is open Wednesdays 3:00 pm to 6:00 pm and Saturdays 9:00 am to 3:00 pm Saturdays from April through December. The facility is also open on select dates in December and January for Christmas tree chipping, holiday light recycling and Styrofoam recycling.

Residents can also pick-up compost and woodchips, free of charge, at the compost site when open.

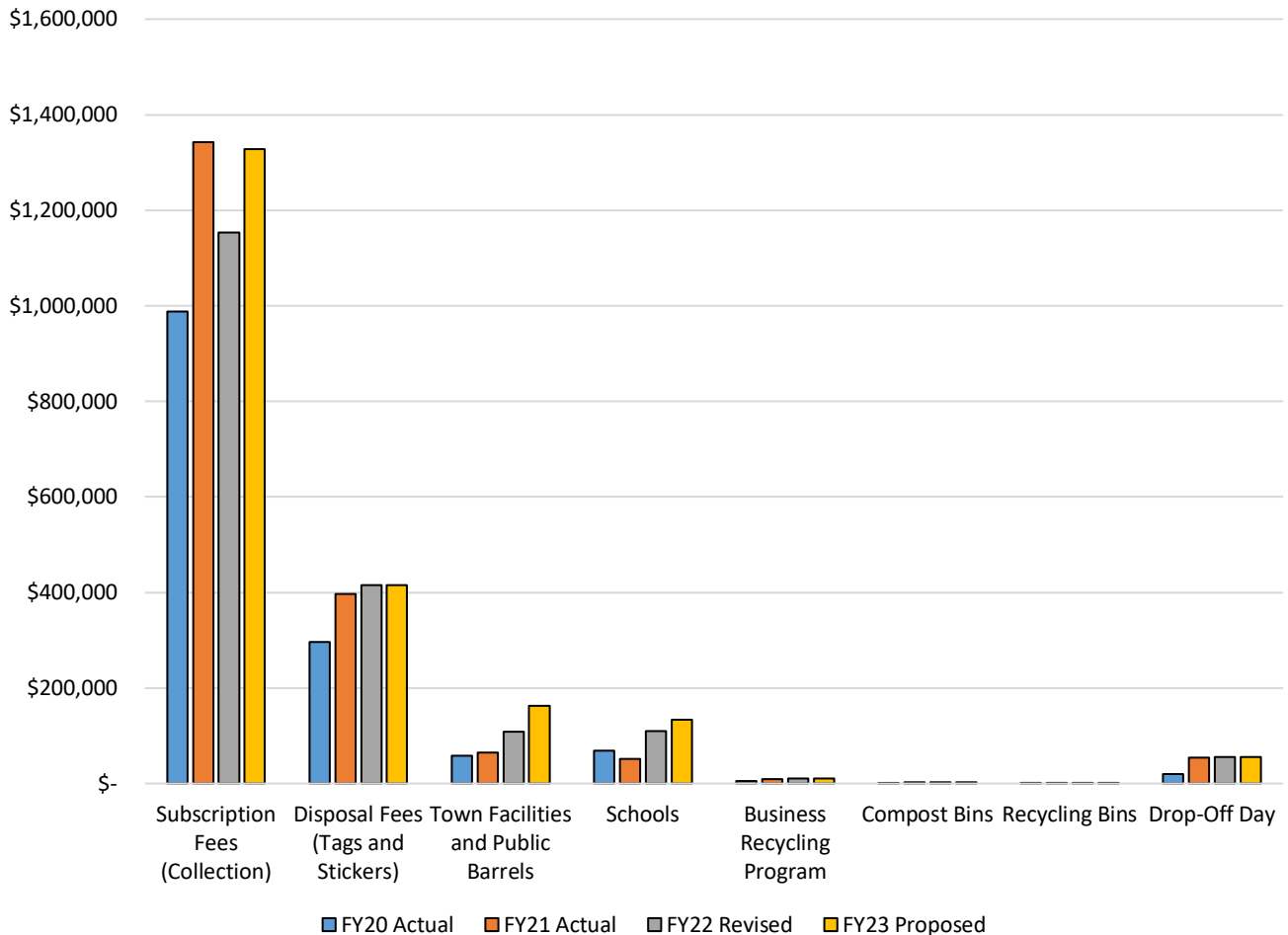


# Solid Waste Fund – Revenues

## Operating Revenues

	FY20		FY21		FY22		FY23	
	Actual		Actual		Budget		Proposed	
Subscription Fees (Collection)	\$	987,984	\$	1,342,366	\$	1,153,166	\$	1,328,360
Customer Rebates		-		-		-		-
Disposal Fees (Tags and Stickers)		296,115		396,311		414,846		414,846
Town Facilities and Public Barrels		58,463		64,549		108,206		163,012
Schools		68,192		51,709		110,109		132,886
Business Recycling Program		4,818		8,797		10,300		10,300
Compost Bins		1,590		2,560		2,860		2,750
Recycling Bins		624		94		880		880
Drop-Off Day		20,022		54,789		56,046		56,046
Miscellaneous Revenue		-		-		-		-
Brush Fees		-		-		-		-
Sale of Recycled Paper		-		-		-		-
<b>Operating Revenues Total</b>	<b>\$</b>	<b>1,437,807</b>	<b>\$</b>	<b>1,921,175</b>	<b>\$</b>	<b>1,856,413</b>	<b>\$</b>	<b>2,109,081</b>

## Solid Waste Operating Revenues



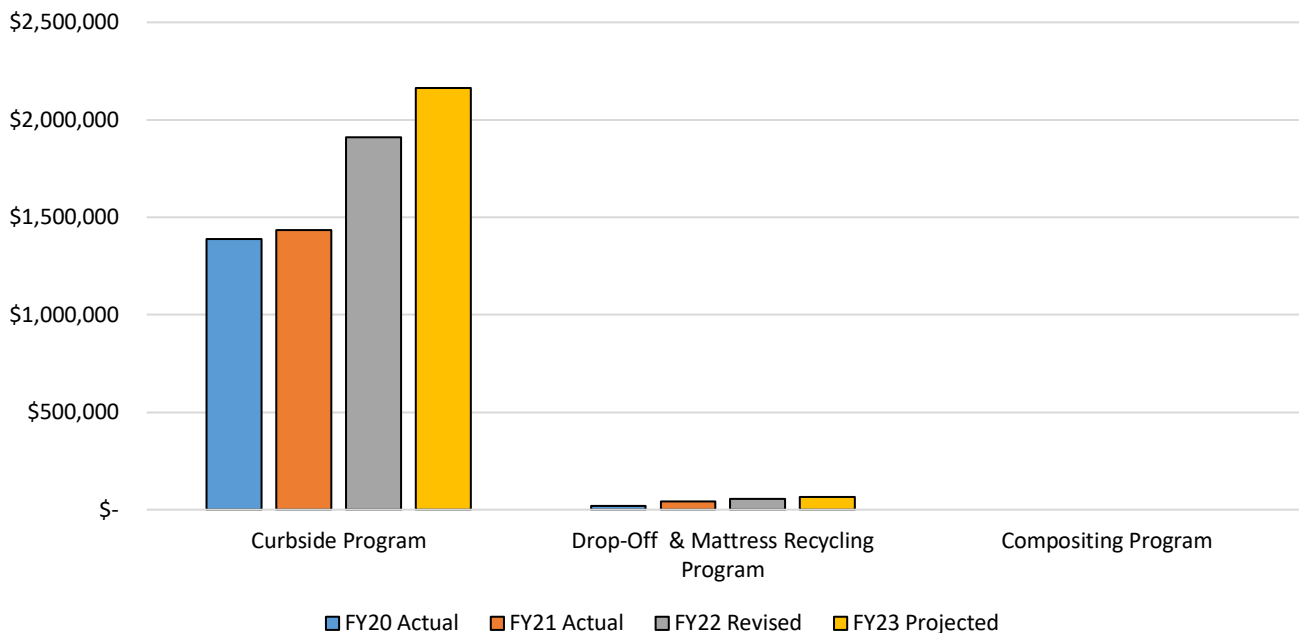
# Solid Waste Fund – Expenditures

## Operating Expenditures

### Operating Expenses

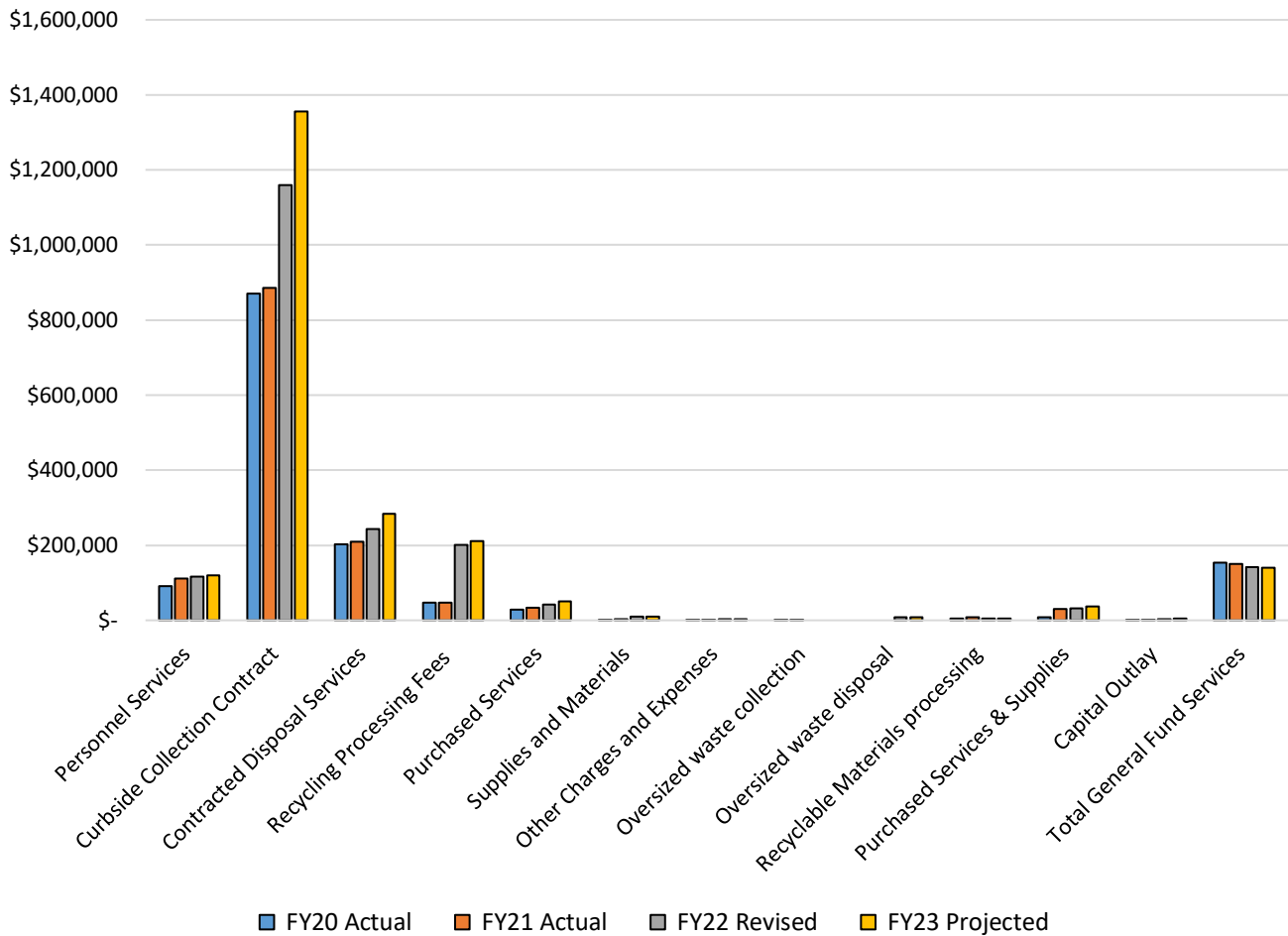
	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Proposed
<b><u>Curbside Program</u></b>				
Personnel Services	\$ 85,904	\$ 106,245	\$ 108,465	\$ 110,066
Curbside Collection Contract	871,088	886,091	1,159,242	1,355,289
Contracted Disposal Services	202,509	209,197	243,831	284,222
Recycling Processing Fees	47,606	46,233	200,131	210,882
Fuel Adjustment Expense	-	-	-	-
Customer Rebate	-	-	-	-
Purchased Services	27,727	33,930	42,294	49,993
Supplies and Materials	971	2,463	9,605	9,900
Other Charges and Expenses	213	200	2,855	2,855
Capital Outlay	316	82	-	-
General Fund Services	153,646	151,017	142,586	139,431
<b>Subtotal</b>	<b>\$ 1,389,979</b>	<b>\$ 1,435,457</b>	<b>\$ 1,909,009</b>	<b>\$ 2,162,638</b>
<b><u>Drop-Off &amp; Mattress Rec. Programs</u></b>				
Personnel Services	4,300	4,274	8,565	10,269
Oversized waste collection	-	-	7,670	7,670
Oversized waste disposal	5,499	7,784	5,208	5,208
Recyclable Materials processing	8,479	30,067	31,100	36,820
Purchased Services & Supplies	1,717	1,084	3,503	4,503
<b>Subtotal</b>	<b>\$ 19,995</b>	<b>\$ 43,209</b>	<b>\$ 56,046</b>	<b>\$ 64,470</b>
<b><u>Composting Site Program</u></b>				
General Fund Services	-	-	-	-
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses</b>	<b>\$ 1,409,974</b>	<b>\$ 1,478,666</b>	<b>\$ 1,965,055</b>	<b>\$ 2,227,107</b>

### Solid Waste Operating Expenditures



# Solid Waste Fund – Expenditures

## Solid Waste Operating Expenditures



### Personnel Summary

#### AUTHORIZED POSITIONS

	FY22 Revised Budget		FY23 Initial Budget	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
<b>Curbside Collection Program</b>				
5111 - Regular Personnel (1)	1.50	\$ 106,826	1.50	\$ 108,427
5120 - Temporary Status		-		-
5178 - Medicare Tax	N/A	1,568	N/A	1,568
5180 - Social Security	N/A	71	N/A	71
<b>Subtotal</b>	<b>1.50 FTEs</b>	<b>\$ 108,465</b>	<b>1.50 FTEs</b>	<b>\$ 110,066</b>
<b>Drop-Off Day &amp; Mattress Rec. Programs</b>				
5130 - Drop-Off Day Overtime	90.0 hrs.	5,325	90.0 hrs.	5,503
5131 - Police Overtime	90.0 hrs.	3,240	90.0 hrs.	4,766
<b>Subtotal</b>	<b>0.00 FTEs</b>	<b>\$ 8,565</b>	<b>0.00 FTEs</b>	<b>\$ 10,269</b>
<b>Total Personnel Services</b>	<b>1.50 FTEs</b>	<b>\$ 117,030</b>	<b>1.50 FTEs</b>	<b>\$ 120,335</b>

(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

	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Estimate
<b>Curbside Collection/Drop-Off Program</b>				
Management Services	\$ 89,227	\$ 90,466	\$ 79,271	\$ 91,568
Financial & Administrative Services	59,419	60,551	58,072	47,863
Salary Reserve	-	-	5,243	-
<b>Subtotal</b>	<b>\$ 148,646</b>	<b>\$ 151,017</b>	<b>\$ 142,586</b>	<b>\$ 139,431</b>
<b>Composting Site Program</b>				
Management Services	5,000	-	-	-
	\$ 5,000	\$ -	\$ -	\$ -
<b>Combined</b>	<b>\$ 153,646</b>	<b>\$ 151,017</b>	<b>\$ 142,586</b>	<b>\$ 139,431</b>

# Solid Waste Fund – Net Income and Fund Balance

## Net Income and Fund Balance

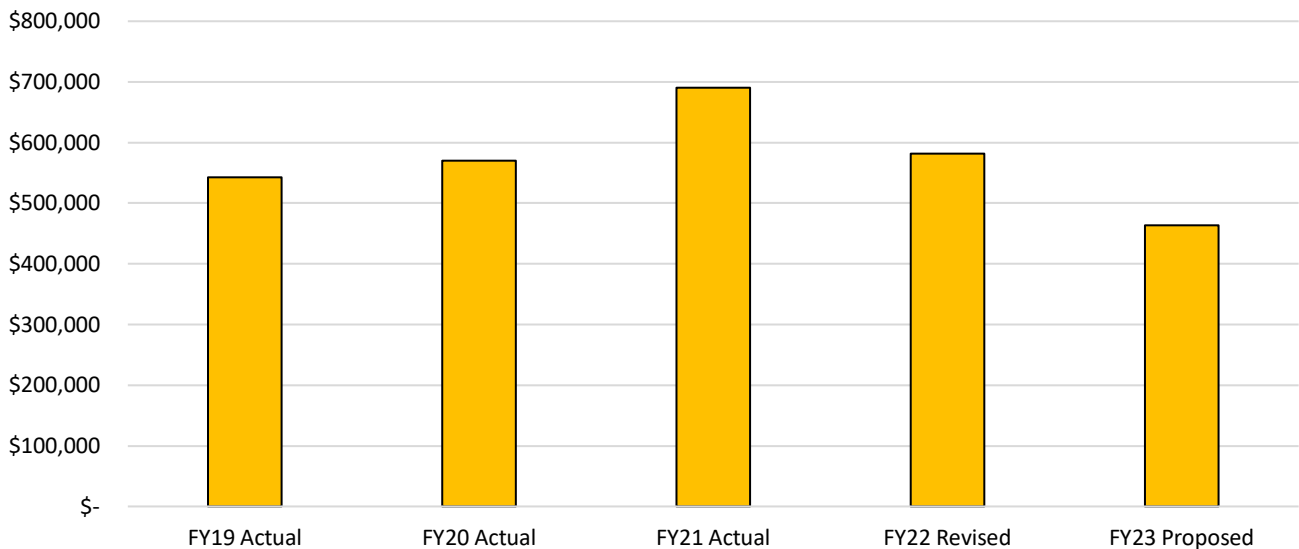
### NET INCOME

	FY20	FY21	FY22	FY23
	Actual	Actual	Budget	Estimate
<b>Operating Income:</b>				
Operating Revenues	\$ 1,437,807	\$ 1,599,059	\$ 1,856,413	\$ 2,109,081
Less Operating Expenses	(1,409,974)	(1,478,667)	(1,965,055)	(2,227,107)
<b>Operating Income</b>	<b>\$ 27,833</b>	<b>\$ 120,392</b>	<b>\$ (108,642)</b>	<b>\$ (118,027)</b>
<b>Non-Operating Income:</b>				
Non-Operating Revenues	\$ -	\$ -	\$ -	\$ -
Non-Operating Expenses	-	-	-	-
<b>Non-Operating Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Income</b>	<b>\$ 27,833</b>	<b>\$ 120,392</b>	<b>\$ (108,642)</b>	<b>\$ (118,027)</b>

### FUND BALANCE

	FY20	FY21	FY22	FY23
	Actual	Actual	Budget	Estimate
<b>Fund Balance:</b>				
Beginning Fund Balance	\$ 542,426	\$ 570,259	\$ 690,651	\$ 582,009
Net Income	27,833	120,392	(108,642)	(118,027)
<b>Ending Fund Balance:</b>	<b>\$ 570,259</b>	<b>\$ 690,651</b>	<b>\$ 582,009</b>	<b>\$ 463,982</b>

