

FY2024

Town Manager's Proposed
Enterprise Budget Book
For the Fiscal Year
July 1, 2023 - June 30, 2024

Town of Concord, Massachusetts

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Budget Presentation
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**Town of Concord
Massachusetts**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morill

Executive Director



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Kerry Lafleur, Town Manager

March 10, 2023

The Honorable Select Board:

I am pleased to submit for your review the Town Manager's Proposed Enterprise Budgets for Fiscal Year 2024 (July 1, 2023 – June 30, 2024). 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 24 of the 2023 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 FY24, this action will be taken under Article 41 of the 2023 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 FY24, this action will be taken under Articles 39 and 40 of the 2023 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 FY24, this action will be taken under Article 38 of the 2023 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 31 of the 2023 Town Meeting Warrant will make an appropriation for the estimated expenses of the Center for the fiscal year beginning July 1, 2023 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 2023 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 Chief Technology Officer, who reports to the Town Manager.

For FY24, Article 42 of the 2023 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 FY24 (calendar year 2023 for CMLP), and the related projections of operating and net income are:

	<u>Operating Revenue</u>	<u>Operating Expenditure</u>	<u>Operating Income</u>	<u>Net Income</u>
Light Fund	\$37,516,865	\$35,077,975	\$2,438,890	\$2,000,174
Telecom. Fund	1,704,978	1,354,363	350,615	311,270
Water Fund	7,600,970	5,503,198	2,097,771	1,812,948
Sewer Fund	3,673,027	3,623,124	49,903	278,698
Solid Waste Fund	1,995,833	2,391,262	-395,429	-395,429
Beede Center Fund	2,465,700	2,521,347	-55,647	-35,647
Recreation Fund	2,423,832	2,728,178	-304,346	-304,346
MMN Fund	334,745	402,557	-67,812	-67,812

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 below.

<u>Proposed Capital Plan</u>	<u>Light</u>	<u>Water</u>	<u>Sewer</u>	<u>Beede</u>
Net Income Projected	\$2,311,444	\$1,812,948	\$278,698	-\$35,647
Depreciation Expense	<u>2,084,119</u>	<u>1,454,274</u>	<u>1,210,834</u>	<u>380,739</u>
Subtotal	4,395,563	3,267,222	1,489,532	345,092
Less:				
Debt Principal Payment	563,000	3,425,337	637,843	0
CMLP PILOT Payment	459,000	0	0	0
Net Resources derived from Current Operations and available for Capital Purposes	<u>\$3,373,563</u>	<u>-\$158,115</u>	<u>\$851,689</u>	<u>\$345,092</u>

The planned FY24 capital expenditures of each enterprise (exclusive of expenditures that will be funded by debt issuance) are as follows:

	<u>Light</u>	<u>Water</u>	<u>Sewer</u>	<u>Beede</u>
Capital Outlay	\$5,154,484	\$3,093,500	\$992,600	\$153,200

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 2023, purchased power expense is projected to be approximately \$25.0 million or 71.5% 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 CY23, CMLP expects that its generated electricity will be 20% from nuclear, 18% from hydro, 13% from wind, 6% from solar, and 3% from landfill for a total 60% from renewable sources. The purchase of Renewable Energy Certificates (RECs) will offset the rest of the fossil fuel-base power supply expense.

For CY23, the Electric Utility's Net Income is projected to be \$2,000,174 and Fund Balance is projected to be \$47,756,569.

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 2022, the Telecommunications Division had 1,635 high-speed internet customers.

For CY23, the Telecommunications' Net Income is projected to be \$311,270 and Fund Balance is projected to be \$884,377.

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.

For FY24, the Water Division continues its work in advancing final design and permitting for the long-anticipated Nagog Pond Treatment facility while also carefully evaluating alternatives involving a potential connection to the MWRA water supply system in order for the Town to make an informed decision about when and if it is appropriate to invest significant resources into the Nagog Pond Treatment facility and potentially at other Town water supply sources.

To maintain sufficient funds to cover operating and capital costs, the Water Division is proposing a rate increase of 12.5% for normal residential use as of June 1, 2023, which would result in an average residential customer bill of \$728 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 FY24, Net Income is projected to be \$1,812,948 and Fund Balance is projected to be \$9.1 million.

Sewer Fund

The Concord sewer system serves 1,905 residential and commercial customers representing about 34% of the community. In the near future, there is scheduled capacity and treatment optimization work at the Wastewater Treatment Plant at a cost of \$2.0 million for both FY26 and FY27.

A rate increase of 5.0% is proposed to go into effect on June 1, 2023, which would result in an annual average sewer bill of \$779.

For FY24, Net income is projected to be \$278,698 and a Fund Balance of \$7.2 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 approximately 3,700 customers in the program out of an estimated 5,500 households.

During FY24, the Town will negotiate a multi-year curbside collection contract with a waste-hauling vendor.

In FY24, it is projected that due to market forces both regionally and globally the Solid Waste Fund will run at a loss of \$395,429 with a projected Fund Balance of \$136,364.

Beede Center Fund

In reversing a trend of the previous two years, the Beede Center had a positive Net Income of \$297,507 in FY22. Through a concerted membership drive, the number of individual members has returned to their pre-pandemic levels.

With a Fund Balance of \$3.8 million projected as of the end of FY24, the Beede Center Fund maintains sufficient reserves to weather future service disruptions.

Recreation Fund

Recreation programs have recovered and the FY24 budget expects normal levels of participation in the school year childcare programs as well as summer camp and youth and adult sports.

For FY24, the Recreation Fund is projected to have net loss of \$304,346 due to the assumption of costs that had previously been covered by the General Fund and a projected Fund Balance of over \$2.0 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 FY24, MMN is projected to have a loss of \$67,812 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), Jeffrey Murawski (Water & Sewer Superintendent), Anna McKeown (Recreation Director), and Jason Bulger (Chief Technology Officer). In addition, assistance was provided by Joe Repoff (CMLP Assistant Director), Matt Cummings (CMLP Financial Manager / Accountant), Laura Scott (Power Supply & Rate Administrator), Bob Hill (Management Analyst), Aaron Miklosko (Highway and Grounds Superintendent), Adam Lapointe (Assistant Recreation Director), and Cathi Ellis (Beede Center General Manager).

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
Town Manager

Budget Introduction

Introduction to Concord's Enterprise Budget

In an effort to breakdown Concord's FY2024 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:

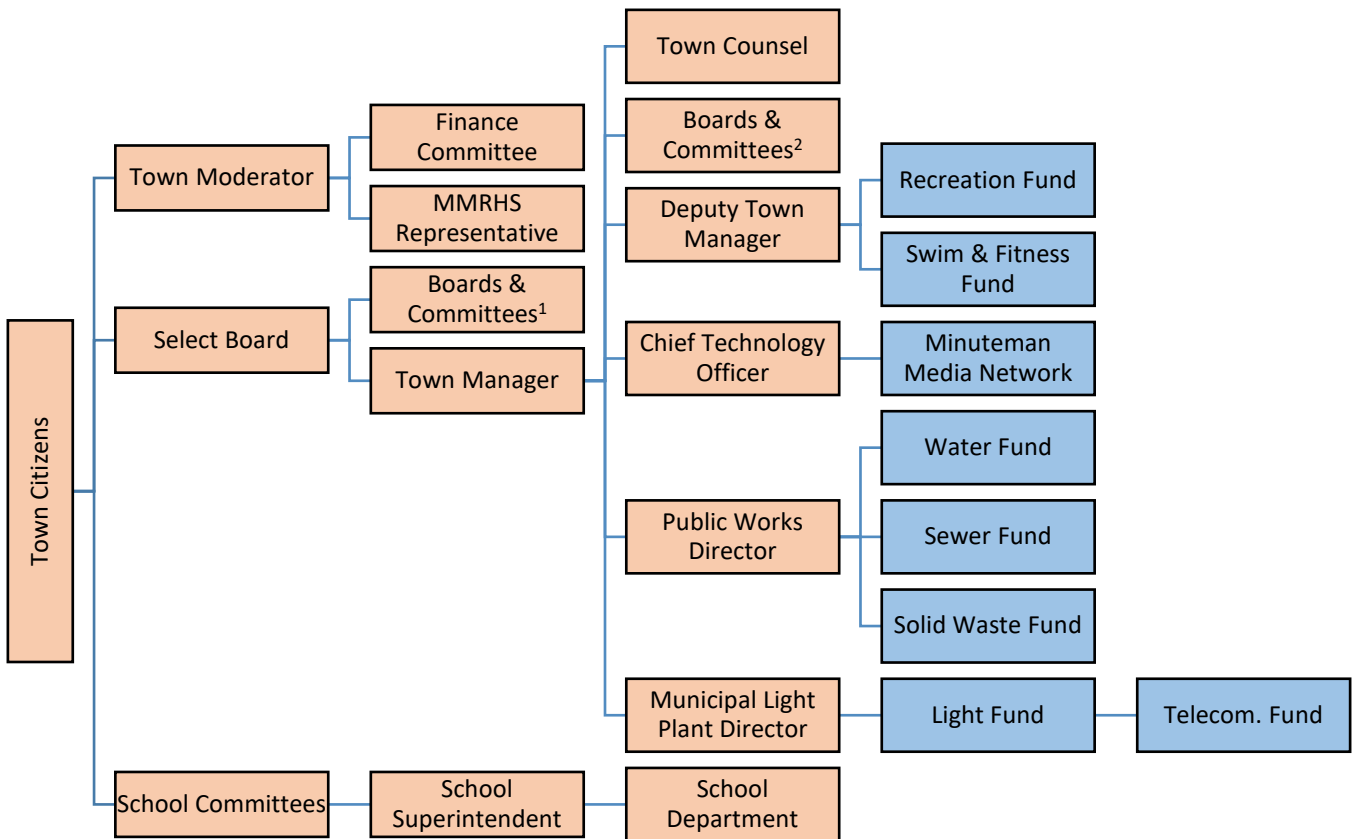
- **Introduction:** Provides an overview of Concord's proposed enterprise budget with information on the overall budget, financial and management policies, organizational structure, and key definitions.
- **Light Fund:** Provides a breakdown of Concord's Municipal Light Plant (CMLP) with information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



⁽¹⁾ 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.

⁽²⁾ 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

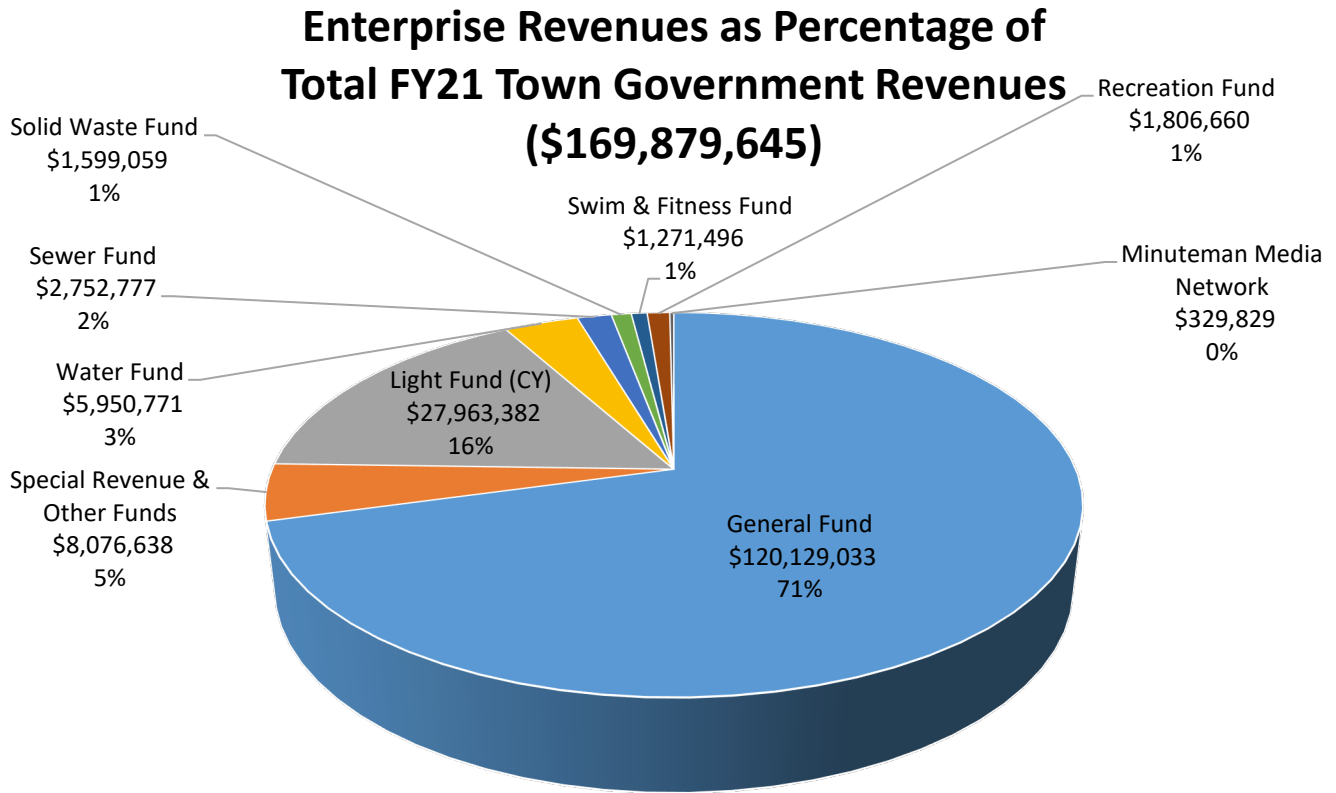
This introduction provides a general description of the Town’s management practices for the five enterprise funds (Light, Water, Sewer, Beede Center, and Minuteman Media Network), the special revenue funds (Solid Waste) and the revolving fund (Recreation).

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.



Audited information for FY2022 (July 1st, 2021 to June 30th, 2022) is not yet available.

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. The 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 allow 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).

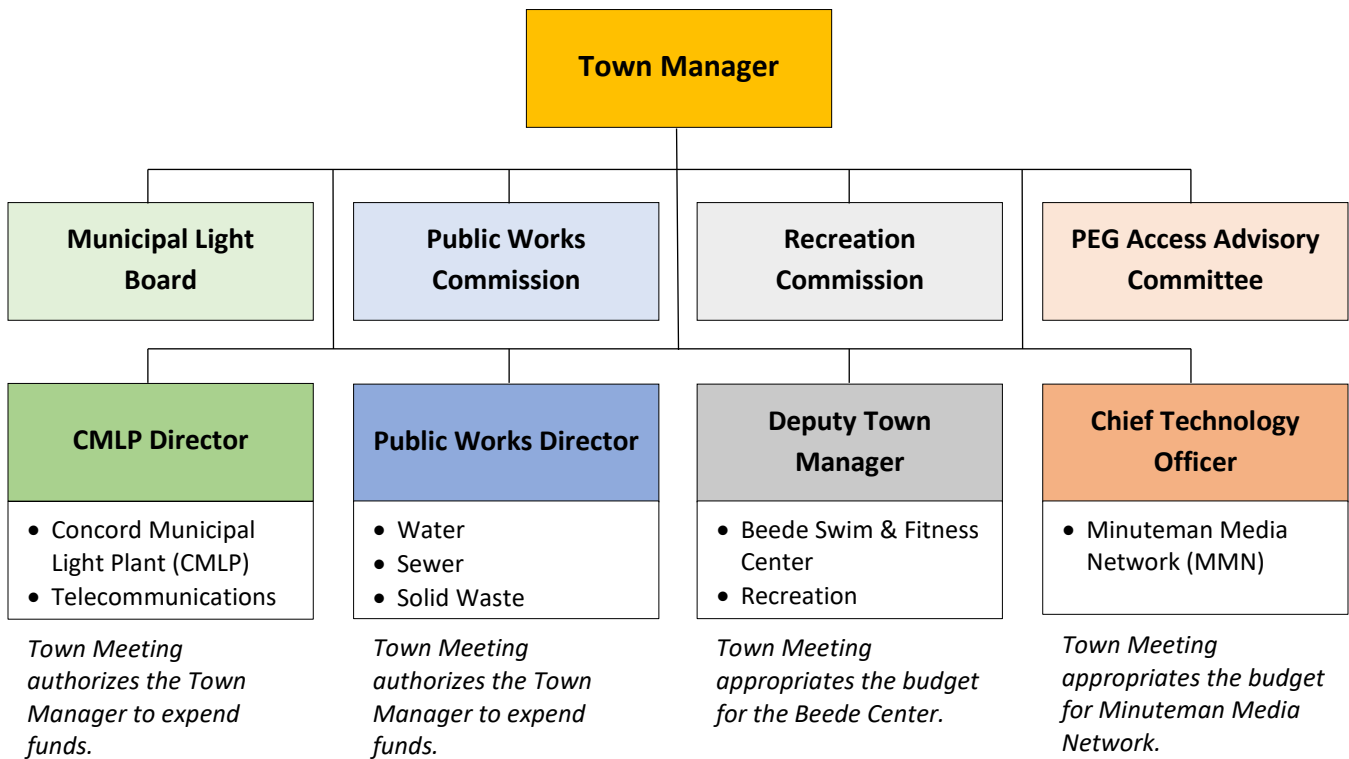
Role of Town Meeting: The budgets presented for the Light, Water, Sewer, and Solid Waste funds are spending plans and do not carry the same restrictive legal obligations as the voted appropriations made for the Town’s General Fund operations. However, the appropriation for Swim and Fitness Fund is set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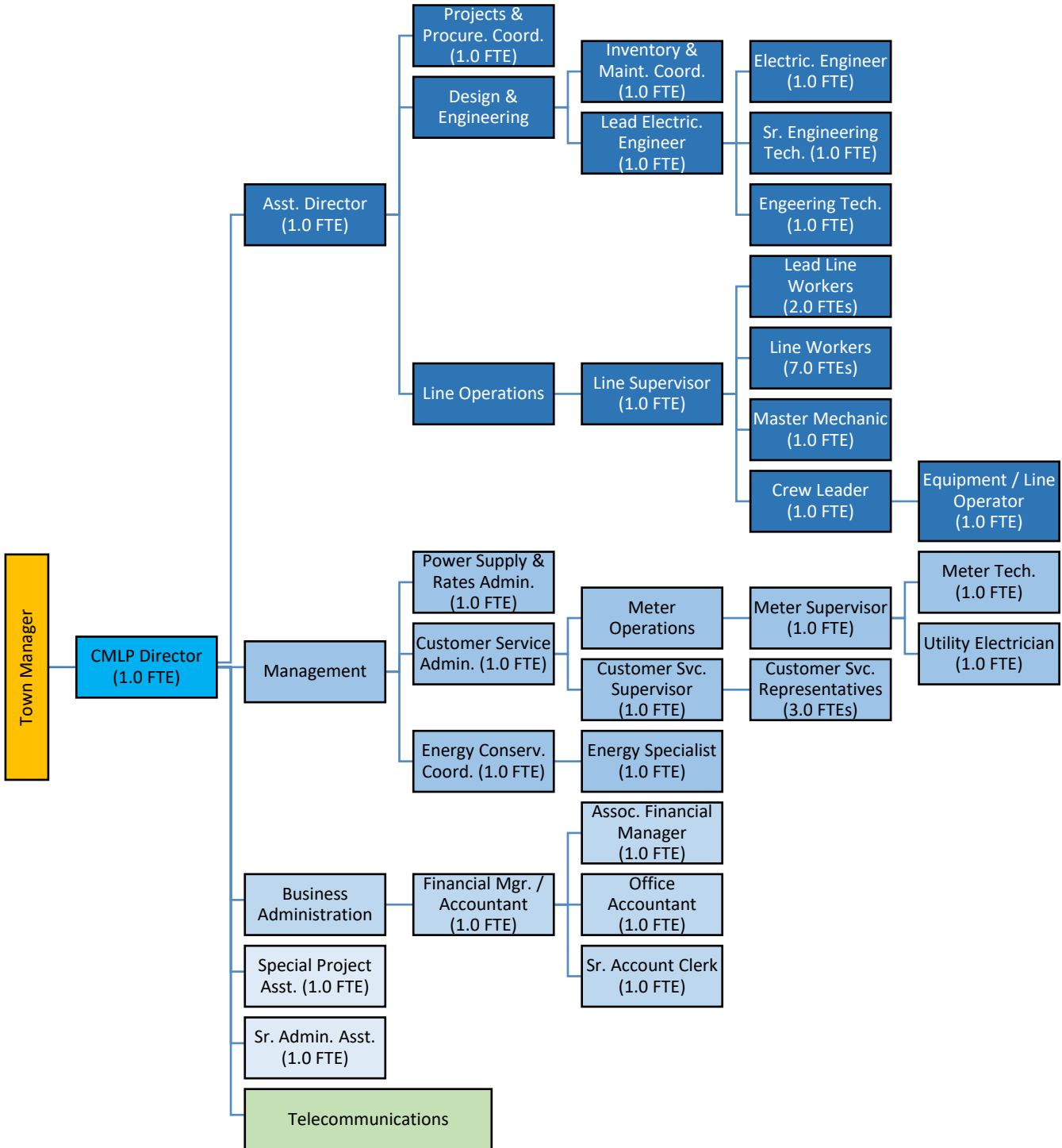
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Light Fund

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 7,018 residential customers, 1,232 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 Broadband Manager who reports to the CMLP Director, provides broadband service to residences and businesses.

FY22 Accomplishments

- ☑ Added 416 kilowatts of customer-sited solar.
- ☑ Launched new residential air- and ground-source heat pump rebate programs that offer customers significantly higher rebates, especially for whole home heat pump adoption.
- ☑ Thanks to funding from a generous Concord resident, CMLP began offering rebates to residents who replace gas-powered lawn mowers with new electrically powered lawn mowers.
- ☑ Began making a Participating Weatherization Contractor List available to all of our customers and began making larger weatherization rebates available to lower income households.
- ☑ Launched a Commercial EV Charging Station Rebate Program to help our customers provide electric vehicle charging at workplaces, apartments, condominiums, schools, shops, etc.
- ☑ Documented a 151% increase in annual heat pump installations, from 71 in 2021 to 178 in 2022, with 61% assisted by CMLP's heating/cooling coaching service in 2022, compared to 35% in 2021.
- ☑ Selected vendor for advanced metering system project.
- ☑ Completed the direct buried replacement project on Bartkus Farm.

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 2023, it is estimated the Light Plant will supply 100% of its purchased power from non-carbon emitting resources: 13% from wind, 18% from hydro, 20% from nuclear, 6% from solar, and 43% 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.

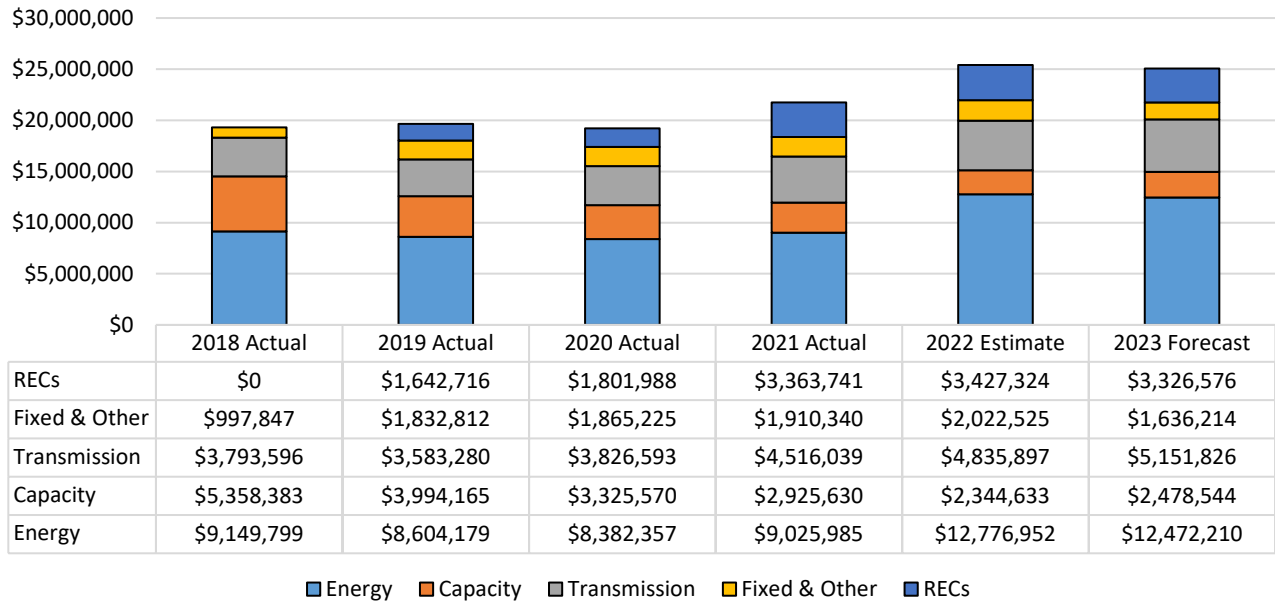
To understand the difference, one can use the analogy of water distribution. Electrical energy (kilowatt-hours) can be compared to the amount of water consumed (gallons) over time. Electrical capacity (megawatts or more precisely mega volt amperes that includes power lost during distribution) can be 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 2018 to 2023. 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

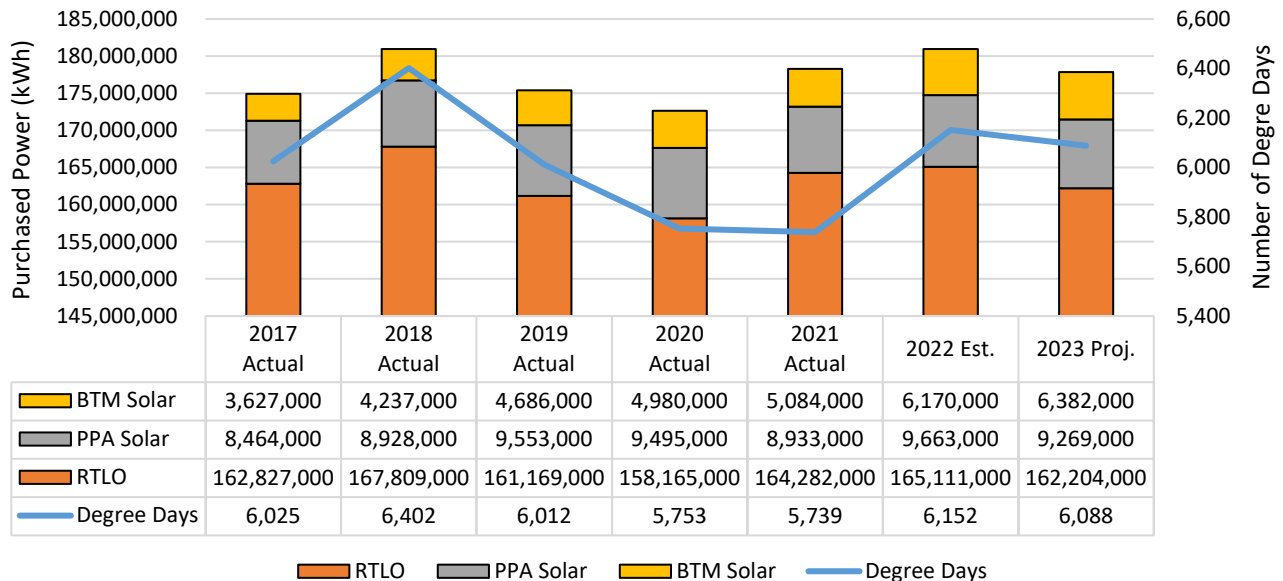
Total Purchased Power Cost by Cost Category



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 2019 and the CMLP load was 175,408,000 kWh. In 2018, the weather was more severe, and the resulting load totaled 180,974,000 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

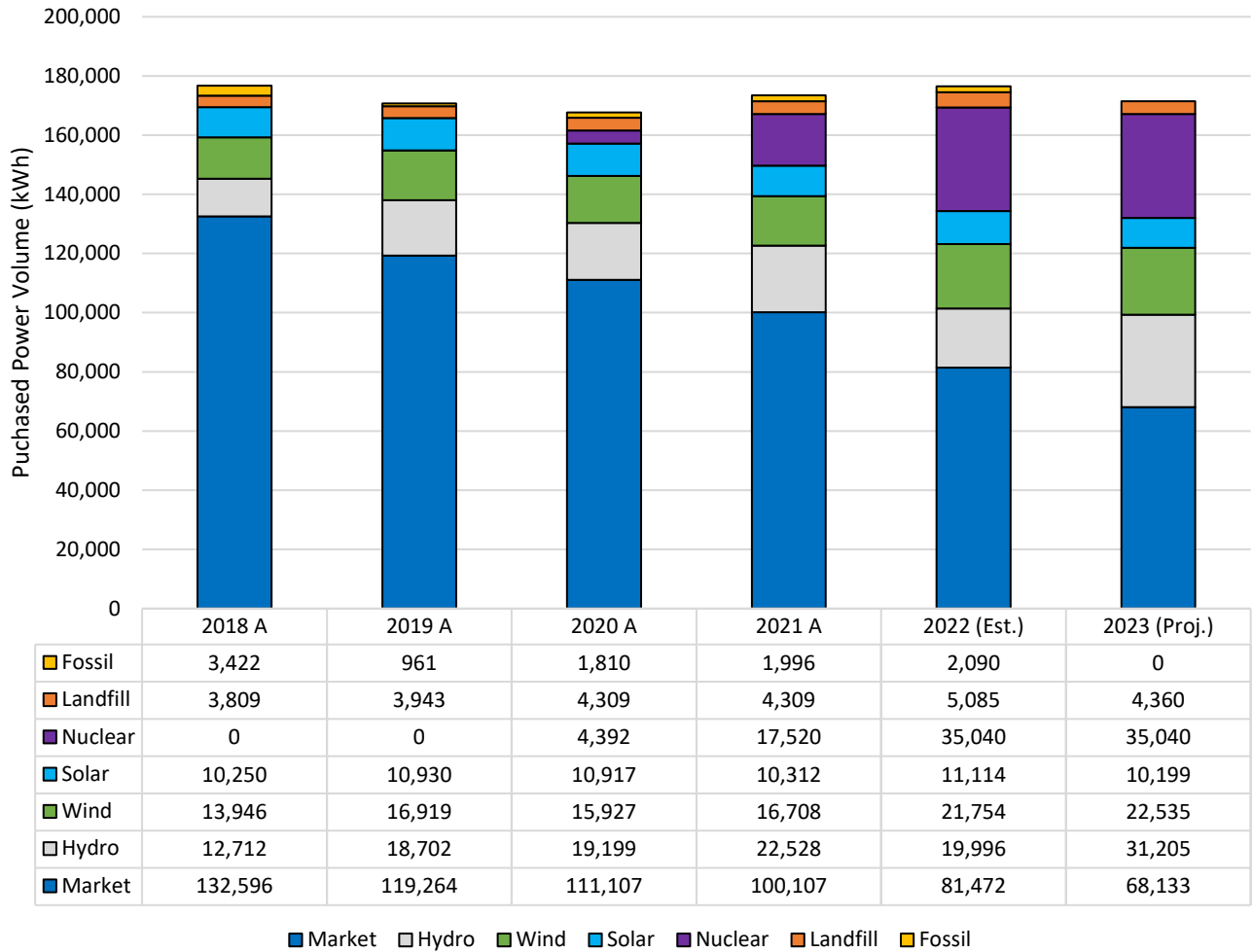


Light Fund

Purchased Power: Power Supply Portfolio (37% from Renewable Sources without purchased non-associated RECs)

The 2018 to 2023 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

CY23 Goals

- Launch new commercial air- and ground-source heat pump rebate programs that offer oil, propane, and electric-heating business customers substantial rebates similar to those that Mass Save offers to gas-heating businesses.
- Carry out an electric vehicle test drive event for the Concord community.
- Deploy the Advanced Metering System communications network and install residential meters and load management devices throughout Concord.
- Identify options for expanding solar generation in Concord.
- Develop a plan including onsite solar arrays and a battery to enable the new Middle School to achieve net zero status.
- Contract for new non-carbon emitting power supplies.
- Conduct a Cost-of-Service Study and design rates to meet CMLP objectives.
- Initiate a 4- year cycle for tree trimming near distribution system.
- Complete Thermographic Inspection of the overhead distribution system.
- Conduct a substation inspection and maintenance 3-year cycle.
- Install 2 Level 3 EV Chargers at the Ride Out Parking Lot in West Concord.

Long-Term Plans

- ⇒ Enlist as a Settlement Only Generator with the Independent System Operator of New England.
- ⇒ 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 relays.
- ⇒ Launch a 0.0% interest loan program for use by residential customers in financing weatherization and heat pump projects.
- ⇒ Complete underground conversion projects started in 2017.
- ⇒ Receive new hybrid bucket truck replacing the ICE bucket truck.

Light Fund – Overview & Budget Highlights

CY23 Budget Highlights

The CY23 electric rates per kWh represent a 6.5% decrease for the median residential customer and 12-16% for commercial customers. The decrease is largely attributable to the temporary imposition of a power cost adjustment charge to address high worldwide energy prices. The CY23 budget also includes planned net capital investments equaling \$4,899,484 for the general plant and distribution infrastructure.

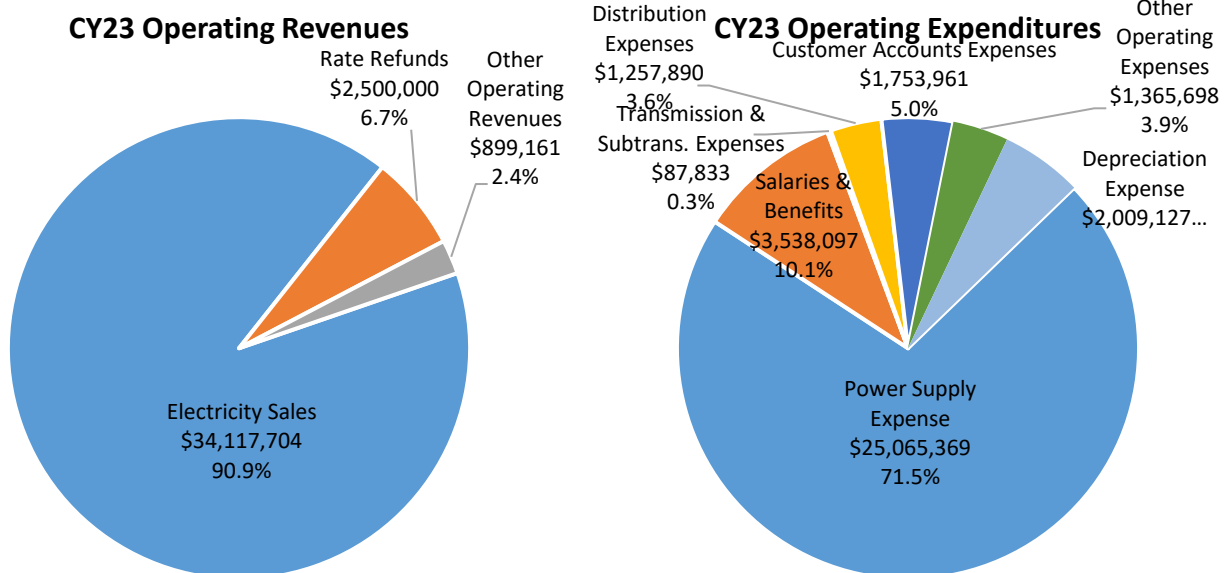
Budget Highlights

CY23 Projected Operating Revenue	\$37,516,865
CY23 Projected Operating Expenses	<u>(35,077,975)</u>
CY23 Projected Operating Income	\$2,438,890
CY23 Projected Net Income	\$2,000,174
CY23 Projected Light Fund Balance	\$47,756,569

Revenues and Expenditures Overview

For Calendar Year 2023, the Concord Municipal Light Plant is projecting that it will have \$37.5 million in operating revenues and \$35.0 million in operating expenditures. For revenues, funds collected from the sale of electricity are expected to decrease from \$35.9 million in 2022 to \$34.1 million in 2023. For expenditures, the primary cost is the power supply expense. From 2022 to 2023, it is forecast that the power supply expense will decrease from \$25.4 million to \$25.0 million. Purchased power expense is passed directly onto customers. In 2023, the Light Plant is proposed to have operating income of \$2,438,890 and net income from operations of \$2,000,174.