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



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# Swim & Fitness Fund

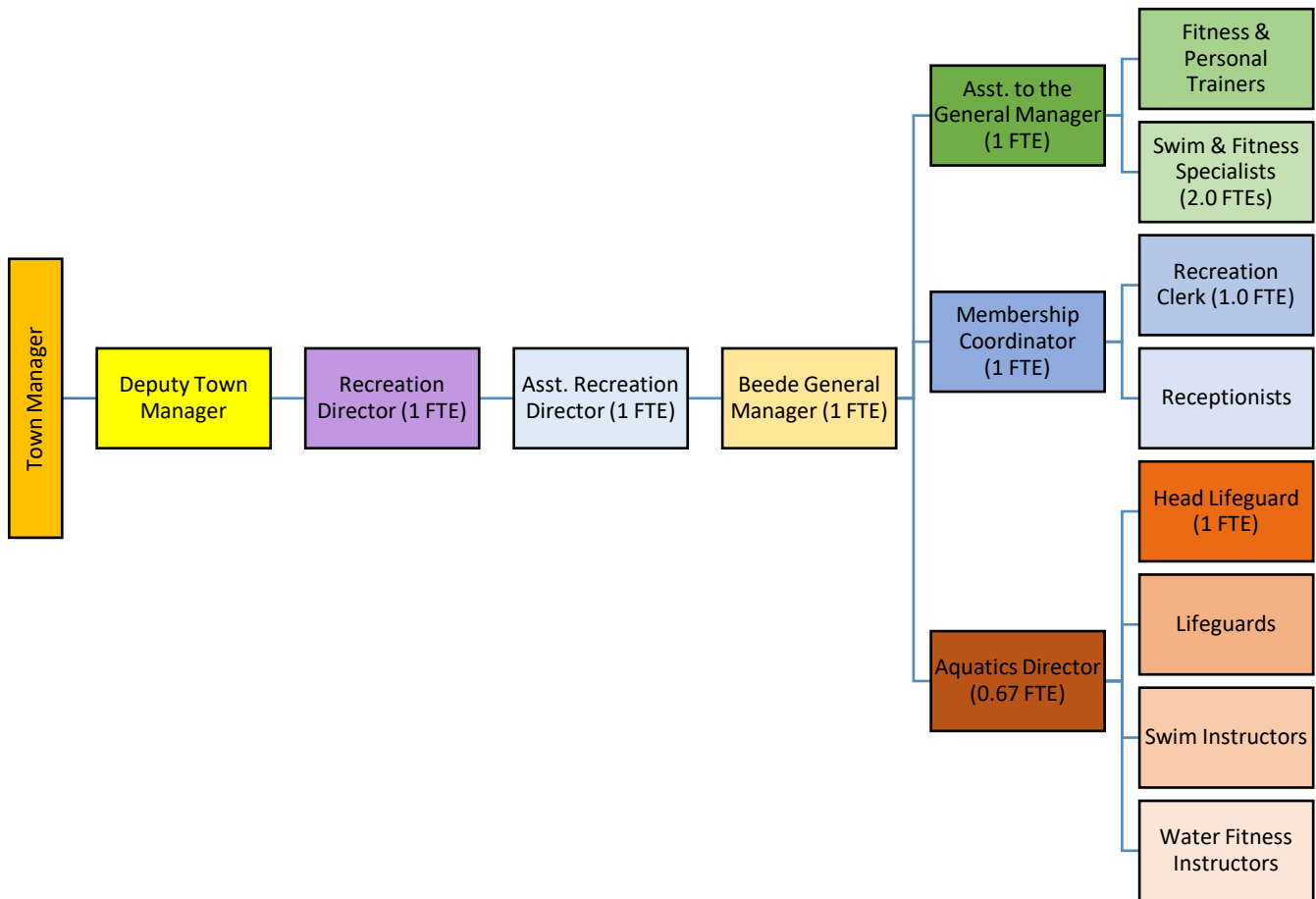
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# Swim & Fitness Fund

## 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.

### 2022 Membership Categories and Fees

	<u>Monthly</u>	<u>3 Month</u>	<u>10 Visit</u>	<u>Day Pass</u>
<b>Adult</b>	\$84	\$300	\$200	\$20
<b>Couple</b>	\$131	\$450		\$30
<b>Family</b>	\$155	\$550		\$40
<b>65+</b>	\$64	\$220		
<b>65+ Couple</b>	\$100	\$340		
<b>14-18</b>	\$43	\$150		
<b>80+</b>	\$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 4<sup>th</sup>
- 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
- Water Safety Instruction
- Diving
- Otters Swim Team
- Lifeguard Training

### 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 25 minute or 55 minute training sessions, as well as small group personal training. 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

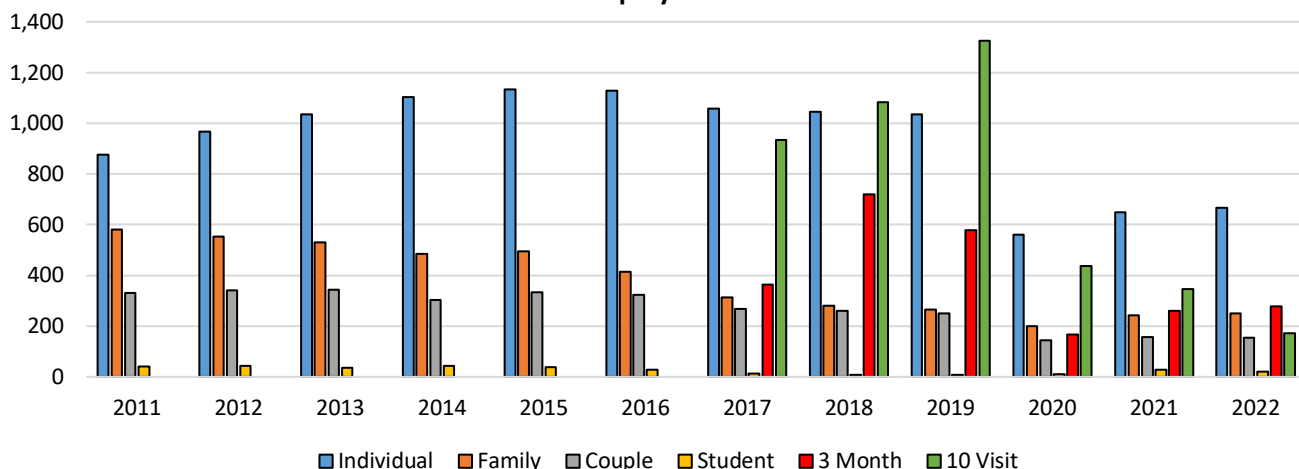
## COVID-19 Impact

The Beede Center anticipated moving through FY22 that there would be a slow return of membership and enrollment as people worked to reintegrate back to 'normal'. As the fiscal year moved forward and the state's regulations continued to ease in sector specific regulations, we have seen participants returning to our Beede Swim and Fitness Center programs near quantities seen in FY19 which has been extremely exciting, promising, and reassuring.

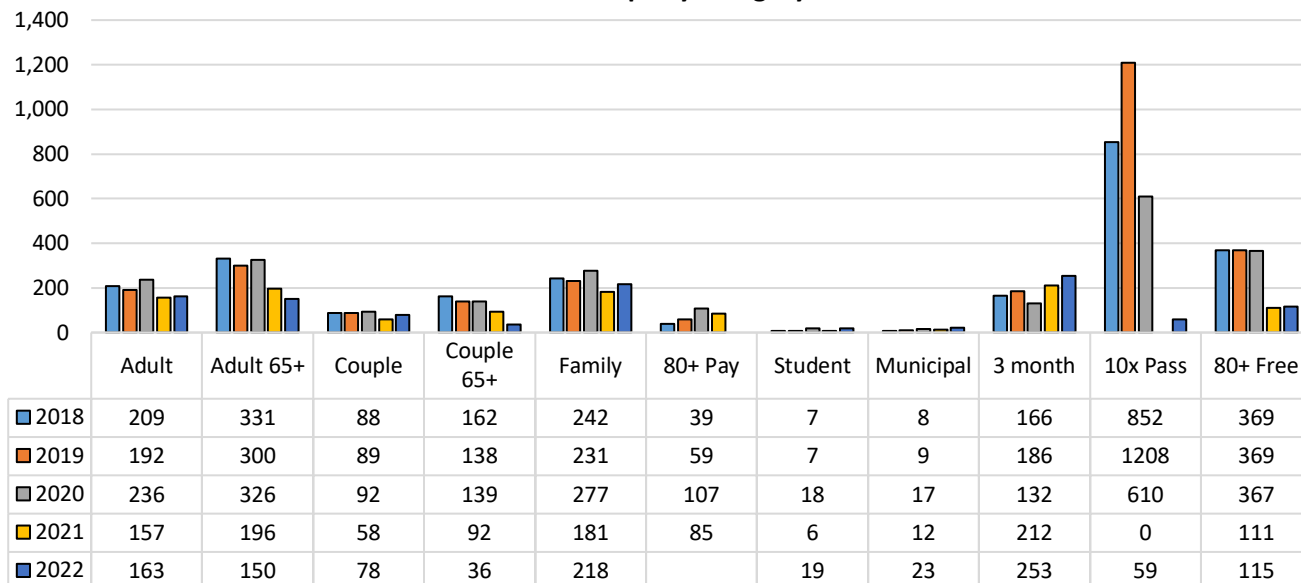
### Memberships

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. As the Department moved through FY22, we happily saw a steady return of members across all membership categories. The chart below shows memberships by calendar year.

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



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



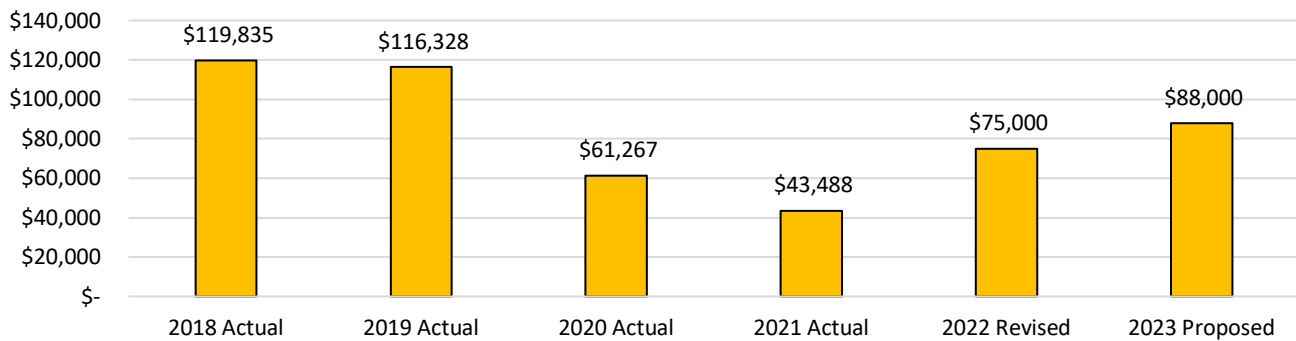
# Swim & Fitness Fund

## Group Fitness Programs

Group Fitness continues to be the program area that is seeing the slowest return. The FY22 numbers represented below include participation from July 1, 2021-February 16, 2022. While these programs have seen enrollment, the quantity of participants that have registered for programs in FY22 have dramatically decreased when compared to the three prior years. The Beede Center team is working hard to explore ways to bring the group exercise program back to FY19 registration levels.



**Group Fitness Revenue**  
Annual Comparison (FY)

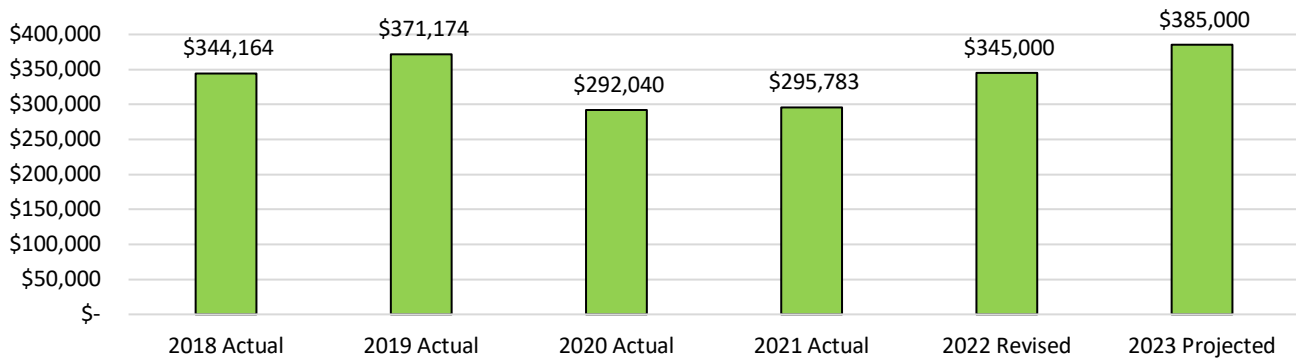


## Aquatics Programs

Aquatics programs, inclusive of swim lessons, Otters Swim Team, Master's Swim Team, Adaptive Aquatics and Aquatics Fitness have seen a consistent return in FY22. Additionally, the Recreation Department hired a new Aquatics Program Manager in September of 2021. This Manager has worked hard to increase aquatics programs including vacation week camps, summer camps, and additional swim lessons at White Pond and Emerson Pool during the summer months. The FY22 numbers represented below include participation from July 1, 2021-February 16, 2022.



**Aquatics Program Revenue**  
Annual Comparison (FY)



# Swim & Fitness Fund

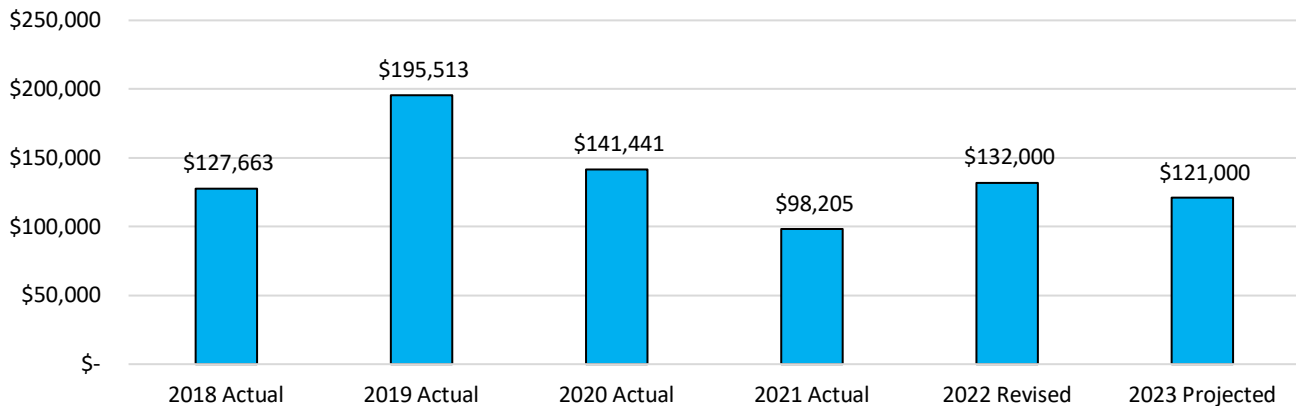
## Personal Training

One-on-one Personal Training sessions was dramatically reduced in 2021 but we saw a slow but steady return in FY22 with the addition of a new fee structure. In February of 2022, the Recreation Department, with support from the Recreation Commission, introduced new personal training packages. These packages allow trainers to facilitate 25- or 55-minute training session in place of just 60 minute training sessions and require participants to purchase in 3, 5, or 10 visit packages instead of 1, 5, or 10 visit packages.



2/1/22 Rates	Session Length	Member Price	Unit Price	Non Member Price	Unit Price
3 sessions	55 min	\$ 180.00	\$ 60.00	\$ 240.00	\$ 80.00
5 sessions	55 min	\$ 275.00	\$ 55.00	\$ 375.00	\$ 75.00
10 sessions	55 min	\$ 500.00	\$ 50.00	\$ 700.00	\$ 70.00
3 sessions	25 min	\$ 120.00	\$ 40.00	\$ 180.00	\$ 60.00
5 sessions	25 min	\$ 175.00	\$ 35.00	\$ 275.00	\$ 55.00
10 sessions	25 min	\$ 300.00	\$ 30.00	\$ 500.00	\$ 50.00

**Personal Training Revenue**  
Annual Comparison (FY)



Additionally, the Personal Trainers are now providing specialized, small group personal training for groups 2-4 participants. This new program was introduced in February 2022, and we continuing to focus our marketing efforts to build excitement.

## FY21 Accomplishments

- ☑ Reopened the Beede Swim and Fitness Center to the public on July 6, 2020, with COVID-19 safety precautions in place.
- ☑ Successfully utilized new recreation software to set up timed reservations for fitness facilities and pool lanes/spaces.
- ☑ Introduced online group fitness and personal training programs to accommodate members who did not want to do in person programming.
- ☑ Welcomed new pool rental groups that were displaced from other pools that closed due to the pandemic.

# Swim & Fitness Fund

## FY23 Goals

- Continue to prepare for effects of COVID-19 but expect a greater return to programs across all areas, as seen in FY22.
- Continue to utilize the new Aquatics Program Manager position to expand swim programming at indoor and outdoor facilities including Emerson Pool and White Pond.
- Formalize the facility rental program and seek out new rental contracts for 'down time'.
- Expand fitness opportunities including online, small group, personal training, and outdoor programming.
- Reflect on FY22 to make programmatic adjustments to reduce the expenses of future operations.
- Work to continually educate staff on the topics of diversity and inclusion.
- 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.
- ⇒ Hire a new membership sales position with the goal of retaining membership and growing levels back to pre-pandemic quantities.

# Swim & Fitness Fund – Overview & Budget Highlights

## FY23 Budget Highlights

In FY23, 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, 2021, the Beede Center had an Unrestricted Fund Balance of \$2,673,380 according to the FY21 audited financial report. The FY23 Proposed budget projects a Fund Balance of \$2,398,894 at the end of the fiscal year.

### Budget Highlights

FY23 Projected Revenue	\$1,778,000
FY23 Projected Expenses	<u>(2,222,340)</u>
FY23 Projected Operating Income	\$(444,340)
FY23 Projected Net Income	\$(429,340)
FY23 Projected Swim & Fitness Fund Balance	\$2,398,894

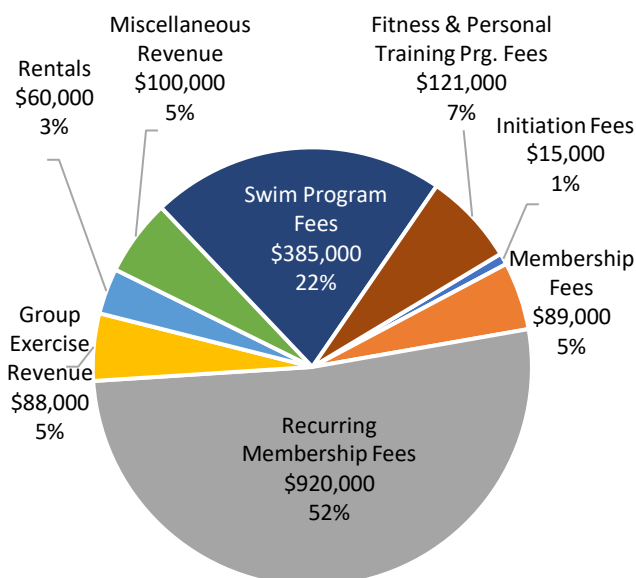
## Revenues and Expenditures Overview

Operating revenues are projected to be \$1,778,000, which is a \$201,000 or 12.7% increase compared to the FY22 Revised budget. However, these estimated revenues are still lower compared to previous fiscal years due to pandemic related decreases in membership and attendance. With operating expenditures proposed to be \$2,222,340, there will be a projected loss in operating income of \$444,340 for fiscal year 2023.