For the calculation of the Return per DPU formula, the DPU Qualified Income (\$1,949,055), which is the sum of net income from operations (\$2,000,174) and Payment in Lieu of Taxes (\$459,500) minus Underground Surcharge (\$510,119), divided by the previous year's Cost of Plant for Returns Calculation (\$68,582,608) equals 2.84% for Return.



Light Fund – Revenues

Operating Revenues

Total operating revenue expected to be raised through electric operations in 2022 is projected to be \$37,516,865.

Electricity Rate Highlights

Effective on January 1, 2023, the residential rate (R-1) is set at a meter charge of \$18.50 per month for a single-phase system and the following three-tiered volumetric rates listed to the right.

		Tier Rates	
			<u>per kWh</u>
Tier 1:	first 657 kWh		\$0.19120
Tier 2:	next 178 kWh		\$0.20353
Tier 3:	over 835 kWh		\$0.22719

The distribution charge is \$0.06033 and the energy charge is \$0.08980, 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:			
	2020 Actual	2021 Actual	2022 Estimated	2023 Budgeted
Electricity Sales				
Residential Sales	\$ 10,532,666	\$ 10,661,182	\$ 13,364,259	\$ 12,905,701
Commercial Sales	11,641,128	11,550,503	15,387,623	14,060,423
Municipal Sales	1,361,990	1,571,772	1,721,680	1,779,627
Street Lighting	22,899	21,296	45,185	39,632
Meter Charge	1,378,480	1,787,824	1,890,736	1,961,790
Net Change in Unbilled Revenues	62,226	137,113	141,226	43,954
REC Purchase Surcharge	1,801,988	3,363,741	3,427,324	3,326,576
Audit Adjustment	(5,228)	(10,291)	-	-
Electricity Sales Total	\$ 26,796,149	\$ 29,083,140	\$ 35,978,032	\$ 34,117,704
Rate Refunds				
Provision for Rate Refund	\$ (1,061,740)	\$ 1,748,680	\$ (1,566,521)	\$ 2,500,000
Provision for Rate Stabilization	385,857	-	-	-
Refunds Total	\$ (675,883)	\$ 1,748,680	\$ (1,566,521)	\$ 2,500,000
Other Operating Revenues				
Underground Surcharge	\$ 402,008	\$ 435,214	\$ 537,107	\$ 510,119
CARES Surcharge	139,359	4,993	-	-
Income from Merchandise and Jobbing	201,152	261,409	279,689	252,278
Fiber Optic School Lease	28,789	28,789	28,789	28,789
Other Miscellaneous Income	38,443	48,261	107,989	107,975
Audit Adjustment	(229,232)	(298,039)	-	-
Other Operating Revenue	\$ 580,519	\$ 480,627	\$ 953,574	\$ 899,161
Operating Revenues Total	\$ 26,700,785	\$ 31,312,446	\$ 35,365,086	\$ 37,516,865

OPERATING SALES (kWh)

	Calendar Year:			
	2020 Actual	2021 Actual	2022 Estimated	2023 Budgeted
Kilowatt-hours Sold:				
Residential	\$ 73,029,207	\$ 73,835,979	\$ 75,365,712	\$ 73,495,727
Commercial	80,032,476	83,820,556	86,515,696	83,398,490
Municipal	8,194,852	8,995,396	9,227,795	8,939,043
Street Lighting	172,368	171,466	256,991	274,841
Private Area Lighting	-	-	-	-
Unbilled Sales Adjustment	(3,711,009)	1,805,150	86,459	(442,027)
Electric Sales Billed Total	\$ 157,717,894	\$168,628,547	\$171,452,653	\$165,666,074

Light Fund – Expenditures

Operating Expenditures

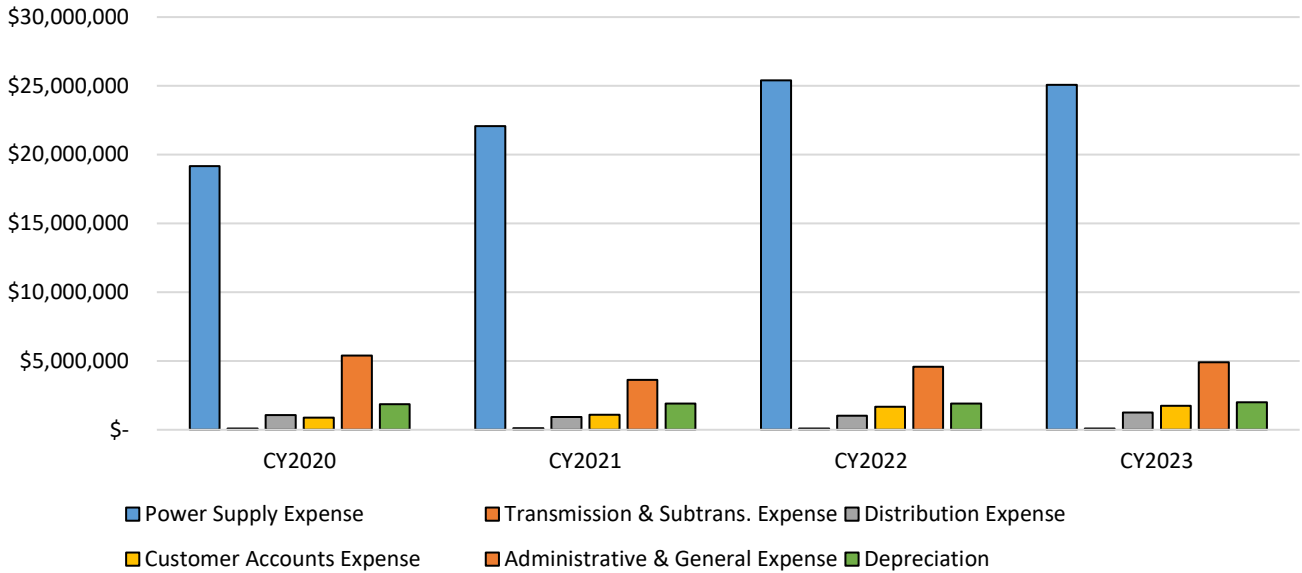
OPERATING EXPENSES (\$)

	Calendar Year:			
	2020	2021	2022	2023
	Actual	Actual	Estimated	Budgeted
Operating Accounts:				
Power Supply Expense				
Power Supply Expense	\$ 19,201,733	\$ 21,741,734	\$ 25,407,332	\$ 25,065,369
Audit Adjustment	(44,764)	325,333	-	-
	<u>\$ 19,156,969</u>	<u>\$ 22,067,067</u>	<u>\$ 25,407,332</u>	<u>\$ 25,065,369</u>
Administrative Salaries and Benefits				
Administrative Salaries and Benefits	\$ 3,920,732	\$ 2,569,040	\$ 3,264,903	\$ 3,538,097
Audit Adjustment	1	-	-	-
	<u>\$ 3,920,733</u>	<u>\$ 2,569,040</u>	<u>\$ 3,264,903</u>	<u>\$ 3,538,097</u>
Transmission & Subtrans. Expenses:				
Transmission	\$ 106,036	\$ 110,328	\$ 81,449	\$ 87,833
Audit Adjustment	(4,900)	0	-	-
	<u>\$ 101,136</u>	<u>\$ 110,328</u>	<u>\$ 81,449</u>	<u>\$ 87,833</u>
Distribution Expenses:				
Operation	\$ 1,059,931	\$ 900,953	\$ 1,012,155	\$ 1,257,890
Audit Adjustment	18,908	24,596	-	-
	<u>\$ 1,078,839</u>	<u>\$ 925,549</u>	<u>\$ 1,012,155</u>	<u>\$ 1,257,890</u>
Customer Accounts Expenses:				
Customer Accounts	\$ 460,336	\$ 453,163	\$ 464,148	\$ 472,939
CARES Expense	464,759	675,907	1,211,621	1,281,022
Audit Adjustment	(48,807)	(26,358)	-	-
	<u>\$ 876,288</u>	<u>\$ 1,102,712</u>	<u>\$ 1,675,769</u>	<u>\$ 1,753,961</u>
Other Operating Expenses				
Maintenance of General Plant	\$ 123,363	\$ 120,669	\$ 144,371	\$ 151,590
Transfer to General Fund	587,769	412,705	506,902	528,448
Other Operating Expenses	776,567	538,217	665,322	685,660
Audit Adjustment	(8,557)	(11,827)	-	-
	<u>\$ 1,479,142</u>	<u>\$ 1,059,764</u>	<u>\$ 1,316,595</u>	<u>\$ 1,365,698</u>
Operating Accounts Subtotal	\$ 26,613,107	\$ 27,834,460	\$ 32,758,203	\$ 33,068,848
Depreciation Expense	\$ 1,856,017	\$ 1,901,168	\$ 1,900,352	\$ 2,009,127
Operating Expenses Total	\$ 28,469,124	\$ 29,735,628	\$ 34,658,555	\$ 35,077,975

Source: 2020 and 2021 data is actual data from audited financial statements; and 2022 and 2023 data is estimated and forecasted.

Light Fund – Expenditures

Light Fund Operating Expenditures



Personnel Summary

AUTHORIZED POSITIONS

Code	Division	January 1 to December 31, 2022 Calendar Year 2022 (FY23)		January 1 to December 31, 2023 Calendar Year 2023 (FY24)	
		# Positions	\$ Amount	# Positions	\$ Amount
5111	Conservation	2.0	182,937	2.0	188,425
	Customer Service	4.3	351,436	5.0	394,584
	Engineering	5.0	662,699	5.0	682,580
	Finance	4.0	351,920	4.0	362,478
	Line Crew	8.9	1,040,554	11.0	1,258,039
	Maintenance	2.0	146,557	2.0	150,954
	Management & General	4.0	474,887	5.0	619,134
	Metering	3.0	261,200	3.0	269,036
	Salary Subtotal	33.27 FTEs	\$ 3,472,190	37.00 FTEs	\$ 3,925,230
5130	Overtime		\$ 258,228		\$ 325,240
	Allowance for Salary Increases		-		-
			FY2023		FY2024
	Group Insurance:				
	Health, Life, Dental		399,578		462,378
	Retirement		666,537		677,816
	OPEB Contribution		166,596		85,275
	Soc. Sec. & Medicare Tax		49,250		58,701
	Clothing Allowance		3,600		3,600
	Benefits Subtotal		\$ 1,285,561		\$ 1,287,770

Light Fund – Expenditures

General Fund Services

PAYMENTS TO THE GENERAL FUND				
Town Fiscal Year Basis	FY21	FY22	FY23	FY24
	<u>Actual</u>	<u>Unaudited</u>	<u>Estimated</u>	<u>Budgeted</u>
Financial & Administrative Services:				
Town Manager's Office	\$ 125,848	\$ 128,400	\$ 117,652	\$ 110,625
Facilities Management	27,648	29,442	32,191	33,852
Town Accountant	61,045	44,286	43,567	46,312
Treasurer-Collector	64,235	63,546	61,230	54,547
Information Systems	119,484	119,296	139,032	158,440
Finance Administration	61,647	55,892	55,217	58,195
Human Resources	85,860	102,655	105,192	100,259
Subtotal	\$ 545,767	\$ 543,517	\$ 554,081	\$ 562,230
Natural Resource Protection:				
Planning	\$ 13,515	\$ 15,053	\$ 14,581	\$ 15,220
Natural Resources	28,554	29,758	33,664	33,952
Subtotal	\$ 42,069	\$ 44,811	\$ 48,245	\$ 49,172
Landscaping @ Substations:				
Parks & Trees	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Total	\$ 597,836	\$ 598,328	\$ 612,326	\$ 621,402
Payment in Lieu of Taxes (PILOT)	\$ 474,500	\$ 451,500	\$ 444,000	\$ 459,000
<i>Calendar Year of PILOT Payment</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>

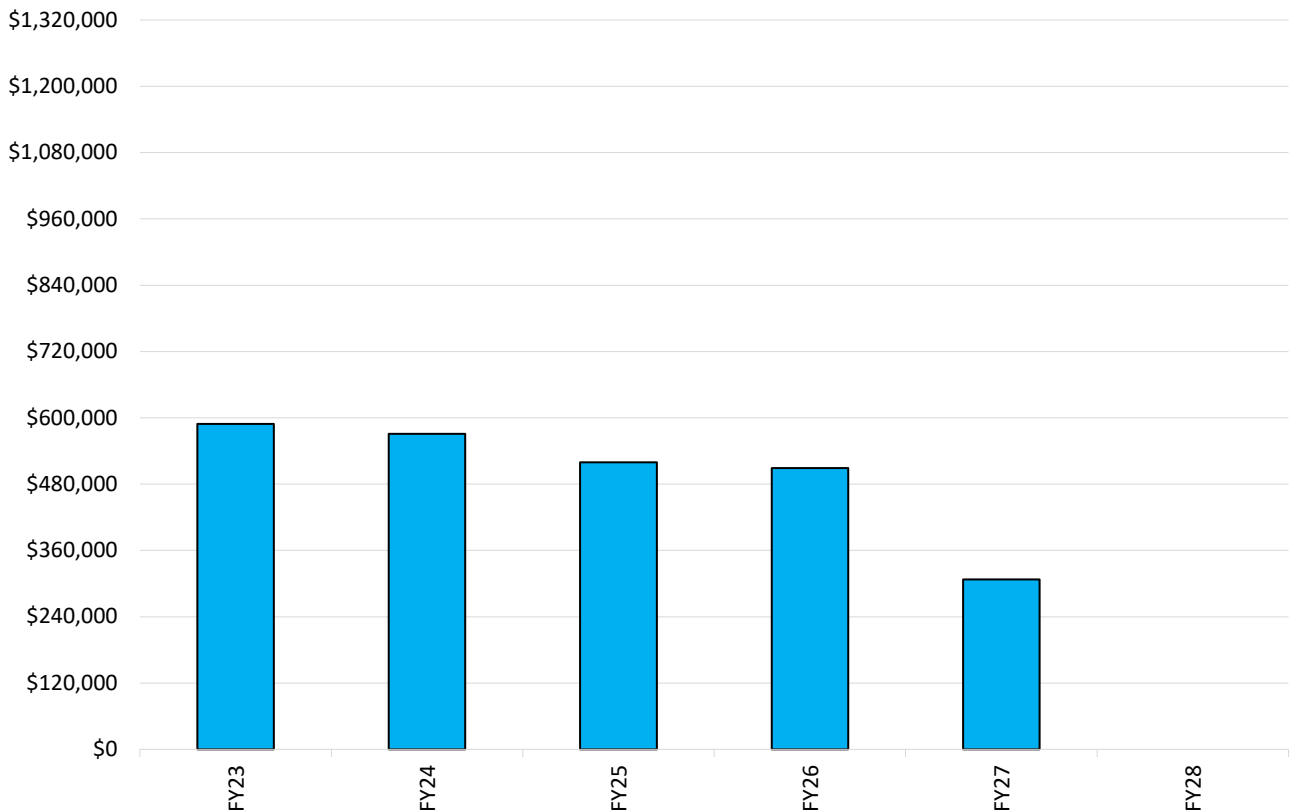
Light Fund – Expenditures

Capital (Capital Outlay and Debt-Funded)

LIGHT FUND DEBT SERVICE

Fiscal Year	Principal	Interest	Total
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	\$2,287,000	\$ 208,950	\$2,495,950

Light Fund Debt Service
as of June 30, 2022



Light Fund – Net Income and Fund Balance

Net Income and Fund Balance

NET INCOME

	Calendar Year:			
	2020 Actual	2021 Actual	2022 Estimated	2023 Budgeted
Statement of Net Income				
Operating Revenues	\$ 26,700,785	\$ 31,312,446	\$ 35,365,086	\$ 37,516,865
Less Operating Expenses	(28,469,124)	(29,735,629)	(34,658,555)	(35,077,975)
Operating Income	\$ (1,768,339)	\$ 1,576,817	\$ 706,530	\$ 2,438,890
Non-Operating Revenues (Expenses)				
Interest Income	\$ 110,302	\$ 438,744	\$ 87,068	\$ 110,482
Interest Expense	(144,806)	(125,850)	(96,147)	(90,200)
Other	191,104	284,539	-	-
Audit Adjustment	9,131	34,389	-	-
Non-Operating Income Subtotal	\$ 165,731	\$ 631,822	\$ (9,079)	\$ 20,282
Net Income Before Other Financing	\$ (1,602,608)	\$ 2,208,640	\$ 697,451	\$ 2,459,173
Other Financing (Uses)				
Loss on Disposal of Capital Assets	(11,271)	33,270	(6,482)	-
Payment in Lieu of Taxes	(474,500)	(451,500)	(444,000)	(459,000)
Subtotal	\$ (485,771)	\$ (418,230)	\$ (450,482)	\$ (459,000)
Change in Net Position	\$ (2,088,379)	\$ 1,790,411	\$ 246,970	\$ 2,000,174

NET POSITION

	Calendar Year:			
	2020 Actual	2021 Actual	2022 Estimated	2023 Budgeted
Change in Net Position	\$ (2,088,379)	\$ 1,790,411	\$ 246,970	\$ 2,000,174
Net Position				
Beginning of Year	\$ 45,807,393	\$ 43,719,014	\$ 45,509,425	\$ 45,756,395
End of Year	\$ 43,719,014	\$ 45,509,425 ⁽²⁾	\$ 45,756,395	\$ 47,756,569
* Restated Amount				
Unrestricted Net Position				
End of Year	\$ 4,845,810 ⁽¹⁾	\$ 6,636,221 ⁽²⁾		
(1) Based on audited financial information for CY2020.				
(2) Audited financial statements for CY2021 are not yet available.				

Light Fund – Net Income and Fund Balance

Return Analysis

RETURN ANALYSIS

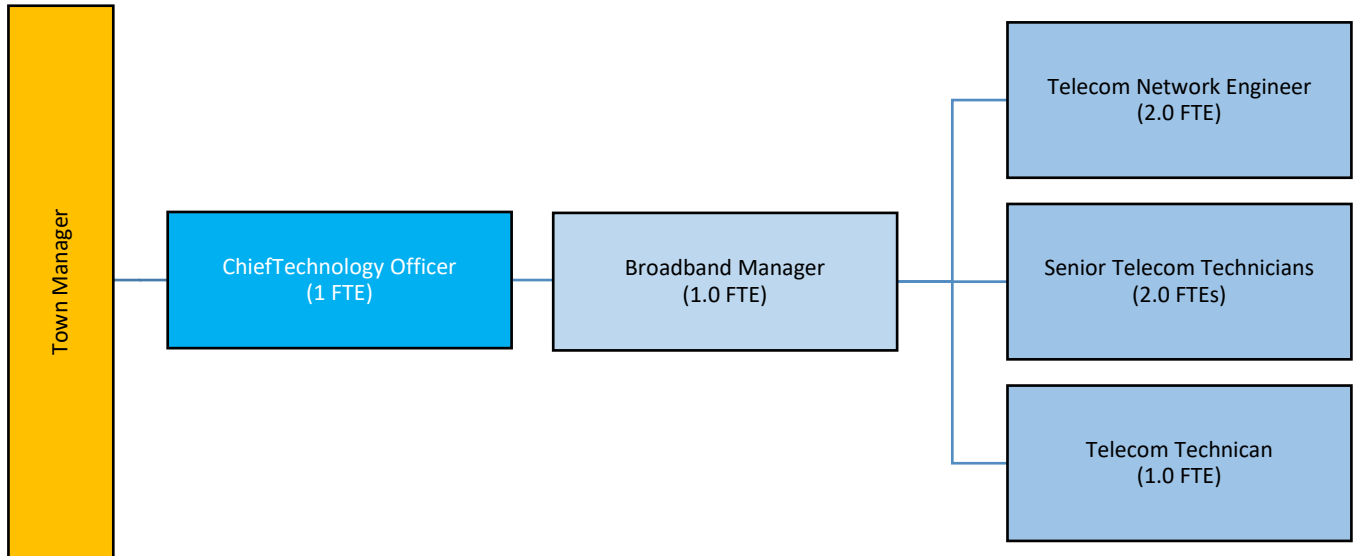
	Calendar Year:			
	2020	2021	2022	2023
	Actual	Actual	Estimated	Budgeted
Return per DPU Formula				
Net Income from Operations	\$ (2,088,379)	\$ 1,790,411	\$ 246,970	\$ 2,000,174
Payment in Lieu of Taxes	474,500	451,500	444,000	459,000
Underground Surcharge	(402,008)	(435,214)	(537,107)	(510,119)
CARES Surcharge	(139,359)	(4,993)	-	-
Return per DPU Formula	\$ (2,155,246)	\$ 1,801,704	\$ 153,863	\$ 1,949,055
Cost of Plant				
Cost of Plant for Return Calculations	\$ 66,064,765	\$ 67,651,705	\$ 68,154,907	\$ 68,582,608
Return per DPU Formula Percentage				
Return per DPU Formula	\$ (2,155,246)	\$ 1,801,704	\$ 153,863	\$ 1,949,055
Cost of Plant for Return Calculations	\$ 66,064,765	\$ 67,651,705	\$ 68,154,907	\$ 68,582,608
DPU Return Percentage	-3.26%	2.66%	0.23%	2.84%
Effective Return				
Net Income from Operations	\$ (2,088,379)	\$ 1,790,411	\$ 246,970	\$ 2,000,174
Cost of Plant for Return Calculations	\$ 66,064,765	\$ 67,651,705	\$ 68,154,907	\$ 68,582,608
Effective Return Percentage	-3.16%	2.65%	0.36%	2.92%
Net Profit Margin				
Net Income from Operations	\$ (2,088,379)	\$ 1,790,411	\$ 246,970	\$ 2,000,174
Total Operating Revenue	\$ 26,811,087	\$ 31,751,190	\$ 35,803,830	\$ 37,627,347
Net Profit Margin	-7.79%	5.64%	0.69%	5.32%
Note: 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 2022, CMLP changed the Telecom Director title to Broadband Manager to better reflect the focus of the position and filled the position in October. The Telecommunications Division staff was managed by the new Broadband Manager. The other staff include two Senior Telecom Technicians, one Telecom Technician, and two Network Engineers. In addition to managing staff, the Broadband Manager plays a role in budgeting and procurement, workflow analysis, network management, and also handles customer escalations.

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.

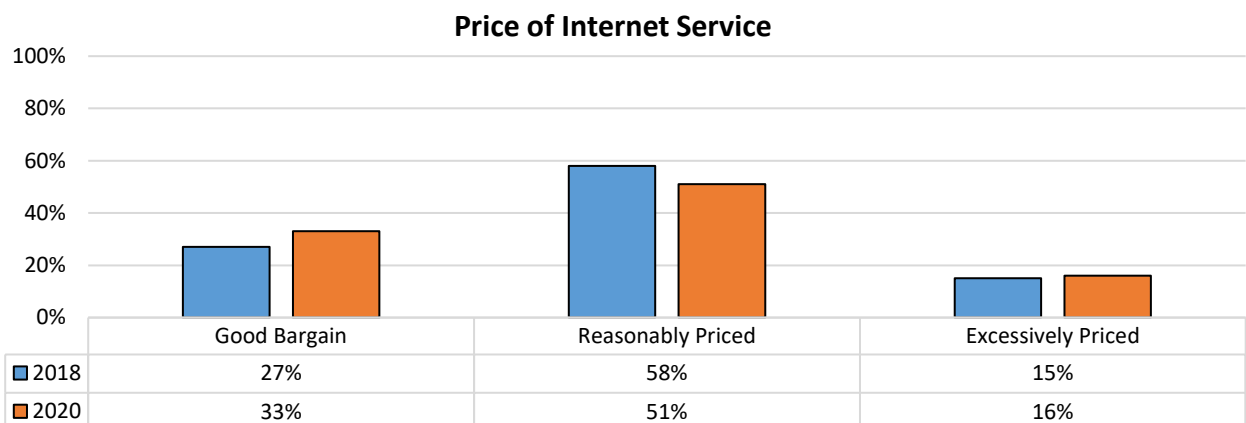
24x7 first Level Broadband Support is provided through a contracted Help Desk. Other contracts provide the Division with installation, emergency restoration, and network performance monitoring. Billing and account management are integrated with Electric Utility billing.

FY22 Accomplishments

- ☑ Removed dependencies on the Town network to improve reliability.
- ☑ Implemented new monitoring software to ensure network continuity.
- ☑ Increased the battery backup run time of equipment in the event of a power failure.
- ☑ Allowed customers to schedule walk-throughs and installations without further interaction from staff.
- ☑ Made substantial service tier changes by adding speeds up to 1 Gb/s (up and down) and increasing the Residential Entry tier from 35 Mb/s to 45 Mb/s.

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



Light Fund – Telecommunications

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.

CY23 Goals

- Take steps to reduce the time to installation for new interested customers.
- Implement cloud-based software that will help with troubleshooting end-user issues.
- Create an equipment replacement plan that will accommodate 10 Gb/s on each fiber feed (instead of 2.5 Gb/s down and 1.25 Gb/s up).
- Assist with the joint Concord-Acton Regional Emergency Communication Center (RECC)

Long-Term Plans

- Continue the development of the fiber infrastructure construction plan to reach more customers through the recommendations outlined in the Fiber Broadband Completion Task Force.
- Create an enhanced business model that enables more accurate prediction of market saturation and expansion planning.
- Document and track core SmartGrid fiber to better respond to requests for dark fiber leases and plan for expansion into previously unavailable areas.
- 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.

Light Fund – Telecommunications

CY23 Budget Highlights

In CY23, the Telecommunications Fund is projected to end the year with a positive net income and fund balance. As of December 31, 2022, the Telecommunications Fund had an estimated fund balance of \$573,107 pending completion of the CY22 audited financial statements. The proposed CY23 budget projects a fund balance of \$884,377 at the end of the calendar year resulting from projected \$1,704,978 in operating revenues and \$1,354,363 in operating expenses.

Budget Highlights

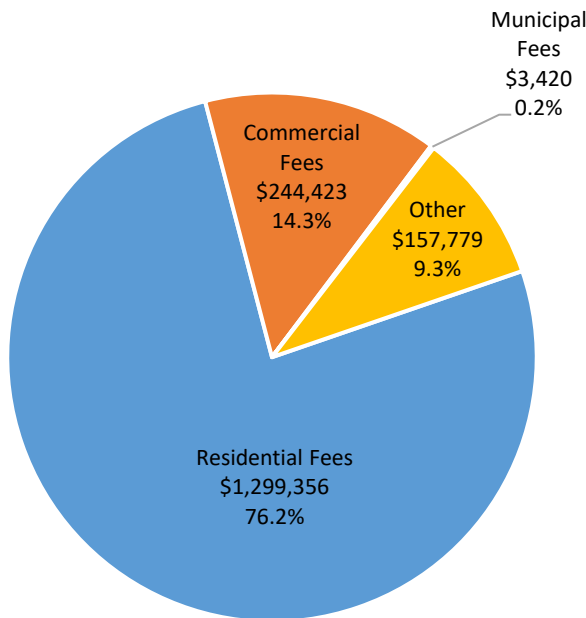
CY23 Projected Operating Revenue	\$1,704,978
CY23 Projected Operating Expenses	<u>(1,354,363)</u>
CY23 Projected Operating Income	\$350,615
CY23 Projected Net Income	\$311,270
CY23 Projected Telecommunications Fund Balance	\$884,377

Revenues and Expenditures Overview

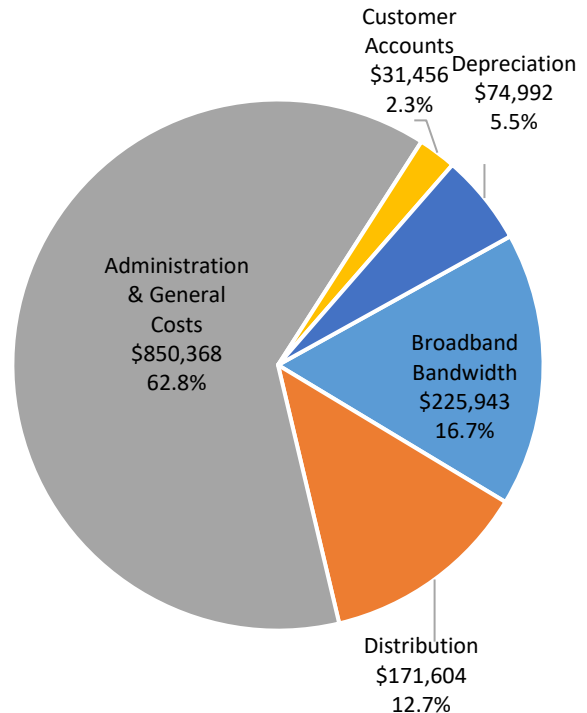
Since March 2014, High Speed Internet service has been available to both commercial and residential customers of CMLP. CY2020 saw minor growth in subscription additions due to the COVID-19 pandemic.

As of December 2022, 1,635 High Speed Internet customers were connected. In CY2023, 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.

CY23 Operating Revenues



CY23 Operating Expenditures



Light Fund – Telecommunications – Program Highlights

Telecommunications Business Results

CY2021 had minor growth due to the COVID-19 pandemic. During CY2022, the Broadband Division added 76 new subscribers. In CY23, the Division is projecting a 6.5% growth in subscriber base. Overall demand for service has remained steady with 20-30 monthly requests for new service.

In CY2023, revenue is projected to be generated from the following activities:

- One-time installation fees of the fiber optic service to homes and businesses;
- 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 providers with customers in Concord as well as 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 high.

Smart Grid Infrastructure: CMLP 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 with a goal of town-wide coverage.

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 reduce responsiveness. 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 Light Plant Director and the Town Chief Technology Officer brings effective coordination supporting Telecommunications and Information Technology.

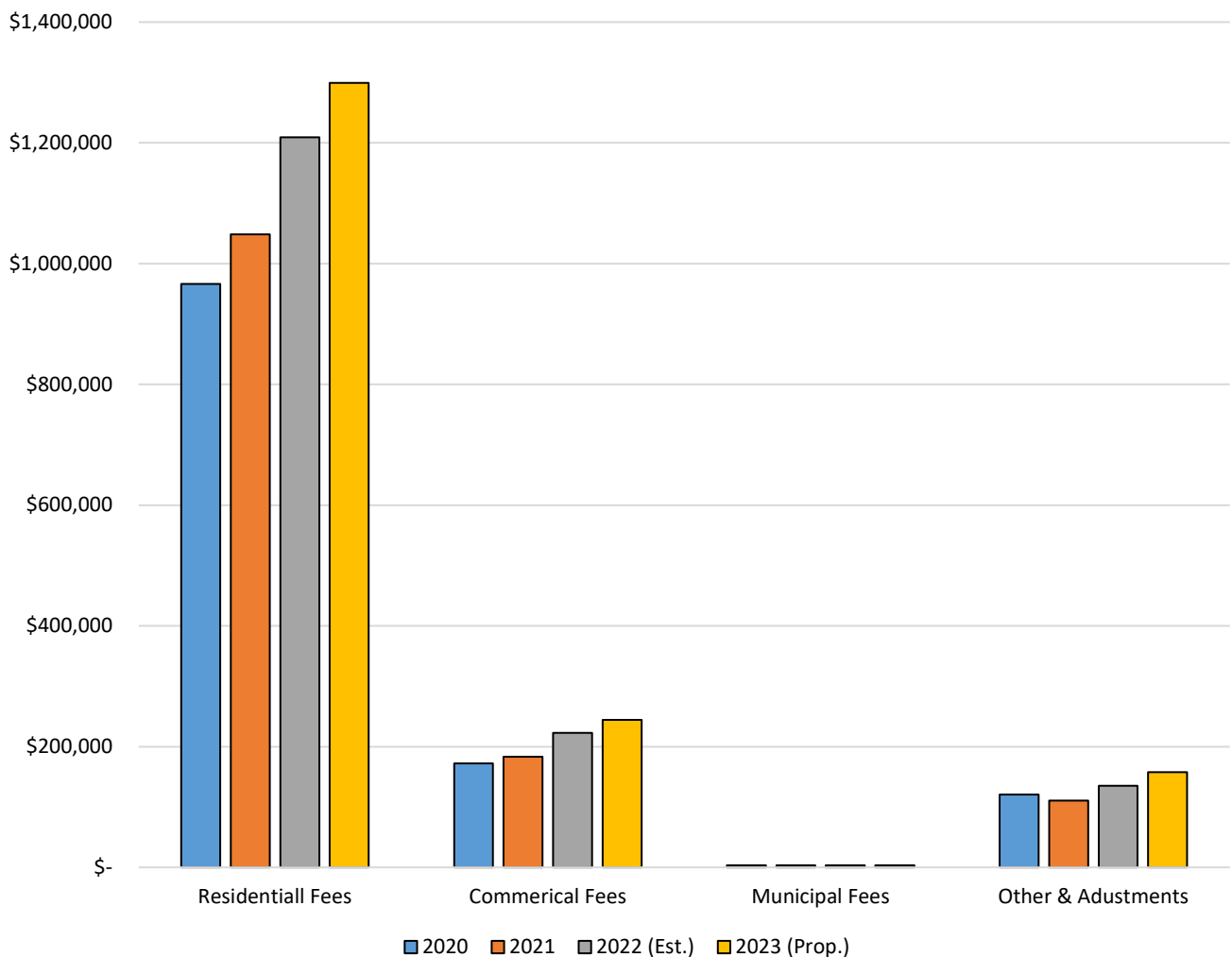
Light Fund – Telecommunications – Revenues

Operating Revenue

	Calendar Year:			
	2020	2021	2022	2023
	Actual	Actual	Estimated	Proposed
Operating Revenue				
Residential Fees	\$ 1,066,677	\$ 1,139,657	\$ 1,209,115	\$ 1,299,356
Commerical Fees	172,171	183,463	222,703	244,423
Municipal Fees	3,420	3,420	3,420	3,420
Revenue Conversion Difference Balance (1)	-	-	-	-
Other	120,559	110,532	135,375	157,779
Audit Adjustment	(100,230)	(91,182)	-	-
Operating Revenue Total	\$ 1,262,597	\$ 1,345,890	\$ 1,570,613	\$ 1,704,978