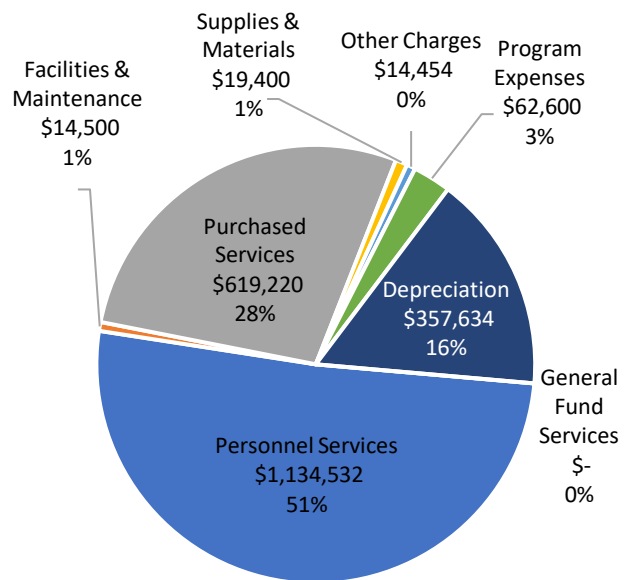
In FY23, the Beede Center is projected to spend approximately \$1,134,532 on full-time, part-time, limited and temporary status staff, including benefits. These 100+ staff members include front desk staff, lifeguards, water safety instructors, fitness instructors, coaches, personal trainers and more. 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 FY23 Swim & Fitness Fund budget shows a projected net loss of \$429,340 with the addition of non-operating revenues from investment income.

**FY23 Operating Revenue**



**FY23 Operating Expenditures**



# Swim & Fitness Fund – Revenues

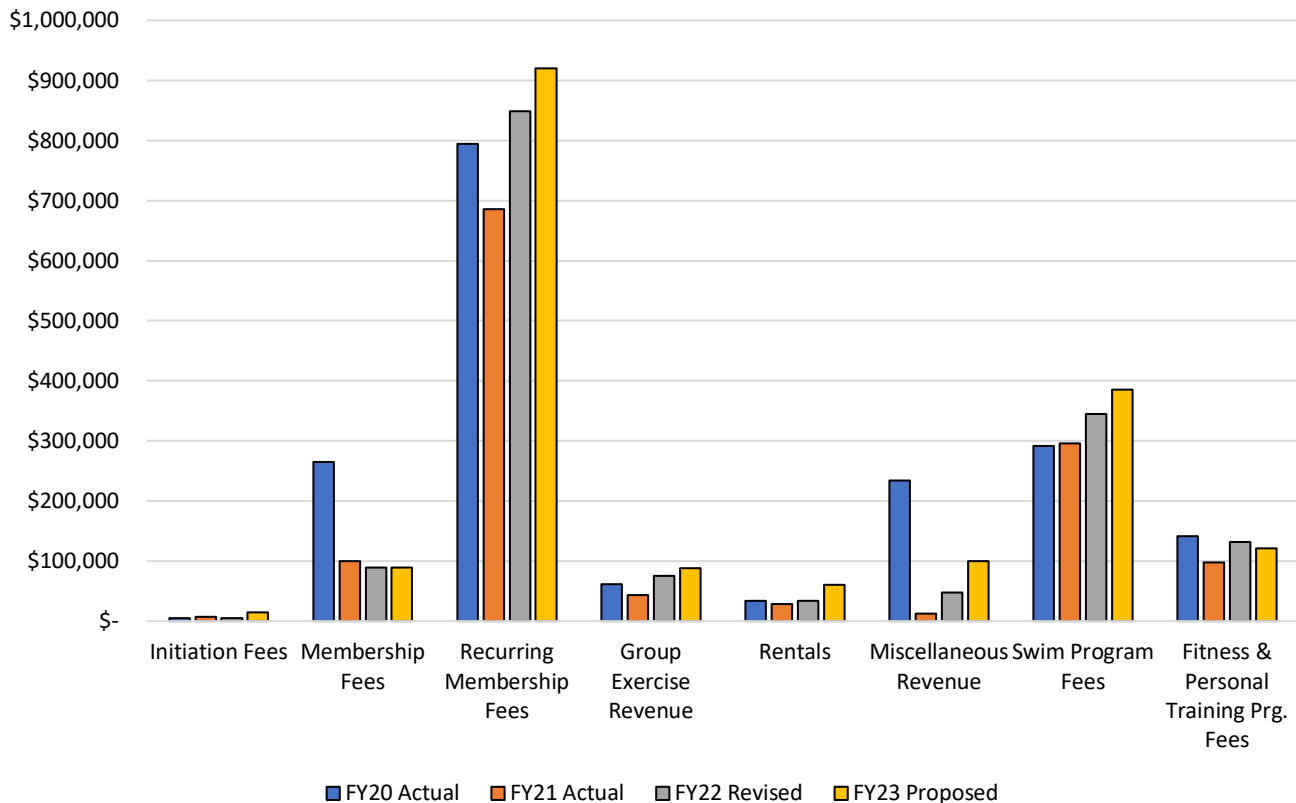
## Operating Revenues

Operating Revenues are projected to be \$1,778,000, which is a 12.7% increase from the FY22 Revised budget. Projected Operating Revenues are still estimated to be lower than FY20 actuals due to the ongoing pressures from the COVID-19 pandemic.

### OPERATING REVENUES (\$)

	FY20 Actual	FY21 Actual	FY22 Revised	FY23 Proposed
Initiation Fees	\$ 4,883	\$ 7,663	\$ 5,000	\$ 15,000
Membership Fees	265,078	99,899	89,000	89,000
Annual Membership Fees	-	-	-	-
Recurring Membership Fees	794,468	685,354	849,000	920,000
Group Exercise Revenue	61,267	43,488	75,000	88,000
Rentals	33,810	28,790	34,000	60,000
Miscellaneous Revenue	233,982	12,314	48,000	100,000
Swim Program Fees	292,042	295,783	345,000	385,000
Fitness & Personal Training Prg. Fees	141,443	98,205	132,000	121,000
Child Care Fees	-	-	-	-
<b>Operating Revenues Total</b>	<b>\$ 1,826,971</b>	<b>\$ 1,271,496</b>	<b>\$ 1,577,000</b>	<b>\$ 1,778,000</b>

### Beede Swim & Fitness Operating Revenues



# Swim & Fitness Fund – Expenditures

## Operating Expenditures

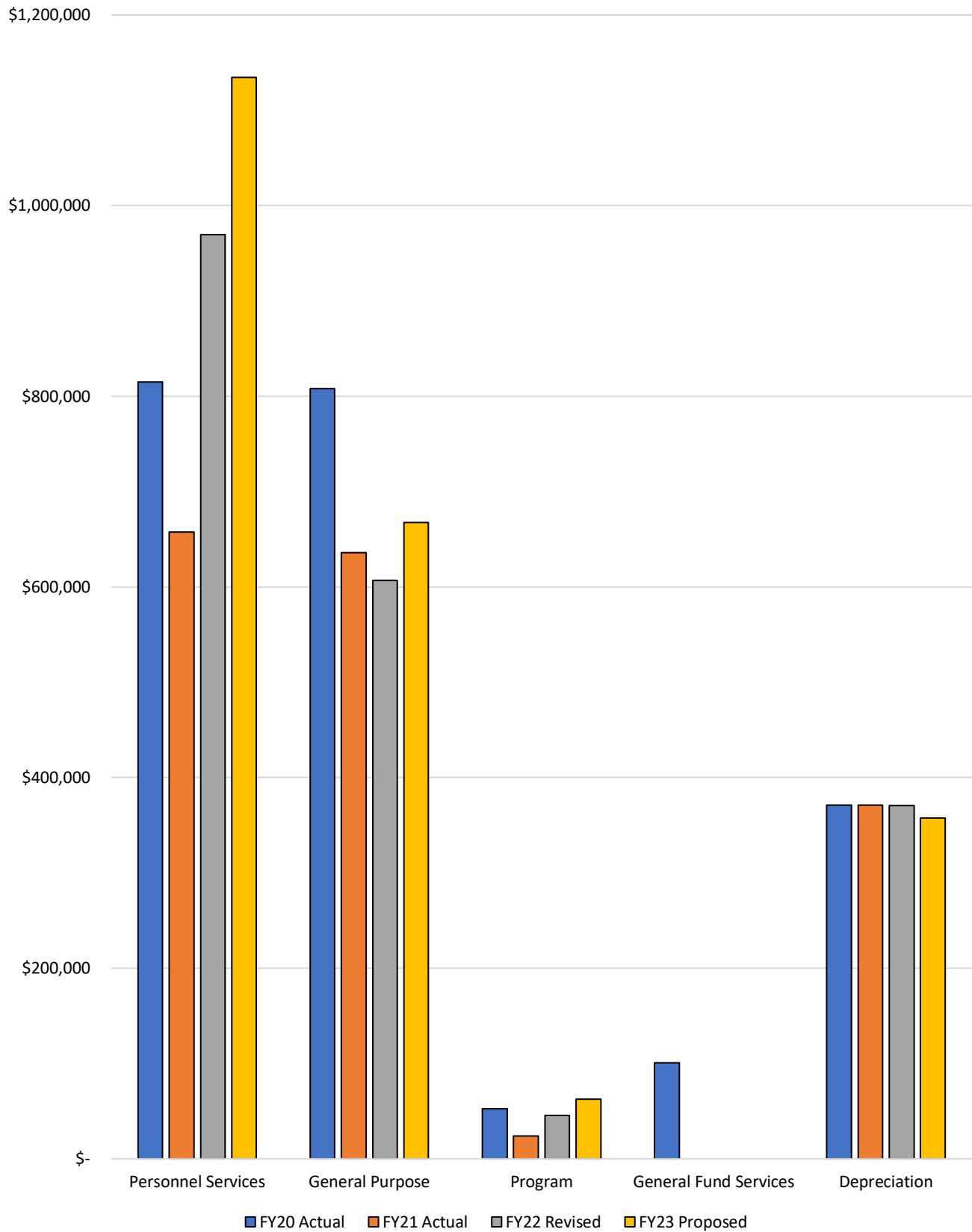
Operating Expenditures are proposed to be \$2,222,340. Driving factors include \$164,886 in increased personnel related costs due to minimum wage increases, increased programs, and fully staffed operations. Purchased Services expenses are also proposed to increase due to anticipated growth in utility costs. Depreciation is proposed to decrease by \$13,011. The FY22 Revised and FY23 Proposed budgets included no planned transfers to the General Fund.

### OPERATING EXPENSES (\$)

	FY20	FY21	FY22	FY23
	Actual	Actual	Revised	Proposed
<b><u>Personnel Services</u></b>				
Personnel Expenses	\$ 917,085	\$ 893,966	\$ 969,645	\$ 1,134,532
Accrued Employee Benefits	-	-	-	-
Audit Adjustment	(101,813)	(236,180)	-	-
<b>Subtotal</b>	<b>\$ 815,272</b>	<b>\$ 657,786</b>	<b>\$ 969,645</b>	<b>\$ 1,134,532</b>
<b><u>General Purpose</u></b>				
Facilities and Maintenance	158,338	10,973	16,800	14,500
Purchased Services	682,596	560,057	563,631	619,220
Supplies and Materials	20,123	15,957	12,400	19,400
Other Expenses	22,189	13,541	13,954	14,454
Audit Adjustment	(74,995)	35,384	-	-
<b>Subtotal</b>	<b>808,251</b>	<b>635,911</b>	<b>606,785</b>	<b>667,574</b>
<b><u>Program</u></b>				
Group Exercise Expenses	-	42	1,000	1,000
Aquatic Safety Management Expenses	30,128	21,291	30,100	40,000
Aquatic Programs Expenses	9,064	2,137	7,000	12,500
Fitness Management Expenses	13,434	633	7,150	8,200
Personal Trainer Expenses	75	-	100	900
<b>Subtotal</b>	<b>\$ 52,700</b>	<b>\$ 24,104</b>	<b>\$ 45,350</b>	<b>\$ 62,600</b>
<b><u>General Fund Services</u></b>				
Town Manager	10,823	-	-	-
Human Resources	29,518	-	-	-
Facilities Managent	16,702	-	-	-
Finance Administration	12,034	-	-	-
Treasury	19,893	-	-	-
Accounting	12,003	-	-	-
Recreation Administration	-	-	-	-
Salary Adjustment	-	-	-	-
<b>Subtotal</b>	<b>\$ 100,973</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Depreciation Expense</u></b>				
Depreciation Expense	371,376	371,094	370,645	357,634
<b>Subtotal</b>	<b>\$ 371,376</b>	<b>\$ 371,094</b>	<b>\$ 370,645</b>	<b>\$ 357,634</b>
<b>Total Operating Expense</b>	<b>\$ 2,148,572</b>	<b>\$ 1,688,895</b>	<b>\$ 1,992,425</b>	<b>\$ 2,222,340</b>

# Swim & Fitness Fund – Expenditures

## Beede Swim & Fitness Center Operating Expenditures



# Swim & Fitness Fund – Expenditures

## Personnel Services

### AUTHORIZED POSITIONS (\$)

	FY22 Revised		FY23 Proposed	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
<u>Personnel</u>				
Full-Time Positions	7.67	479,590	7.67	\$ 499,654
Part-Time Positions	0.00	-	0.00	-
Limited Status / Temporary Positions	8.96	354,614	11.45	472,114
<b>Subtotal</b>	<b>16.63</b>	<b>\$ 834,204</b>	<b>19.12</b>	<b>\$ 971,768</b>
<u>Employee Benefits</u>				
Health Insurance	N/A	38,134	N/A	39,037
Life Insurance	N/A	200	N/A	205
Dental Insurance	N/A	4,300	N/A	4,408
OPEB	N/A	1,847	N/A	1,893
Retirement Contribution	N/A	56,532	N/A	64,260
<b>Subtotal</b>	<b>N/A</b>	<b>\$ 101,013</b>	<b>N/A</b>	<b>\$ 109,803</b>
<u>Payroll Taxes</u>				
Medicare Tax	N/A	12,939	N/A	13,262
Social Security Contribution	N/A	20,489	N/A	21,001
<b>Subtotal</b>	<b>N/A</b>	<b>\$ 33,428</b>	<b>N/A</b>	<b>\$ 34,264</b>
<u>Other Personnel Costs</u>				
Overtime	N/A	1,000	N/A	1,500
Unemployment Compensation	N/A	-	N/A	-
Car Allowance	N/A	-	N/A	-
Salary Reserve	N/A	-	N/A	17,197
<b>Subtotal</b>	<b>N/A</b>	<b>\$ 1,000</b>	<b>N/A</b>	<b>\$ 18,697</b>
<b>Total Personnel Costs</b>	<b>16.63 FTEs</b>	<b>\$ 969,645</b>	<b>19.12</b>	<b>\$ 1,134,532</b>

# Swim & Fitness Fund – Expenditures

## Capital (Capital Outlay and Debt-Funded)

In FY23, The Beede Center is proposed to include \$123,000 in planned capital outlay. The funding for FY23 includes the below items:

- \$20,000 for miscellaneous improvement projects and equipment to the Primary Facility.
- \$10,000 for miscellaneous equipment for the Primary Facility.
- \$20,000 for Pool Facility pool filters.
- \$8,000 for Pool Facility miscellaneous equipment.
- \$55,000 for the replacement of stationary bikes.
- \$10,000 for the replacement of miscellaneous fitness equipment.

### Beede Swim and Fitness Center Capital Program

	FY20 Actual	FY21 Actual	FY22 Revised	FY23	FY24	FY25	FY26	FY27	FY23→FY27 Total
<b>Primary Facility</b>									
Building Improvements	44,457	-	-	20,000	20,000	20,000	20,000	20,000	100,000
Fitness Rooms Flooring	-	-	-	-	-	-	-	-	-
Dehumidification	-	-	-	-	-	-	-	-	-
VFD Motors	-	-	-	-	-	-	-	-	-
Roof Top HVAC Units	59,957	3,730	-	-	-	-	-	-	-
Sound System	-	-	-	-	-	-	-	-	-
Parking System	-	-	-	-	10,000	-	-	-	10,000
Parking Lighting	-	-	-	-	-	-	-	-	-
Parking Lot Replacemen	-	-	-	-	300,000	-	-	-	300,000
FCR Doors & Frames	-	-	-	-	-	-	-	-	-
Misc. Equipment	3,929	1,027	20,000	10,000	10,000	10,000	10,000	10,000	50,000
Subtotal	\$ 108,342	\$ 4,758	\$ 20,000	\$ 30,000	\$ 340,000	\$ 30,000	\$ 30,000	\$ 30,000	460,000
<b>Pool Facility</b>									
Deck Repairs	-	-	-	-	-	-	-	-	-
Pool Filters	-	-	-	20,000	-	-	-	20,000	40,000
Diving Stands	-	-	-	-	-	-	-	-	-
Diving Boards	-	-	-	-	7,000	-	-	7,000	14,000
Lap Pool Connectors	-	-	-	-	-	-	-	-	-
Misc. Equipment	6,178	419	20,000	8,000	8,000	8,000	8,000	8,000	40,000
Subtotal	\$ 6,178	\$ 419	\$ 20,000	\$ 28,000	\$ 15,000	\$ 8,000	\$ 8,000	\$ 35,000	94,000
<b>Beede Equipment</b>									
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)	-	-	-	-	-	-	60,000	-	60,000
Fitness Equipment IV (Stationary Bikes)	-	-	-	55,000	-	-	-	-	55,000
Fitness Equipment V (Miscellaneous)	-	-	-	10,000	10,000	-	-	10,000	30,000
Audit Adjustment	-	-	-	-	-	-	-	-	-
Subtotal	\$ 49,996	\$ -	\$ -	\$ 65,000	\$ 65,000	\$ 60,000	\$ 60,000	\$ 10,000	260,000
<b>Total Capital</b>	<b>\$ 164,516</b>	<b>\$ 5,177</b>	<b>\$ 40,000</b>	<b>\$ 123,000</b>	<b>\$ 420,000</b>	<b>\$ 98,000</b>	<b>\$ 98,000</b>	<b>\$ 75,000</b>	<b>814,000</b>

Beede Capital Funding	FY20 Actual	FY21 Revised	FY22	FY23	FY24	FY25	FY26	FY27	FY23→FY27
Capital Appropriation	164,516	5,177	40,000	123,000	420,000	98,000	98,000	75,000	814,000
Sawyer Trust/Beede	-	-	-	-	-	-	-	-	-
Article 21 ATM 18	-	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>	<b>\$ 164,516</b>	<b>\$ 5,177</b>	<b>\$ 40,000</b>	<b>\$ 123,000</b>	<b>\$ 420,000</b>	<b>\$ 98,000</b>	<b>\$ 98,000</b>	<b>\$ 75,000</b>	<b>814,000</b>

# Swim & Fitness Fund – Net Income & Fund Balance

## Net Income and Fund Balance

### NET INCOME (\$)

	FY20 Actual	FY21 Actual	FY22 Revised	FY23 Proposed
<b>Statement of Net Income:</b>				
Operating Revenues	\$ 1,826,971	\$ 1,271,496	\$ 1,577,000	\$ 1,778,000
Less Operating Expenses	(2,148,572)	(1,688,895)	(1,992,425)	(2,222,340)
<b>Operating Income</b>	<b>\$ (321,601)</b>	<b>\$ (417,399)</b>	<b>\$ (415,425)</b>	<b>\$ (444,340)</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Add Investment Income	\$ 53,963	\$ 7,114	\$ 5,000	\$ 15,000
Add Sawyer Trust Contribution	-	-	-	-
Add Beede Endowment	-	-	-	-
<b>Nonoperating Income</b>	<b>\$ 53,963</b>	<b>\$ 7,114</b>	<b>\$ 5,000</b>	<b>\$ 15,000</b>
<b>Net Income</b>	<b>\$ (267,638)</b>	<b>\$ (410,285)</b>	<b>\$ (410,425)</b>	<b>\$ (429,340)</b>