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

Telecommunications Division Operating Revenues

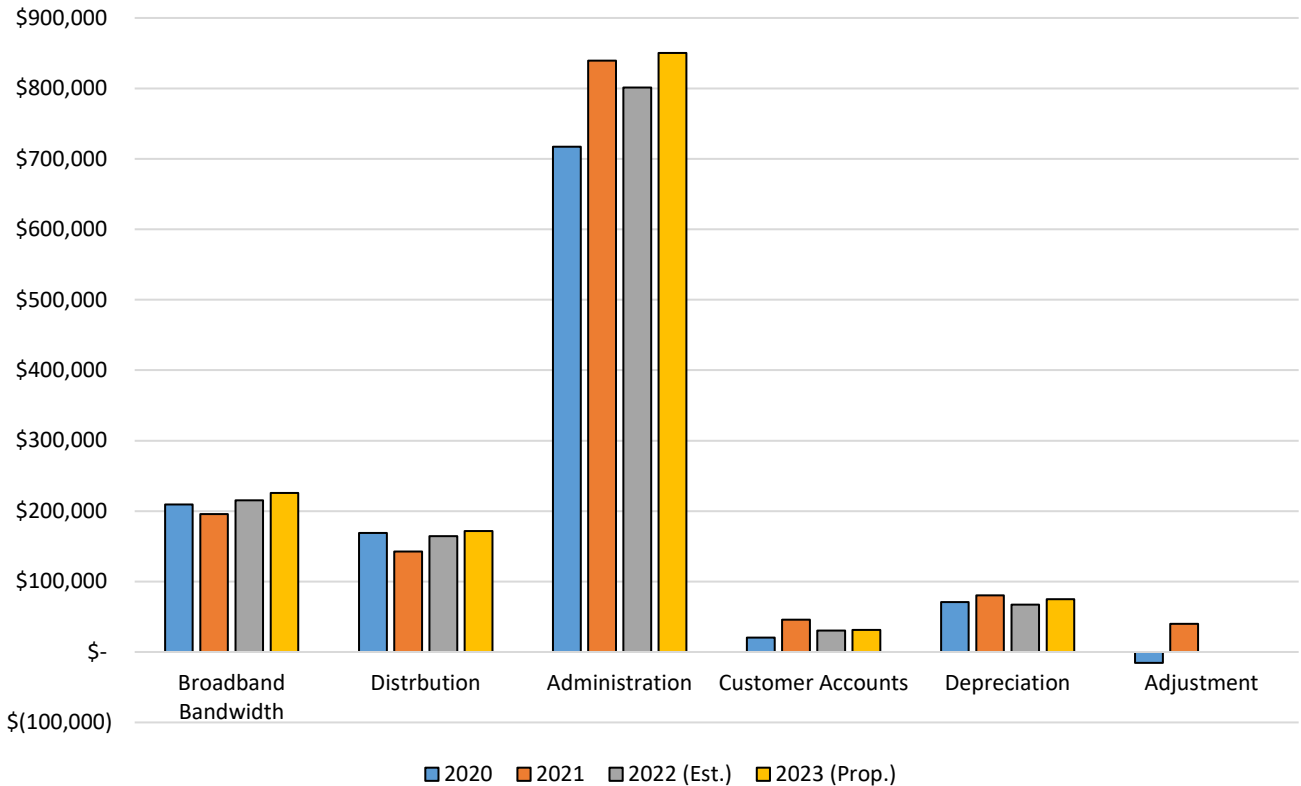


Light Fund – Telecommunications – Expenditures

Operating Expenditures

	Calendar Year:			
	2020	2021	2022	2023
	Actual	Actual	Estimated	Proposed
Operating Expenditures				
Broadband Bandwidth	\$ 209,390	\$ 195,673	\$ 215,184	\$ 225,943
Distribution	168,863	142,495	164,448	171,604
Administration and General Costs	717,295	839,299	801,273	850,368
Customer Accounts	20,605	45,891	30,486	31,456
Depreciation	73,697	80,496	67,342	74,992
Audit Adjustment	(15,485)	39,963	-	-
Operating Expense Total	\$ 1,171,601	\$ 1,343,817	\$ 1,278,733	\$ 1,354,363

Telecommunications Division Operating Expenditures



Light Fund – Telecommunications – Expenditures

Personnel Summary

AUTHORIZED POSITIONS

Code	Telecommunications	CY2022 Estimated		CY2023 Proposed	
		FTE	Amount	FTE	Amount
5111	Regular Full-Time Personnel	5.00 FTEs	\$ 562,809	6.00 FTEs	\$ 653,372
5130	Overtime		20,290		20,696
	Salary Subtotal	5.00 FTEs	\$ 583,099	6.00 FTEs	\$ 674,068
Allowance for Salary Increases					
			FY2023		FY2024
	Group Insurance:				
	Health, Life, Dental		\$ -		\$ -
	Retirement		-		-
	OPEB Contribution		-		17,968
	Soc. Sec. & Medicare Tax		-		-
	Clothing Allowance		-		-
	Benefits Subtotal		\$ -		\$ 17,968

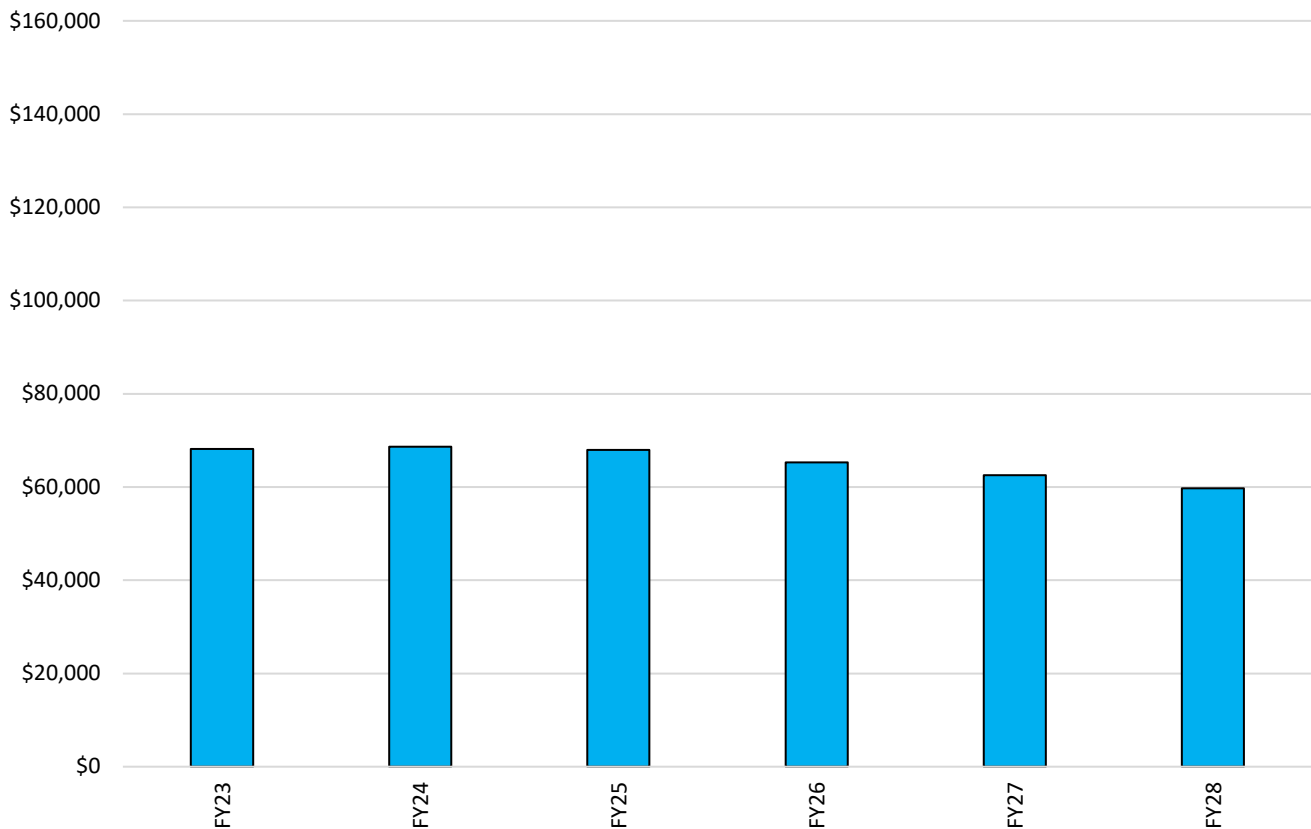
Light Fund – Telecommunications – Expenditures

Capital (Capital Outlay and Debt-Funded)

TELECOM DEBT SERVICE

Fiscal Year	Principal	Interest	Total
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
Totals	\$449,000	\$89,742	\$538,742

Telecommunications Division Debt Service
as of June 30, 2022



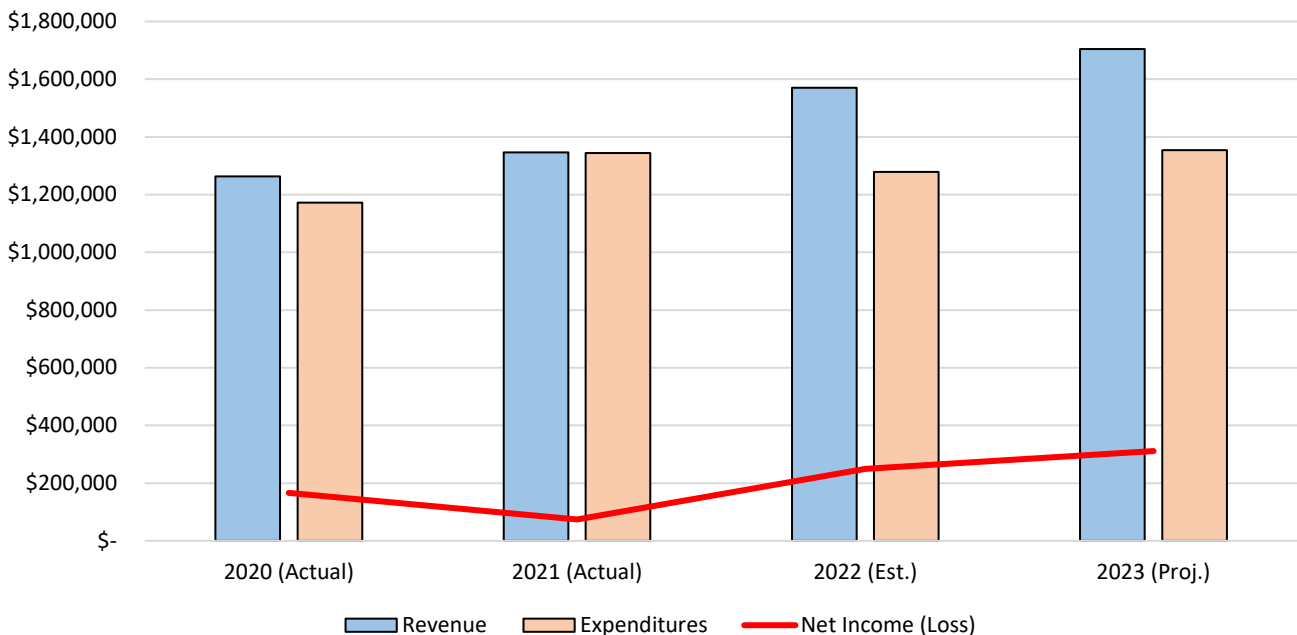
Light Fund – Telecommunications – Net Income and Fund Balance

Net Income and Fund Balance

	Calendar Year:			
	2020	2021	2022	2023
	Actual	Actual	Estimated	Proposed
Operating Income (Loss)	\$ 90,996	\$ 2,073	\$ 291,880	\$ 350,615
Nonoperating Revenues (Expenses)				
Interest Income	\$ -	\$ -	\$ -	\$ -
Interest Expense	(15,375)	(19,215)	(23,275)	(19,447)
Other	98,862	94,577	-	-
Audit Adjustment	(6,531)	(1,156)	-	-
Operating Expense Total	\$ 76,956	\$ 74,206	\$ (23,275)	\$ (19,447)
Other Financing (Uses)				
Loss on Disposal of Capital Assets	\$ (2,193)	\$ (2,066)	\$ (240)	\$ -
Payment in Lieu of Franchise	-	-	(18,634)	(19,898)
Subtotal	\$ (2,193)	\$ (2,066)	\$ (18,874)	\$ (19,898)
Net Income (Loss)	\$ 165,759	\$ 74,213	\$ 249,731	\$ 311,270
Net Position				
Net Position at Beginning of Year	\$ 83,404	\$ 249,163	\$ 323,376	\$ 573,107
Net Position at End of Year	\$ 249,163	\$ 323,376	\$ 573,107	\$ 884,377

Source: CY2020 and CY2021 data is actual data from audited financial statements; CY2022 is an estimate; CY2023 data is proposed.

Telecommunications Division Fund Historical Net Income



Light Fund – Telecommunications – Net Income and Fund Balance

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Water Fund

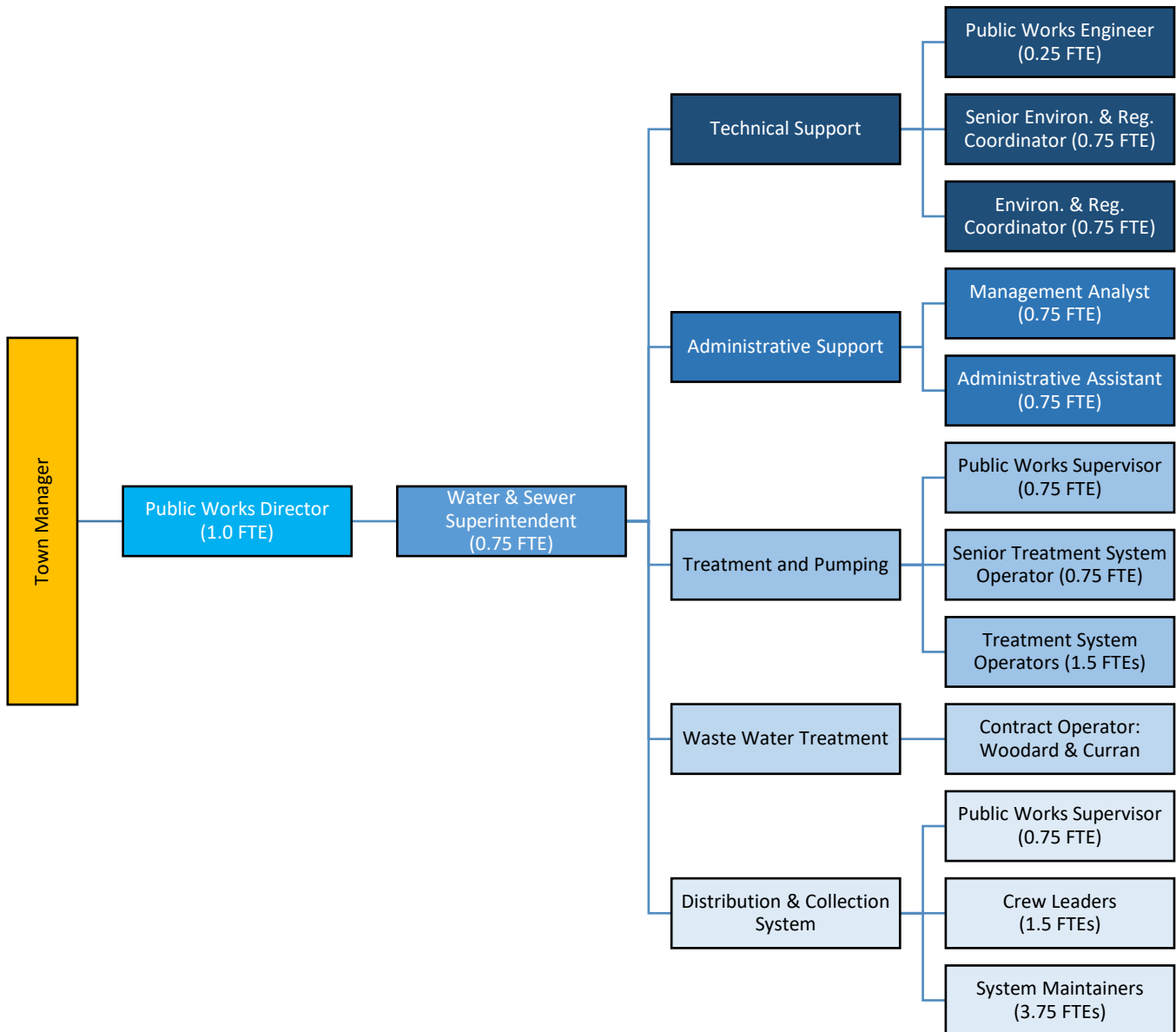
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Water Fund

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 FY22, the total value of infrastructure assets was approximately \$25.8 million.

There are presently 5,690 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.

FY22 Accomplishments

- ☑ Finalized plans and specifications and publicly bid water main replacement activities in the Butternut Circle/Minot Road neighborhood for 2023 construction.
- ☑ Cleaned and rehabilitated the remaining 1,100 linear feet (Phase II) of the century-old 16-inch Nagog Pond intake pipe to restore its original flow capacity and increase service reliability.
- ☑ 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 Deaconess Satellite Well (#2) and Robinson Well in conjunction with well redevelopment work.
- ☑ 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.
- ☑ Performed a water main leak detection survey on approximately 50% of the water distribution system via acoustic survey.
- ☑ Maintained our commitment to a comprehensive water conservation program to encourage efficient water use via seasonal increasing block rates and 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 procuring a new utility meter reading platform, executing the contract with the vendor, Eaton Corporation, in August 2022.
- ☑ Completed the second year of compliance sampling for Per- and Poly-fluoroalkyl (PFAS) Substances ("forever chemicals"), per state requirements.
- ☑ Continued to perform low-cost lead service line replacements 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.
- ☑ Participated in the Town-wide financial system software upgrade and migration project from the "ADMINS" financial system platform to a more robust and industry-standard "MUNIS" platform.
- ☑ Continued work with a third-party consulting team (Kleinfelder – partnering with Brown & Caldwell) on preparing an Integrated Water Resources Plan (IWRP) to provide recommendations for addressing water supply, wastewater, and stormwater in a holistic, integrated, and sustainable manner.