### AVAILABLE RESOURCES (\$)

<b>Resources Available from Current Operations for Replacement &amp; Renewal of Facility:</b>				
	FY20 Actual	FY21 Actual	FY22 Revised	FY23 Proposed
<b><u>Capital Purposes</u></b>				
Add Depreciation Expense	\$ 371,376	\$ 371,094	\$ 370,645	\$ 357,634
Add Net Income	(267,638)	(410,285)	(410,425)	(429,340)
<b>Net Available for Capital</b>	<b>\$ 103,738</b>	<b>\$ (39,191)</b>	<b>\$ (39,780)</b>	<b>\$ (71,706)</b>

### CASH POSITION AND FORECAST

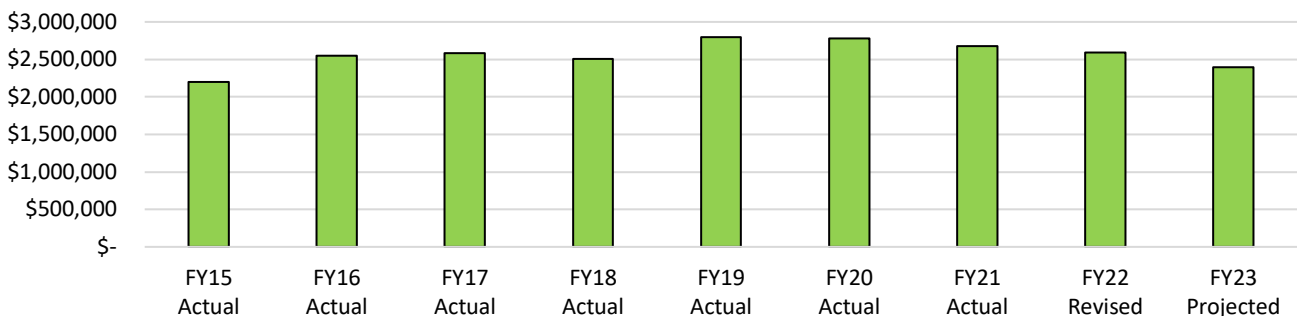
<b><u>Cash at Year Opening</u></b>	<b>FY22</b>		<b>FY23</b>	
	Credits	Debits	Credits	Debits
<b>Cash on July 1st</b>	\$ 3,444,575		\$ 3,364,795	
Add Assets	154,324		154,324	
Less Liabilities	(925,519)		(925,519)	
<b>Fund Balance on July 1st</b>	<b>\$ 2,673,380</b>		<b>\$ 2,593,600</b>	
<b><u>Fund Balance Details (projected)</u></b>	Credits	Debits	Credits	Debits
Fund Balance as of July 1st	2,673,380		2,633,600	(40,000)
Net Income	(410,425)		(429,340)	
Capital Outlay (non-borrowing)		(40,000)		(123,000)
Add Depreciation Expense	370,645		357,634	
Balance Projected at June 30th	2,633,600	(40,000)	2,561,894	(163,000)
<b>Fund Balance on June 30th</b>	<b>\$ 2,593,600</b>		<b>\$ 2,398,894</b>	
<b><u>Cash at Year End (projected)</u></b>				
Fund Balance on June 30th		2,593,600		2,398,894
Add Cash as Unearned Revenue		(154,324)		(154,324)
Add Cash Held for Liabilities		925,519		925,519
<b>Projected Cash at June 30th</b>	<b>\$ 3,364,795</b>		<b>\$ 3,170,089</b>	

# Swim & Fitness Fund – Net Income & Fund Balance

## PROGRAM NET INCOME

	FY20 Actual	FY21 Actual	FY22 Revised	FY23 Proposed
<b>Group Fitness Program</b>				
Operating Revenues	\$ 61,267	\$ 43,488	\$ 75,000	\$ 88,000
Less Operating Expenses	50,849	31,694	38,500	57,250
<b>Operating Income</b>	<b>\$ 10,418</b>	<b>\$ 11,794</b>	<b>\$ 36,500</b>	<b>\$ 30,750</b>
<b>Acquatic Safety Management Program</b>				
Operating Revenues	\$ -	\$ -	\$ -	\$ -
Less Operating Expenses	144,742	180,492	179,349	212,771
<b>Operating Income</b>	<b>\$ (144,742)</b>	<b>\$ (180,492)</b>	<b>\$ (179,349)</b>	<b>\$ (212,771)</b>
<b>Acquatic Programs</b>				
Operating Revenues	\$ 292,042	\$ 295,783	\$ 345,000	\$ 385,000
Less Operating Expenses	78,227	69,678	84,250	145,500
<b>Operating Income</b>	<b>\$ 213,814</b>	<b>\$ 226,105</b>	<b>\$ 260,750</b>	<b>\$ 239,500</b>
<b>Fitness Management Programs</b>				
Operating Revenues	\$ -	\$ -	\$ -	\$ -
Less Operating Expenses	110,252	79,849	87,150	96,700
<b>Operating Income</b>	<b>\$ (110,252)</b>	<b>\$ (79,849)</b>	<b>\$ (87,150)</b>	<b>\$ (96,700)</b>
<b>Personal Trainer Programs</b>				
Operating Revenues	\$ 141,443	\$ 98,205	\$ 132,000	\$ 121,000
Less Operating Expenses	85,668	66,610	85,100	111,900
<b>Operating Income</b>	<b>\$ 55,775</b>	<b>\$ 31,595</b>	<b>\$ 46,900</b>	<b>\$ 9,100</b>
<b>Program Net Income</b>	<b>\$ 25,013</b>	<b>\$ 9,152</b>	<b>\$ 77,651</b>	<b>\$ (30,121)</b>
<b>General Beede &amp; Other Programs</b>				
Operating & Non-Operating Revenues	\$ 1,386,183	\$ 841,135	\$ 1,030,000	\$ 1,199,000
Less Operating Expenses	1,678,835	1,260,572	1,518,076	1,598,219
<b>Operating Income</b>	<b>\$ (292,651)</b>	<b>\$ (419,437)</b>	<b>\$ (488,076)</b>	<b>\$ (399,219)</b>
<b>Net Income</b>	<b>\$ (267,638)</b>	<b>\$ (410,285)</b>	<b>\$ (410,425)</b>	<b>\$ (429,340)</b>

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



# Swim & Fitness Fund – Moving Forward

## **Moving Forward**

The Recreation Department has experienced a significant and distressing hit to operations during FY21 and FY22, directly influencing the planning and budget projection strategies for FY23.

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 FY23, the Department is optimistic that current trends showing the community's desire to return to a 'new normal' will continue. Beede Center staff are working tirelessly to introduce new programs and events and we are excited to see the fruits of their labor in FY23.

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 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.

# Recreation Fund

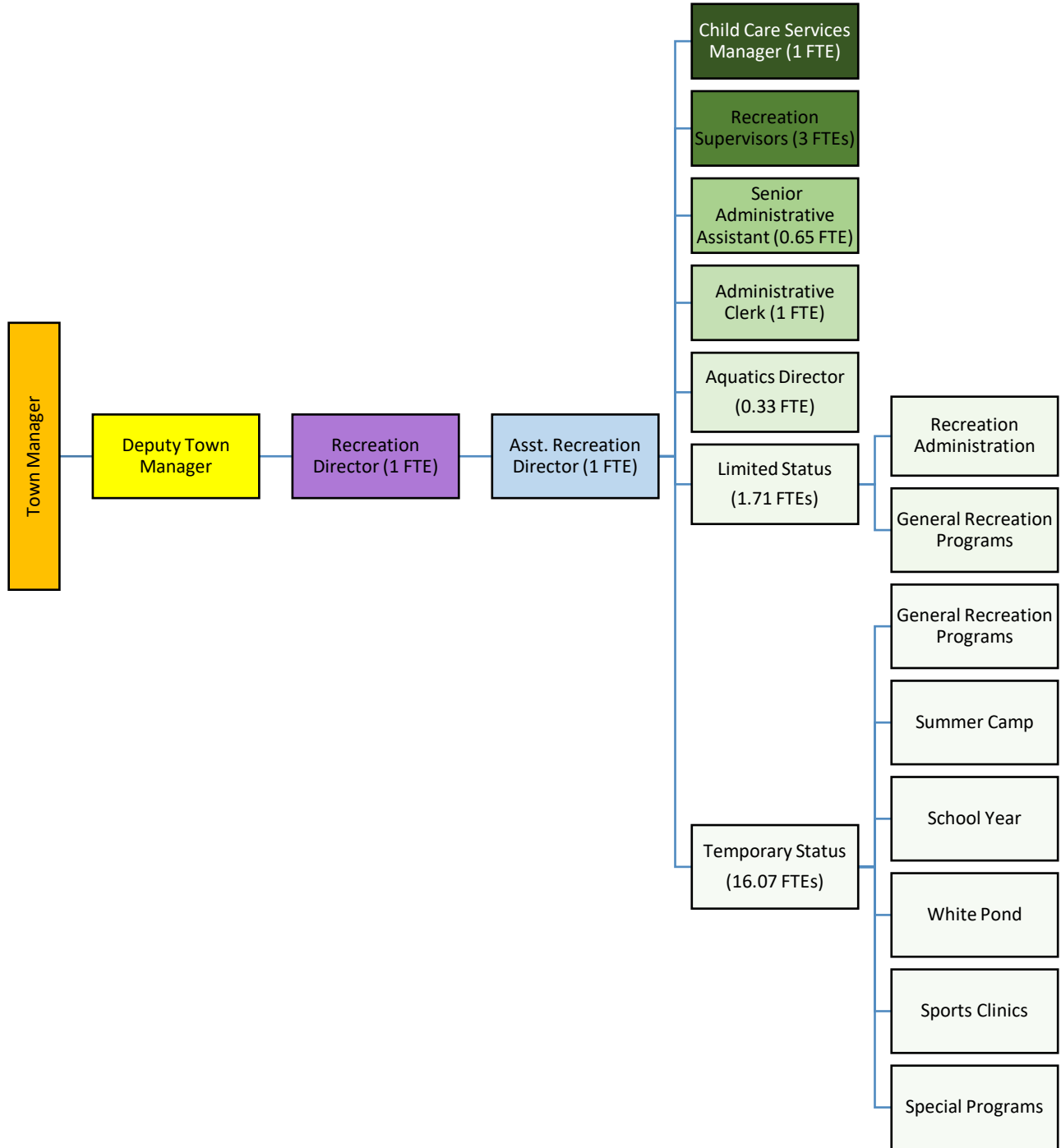
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# Recreation Fund

## 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

### 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 May 29, 2021, the state released requirements and suggested guidelines inclusive of important mitigation strategies to limit the spread of the COVID-19 virus in camp programs. While not required, camps were encouraged to carefully consider the benefits of these mitigation strategies in designing their summer programs. At the time of the guidance, children under the age of 12 were not eligible for vaccination. The Department of Public Health (DPH) strongly recommended that programs continue to limit group sizes and be aware of the risks of larger cohorts when campers and staff are not fully vaccinated. By maintaining smaller cohorts, programs would hypothetically reduce the number of individuals who may need to quarantine should a COVID-19 case be identified.

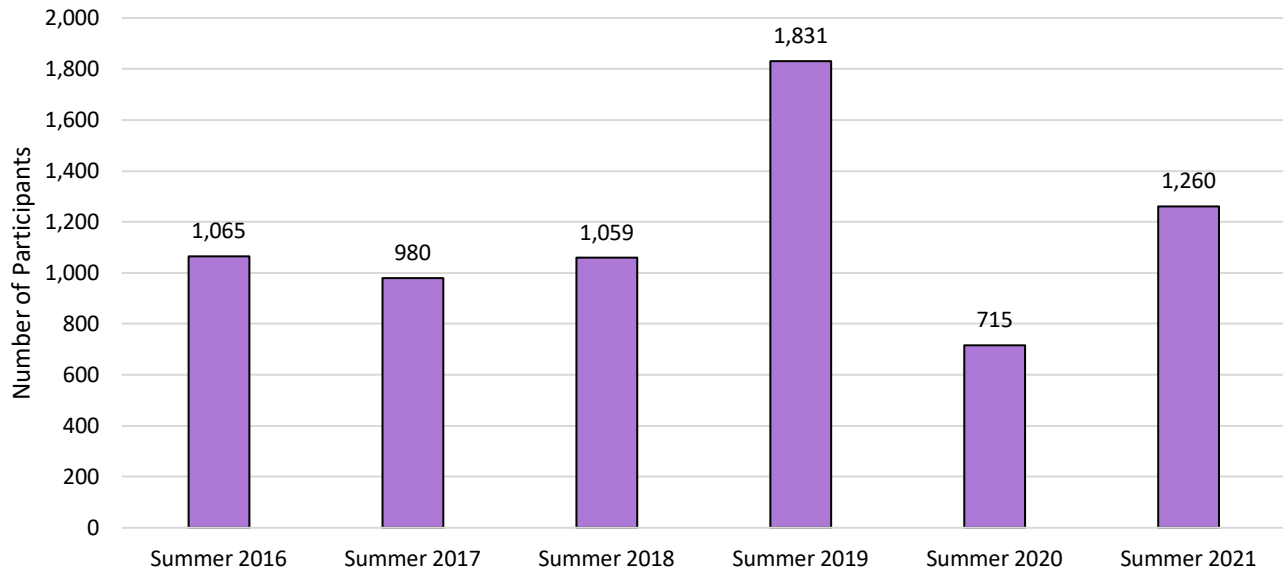


The Department of Public Health (DPH) strongly recommended that programs continue to limit group sizes and be aware of the risks of larger cohorts when campers and staff are not fully vaccinated. By maintaining smaller cohorts, programs would hypothetically reduce the number of individuals who may need to quarantine should a COVID-19 case be identified. Due to the relaxed regulations, Concord Recreation returned all campers to the Hunt Recreation site.

Due to the relaxed regulations, Concord Recreation returned all campers to the Hunt Recreation site. In total, Concord Recreation supported 1,260 campers during the summer of 2021, a great return when comparing to summer 2019.

# Recreation Fund

## Summer Camp Participation



### General Recreation Programs

Concord Recreation reintroduced a variety of youth and adult sports, afterschool recreation programs, and vacation programs in FY22. Programs that returned included youth basketball, musical theater, PTG programs at the three Concord Elementary Schools, tennis lessons (private and small group), pickleball, adult sports including basketball and volleyball, as well as open walk for residents.



### School Year Programs

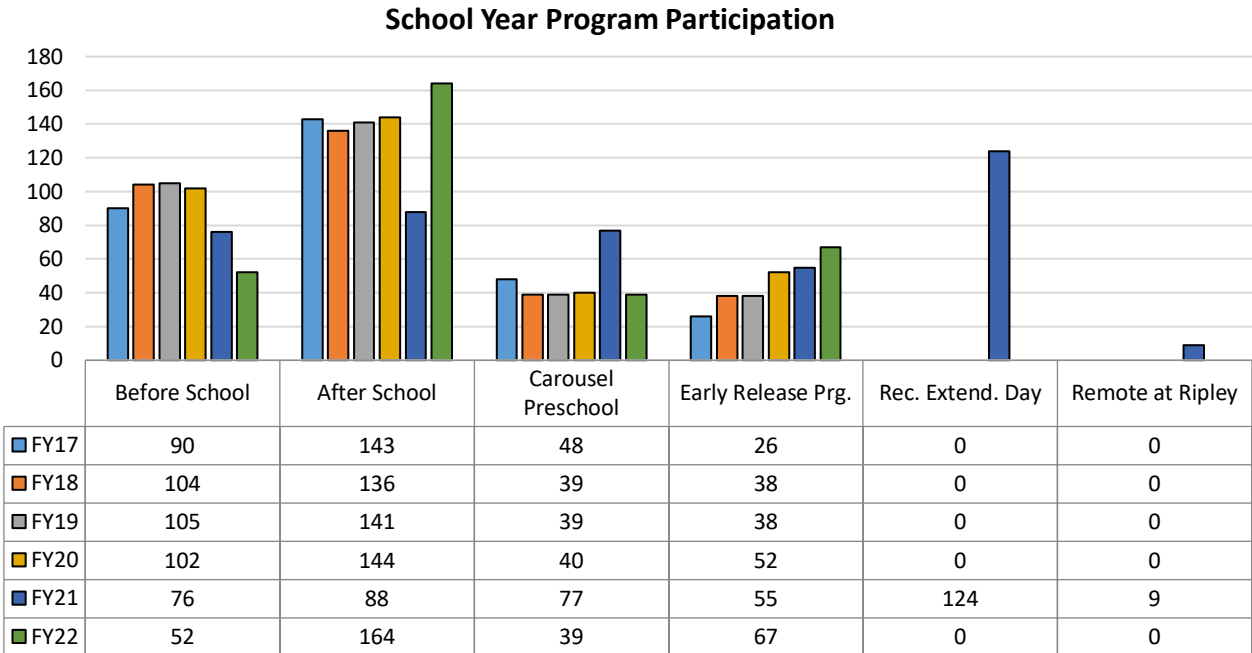
The Recreation Department was eager and excited to return to regular operations for the before school, afterschool, early release and Carousel Preschool programs. In collaboration with the Concord Public Schools, the programs remained at the public-school locations. The Recreation Department employs over 25 staff to facilitate these programs and supports over 250 students per month.

During the fall of 2021, the federal government released up American Rescue Plan Act Childcare Stabilization Grants from the Department of Early Education and Care. The awards were allocated based on enrollment and were available for six months of service. Upon application, Concord Recreation was awarded grant over \$160,000 to support our childcare programs in the following manner:

- Personnel costs, benefits, premium pay, and recruitment and retention;
- Rent or mortgage payments, utilities, facilities maintenance and improvements, or insurance;
- Personal protective equipment, cleaning and sanitation supplies and services, or training; and
- Professional development related to health and safety practices.



# Recreation Fund



## Special Events

The Recreation Department has worked hard to run events that reengage the community. Throughout FY22, we are proud to have run the following events:

- **September '21:** Facilitated a fundraiser at Trails End Café to support Concord Recreation financial assistance programs. Hosted an outdoor movie night at Emerson Park.
- **October '21:** Ran the annual “Trunk-or-Treat” event at the Beede Center parking lot.
- **November '21:** Hosted a turkey scavenger hunt for residents to win a fresh Thanksgiving turkey.
- **December '21:** Welcomed back the Town’s annual Holiday Parade attracting thousands of visitors, spectators and residents.
- **March '22:** Hosted the annual Shamrock Ball for 426 parents and children.
- **April '22:** Facilitated another successful Egg Hunt on Memorial Field attracting hundreds of community members.
- **May '22:** Offered new events including a Kite Festival and a Community Yard Sale.
- **June '22:** Ran the Stow Street Block Party including a touch a truck event.



# Recreation Fund

## FY21 Accomplishments

- ☑ Full Recreation Team returned to the office at the end of June 2020 in order to prepare for summer camp programming.
- ☑ Developed and activated plans to safely operate Summer Camp, White Pond, and General Recreation programs amidst the ongoing COVID-19 pandemic.
- ☑ The AfterSchool Program moved into the Concord Public Schools to accommodate the shortened in-person school day and to support remote learning.
- ☑ Coordinated a Childcare Program at the Ripley School to support Town employees whose children were in a remote learning program in other school systems so the employee could continue to work
- ☑ Facilitated a successful drive through Trunk or Treat Event in October 2020.
- ☑ Welcomed Anna McKeown as the new Recreation Director in February of 2021.