Water Fund

Performance

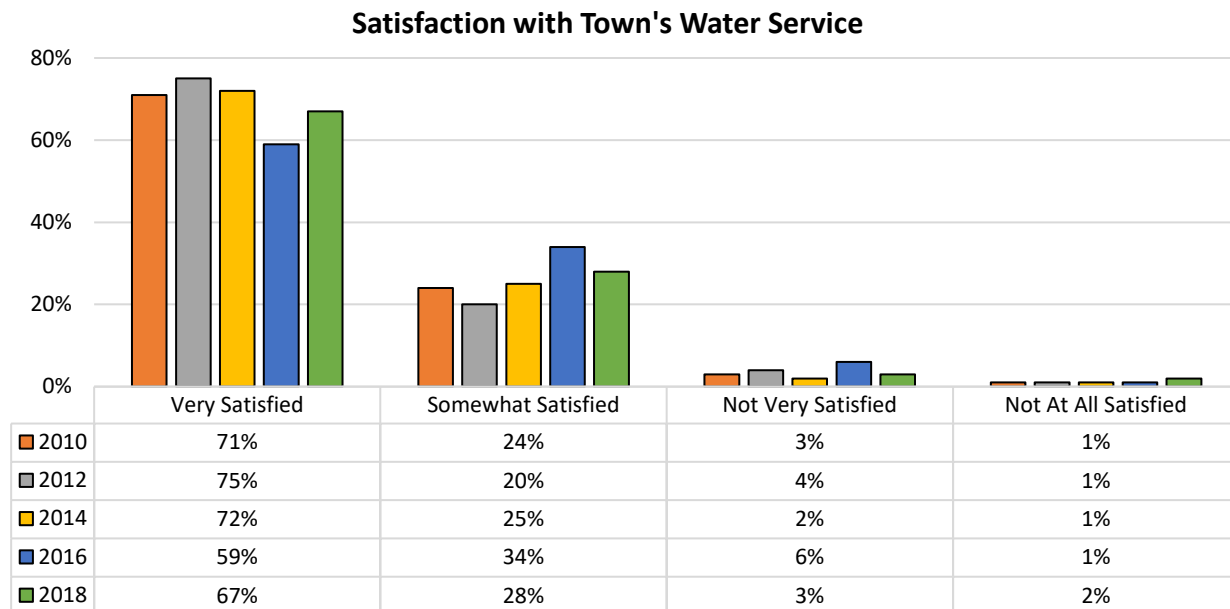
Long Term Financial Stability

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



FY24 Goals

- Water Quality Monitoring: Continue to perform routine and non-routine water quality sampling activities per Safe Drinking Water Act requirements as administered by MassDEP. 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 that water rights have been affirmed through a decision issued by the Massachusetts Supreme Judicial Court, recent PFAS6 test results, intake work results, and other related activities.
- Continue advancing final design and permitting towards the long-anticipated Nagog Pond Treatment facility while also carefully evaluating alternatives involving a potential connection to the MWRA water supply system as an opportunity for the Town to make an informed decision about when and if it is appropriate to invest significant resources into the Nagog Pond Treatment facility and potentially at other Town water supply sources.
- Water Main Rehabilitation/Replacement: Complete 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, improved water demand analytics for rate assessment, 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

- ❑ Complete Lead Water Service Inventory, Lead Water Service Replacement Plan, and associated outreach. Continue to work with a third-party consulting team (Kleinfelder – partnering with Brown & Caldwell) on preparing an Integrated Water Resources Plan (IWRP) to provide recommendations for addressing water supply, wastewater, and stormwater in a holistic, integrated, and sustainable manner.
- ❑ Update Water Rules and Regulations (last amended in 2002) while incorporating related technical design details into Concord Public Works Construction and Design Standards.

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. 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

FY24 Budget Highlights

The proposed FY27 water rate of \$0.770 per cubic foot represents a 12.5% increase over the FY23 rate of \$0.0684 per cubic foot. For the average residential customer, the annual increase in their water bill will be \$77.40 or \$6.45 per month.

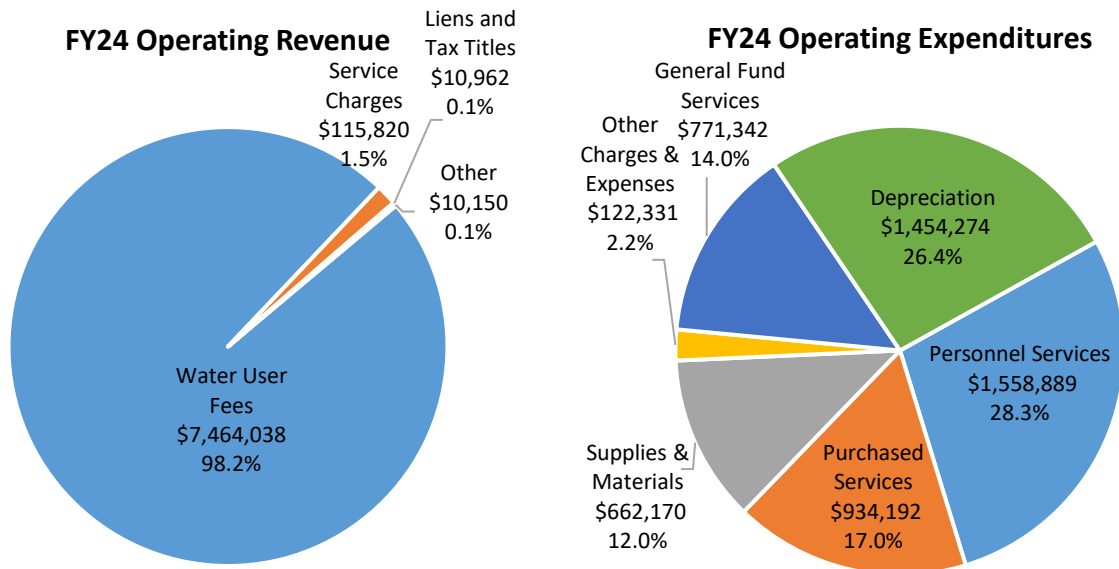
Budget Highlights

FY24 Projected Revenue	\$7,600,970
FY24 Projected Expenses	<u>(5,503,198)</u>
FY24 Projected Operating Income	\$2,097,771
FY24 Projected Net Income	\$1,812,948
FY24 Projected Water Fund Balance	\$9,176,024

Revenues and Expenditures Overview

Approximately ninety-eight percent of the Water Division's revenues in FY24 is expected to come from water user fees (amounting to \$7,464,038 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 \$5,503,198 proposed are depreciation, personnel services, and purchased services.



Water Fund – Program Highlights

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 the continued operation of "grandfathered" water rights were set to expire on December 31, 2021, unless the Department of Environmental Protection (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 for drinking water withdrawal "allowances" with demand management practices to balance environmental protection goals. On April 21, 2022, the Division submitted the Town's response to DEP's OTC, and the Town still awaits a response from MassDEP.

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

Water Fund – Program Highlights

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 Concord's water supplies demonstrated that concentrations were consistently below the established drinking water standards. Accordingly, Concord groundwater supplies have been reduced to annual monitoring frequency.

On June 15, 2022, EPA issued interim updated drinking water health advisories for perfluorooctanoic acid (PFOA) and perfluorooctane sulfonic acid (PFOS) that replaced those EPA issued in 2016. The updated advisory levels, which are based on new science and consider lifetime exposure, indicate that some negative health effects may occur with concentrations of PFOA or PFOS in water that are near zero. These interim health advisories will remain in place until EPA establishes a National Primary Drinking Water Regulation for PFAS compounds.

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.

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.

EPA's strict adherence to a questionable interpretation of regulatory language fails to provide for a notification "exemption" when a source such as Nagog Pond is used seasonally (as opposed to year-round). As such, on October 11, 2022, a direct mailing was sent to all customers in Concord and Acton. While staff will continue to work with our consulting engineers and MassDEP to evaluate treatment optimization practices at the existing ozone facility to determine if the low levels of Bromate can be mitigated when Nagog Pond is in operation, we anticipate that Bromate exceedance notices will be mailed to customers in the spring and fall for the foreseeable future.

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 the design 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, and the work will be completed in Spring 2023.

Water System Capacity & Resiliency Planning: Integrated Water Resource Planning Initiative. Working collaboratively with CPW's Engineering and Administrative Divisions, the Town's Sustainability Director, and the Department of Planning and Land Management, CPW continued identifying programmatic gaps in our understanding and compliance goals associated with long-term water supply, wastewater, and stormwater programs.

Water Fund – Program Highlights

As Concord's water treatment needs evolve, with daunting changes in drinking water quality requirements anticipated within the near future - specifically associated with Per- and Poly-fluoroalkyl (PFAS) compounds (more auspiciously identified as "forever chemicals") and escalating cost estimates for the construction of the Nagog Pond Water Treatment Facility, the Division is conducting a long-term water supply assessment as part of the integrated planning process. With local drinking water treatment costs estimated to reach upwards of 50 to 75 million dollars, the Town will need to make an informed decision about when and if it is appropriate to invest significant resources into local treatment plant upgrades at the Nagog Surface Water Treatment Plant as well as our other water supply sources, or if feasible, would it be more appropriate to connect to the Massachusetts Water Resources Authority (MWRA).

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 2022, the total water production required to meet our system demands was 1.91 million gallons per day or 696 million gallons per year. A peak day demand of 3.29 million gallons occurred on July 22, 2022. The calculated RGPDC and total system losses ("unaccounted for" water use) are 63.6 gals/day and 8.5%, 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 one (1) hydrant and one (1) water service, accounting for an estimated loss of approximately 9.2 million gallons per year. Both 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-million-gallon storage facility, and the fabrication of a retrieval and placement system for a dedicated water mixing system. All project work was completed, and the water mixing system was replaced in the Winter of 2021/2022, and MassDEP approved the reservoir to return to service duty in January 2022.

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 Deaconess Satellite Well (#2) and Robinson Well, including minor repairs of associated pump and motor assemblies (performed by Denis L. Maher Company, Ayer, MA).

Meter Replacement Program: With CMLP and an outside consultant, Water and Sewer participated in a competitive procurement process 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 improve billing and conservation management tools for our customers and the Division. Customers can enable real-time, remote detection 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 to 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

Water Fund – Program Highlights

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 our customers' safe and reliable water supply. 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 2022, Water operations crews responded to ten (10) emergency repairs: Commerford Road service leak on January 2nd, 2022; Harrington Avenue water main leak on February 19th, 2022; MCI Concord water service leak on March 5th, 2022; Annursnac Hill Road shared water service line break, on June 22nd, 2022; Barrett's Mill Road water main leak, on July 14th, 2022; #53 Church Street water service leak, on August 16th, 2022; #217 Great Road, Acton, MA water service leak, on September 14th, 2022; #349 Old Marlboro Road water service leak, on September 20th, 2022; Bedford Street water main leak, on December 20th, 2022; and CMLP Campus water service leak, on December 22nd, 2022.

Developed plans and specifications for water main replacement activities planned in the Butternut Circle/Minot Road neighborhood for completion during the 2023 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

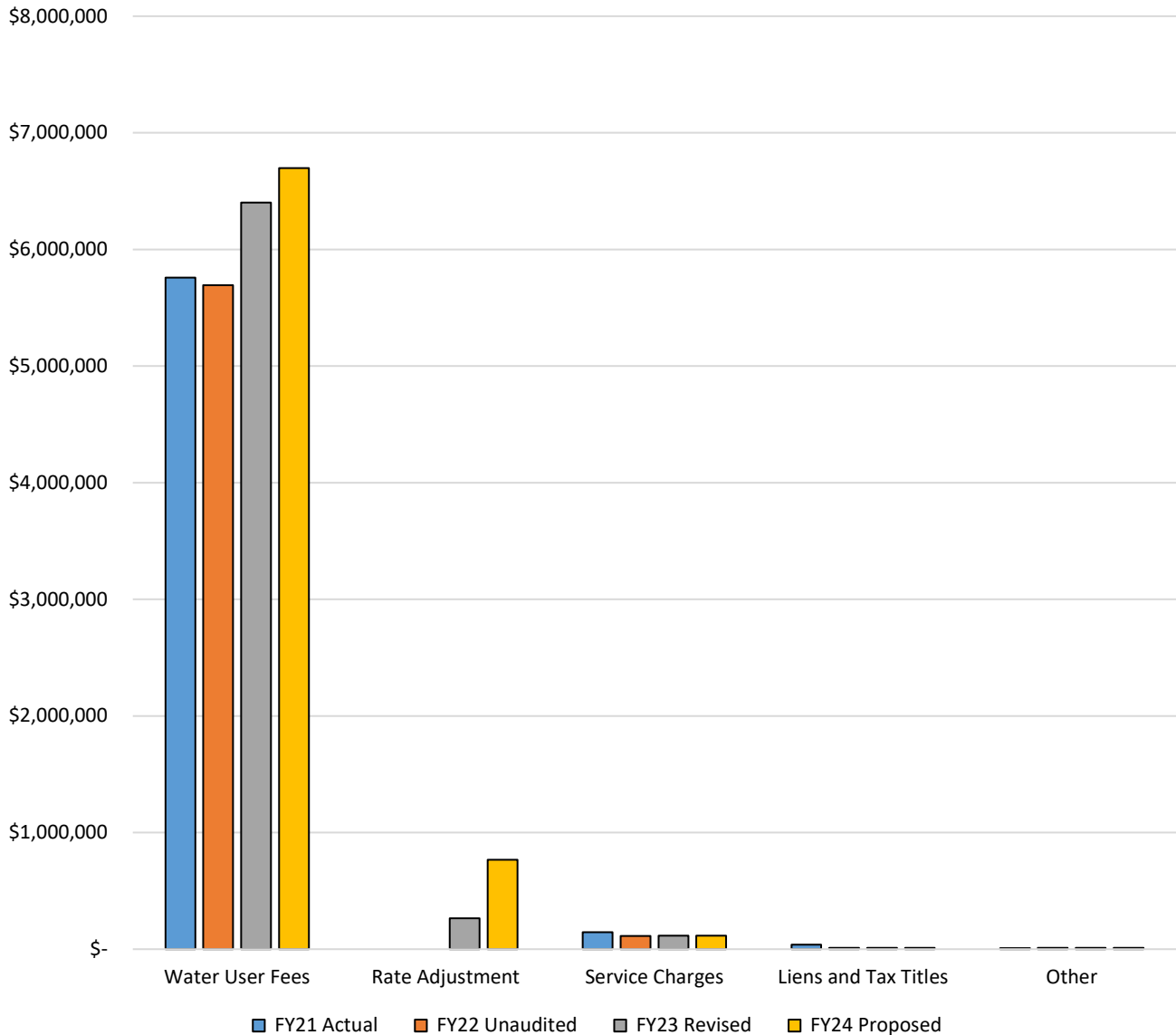
Water Fund: Plan and Projection	Unaudited FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10 Years FY 24-33
Operating Revenue													
User Fees	5,694,545	6,667,038	7,464,038	7,811,038	8,166,038	8,538,038	8,933,038	9,346,038	9,775,038	10,229,038	10,701,038	11,197,038	92,160,384
Other	134,931	135,931	136,931	137,931	138,931	139,931	140,931	141,931	142,931	143,931	144,931	145,931	1,414,315
Subtotal	5,829,477	6,802,970	7,600,970	7,948,970	8,304,970	8,677,970	9,073,970	9,487,970	9,917,970	10,372,970	10,845,970	11,342,970	93,574,699
Operating Expense													
O & M	3,360,658	3,687,850	4,048,924	4,312,173	4,443,443	4,578,785	4,718,329	4,862,213	5,010,577	5,163,566	5,321,332	5,484,031	47,943,372
Depreciation	1,352,891	1,385,043	1,454,274	1,870,881	2,507,692	2,837,795	2,857,895	2,887,702	2,923,102	2,965,590	3,034,149	3,086,707	26,425,777
Subtotal	4,713,549	5,072,893	5,503,198	6,183,054	6,951,135	7,416,579	7,576,214	7,749,915	7,933,678	8,129,156	8,355,481	8,570,738	74,369,149
Operating Income	1,115,928	1,730,076	2,097,772	1,765,916	1,353,835	1,261,391	1,497,756	1,738,055	1,984,292	2,243,814	2,490,489	2,772,232	19,205,550
ADD: Interest Income	13,733	144,583	104,450	85,999	73,200	64,357	60,438	58,582	58,367	58,367	58,367	58,368	680,496
Other Non-Operating Income	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS: Interest Expense													
Existing Debt	136,299	156,115	130,565	106,995	85,050	6,200	16,000	0	0	0	0	1	344,811
Future Debt	0	105,742	204,208	293,475	1,077,741	1,822,008	1,726,274	1,630,541	1,534,807	1,439,074	1,343,340	1,247,607	12,319,075
Bond Anticipation Notes (BANs)	0	3,526	26,000	25,000	200,000	200,000	0	0	0	0	0	0	451,000
Issuance expense (Premium)	353	5,126	28,500	45,000	220,000	200,000	0	0	0	0	0	0	493,500
Net Income	993,009	1,604,150	1,812,948	1,381,445	-155,757	-902,460	-184,081	166,096	507,852	863,108	1,205,516	1,582,993	6,277,661
Available Resources from:													
Net income	993,009	1,604,150	1,812,948	1,381,445	-155,757	-902,460	-184,081	166,096	507,852	863,108	1,205,516	1,582,993	6,277,661
Depreciation expense	1,352,891	1,385,043	1,454,274	1,870,881	2,507,692	2,837,795	2,857,895	2,887,702	2,923,102	2,965,590	3,034,149	3,086,707	26,425,777
subtotal	2,345,900	2,989,193	3,267,222	3,252,326	2,351,936	1,935,335	2,673,804	3,053,798	3,430,953	3,828,698	4,239,665	4,669,699	32,703,437
Bond proceeds	0	352,630	2,600,000	2,500,000	20,000,000	20,000,000	0	0	0	0	0	0	45,100,000
Loan proceeds	352,630	2,600,000	2,500,000	20,000,000	20,000,000	20,000,000	0	0	0	0	0	0	42,500,000
LESS: Principal repayments													
Existing Debt	714,500	570,000	557,000	522,000	520,000	155,000	80,000	80,000	80,000	0	0	0	1,994,000
New Debt	120,705	138,337	288,337	393,337	1,393,337	2,393,337	2,393,337	2,393,337	2,393,337	2,393,337	2,393,337	2,393,337	18,808,368
BAN Repayment	0	352,630	2,600,000	2,500,000	20,000,000	20,000,000	0	0	0	0	0	0	45,100,000
Amort of bond premium													
Net Available for Capital Purposes	1,863,325	4,880,856	4,941,885	22,336,989	20,438,599	-613,002	200,467	580,461	957,617	1,435,361	1,846,328	2,276,362	54,401,069
Capital Plan	1,790,735	5,499,100	5,593,500	21,875,250	21,484,750	1,685,500	1,741,800	1,868,800	1,943,500	2,055,800	2,168,200	2,280,800	62,697,900
Cash Position													
Beginning balance	12,236,977	12,262,671	10,736,033	10,084,419	10,546,158	9,500,007	7,201,505	5,660,173	4,371,834	3,385,951	2,765,512	2,443,640	66,695,233
ADD: Net available	1,863,325	4,880,856	4,941,885	22,336,989	20,438,599	-613,002	200,467	580,461	957,617	1,435,361	1,846,328	2,276,362	54,401,069
LESS: Planned Capital	1,790,735	5,499,100	5,593,500	21,875,250	21,484,750	1,685,500	1,741,800	1,868,800	1,943,500	2,055,800	2,168,200	2,280,800	62,697,900
Changes in assets & liabilities	-46,895	-908,394	10,084,419	10,546,158	9,500,007	7,201,505	5,660,173	4,371,834	3,385,951	2,765,512	2,443,640	2,439,202	58,398,402
Ending balance	12,262,671	10,736,033	10,084,419	10,546,158	9,500,007	7,201,505	5,660,173	4,371,834	3,385,951	2,765,512	2,443,640	2,439,202	58,398,402