## FY23 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 continues 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 FY22.
- ☐ Reflect on FY22 to make programmatic adjustments and reduce the expenses of future operations and expand programs that meet community needs.

## Long-Term Plans

- ⇒ Continue to work closely with the Recreation Commission to explore opportunities to update the 2014 Recreation Facilities Strategic Plan, including Community Preservation Committee funding or Town Capital Funds.
- ⇒ 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 enhance space usage and scheduling needs.
- ⇒ Continually work with Public Works to enhance park and open spaces as recommended in the 2014 Recreation Facilities Strategic Plan by increasing the number of public drinking fountains, benches, bike racks, accessibility, and picnic pavilions.
- ⇒ Evaluate the Department’s ability to meet the recreation and leisure needs of all residents, including those with disabilities.

# Recreation Fund – Overview & Budget Highlights

## FY23 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

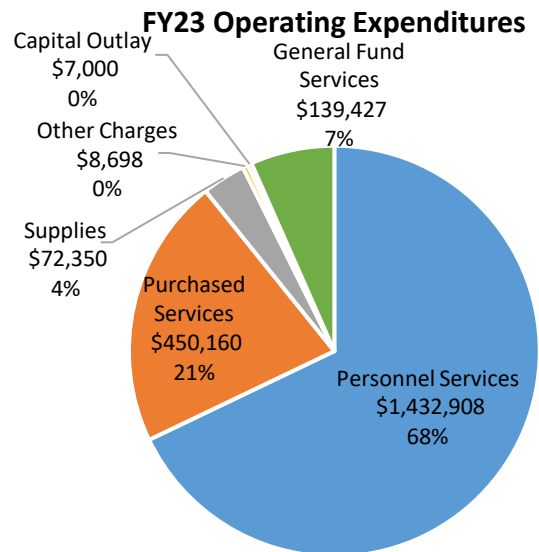
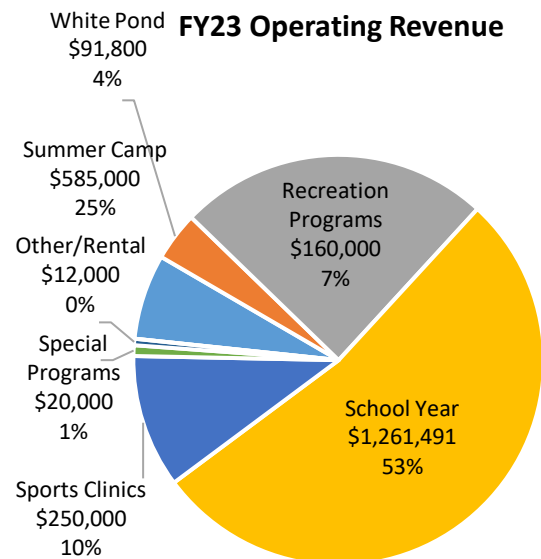
FY23 Projected Revenue	\$2,380,291
FY23 Projected Expenses	<u>(2,110,543)</u>
FY23 Projected Operating Income	\$269,748
FY23 Projected Net Income	\$269,748
FY23 Projected Recreation Fund Balance	\$1,601,473

## Revenues and Expenditures Overview

Operating revenues are projected to total \$2,380,291, which is a 18.3% increase compared to the FY22 Revised budget due to recovering registration trends and the desire to return to a ‘new normal’. The General Fund will support the Recreation Department with \$114,569 for 100.0% of the salary of the Recreation Director. With operating expenditures projected at \$2,110,543, there will be a projected operating income of \$269,748.

The largest expense seen within the Recreation Fund is that of Department staff. In FY23, the Department is projected to spend approximately \$1,432,908 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 FY23 Recreation Fund budget shows a projected income of \$269,748. In doing so, the Department is focused on keeping program costs static or slightly increased while continuing to invest program resources.



# Recreation Fund – Revenues

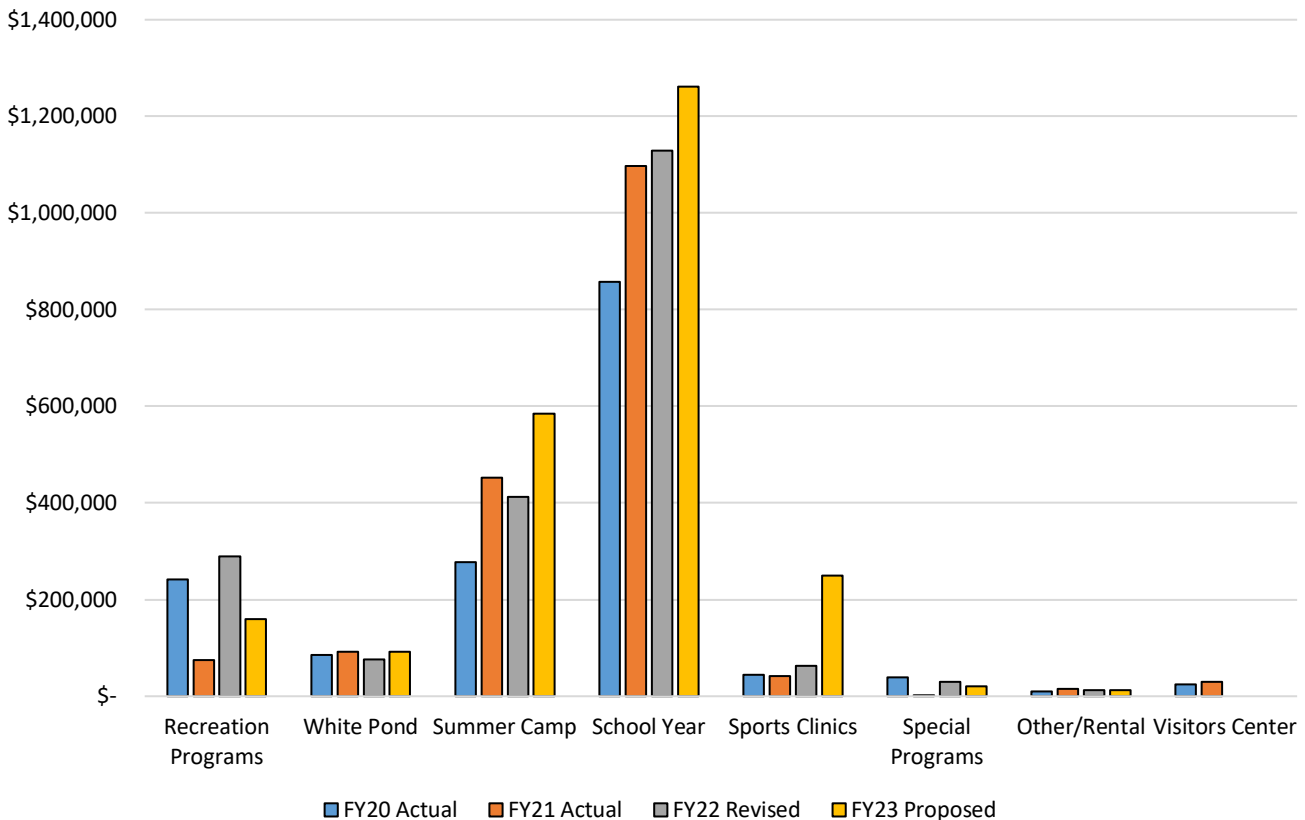
## Operating Revenues

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. FY23 operating revenues are estimated to total \$2,380,291.

### OPERATING REVENUES

	FY20 Actual	FY21 Actual	FY22 Revised	FY23 Proposed
Recreation Programs	242,159	75,418	289,856	160,000
White Pond	85,596	92,450	75,800	91,800
Summer Camp	278,044	452,496	412,075	585,000
School Year	857,370	1,097,539	1,129,249	1,261,491
Sports Clinics	44,613	41,140	63,226	250,000
Special Programs	39,423	2,630	30,000	20,000
Other/Rental	9,603	15,197	12,100	12,000
Visitors Center	25,056	29,790	-	-
<b>Subtotal</b>	<b>\$ 1,581,864</b>	<b>\$ 1,806,661</b>	<b>\$ 2,012,306</b>	<b>\$ 2,380,291</b>
<b>Operating Revenues Total</b>	<b>\$ 1,581,864</b>	<b>\$ 1,806,661</b>	<b>\$ 2,012,306</b>	<b>\$ 2,380,291</b>

### Recreation Fund Operating Revenues



# Recreation Fund – Expenditures

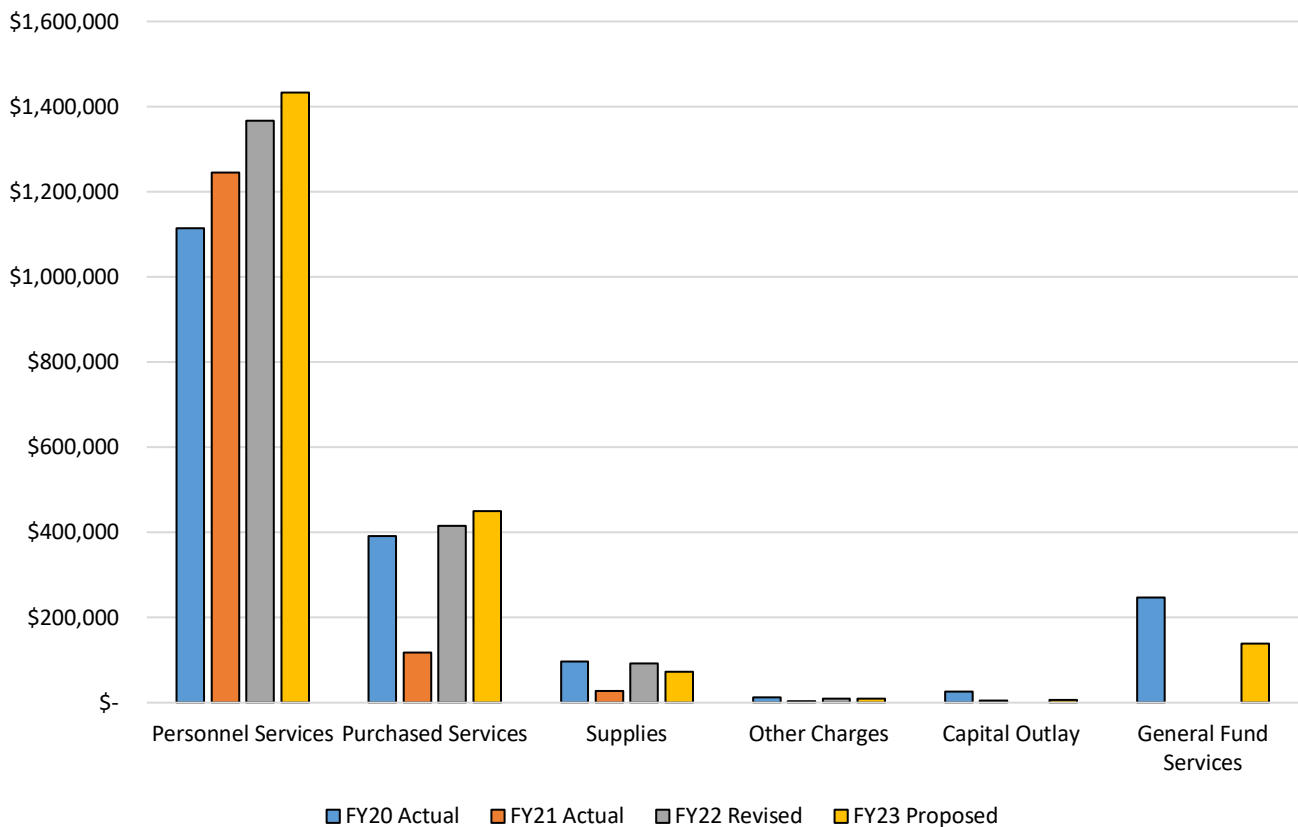
## Operating Expenditures

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. FY23 expenditures are proposed to total \$2,110,543.

### OPERATING EXPENSES

	FY20 Actual	FY21 Actual	FY22 Revised	FY23 Proposed
Personnel Services	\$ 1,113,611	\$ 1,244,374	\$ 1,366,924	\$ 1,432,908
Purchased Services	391,162	116,926	415,406	450,160
Supplies	96,555	26,971	92,457	72,350
Other Charges	13,057	3,597	8,798	8,698
Capital Outlay	25,294	5,362	-	7,000
General Fund Services	247,109	-	-	139,427
<b>Subtotal</b>	<b>\$ 1,886,788</b>	<b>\$ 1,397,230</b>	<b>\$ 1,883,585</b>	<b>\$ 2,110,543</b>
<b>Total Expenses</b>	<b>\$ 1,886,788</b>	<b>\$ 1,397,230</b>	<b>\$ 1,883,585</b>	<b>\$ 2,110,543</b>

### Recreation Fund Operating Expenditures



# Recreation Fund – Expenditures

## Personnel Services

### PERSONNEL DETAIL

	FY22 Revised		F23 Proposed	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
<u>Personnel</u>				
Full-Time Positions	7.33 FTEs	\$ 547,192	6.98 FTEs	\$ 529,550
Part-Time Positions	0.00 FTEs	-	0.00 FTEs	-
Limited Status Positions	0.80 FTEs	35,569	1.71 FTEs	76,000
Temporary Status Positions	15.07 FTEs	672,928	16.07 FTEs	715,438
<b>Subtotal</b>	<b>23.21 FTEs</b>	<b>\$ 1,255,689</b>	<b>24.76 FTEs</b>	<b>\$ 1,320,987</b>
<u>Employee Benefits</u>				
Health Insurance	N/A	\$ 36,283	N/A	\$ 37,190
Life Insurance	N/A	500	N/A	513
Dental Insurance	N/A	3,000	N/A	3,075
OPEB	N/A	-	N/A	-
Retirement Contribution	N/A	-	N/A	-
<b>Subtotal</b>	<b>N/A</b>	<b>\$ 39,783</b>	<b>N/A</b>	<b>\$ 40,778</b>
<u>Payroll Taxes</u>				
Medicare Tax	N/A	\$ 14,042	N/A	\$ 14,393
Social Security Contribution	N/A	35,210	N/A	36,090
<b>Subtotal</b>	<b>N/A</b>	<b>\$ 49,252</b>	<b>N/A</b>	<b>\$ 50,483</b>
<u>Other Personnel Costs</u>				
Overtime	N/A	\$ 2,000	N/A	\$ 2,000
Cell Phone Allowance	N/A	-	N/A	-
Incentive Pay	N/A	20,200	N/A	18,660
Unemployment Compensation	N/A	-	N/A	-
Car Allowance	N/A	-	N/A	-
Salary Reserve	N/A	-	N/A	-
<b>Subtotal</b>	<b>N/A</b>	<b>\$ 22,200</b>	<b>N/A</b>	<b>\$ 20,660</b>
<b>Total Personnel Costs</b>	<b>23.21 FTEs</b>	<b>\$ 1,366,924</b>	<b>24.76 FTEs</b>	<b>\$ 1,432,908</b>

# 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. \$139,427 in General Fund services payments are proposed in FY23.

### PAYMENTS TO THE GENERAL FUND

	FY20 Actual	FY21 Actual	FY22 Revised	FY23 Proposed
Recreation Services	\$ -	\$ -	\$ -	-
Hunt Gym	17,829	-	-	3,398
Town Manager	29,991	-	-	30,766
Human Resources	22,644	-	-	35,703
Facilities Administration	-	-	-	19,990
55 Church Street	45,666	-	-	-
Visitors Center	85,738	-	-	-
Economic Vitality & Tourims	-	-	-	-
Parks & Playgrounds	30,241	-	-	34,570
Parks and Trees	15,000	-	-	15,000
<b>Total</b>	<b>\$ 247,109</b>	<b>\$ -</b>	<b>\$ -</b>	<b>139,427</b>

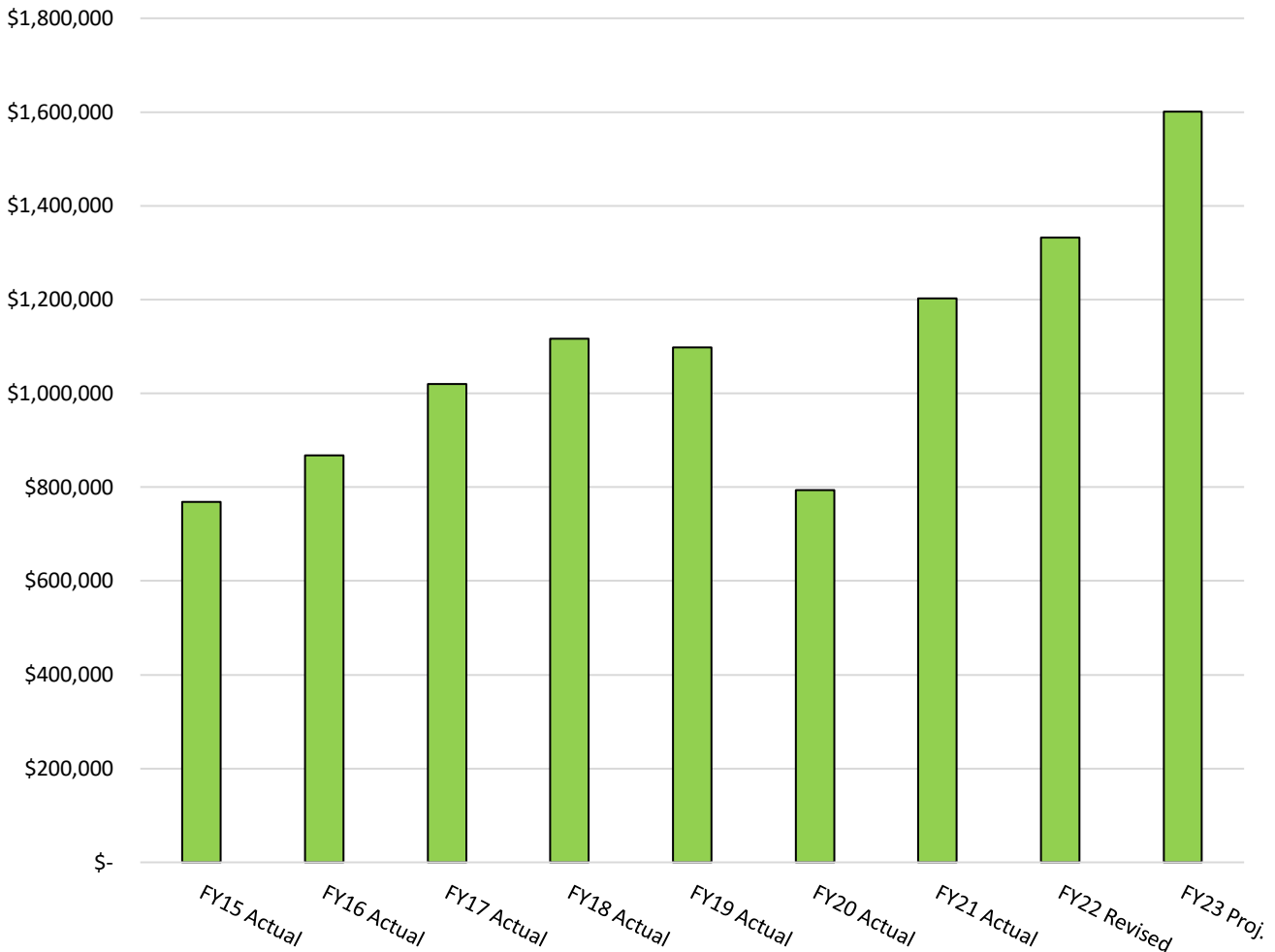
# Recreation Fund – Net Income & Fund Balance

## Net Income and Fund Balance

### NET INCOME AND FUND BALANCE

	FY20 Actual	FY21 Actual	FY22 Revised	FY23 Proposed
<b>Recreation</b>				
Operating Revenues	\$ 1,581,864	\$ 1,806,661	\$ 2,012,306	\$ 2,380,291
Less Operating Expenses	(1,886,788)	(1,397,230)	(1,883,585)	(2,110,543)
<b>Fund Balance:</b>				
Beginning Fund Balance	\$ 1,098,496	\$ 793,573	\$ 1,203,003	\$ 1,331,725
Net Income	(304,923)	409,431	128,721	269,748
<b>Ending Fund Balance</b>	<b>\$ 793,573</b>	<b>\$ 1,203,003</b>	<b>\$ 1,331,725</b>	<b>\$ 1,601,473</b>

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



# Recreation Fund – Net Income & Fund Balance

## PROGRAM NET INCOME

		FY20		FY21		FY22		FY23
		Actual		Actual		Revised		Proposed
<u>Recreation Program</u>								
Operating Revenues	\$	242,159	\$	75,418	\$	289,856	\$	160,000
Less Operating Expenses		187,921		35,915		185,092		98,600
<b>Operating Income</b>	<b>\$</b>	<b>54,238</b>	<b>\$</b>	<b>39,503</b>	<b>\$</b>	<b>104,764</b>	<b>\$</b>	<b>61,400</b>
<u>White Pond</u>								
Operating Revenues	\$	85,596	\$	92,450	\$	75,800	\$	91,800
Less Operating Expenses		80,476		55,249		72,100		84,500
<b>Operating Income</b>	<b>\$</b>	<b>5,120</b>	<b>\$</b>	<b>37,201</b>	<b>\$</b>	<b>3,700</b>	<b>\$</b>	<b>7,300</b>
<u>Summer Camp</u>								
Operating Revenues	\$	278,044	\$	452,496	\$	412,075	\$	585,000
Less Operating Expenses		304,508		202,657		346,681		419,300
<b>Operating Income</b>	<b>\$</b>	<b>(26,464)</b>	<b>\$</b>	<b>249,839</b>	<b>\$</b>	<b>65,394</b>	<b>\$</b>	<b>165,700</b>
<u>School Year</u>								
Operating Revenues	\$	857,370	\$	1,097,539	\$	1,129,249	\$	1,261,491
Less Operating Expenses		224,769		394,704		411,200		429,698
<b>Operating Income</b>	<b>\$</b>	<b>632,601</b>	<b>\$</b>	<b>702,835</b>	<b>\$</b>	<b>718,049</b>	<b>\$</b>	<b>831,793</b>
<u>Sports Clinics</u>								
Operating Revenues	\$	44,613	\$	41,140	\$	63,226	\$	250,000
Less Operating Expenses		31,446		13,789		42,707		95,360
<b>Operating Income</b>	<b>\$</b>	<b>13,167</b>	<b>\$</b>	<b>27,351</b>	<b>\$</b>	<b>20,519</b>	<b>\$</b>	<b>154,640</b>
<u>Special Programs</u>								
Operating Revenues	\$	39,423	\$	2,630	\$	30,000	\$	20,000
Less Operating Expenses		38,781		2,458		37,500		44,250
<b>Operating Income</b>	<b>\$</b>	<b>642</b>	<b>\$</b>	<b>173</b>	<b>\$</b>	<b>(7,500)</b>	<b>\$</b>	<b>(24,250)</b>
<u>Visitors Center</u>								
Operating Revenues	\$	25,056	\$	29,790	\$	-	\$	-
Less Operating Expenses		21,673		22,269		-		-
<b>Operating Income</b>	<b>\$</b>	<b>3,383</b>	<b>\$</b>	<b>7,521</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
<b>Program Net Income</b>	<b>\$</b>	<b>682,687</b>	<b>\$</b>	<b>1,064,423</b>	<b>\$</b>	<b>904,926</b>	<b>\$</b>	<b>1,196,583</b>
<u>General Recreation &amp; Other Programs</u>								
Operating Revenues	\$	9,603	\$	15,197	\$	12,100	\$	12,000
Less Operating Expenses		997,214		670,189		788,305		938,835
<b>Operating Income</b>	<b>\$</b>	<b>(987,611)</b>	<b>\$</b>	<b>(654,992)</b>	<b>\$</b>	<b>(776,204)</b>	<b>\$</b>	<b>(926,835)</b>
<b>Net Income</b>	<b>\$</b>	<b>(304,923)</b>	<b>\$</b>	<b>409,431</b>	<b>\$</b>	<b>128,721</b>	<b>\$</b>	<b>269,748</b>

# Recreation Fund – Moving Forward

## **Moving Forward**

The Recreation Department has experienced a significant and distressing hit to operations during FY21 and FY22, directly influencing the planning and budget projection strategies for FY23.

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 FY23, 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.

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# Minuteman Media Network

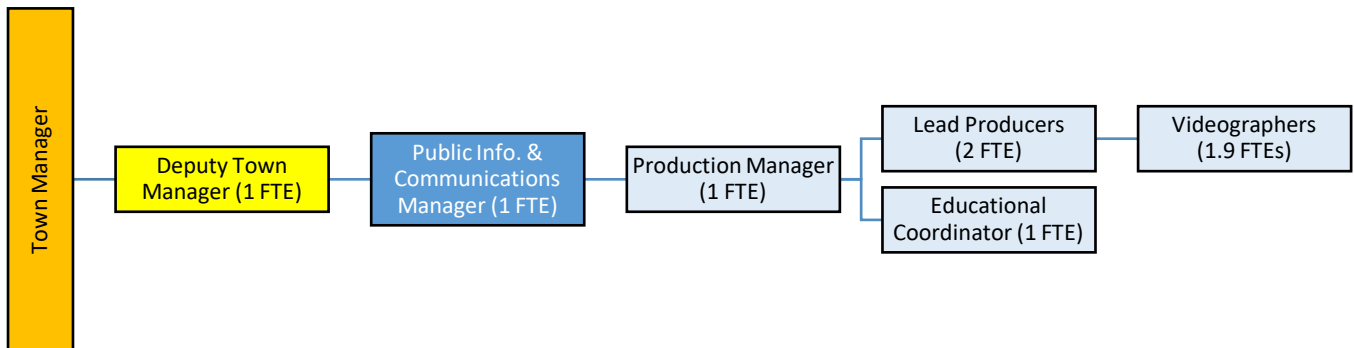
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# Minuteman Media Network

## 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.

## FY21 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.
- ☑ With the switch to Zoom and hybrid meetings, a record number of government meetings and programs have been video recorded and are available on Minuteman Media Network's YouTube channel.
- ☑ Minuteman Media Network has worked with town departments, boards, and committees to effectively shift to hybrid meetings and allow for both in person and virtual attendance.
- ☑ Minuteman Media Network welcomed several new staff and now has 3 full time staff members and 3 part-time videographers.
- ☑ Minuteman Media Network has updated equipment in Town buildings and the studio located at Concord Carlisle High School as well as found solutions to help provide the best service to Concord and Carlisle by working with Town staff for large events such as public hearings and Town Meeting.
- ☑ MMN continues to produce videos showcasing the Towns of Concord and Carlisle and works with the two communities to produce short documentaries, PSA's, and other videos showcasing the unique features and traditions of Concord and Carlisle.

## Performance

While Minuteman Media Network continues to strive to bring more volunteers and community members into the studio and creative process, the ongoing pandemic has slowed these efforts for the safety of the community and staff.

Despite changes in staff and challenges brought by the pandemic, the staff at MMN have continued to process zoom meetings, often more than 10 per week, assist with live in person, virtual, and hybrid meetings. Staff also continue to work with community members and Town departments to create community content recognizing art, history, our natural resources, and much more. This year has brought continued success with over 600 videos being created and uploaded to YouTube and the Concord and Carlisle cable channels.

# Minuteman Media Network

Through the hard work of Minuteman Media Network’s team, equipment purchase has been prioritized to maximize the community’s viewing experience and ease of use. Updating of Town Building video and audio equipment has been completed or is in progress and slated to be completed in 2022.

As above, the number of videos easily accessible on YouTube has continued to grow, as has the number of programs provided. We look forward to the continued growth of the station and being able to provide high quality video and storytelling to the communities of Concord and Carlisle.

**MMN Media Performance**

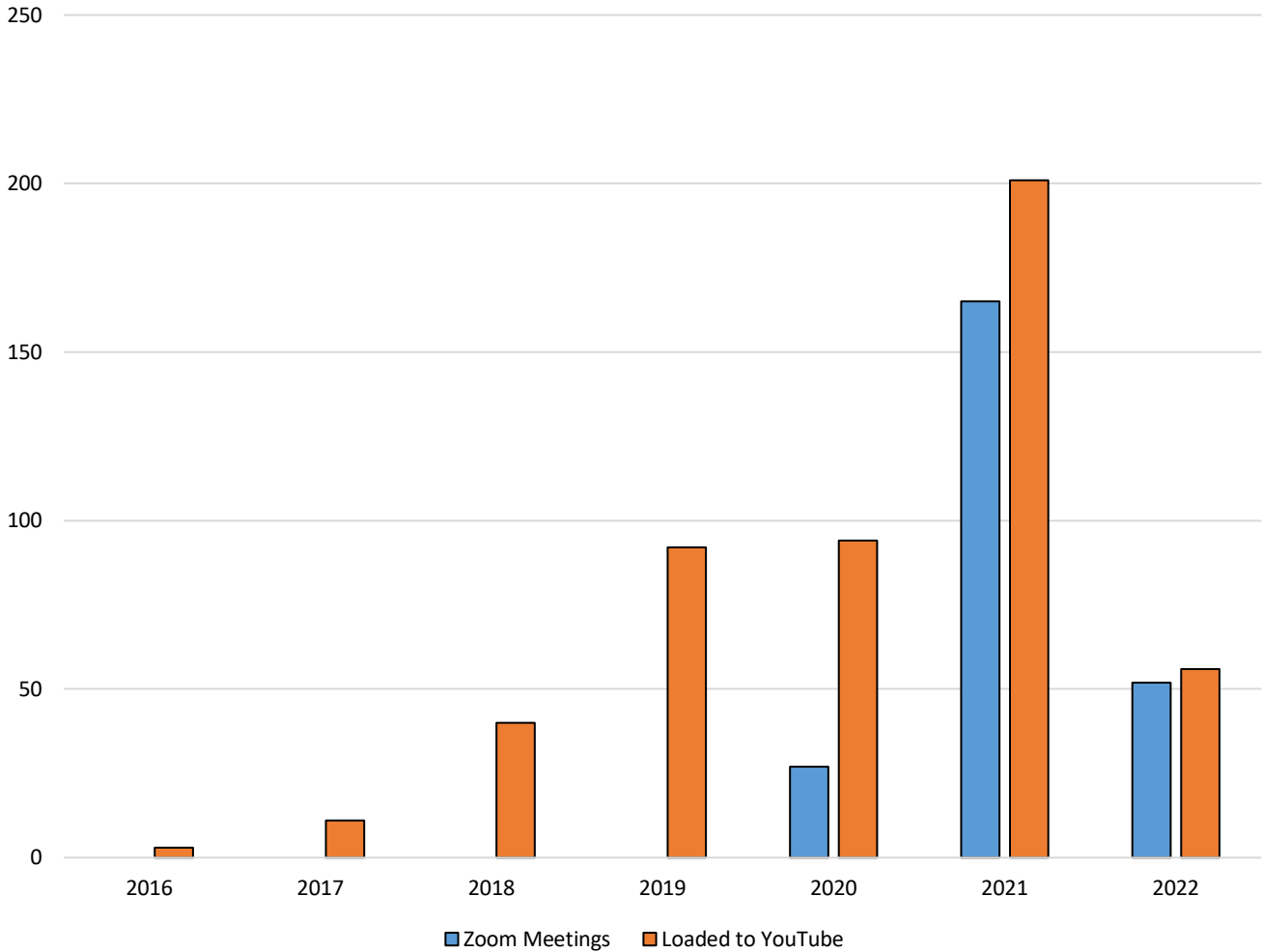


Figure 1: As Virtual Zoom and hybrid meetings continue to make recording easy for more boards and committees, more meetings have continued to be posted to YouTube. Note that the blue bar denotes only zoom meetings and the orange denotes all programs including projects such as long form documentary style and creative videos which take a significantly longer time to produce than zoom meetings which take 2-3 hours to process per video. The 2022’s numbers display only videos posted and created in January of 2022 to show the continued high demand, 56 videos in 1 month.

# Minuteman Media Network

## FY23 Goals

- Increase community involvement with MMN:
  - Continue to expand public programming and empower organizations to feel confident in filming their programs using our equipment.
  - Create a larger pool of trained community members to expand community interest and involvement.
  - Propose Continuing Education Classes and/or Workshops for interested parties on a semi-regular basis; pre-filmed mini-courses available online as well.
- Continue to expand work with students at high school and middle school level and foster a love of media and film.
- 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; if pandemic continues, possibly host outdoor events instead of in-studio.

## Long-Term Plans

- ⇒ Ensure all public meeting spaces in Concord and Carlisle have meeting recording set-up plans and the necessary equipment for meetings to be held efficiently and have the ability to be produced at a high standard.
- ⇒ 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

## FY23 Budget Highlights

In FY23, Operating Revenues are projected to total \$396,281 while proposed Operating Expenses are budgeted to total \$376,802. This results in a projected net income of \$19,479 and a projected fund balance of \$1,489,814 at the end of the fiscal year.

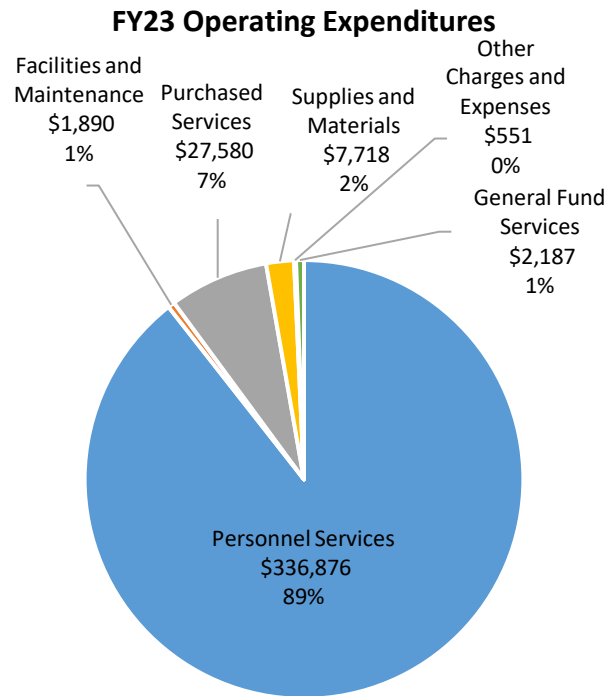
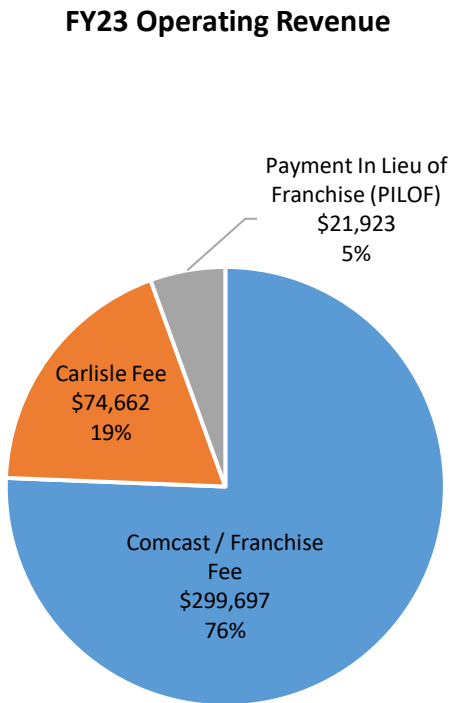
### Budget Highlights

FY23 Projected Revenue	\$396,281
FY23 Projected Expenses	<u>(376,802)</u>
FY23 Projected Operating Income	\$19,479
FY23 Projected Net Income	\$19,479
FY23 Projected MMN Fund Balance	\$1,489,814

## Revenues and Expenditures Overview

In FY23, operating revenues are projected to be \$396,281 and operating expenses to be \$376,802 resulting in a net income of \$19,479. Approximately eighty-nine percent of expenditures are for personnel services, which includes both full-time and part-time staff as well as their benefits.

This projected net income is proposed to add to the available fund balance. This will allow continued support and improvement in the exchange of information and ideas through a variety of mediums.



# 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. The team at MMN has been taking a comprehensive approach to work at developing original programming that is of interest to the community while continuing to provide high quality government programming and enriching our educational programming by working with students and the community.

We continue to review and improve procedures to best suit the changing times and ensure access to the studio and equipment for student use and public use alike.

Minuteman Media Network is a relatively new entity within the Town, FY23 will be the fourth full year in which MMN will be a Town-run entity. We continue to learn and change as is expected in a constantly evolving world like television, and the team at MMN takes on new challenges with enthusiasm. This year we look forward to improving meeting spaces within Town buildings and continuing to work with the community to best serve their local PEG needs.

To this end, the role of the PEG Advisory Committee will continue to be vital to the success and enhancement of the Division as well as the Comcast franchise renewal process.

# Minuteman Media Network – Revenues

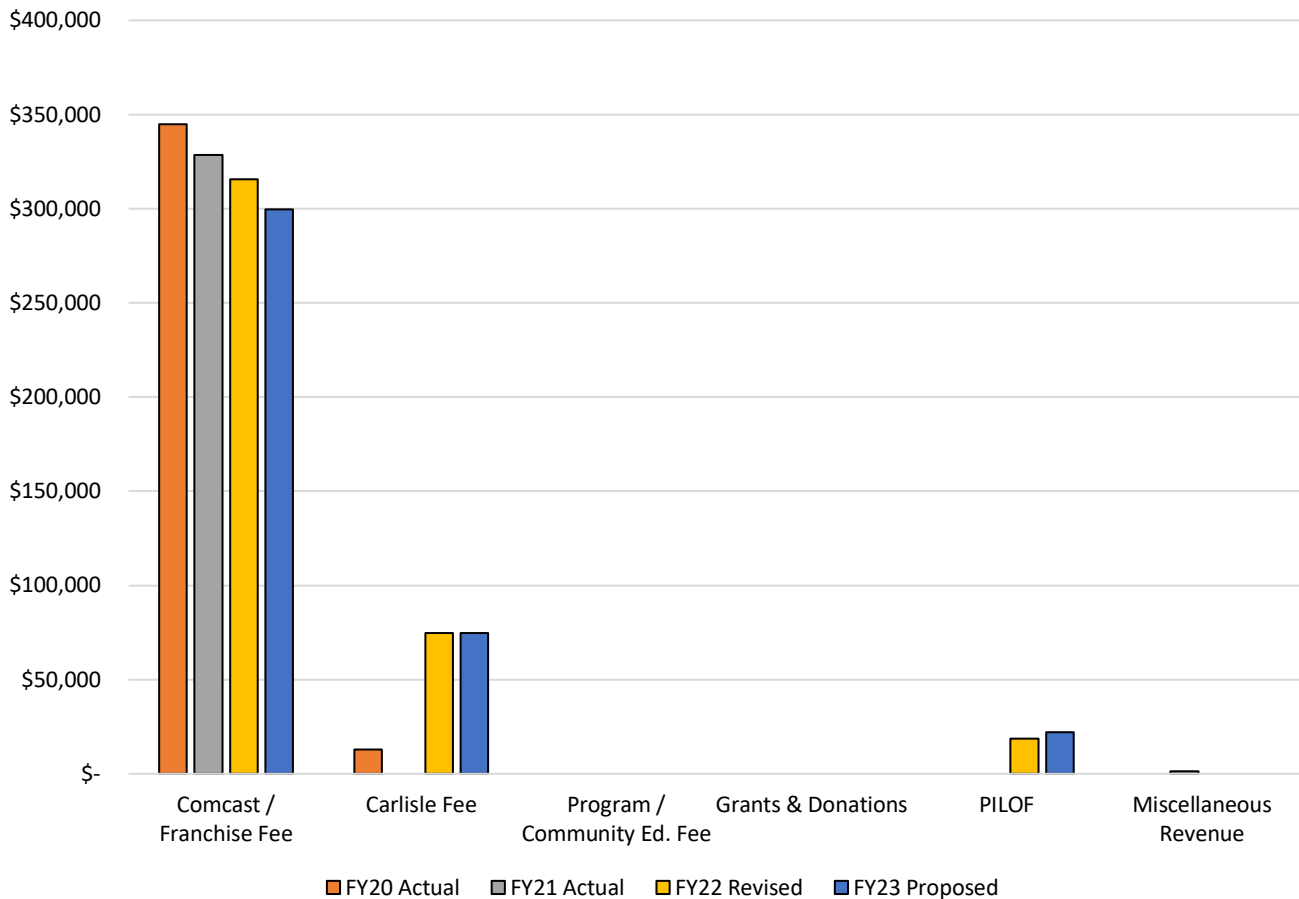
## Operating Revenues

The majority of Operating Revenue collected in FY21 came from the Comcast / Franchise Fee paid quarterly to the Town. In FY23, \$396,281 is proposed to be collected from the Comcast / Franchise Fee in addition to \$74,662 from Carlisle. In FY23, MMN is also projected to receive \$21,923 from the Concord Municipal Light Plant (CMLP)'s Telecommunications Fund.