Water Fund – Revenues

Operating Revenues

	OPERATING REVENUES			
	FY21 Actual	FY22 Unaudited	FY23 Revised	FY24 Proposed
Water User Fees	\$ 5,758,839	\$ 5,694,545	\$ 6,401,038	\$ 6,697,038
Rate Adjustment	-	-	266,000	767,000
Service Charges	145,528	113,820	114,820	115,820
Liens and Tax Titles	38,537	10,962	10,962	10,962
Other	7,867	10,150	10,150	10,150
Operating Revenues Total	\$ 5,950,771	\$ 5,829,477	\$ 6,802,970	\$ 7,600,970

Water Operating Revenues



Water Fund – Revenues

Water Rates

The total revenue projected to be raised through water user fees in FY24 is \$7,464,038, representing 98.2% 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

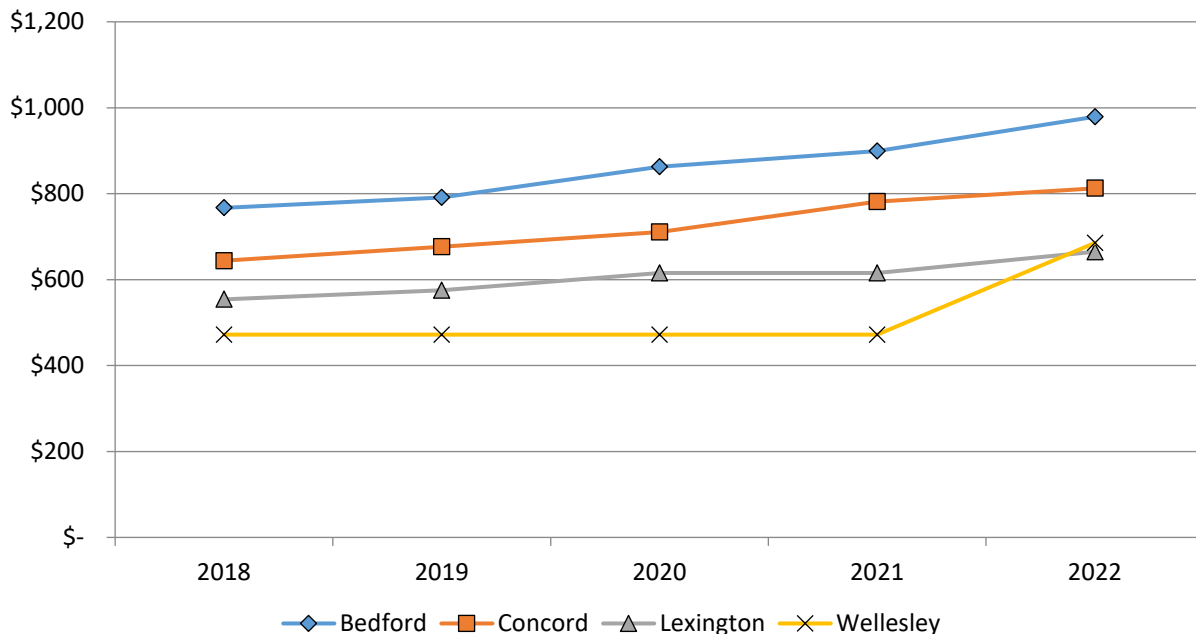
The FY24 proposed Residential Service (step 1) water rate is \$0.0770 per cubic foot (1 cubic foot = 7.48 gallons).

The FY24 rate of \$0.0770 represents a 12.5% increase over the FY23 rate of \$0.0684. Since FY 2013, water rates have increased at an average annual rate of 5.3% per year.

In FY24, the average residential customer is expected to pay a total of \$693 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

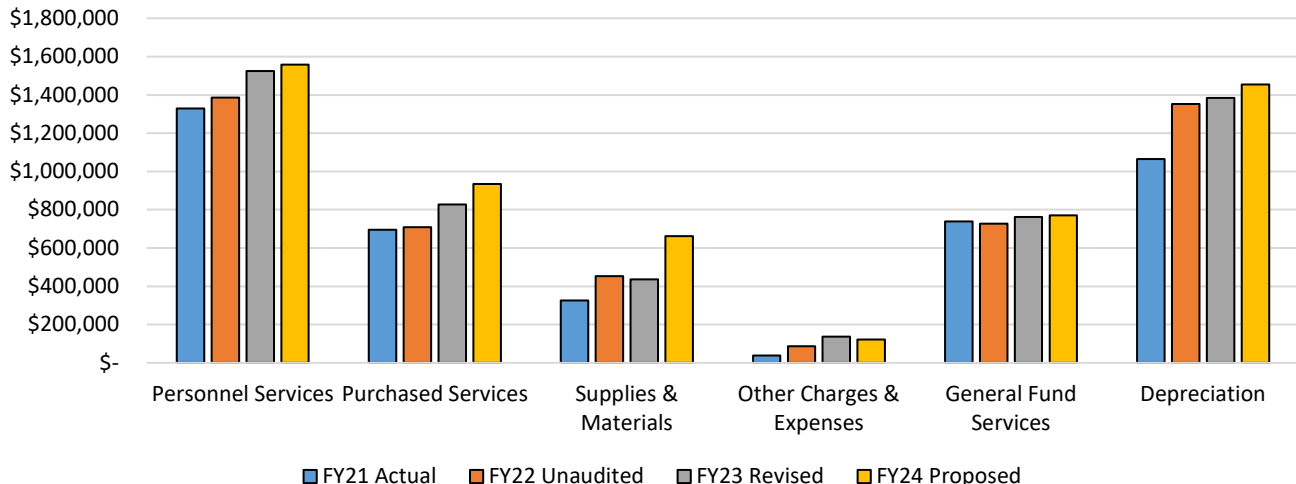
Operating Expenditures

OPERATING EXPENSES				
	FY21	FY22	FY23	FY24
<u>Personnel Services</u>	Actual	Unaudited	Revised	Proposed
Personnel Expenses	\$ 1,329,215	\$ 1,385,526	\$ 1,524,168	\$ 1,558,889
Audit Adjustment	-	-	-	-
Subtotal	\$ 1,329,215	\$ 1,385,526	\$ 1,524,168	\$ 1,558,889
<u>Non-Personnel Services</u>				
Purchased Services	695,517	708,967	827,845	934,192
Supplies & Materials	326,280	452,697	436,885	662,170
Other Charges & Expenses	37,544	86,016	137,291	122,331
Audit Adjustment	-	-	-	-
Subtotal	\$ 1,059,342	\$ 1,247,679	\$ 1,402,022	\$ 1,718,694
<u>Other</u>				
General Fund Services	739,163	727,453	761,660	771,342
Depreciation Expense	1,065,469	1,352,891	1,385,043	1,454,274
Subtotal	\$ 1,804,632	\$ 2,080,344	\$ 2,146,703	\$ 2,225,616
Total Operating Expense	\$ 4,193,189	\$ 4,713,549	\$ 5,072,893	\$ 5,503,198

RETIREMENT AND OPEB ASSESSMENT

<i>For Informational Purposes Only</i>				
	FY21	FY22	FY23	FY24
<u>Personnel Services</u>	Actual	Unaudited	Revised	Proposed
Retirement Assessment	\$ 126,942	\$ 124,623	\$ 124,623	\$ 120,859
OPEB Assessment	25,000	44,512	44,512	0
Total Assessment	\$ 151,942	\$ 169,135	\$ 169,135	\$ 120,859

Water Operating Expenditures



Water Fund – Expenditures

Personnel Summary

AUTHORIZED POSITIONS

	FY23 Revised		FY24 Proposed	
	\$ Amount	Position/Hours	\$ Amount	Position/Hours
Personnel				
Regular Staff	13.00 FTEs	\$ 1,083,000	13.00 FTEs	\$ 1,136,070
Part-Time Staff	0.56 FTEs	17,400	0.56 FTEs	17,400
Subtotal	13.56 FTEs	\$ 1,100,400	13.56 FTEs	\$ 1,153,470
Employee Benefits				
Group Insurance	N/A	\$ 96,015	N/A	\$ 124,202
Retirement Contribution	N/A	124,623	N/A	120,859
OPEB Contribution	N/A	44,512	N/A	-
Subtotal	N/A	\$ 265,150	N/A	\$ 245,061
Payroll Taxes				
Medicare Tax	N/A	\$ 14,014	N/A	\$ 14,343
Social Security Contribution	N/A	0	N/A	1,411
Subtotal	N/A	\$ 14,014	N/A	\$ 15,754
Other Personnel Costs				
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
Subtotal	N/A	\$ 144,604	N/A	\$ 144,604
Total Personnel Costs	13.56 FTEs	\$ 1,524,168	13.56 FTEs	\$ 1,558,889

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

	FY21		FY22		FY23		FY24	
	Actual		Unaudited		Revised		Proposed	
<u>Management & Engineering</u>								
Public Works Administration	\$	104,833	\$	96,503	\$	97,875	\$	97,476
Public Works Engineering		90,791		93,718		96,570		77,725
Highway Maintenance		19,750		17,579		19,677		20,539
133/135 Keyes Road		44,601		44,601		1,690		3,925
Subtotal	\$	259,975	\$	252,401	\$	215,812	\$	199,665
<u>General Government</u>								
Town Manager	\$	75,510	\$	77,042	\$	74,045	\$	66,376
Human Resources		22,418		27,058		26,037		26,435
Information Systems		23,899		23,862		33,876		55,428
Facilities Administration		14,777		17,622		74,893		80,517
Subtotal	\$	136,604	\$	145,584	\$	208,851	\$	228,756
<u>Finance</u>								
Finance Administration	\$	98,635	\$	89,427	\$	90,880	\$	93,112
Treasurer-Collector		57,622		56,796		56,660		48,778
Town Accountant								
Accounting Services		52,393		44,273		45,906		46,283
Audit Services		8,652		8,652		9,240		9,600
Subtotal	\$	217,302	\$	199,148	\$	202,686	\$	197,773
<u>Natural Resources</u>								
Planning Administration	\$	58,048	\$	60,202	\$	58,830	\$	60,870
Natural Resource Protection		34,819		36,288		41,891		41,406
Health Department Services		32,414		33,829		33,590		42,875
Subtotal	\$	125,281	\$	130,319	\$	134,311	\$	145,151
Salary Reserve		-		-		-		-
Audit Adjustments		-		-		-		-
Totals	\$	739,163	\$	727,453	\$	761,660	\$	771,342

Water Fund – Expenditures

Capital (Capital Outlay and Debt-Funded)

WATER FUND CAPITAL PLAN	Unaudited FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total FY24-29
Water System Improvements		1,000,000	1,000,000						1,000,000
DISTRIBUTION SYSTEM									
Water Mains (User Fees)	46,002	0	1,900,000	1,000,000	1,100,000	1,200,000	1,300,000	1,400,000	7,900,000
Water Mains (Debt)	77,378	700,000							
Meter Replacements	44,098	250,000	250,000	100,000	50,000	50,000	52,000	54,000	556,000
Hydrants	4,950	30,000	31,000	32,000	33,000	34,000	34,800	35,800	200,600
	172,427	980,000	2,181,000	1,132,000	1,183,000	1,284,000	1,386,800	1,489,800	8,656,600
PUMPING STATIONS & TREATMENT									
Structures	73,992	100,000	75,000	52,000	54,000	56,000	58,000	60,000	355,000
Equipment	39,817	50,000	50,000	52,000	54,000	56,000	58,000	60,000	330,000
Reservoir Improvements	305,894	150,000	100,000	100,000					200,000
Nagog Improvements									
Temporary Ozone									
Route 2A and Filtration Construction (Debt)		900,000	1,500,000	20,000,000	20,000,000				41,500,000
Route 2A and Filtration Construction (Fund Bal)									
Filtration Design, Con Admin & Legal	675,602	400,000	160,000	250,000					410,000
Nagog Intake Construction	275,252	1,486,600							
Nagog Intake Design & Con. Admin.		100,000							
Contingency									
Iron & Manganese Removal Project									
Other (7 year life)									
Total: Stations & Treatment Plant	1,370,557	3,186,600	1,885,000	20,454,000	20,108,000	112,000	116,000	120,000	42,795,000
GENERAL PLANT									
Keyes Road CPW Facility	1,847	25,000	25,000	26,000	27,000	28,000	29,000	30,000	165,000
Vehicle Replacements (>=10 year life)		122,500							
Vehicle Replacements (7 year life)	152,336	0	217,500	146,250	48,750	142,500	90,000	105,000	750,000
Miscellaneous Equipment		15,000	35,000	17,000	18,000	19,000	20,000	21,000	130,000
Personal Services	0	0	0	0	0	0	0	0	0
Total: General Plant	154,183	162,500	277,500	189,250	93,750	189,500	139,000	156,000	1,045,000
SUPPLY/ CAPACITY									
Source Protection	93,568	170,000	250,000	100,000	100,000	100,000	100,000	103,000	753,000
Land									
Water Conservation									
New Source Permitting, Design									
Total: New Source/Capacity	93,568	170,000	250,000	100,000	100,000	100,000	100,000	103,000	753,000
Total User Fee Supported	1,438,105	2,899,100	3,093,500	1,875,250	1,484,750	1,685,500	1,741,800	1,868,800	11,749,600
Total from Debt	352,630	2,600,000	2,500,000	20,000,000	20,000,000	0	0	0	42,500,000
Grand Total Water Fund:	1,790,735	5,499,100	5,593,500	21,875,250	21,484,750	1,685,500	1,741,800	1,868,800	54,249,600

Water Fund – Expenditures

DEBT SERVICE

Long-Term Debt Repayment	FY21	FY22	FY23	FY24
	Actual	Unaudited	Revised	Proposed
Principal	\$ 520,000	\$ 835,205	\$ 1,060,967	\$ 3,425,337
Interest	86,052	136,299	265,383	360,773
Total	\$ 606,052	\$ 971,504	\$ 1,326,350	\$ 3,786,110

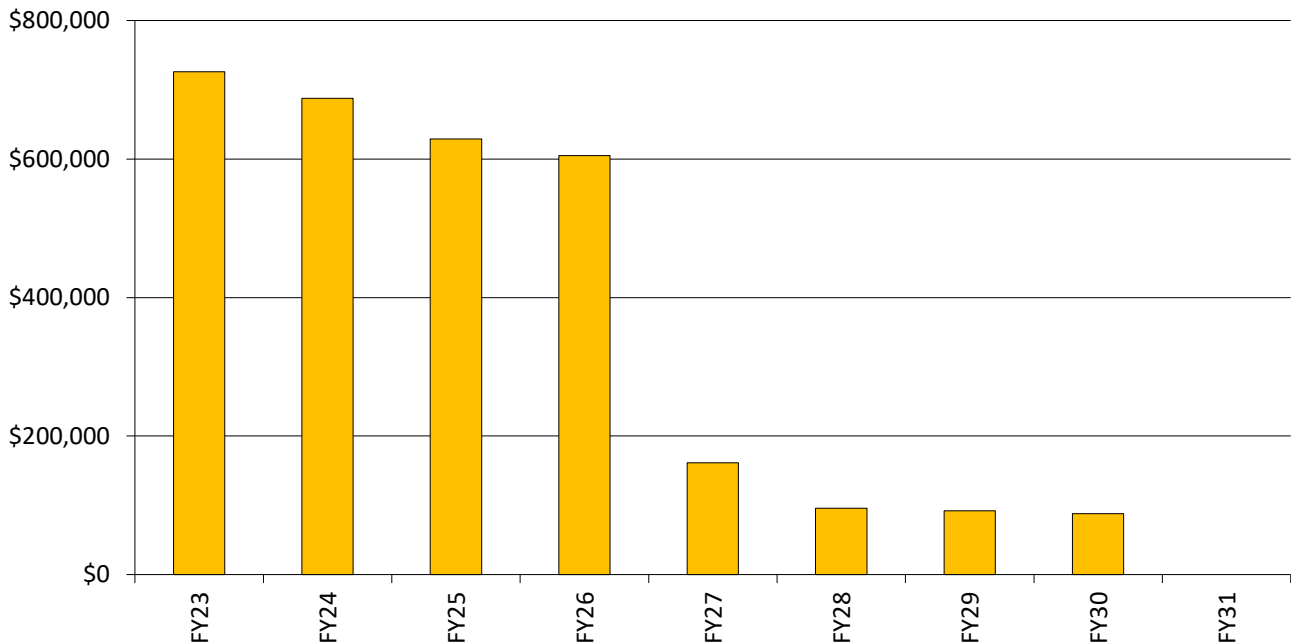
Water Debt Service Schedule

(Issued through June 30, 2022)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
FY31	-	-	-
Totals	\$ 2,564,000	\$ 520,925	\$ 3,084,925