OPERATING REVENUES								
	FY20		FY21		FY22	FY23		
	Actual		Actual		Revised	Proposed		
Comcast / Franchise Fee	\$	345,012	\$	328,611	\$	315,470	\$	299,697
Carlisle Fee		12,763		-		74,662		74,662
Program / Community Ed. Fee		-		-		-		-
Grants & Donations		-		-		-		-
Payment In Lieu of Franchise (PILOF)*		-		-		18,634		21,923
Miscellaneous Revenue		-		1,218		-		-
<b>Operating Revenues Total</b>	<b>\$</b>	<b>357,775</b>	<b>\$</b>	<b>329,829</b>	<b>\$</b>	<b>408,766</b>	<b>\$</b>	<b>396,281</b>

\* In FY23, the Telecommunications Fund (boadband service) operated by the Concord Municipal Light Plant is proposed to contribute 1.5% of CY2022 broadband sales (up to \$60,000) to support MMN. Forecasted CY2022 broadband sales total \$1,461,519 and 1.5% of those sales is \$21,923.

### Minuteman Media Network Operating Revenues



# Minuteman Media Network – Revenues

## Comcast Franchise Agreement

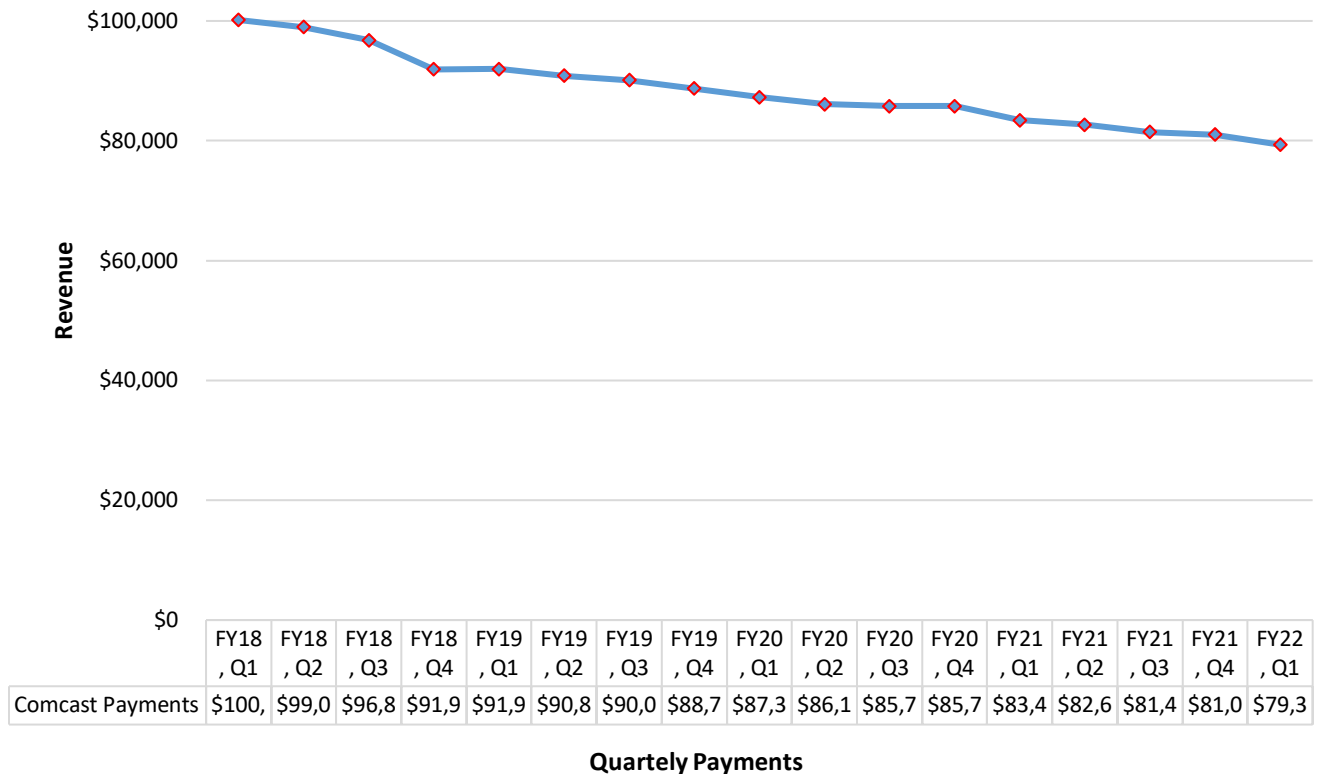
The Select Board issued a License Agreement to Comcast of Massachusetts III, Inc. for the period of April 22, 2014, through April 21, 2024, which authorizes the company to provide non-exclusive cable television and other telecommunication services to homes and businesses in the Town of Concord. The agreement 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

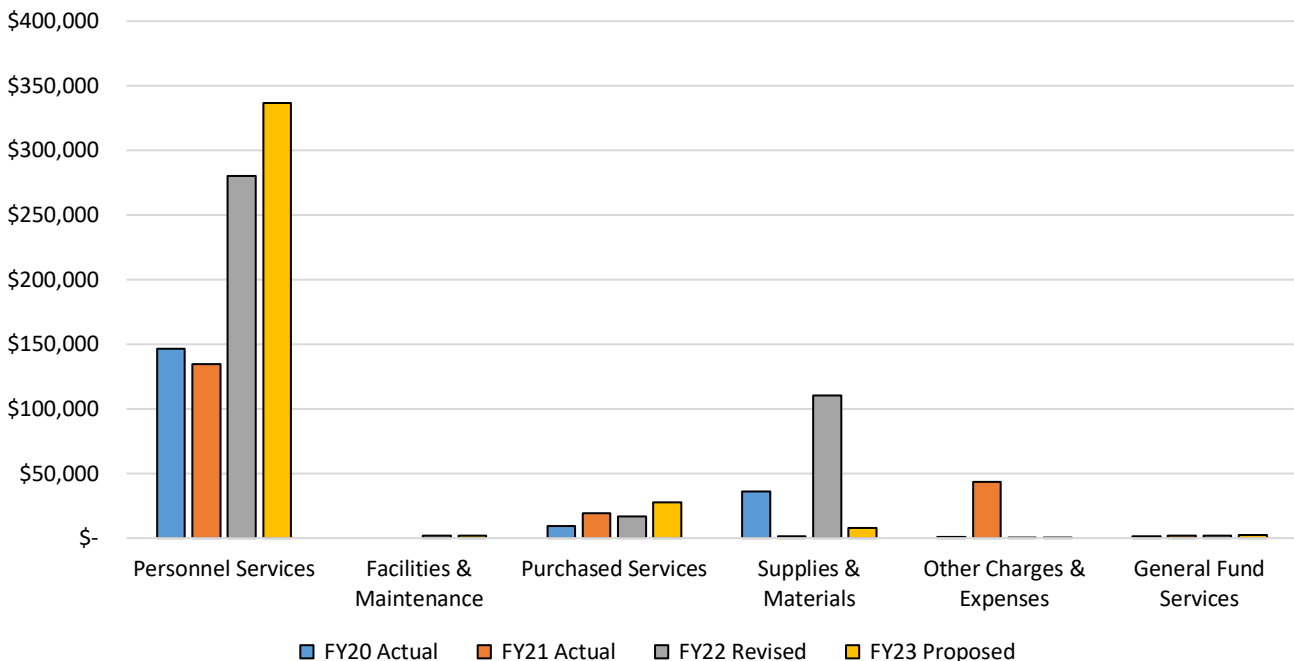
## Operating Expenditures

With the assumption of responsibility for the reorganized network, the majority of planned expenses in FY22 and FY23 are focused on Personnel Services. These services in FY23 are proposed to include salaries, wages, and benefits for MMN staff that totals 89.4% of the budget. In addition, the FY23 proposed budget also includes \$37,739 for various facility needs, advertising, branding, and other technology related services. This funding also includes \$12,500 to assist with the renegotiation of the franchise fee agreement.

### OPERATING EXPENSES

	FY20		FY21		FY22		FY23	
	Actual		Actual		Revised		Proposed	
<b>Personnel Services</b>								
Personnel Expenses	\$	146,348	\$	134,802	\$	280,341	\$	336,876
Retirement Adjustment								
Audit Adjustment		-		-		-		-
<b>Subtotal</b>	<b>\$</b>	<b>146,348</b>	<b>\$</b>	<b>134,802</b>	<b>\$</b>	<b>280,341</b>	<b>\$</b>	<b>336,876</b>
<b>Non-Personnel Services</b>								
Facilities and Maintenance		-		-		2,084		1,890
Purchased Services		9,301		19,495		16,625		27,580
Supplies & Materials		36,246		1,222		7,718		7,718
Other Charges & Expenses		805		43,347		551		551
Audit Adjustment		-		-		-		-
<b>Subtotal</b>	<b>\$</b>	<b>46,352</b>	<b>\$</b>	<b>64,064</b>	<b>\$</b>	<b>26,978</b>	<b>\$</b>	<b>37,739</b>
<b>Other</b>								
General Fund Services	\$	1,424	\$	1,812	\$	1,998	\$	2,187
Audit Adjustment		-		-		-		-
<b>Subtotal</b>	<b>\$</b>	<b>1,424</b>	<b>\$</b>	<b>1,812</b>	<b>\$</b>	<b>1,998</b>	<b>\$</b>	<b>2,187</b>
<b>Total Operating Expense</b>	<b>\$</b>	<b>194,124</b>	<b>\$</b>	<b>200,679</b>	<b>\$</b>	<b>309,317</b>	<b>\$</b>	<b>376,802</b>

### Minuteman Media Network Operating Expenditures



# Minuteman Media Network – Expenditures

## Personnel Services

### AUTHORIZED POSITIONS

Staff	FY22 Revised		FY23 Proposed	
	FTE	Amount	FTE	Amount
Regular Full & Part Time Staff	5.50	\$ 245,988	5.90	\$ 290,107
<b>Subtotal</b>	5.50 FTEs	\$ 245,988	5.90 FTEs	\$ 290,107
<b>Programming</b>				
Educational Programming-Students	0 hrs.	\$ -	0 hrs.	\$ -
Community Programming	0 hrs.	-	0 hrs.	-
<b>Subtotal</b>	0.00 FTEs	\$ -	0.00 FTEs	\$ -
<b>Employee Benefits</b>				
Health Insurance	N/A	\$ 23,000	N/A	\$ 23,575
Life Insurance	N/A	-	N/A	-
Dental Insurance	N/A	2,080	N/A	2,132
<b>Subtotal</b>	N/A	\$ 25,080	N/A	\$ 25,707
<b>Payroll Taxes</b>				
Medicare Tax	N/A	\$ 3,842	N/A	\$ 4,207
Social Security Contribution	N/A	2,731	N/A	4,015
<b>Subtotal</b>	N/A	\$ 6,573	N/A	\$ 8,222
<b>Other Personnel Costs</b>				
Overtime	0 hrs.	\$ 2,700	0 hrs.	\$ 2,700
Unemployment Compensation	N/A	-	N/A	-
Car Allowance	N/A	-	N/A	-
IT Salary	N/A	-	N/A	-
Salary Reserve	N/A	-	N/A	10,140
<b>Subtotal</b>	N/A	\$ 2,700	N/A	\$ 12,840
<b>Total Personnel Costs</b>	5.50 FTEs	\$ 280,341	5.90 FTEs	\$ 336,876

# Minuteman Media Network – Expenditures

## Capital (Capital Outlay and Debt-Funded)

The FY23 budget proposes a total of \$58,500 in capital outlay. \$43,000 is proposed to support studio and equipment maintenance, repairs, and replacement in addition to \$15,500 to support satellite facility needs.

**Minuteman Media Network (MMN)  
Public - Education - Government Cable TV Access**

	FY22	FY23	FY24	FY25	FY26	FY27	FY22 to FY27 Total
<b>Studio &amp; Equipment</b>							
Studio Improvements & Repairs	7,000	4,000	5,000	5,000	5,000	5,000	24,000
Editing Equipment Replacements	1,200	22,000	4,000	4,000	4,000	4,000	38,000
Computer Equipment Replacements	9,000	3,300	3,300	3,300	3,300	3,300	16,500
External Equipment Systems	6,200		2,500	2,500			5,000
Portable Microphones, Speakers	1,200	1,000	500	1,000	500	1,000	4,000
Sound System Improvements	500	6,700	1,500	2,500	5,000	1,000	16,700
Building Systems	1,000	1,000	1,000	1,000	1,000	1,000	5,000
Secutiry Systems	500	500	500	500	500	500	2,500
Vehicle Acquisition & Maintenance	2,000	500	-	500		500	1,500
Software	3,200	1,500	1,500	1,500	1,500	1,500	7,500
Misc. Equipment Acquisition & Repairs	14,000	2,500	2,500	2,500	2,500	2,500	12,500
<i>Subtotal</i>	\$ 45,800	\$ 43,000	\$ 22,300	\$ 24,300	\$ 23,300	\$ 20,300	\$ 133,200
<b>Satellite Facilities</b>							
Town House Equipment	-	10,000	-	-	8,000	-	18,000
School Buildings/Facilities	8,000	-	-	-	-	-	-
Harvey Wheeler Community Center	4,000	5,500	-	-	3,500	-	9,000
Supplemetal Space/"traveling studio"	20,000		15,000	-	-	-	15,000
Other Concord Facilities	25,000	-	-	-	-	-	-
Carlisle Facilities	-	-	-	-	-	-	-
<i>Subtotal</i>	\$ 57,000	\$ 15,500	\$ 15,000	\$ -	\$ 11,500	\$ -	\$ 42,000
<b>General</b>							
Audit Adjustment	-	-	-	-	-	-	-
<i>Subtotal</i>	-	-	-	-	-	-	-
<b>Total Capital</b>	<b>\$ 102,800</b>	<b>\$ 58,500</b>	<b>\$ 37,300</b>	<b>\$ 24,300</b>	<b>\$ 34,800</b>	<b>\$ 20,300</b>	<b>\$ 175,200</b>

# 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 FY23 proposed budget includes an estimated contribution of \$2,187 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

	FY20		FY21		FY22		FY23	
	Actual		Actual		Revised		Proposed	
<b><u>Finance &amp; Administrative</u></b>								
Town Manager	\$	-	\$	-	\$	-	\$	-
Human Resources		1,424		1,812		1,998		2,187
Town Accountant								
Accounting Services		-		-		-		-
Audit Services		-		-		-		-
Treasurer-Collector		-		-		-		-
Finance Administration		-		-		-		-
Facilities Maintenance		-		-		-		-
<b>Subtotal</b>	<b>\$</b>	<b>1,424</b>	<b>\$</b>	<b>1,812</b>	<b>\$</b>	<b>1,998</b>	<b>\$</b>	<b>2,187</b>
Salary Reserve		-		-		-		-
Audit Adjustments		-		-		-		-
<b>Totals</b>	<b>\$</b>	<b>1,424</b>	<b>\$</b>	<b>1,812</b>	<b>\$</b>	<b>1,998</b>	<b>\$</b>	<b>2,187</b>

# Minuteman Media Network – Net Income & Fund Balance

## Net Income and Fund Balance

<b>NET INCOME</b>				
	FY20	FY21	FY22	FY23
	Actual	Actual	Revised	Proposed
<b>Statement of Net Income:</b>				
Operating Revenues	\$ 357,775	\$ 329,829	\$ 408,766	\$ 396,281
Less Operating Expenses	(194,124)	(200,679)	(309,317)	(376,802)
<b>Operating Income</b>	<b>\$ 163,651</b>	<b>\$ 129,151</b>	<b>\$ 99,448</b>	<b>\$ 19,479</b>
<b>Nonoperating Revenues (Expenses)</b>				
Add Investment Income	\$ -	\$ -	\$ -	\$ -
Add Other Revenue/Expense	-	-	-	-
Less Interest Expense	-	-	-	-
Less Issuance Expense	-	-	-	-
<b>Nonoperating Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Income</b>	<b>\$ 163,651</b>	<b>\$ 129,151</b>	<b>\$ 99,448</b>	<b>\$ 19,479</b>

<b>AVAILABLE RESOURCES</b>				
<b>Resources Available from Current Operations for Replacement &amp; Renewal of Facility:</b>				
	FY20	FY21	FY22	FY23
	Actual	Actual	Revised	Proposed
<b>Capital Purposes</b>				
Add Net Income	163,651	129,151	99,448	19,479
Add Debt Financing	-	-	-	-
Less Bonds Payable	-	-	-	-
<b>Net Available for Capital</b>	<b>\$ 163,651</b>	<b>\$ 129,151</b>	<b>\$ 99,448</b>	<b>\$ 19,479</b>
<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>102,800</b>	<b>58,500</b>

<b>CASH POSITION AND FUND BALANCE FORECAST</b>				
<b>Cash at Year Opening</b>	FY22		FY23	
	Credit	Debit	Credit	Debit
<b>Cash on July 1st</b>	\$ 1,556,541		\$ 1,553,189	
Add Receivables	-		-	
Add Inventory & Other Assets	-		-	
Less Cash held for Liabilities	(24,353)		(24,353)	
Deferred Outflows (Inflows)	-		-	
<b>Fund Balance on July 1st</b>	<b>\$ 1,532,187</b>		<b>\$ 1,528,836</b>	
<b>Fund Balance Details (projected)</b>	Credit	Debit	Credit	Debit
Fund Balance on July 1st	\$ 1,532,187	\$ -	\$ 1,631,636	\$ (102,800)
Net Income	99,448	-	19,479	-
Bond Principal Repayment	-	-	-	-
BAN and Bond Proceeds	-	-	-	-
Capital Borrowing	-	(102,800)	-	(58,500)
Capital Outlay (non-borrowing)	-	-	-	-
Balance Projected at June 30th	1,631,636	(102,800)	1,651,114	(161,300)
<b>Fund Balance on June 30th</b>	<b>\$ 1,528,836</b>		<b>\$ 1,489,814</b>	
<b>Cash at Year End (projected)</b>	Credit		Debit	
Fund Balance on June 30th	\$ 1,528,836		\$ 1,489,814	
Less Receivables	-		-	
Less Inventory & Other Assets	-		-	
Add Cash Held for Liabilities	24,353		24,353	
Add Cash Held for Deferred Inflows	-		-	
<b>Projected Cash at June 30th</b>	<b>\$ 1,553,189</b>		<b>\$ 1,514,169</b>	

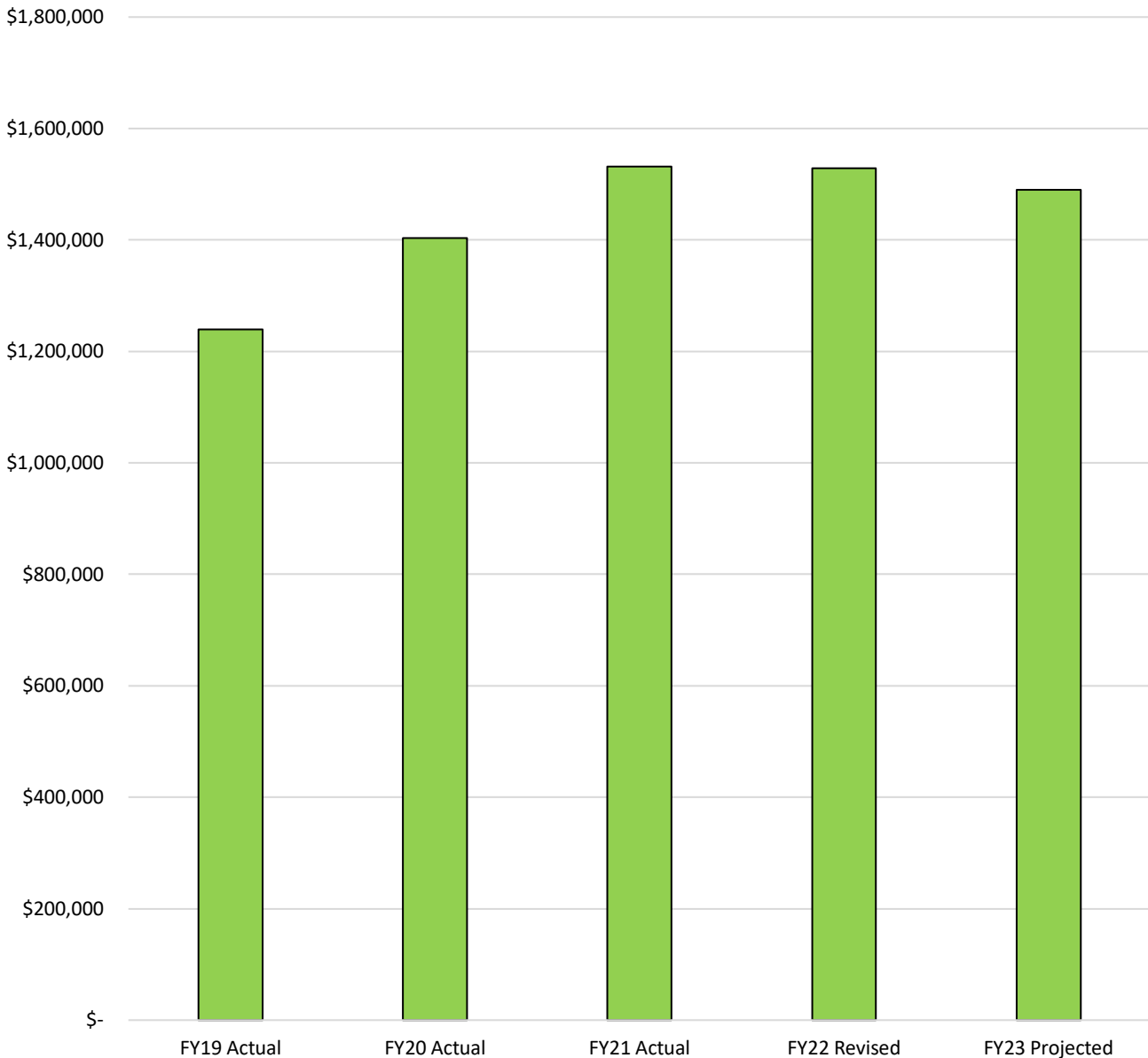
# Minuteman Media Network – Net Income & Fund Balance

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 FY20 according to audited financial statements was \$1.4 million. The proposed FY23 budget estimates the fund balance to be \$1,489,633 by fiscal year end.

## FUND BALANCE

<b>MMN Fund Balance</b>	FY20		FY21		FY22		FY23	
	Actual		Actual		Revised		Proposed	
Operations	\$ 1,403,037	\$ 1,532,187	\$ 1,528,836	\$ 1,489,814				
Capital	-	-	-	-				
Undesignated	-	-	-	-				
<b>Total</b>	<b>\$ 1,403,037</b>	<b>\$ 1,532,187</b>	<b>\$ 1,528,836</b>	<b>\$ 1,489,814</b>				

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



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# Appendix

## Appendix – Budget Process

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# 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 CY22/FY23 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 September, the responsible boards and commissions discuss budget issues and provide policy guidance to the staff at a series of working meetings. By the end of January, 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 CY22/FY23 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 hearings on Enterprise			
										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.

### 2021

September 1	Capital Improvement Program (FY23-27) instructions issued
October 1	Capital Improvement Program (FY23-27) requests due
October 14	Bylaw required deadline to issue Guidelines
October 25	FY23 Budget instructions issued to all departments, boards, and committees
November 12	FY23 General Fund Operating Budget requests due
November 17 – December 3	FY23 General Fund Operating and FY23-27 Capital Budget Requests review: meetings with Town Department Heads and Budget Review Team
December 2	Guidelines subcommittee - Town Manager's Response to Tentative Guidelines
December 9	Guidelines subcommittee - Superintendent's (CPS & CCRSD) Response to Tentative Guidelines
December 16	Final Guidelines to be issued to Select Board and School Committees

### 2022

January 8	Warrant opened - Select Board/Committees Coordination Meeting; planning session for 2022 Annual Town Meeting and review of known articles
January 31	Presentation of Preliminary FY23 General Fund Operating and FY23-27 Capital Budget recommendations by Town Manager to the Select Board
January 28	Proposed FY23 Enterprise Budget Request due
February 4	Warrant for Town Meeting closes at 4:00 PM
February 23	Town Manager's Proposed FY23 General Fund Budget is published
January 31 – February 4	Enterprise Budget Request review: Meetings with Enterprise Directors and Budget Review Team

# Appendix – Budget Calendar

## 2022 (Continued)

February 14	Target Date for Mailing of Town Meeting Warrant to Residents (At least 10 Days Prior to Public Hearing)
March 3	Finance Committee public hearing regarding Town Manager's General Fund operating and capital budget proposals for FY23 and other non-school and non-CPA financial articles on the Town Meeting Warrant
March 10	Finance Committee public hearing on Education budget proposals for FY23 (Concord Public Schools, Concord-Carlisle Regional High School, and Minuteman Career and Technical High School) and Community Preservation Act Article
March 11	Town Manager's Proposed FY23 Enterprise Budget is published
March 17	Finance Committee public hearing on FY23 Enterprise Fund Budgets and Articles
April 5	Finance Committee Completes its recommendations for Town Meeting
April 18	Finance Committee Report to Printer
April 22	Finance Committee Report mailed to residents (at least 10 days prior to Town Meeting)
May 1	Annual Town Meeting

# Appendix – Financial Statements

**TOWN OF CONCORD, MASSACHUSETTS**  
 Proprietary Funds  
 Statement of Net Position  
 June 30, 2021  
 (Except for the Electric Enterprise Fund, which is as of December 31, 2020)

	Business-Type Activities				Total Enterprise Funds
	Water Fund	Sewer Fund	Electric Fund	Nonmajor Fund	
<b>Assets</b>					
<b>Current:</b>					
Cash and short-term investments	\$ 11,568,187	\$ 9,340,301	\$ 1,155,185	\$ 3,444,575	\$ 25,508,248
User fees, net of allowance for uncollectibles	1,144,668	519,675	4,394,653	-	6,058,996
Betterment receivables	-	40,000	-	-	40,000
Inventory	114,453	-	1,290,615	-	1,405,068
Prepaid expenses	-	-	3,264,872	-	3,264,872
Other assets	-	-	16,708	-	16,708
<b>Total Current Assets</b>	<b>12,827,308</b>	<b>9,899,976</b>	<b>10,122,033</b>	<b>3,444,575</b>	<b>36,293,892</b>
<b>Noncurrent:</b>					
Betterment receivables, net of current portion	-	238,420	-	-	238,420
Restricted cash	-	-	10,840,003	-	10,840,003
Investment in associated companies	-	-	353,766	-	353,766
<b>Capital assets:</b>					
Depreciable, net of accumulated depreciation	20,137,402	16,278,379	37,620,686	7,331,938	81,368,405
Nondepreciable	7,078,461	850,000	2,307,593	-	10,236,054
<b>Total Noncurrent Assets</b>	<b>27,215,863</b>	<b>17,366,799</b>	<b>51,122,048</b>	<b>7,331,938</b>	<b>103,036,648</b>
<b>Total Assets</b>	<b>40,043,171</b>	<b>27,266,775</b>	<b>61,244,081</b>	<b>10,776,513</b>	<b>139,330,540</b>
<b>Deferred Outflows of Resources</b>					
Related to pensions	252,535	63,134	2,532,556	88,936	2,937,161
Related to OPEB	230,552	45,426	270,876	65,388	612,242
<b>Total Deferred Outflow of Resources</b>	<b>483,087</b>	<b>108,560</b>	<b>2,803,432</b>	<b>154,324</b>	<b>3,549,403</b>
<b>Liabilities</b>					
<b>Current:</b>					
Warrants and accounts payable	646,066	366,330	4,122,569	487	5,135,452
Accrued liabilities	676,501	46,475	247,913	2,153	973,042
Accrued payroll	36,159	13,548	-	27,122	76,829
Unearned revenue	-	-	3,867,420	54,383	3,921,803
Customer deposits	48,761	-	543,669	-	592,430
Customer advances for construction	-	-	112,188	-	112,188
Other current liabilities	-	-	-	2,678	2,678
<b>Current portion of long-term liabilities:</b>					
Bonds payable	685,592	939,005	834,429	-	2,459,026
Compensated absences	10,062	2,516	13,232	3,893	29,703
<b>Total Current Liabilities</b>	<b>2,103,141</b>	<b>1,367,874</b>	<b>9,741,420</b>	<b>90,716</b>	<b>13,303,151</b>
<b>Noncurrent:</b>					
Bonds payable, net of current portion	3,796,106	4,233,751	3,380,074	-	11,409,931
Net pension liability	227,055	56,764	3,097,827	116,502	3,498,148
Net OPEB liability	267,400	58,209	2,165,982	125,514	2,617,105
Compensated absences, net of current portion	90,556	22,639	251,408	35,036	399,639
<b>Total Noncurrent Liabilities</b>	<b>4,381,117</b>	<b>4,371,363</b>	<b>8,895,291</b>	<b>277,052</b>	<b>17,924,823</b>
<b>Total Liabilities</b>	<b>6,484,258</b>	<b>5,739,237</b>	<b>18,636,711</b>	<b>367,768</b>	<b>31,227,974</b>
<b>Deferred Inflows of Resources</b>					
Related to pensions	399,551	99,890	1,099,644	219,969	1,819,054
Related to OPEB	248,491	54,093	342,981	337,782	983,347
<b>Total Deferred Inflows of Resources</b>	<b>648,042</b>	<b>153,983</b>	<b>1,442,625</b>	<b>557,751</b>	<b>2,802,401</b>
<b>Net Position</b>					
Net investment in capital assets	22,734,165	12,441,941	35,953,279	7,331,938	78,461,323
<b>Restricted for:</b>					
Debt service	-	739,597	-	-	739,597
Capital improvements	-	4,971,326	4,810,412	-	9,781,738
Unrestricted	10,659,793	3,329,251	3,204,486	2,673,380	19,866,910
<b>Total Net Position</b>	<b>\$ 33,393,958</b>	<b>\$ 21,482,115</b>	<b>\$ 43,968,177</b>	<b>\$ 10,005,318</b>	<b>\$ 108,849,568</b>

# 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, 2021

(Except for the Electric Enterprise Fund, which is for the year-ended December 31, 2020)

	Business-Type Activities				
	Water Fund	Sewer Fund	Electric Fund	Nonmajor Fund	Total Enterprise Funds
<b>Operating Revenues</b>					
Charges for services	\$ 5,950,771	\$ 2,752,777	\$ 27,963,382	\$ 1,271,496	\$ 37,938,426
<b>Total Operating Revenues</b>	<b>5,950,771</b>	<b>2,752,777</b>	<b>27,963,382</b>	<b>1,271,496</b>	<b>37,938,426</b>
<b>Operating Expenses</b>					
Salaries and benefits	1,810,394	593,831	4,481,429	657,786	7,543,440
Other operating expenses	1,190,383	1,133,271	1,620,431	660,015	4,604,100
Depreciation	1,065,469	873,933	1,926,950	371,094	4,237,446
Electric operations	-	-	21,611,915	-	21,611,915
<b>Total Operating Expenses</b>	<b>4,066,246</b>	<b>2,601,035</b>	<b>29,640,725</b>	<b>1,688,895</b>	<b>37,996,901</b>
Operating Income (Loss)	1,884,525	151,742	(1,677,343)	(417,399)	(58,475)
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	22,992	21,972	110,302	7,114	162,380
Interest expense	(86,052)	(104,513)	(157,581)	-	(348,146)
Loss on disposal of capital assets	-	-	(13,464)	-	(13,464)
Miscellaneous	-	-	289,966	-	289,966
<b>Total Nonoperating Revenues (Expenses), Net</b>	<b>(63,060)</b>	<b>(82,541)</b>	<b>229,223</b>	<b>7,114</b>	<b>90,736</b>
Income (Loss) Before Transfers and Capital Contributions	1,821,465	69,201	(1,448,120)	(410,285)	32,261
Capital contributions	-	290,068	-	-	290,068
Transfers in	-	89,403	-	-	89,403
Transfers out	(126,942)	(31,735)	(474,500)	(65,134)	(698,311)
Change in Net Position	1,694,523	416,937	(1,922,620)	(475,419)	(286,579)
Net Position at Beginning of Year	31,699,435	21,065,178	45,890,797	10,480,737	109,136,147
Net Position at End of Year	\$ 33,393,958	\$ 21,482,115	\$ 43,968,177	\$ 10,005,318	\$ 108,849,568

# Appendix – Financial Statements

## TOWN OF CONCORD, MASSACHUSETTS

### Proprietary Funds Statement of Cash Flows

For the Year Ended June 30, 2021

(Except for the Electric Enterprise Fund, which is for the year-ended December 31, 2020)

	Business-Type Activities				
	Water Fund	Sewer Fund	Electric Fund	Nonmajor Fund	Total Enterprise Funds
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and users	\$ 6,210,477	\$ 2,722,868	\$ 27,340,063	\$ 1,275,429	\$ 37,548,837
Payments to employees for salaries and benefits	(1,885,362)	(614,436)	(3,264,456)	(799,965)	(6,564,219)
Payments to suppliers and service providers	(749,848)	(1,008,415)	(23,846,436)	(726,106)	(26,330,805)
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>3,575,267</b>	<b>1,100,017</b>	<b>229,171</b>	<b>(250,642)</b>	<b>4,653,813</b>
<b>Cash Flows From Noncapital Financing Activities</b>					
Transfers out	(126,942)	(31,735)	(474,500)	(65,134)	(698,311)
<b>Net Cash (Used for) Noncapital Financing Activities</b>	<b>(126,942)</b>	<b>(31,735)</b>	<b>(474,500)</b>	<b>(65,134)</b>	<b>(698,311)</b>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Acquisition and construction of capital assets	(3,416,312)	(3,076,641)	(872,560)	-	(7,365,513)
Capital contributions	-	349,402	-	-	349,402
Proceeds from issuance of bonds	2,761,500	-	-	-	2,761,500
Principal payments on bonds	(785,000)	(922,688)	(810,000)	-	(2,517,688)
Premium from sale of bonds	508,500	-	-	-	508,500
Principal payments on notes	(3,000,000)	-	-	-	(3,000,000)
Interest expense	(101,294)	(104,513)	(110,423)	-	(316,230)
Transfers in	-	89,403	-	-	89,403
<b>Net Cash (Used For) Capital and Related Financing Activities</b>	<b>(4,032,606)</b>	<b>(3,665,037)</b>	<b>(1,792,983)</b>	<b>-</b>	<b>(9,490,626)</b>
<b>Cash Flows From Investing Activities</b>					
Investment income	22,992	21,972	110,302	7,114	162,380
<b>Net Cash Provided By Investing Activities</b>	<b>22,992</b>	<b>21,972</b>	<b>110,302</b>	<b>7,114</b>	<b>162,380</b>
Net Change in Cash and Short-Term Investments	(561,289)	(2,574,783)	(1,928,010)	(308,662)	(5,372,744)
Cash and Short-Term Investments, Beginning of Year	12,129,476	11,915,084	13,923,198	3,753,237	41,720,995
Cash and Short-Term Investments, End of Year	\$ 11,568,187	\$ 9,340,301	\$ 11,995,188	\$ 3,444,575	\$ 36,348,251
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>					
Operating Income (loss)	\$ 1,884,525	\$ 151,742	\$ (1,677,343)	\$ (417,399)	\$ (58,475)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,065,469	873,933	1,926,950	371,094	4,237,446
Changes in assets, liabilities, and deferred outflows/inflows:					
User fees receivables	259,706	(29,909)	(519,615)	-	(289,818)
Inventory	(25,153)	-	(20,260)	-	(45,413)
Prepays and other assets	-	-	(1,293,214)	-	(1,293,214)
Deferred outflows of resources:					
Related to pensions	99,383	24,847	494,331	23,416	641,977
Related to OPEB	(48,220)	(17,520)	(148,960)	(49,767)	(264,467)
Net pension liability	(376,893)	(94,224)	(589,389)	(155,396)	(1,215,902)
Net OPEB liability	(199,773)	(38,314)	(219,608)	(79,115)	(536,810)
Accounts payable and accrued liabilities	416,927	124,856	699,385	(66,091)	1,175,077
Customer advances for construction	48,761	-	3,255	-	52,016
Deferred inflows of resources:					
Related to pensions	209,110	52,279	535,564	60,506	857,459
Related to OPEB	248,491	54,093	323,650	62,117	688,351
Other	-	-	700,616	-	700,616
Other liabilities	(7,066)	(1,766)	13,809	(7)	4,970
<b>Net Cash Provided By (Used For) Operating Activities</b>	<b>\$ 3,575,267</b>	<b>\$ 1,100,017</b>	<b>\$ 229,171</b>	<b>\$ (250,642)</b>	<b>\$ 4,653,813</b>
<b>Schedule of non-cash capital and related financing activities:</b>					
Disposal of capital assets	\$ -	\$ -	\$ (78,323)	\$ -	\$ (78,323)
Acquisition and construction of capital assets on account	643,827	-	-	-	643,827

# 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, <b>Property Tax Levy:</b></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**.

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(Front Cover): Old North Bridge, Concord, MA, Erin Stevens  
(Back Cover): The Old Manse, Concord, MA, Erin Stevens