Water Fund Debt Service

(As of June 30, 2022)



Water Fund – Net Income & Fund Balance

Net Income and Fund Balance

NET INCOME

	FY21		FY22		FY23		FY24	
	Actual		Unaudited		Revised		Proposed	
Statement of Net Income:								
Operating Revenues	\$	5,950,771	\$	5,829,477	\$	6,802,970	\$	7,600,970
Less Operating Expenses		(4,193,189)		(4,713,549)		(5,072,893)		(5,503,198)
Operating Income	\$	1,757,582	\$	1,115,928	\$	1,730,076	\$	2,097,771
<u>Nonoperating Revenues (Expenses)</u>								
Add Investment Income	\$	22,992	\$	13,733	\$	144,583	\$	104,450
Add Other Revenue/Expense		-		-		-		-
Less Interest Expense		(86,052)		(136,299)		(265,383)		(360,773)
Less Issuance Expense		-		(353)		(5,126)		(28,500)
Nonoperating Income	\$	(63,060)	\$	(122,919)	\$	(125,926)	\$	(284,823)
Net Income	\$	1,694,523	\$	993,009	\$	1,604,150	\$	1,812,948

AVAILABLE RESOURCES

Resources Available from Current Operations for Replacement & Renewal of Facility:								
	FY21		FY22		FY23		FY24	
	Actual		Unaudited		Revised		Proposed	
<u>Capital Purposes</u>								
Add Depreciation Expense	\$	1,065,469	\$	1,352,891	\$	1,385,043	\$	1,454,274
Add Net Income		1,694,523		993,009		1,604,150		1,812,948
Add Debt Financing		2,364,167		352,630		2,952,630		5,100,000
Less Bonds Payable		(520,000)		(835,205)		(1,060,967)		(3,425,337)
Net Available for Capital	\$	4,604,159	\$	1,863,325	\$	4,880,856	\$	4,941,885

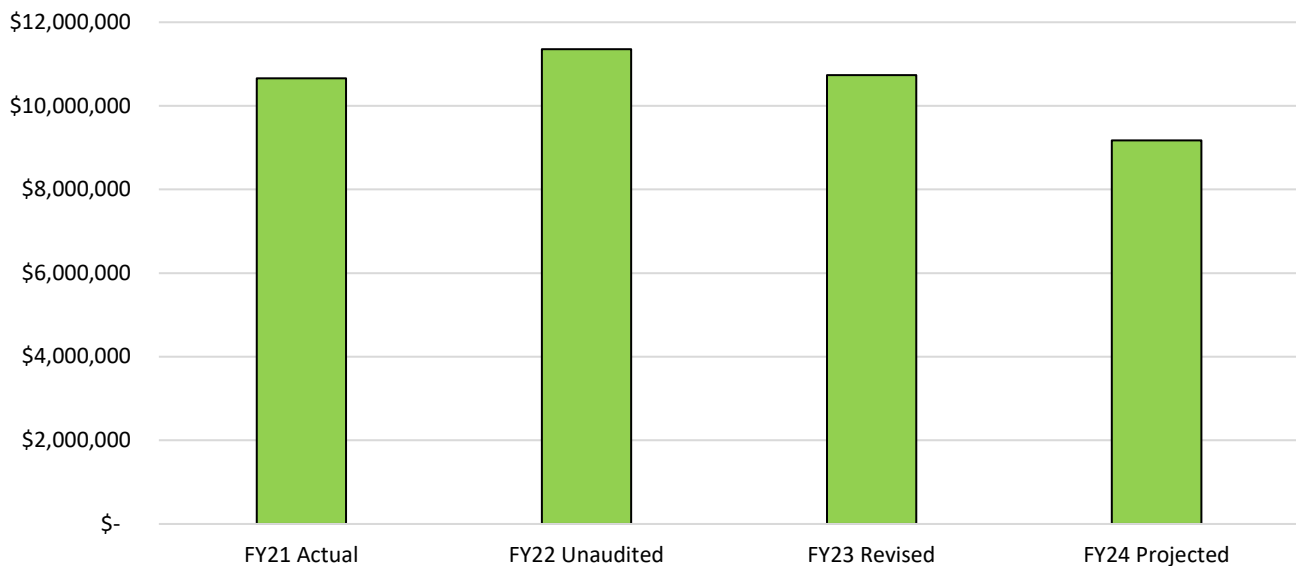
Water Fund – Net Income & Fund Balance

CASH POSITION AND FUND BALANCE FORECAST

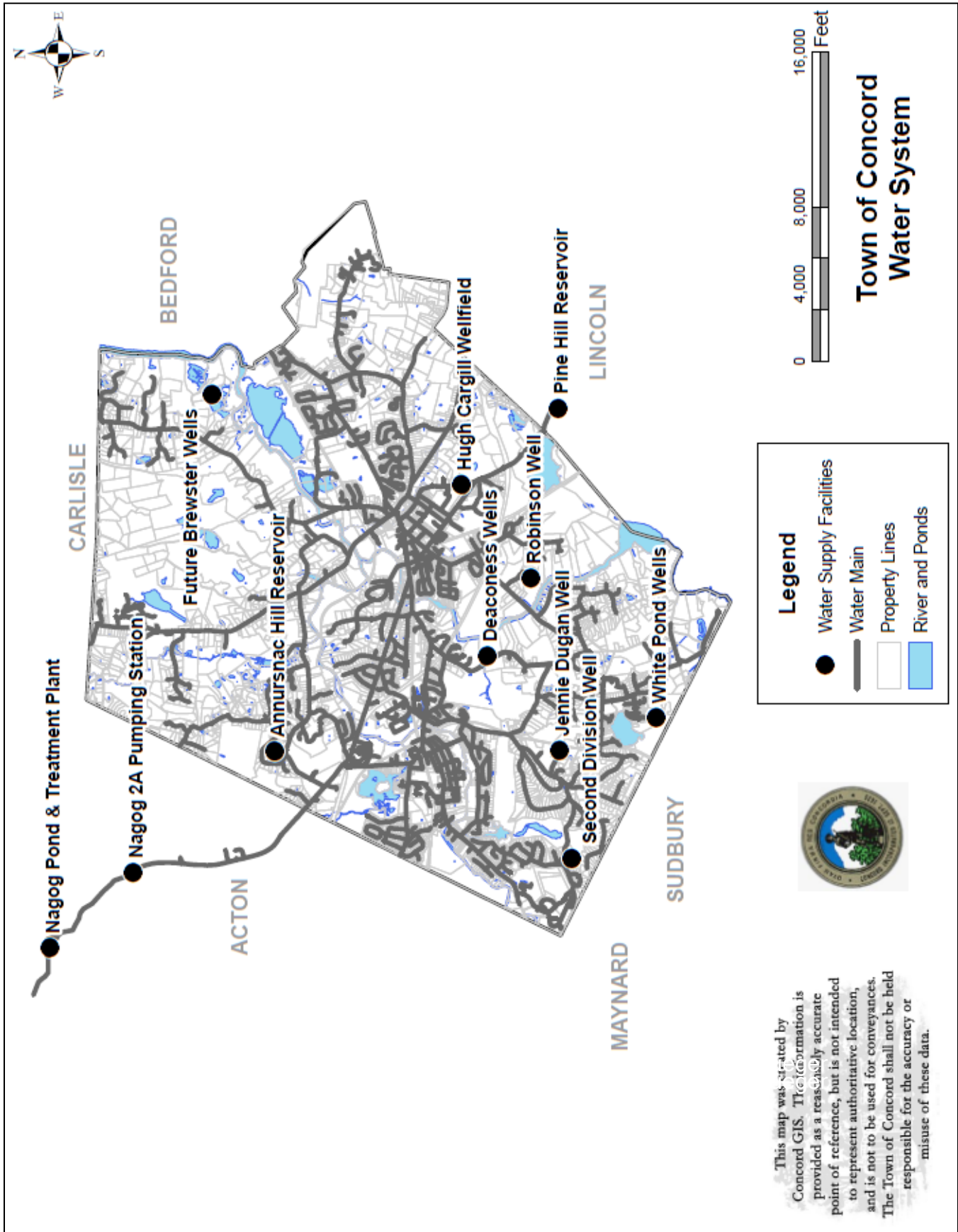
<u>Cash at Year Opening</u>	FY23		FY24	
	Cash on July 1st	\$	12,262,671	\$
Add Receivables		1,144,668		1,144,668
Add Inventory & Other Assets		114,453		114,453
Less Cash held for Liabilities		(2,002,560)		(2,002,560)
Deferred Outflows (Inflows)		(164,955)		(164,955)
Fund Balance on July 1st		\$ 11,354,277		\$ 9,827,639
Fund Balance Details (projected)	Credits	Debits	Credits	Debits
Net Income	1,604,150		1,812,948	
Bond Principal Repayment		(1,060,967)		(3,425,337)
BAN and Bond Proceeds	2,952,630		5,100,000	
Capital Borrowing		(2,600,000)		(2,500,000)
Capital Outlay (non-borrowing)		(2,899,100)		(3,093,500)
Add Depreciation Expense	1,385,043		1,454,274	
Balance Projected at June 30th	5,941,823	(6,560,067)	8,367,222	(9,018,837)
Fund Balance on June 30th		\$ 10,736,033		\$ 9,176,024
Cash at Year End (projected)				
Fund Balance on June 30th		\$ 10,736,033		\$ 9,176,024
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
Adjustment in Assets & Liabilities		(908,394)		
Projected Cash at June 30th		\$ 10,736,033		\$ 10,084,419

** Estimated Fund Balance as of July 1st, 2022 (or June 30, 2022) is based on information from FY2021 as the audited financial statements are not yet available for FY2022.*

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



Water Fund – Service Map



This map was created by Concord GIS. The information is provided as a reasonably accurate point of reference, but is not intended to represent authoritative location, and is not to be used for conveyances. The Town of Concord shall not be held responsible for the accuracy or misuse of these data.

Water Fund – Service Map

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Sewer Fund

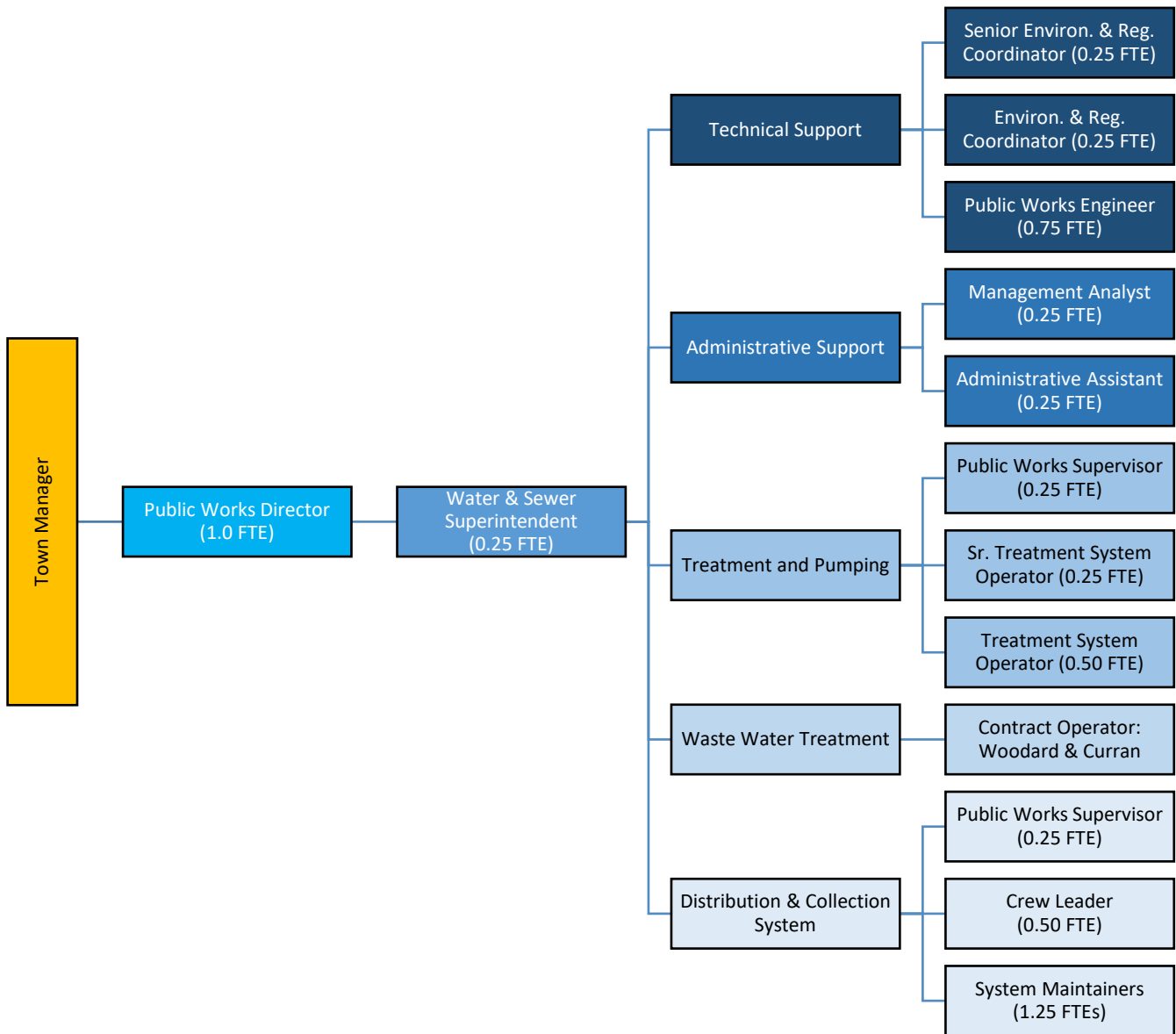
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Sewer Fund

Mission Statement

The mission of the Sewer Division is to enhance Concord's quality of life and, 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 “Enterprise” 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 and special service fees. As of FY21, the total value of the collection system and treatment plant infrastructure assets was approximately \$18.8 million. The municipal sewer system serves 1,913 residential and commercial customers representing about 34% of the community. About 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.

FY22 Accomplishments

- ☑ Continued to operate the municipal wastewater treatment facility in accordance with Concord's National Pollutant Discharge Elimination System (NPDES) permit conditions.
- ☑ Submitted application to USEPA and MassDEP for NPDES Medium Wastewater Treatment Facility (WWTF) General Permit for WWTF operation and treated effluent discharge. Permit coverage was granted and becomes effective on April 1, 2023.
- ☑ Maintained collection system with only one reportable sanitary sewer overflow (SSO) event reported in 2022. The illicit disposal of "rags and wipes" led to the upset of the Assabet Station's pump operations. The problem's source was quickly discovered by Division staff, leading to the ceasing of the SSO discharge after only releasing an estimated 3,900 gallons of sewage to Nashoba Brook.
- ☑ Managed the Contract Operations service provider Woodard & Curran through the first year of the new 4-year Operations Service Contract (which provides for up to three 2-year Contract extension options) that began on February 1, 2022.
- ☑ Completed the installation of an updated supervisory control and data acquisition (SCADA) system, including rigorous cybersecurity features.
- ☑ Completed "Facilities Plan" for the Concord Wastewater Treatment Facility. The Facilities Plan aims to assess the Town sewer flow needs and the condition and needs of the existing Facility's components and to define a multi-year capital improvements plan to address the plant upgrade needs.
- ☑ Initiated work with a third-party consulting team (Kleinfelder – partnering with Brown & Caldwell) on preparing an Integrated Water Resources Plan (IWRP) to 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.

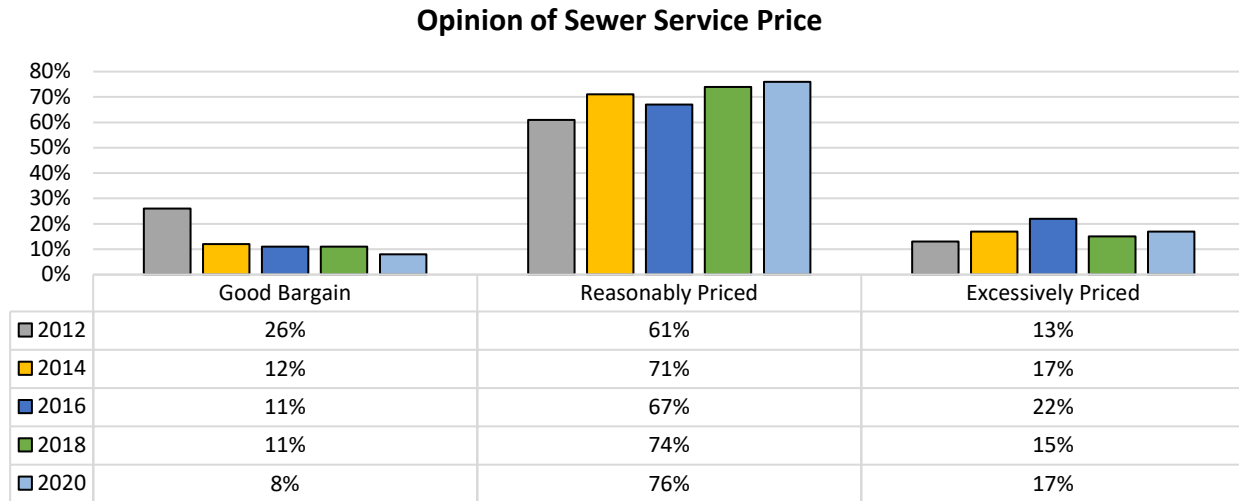
Since the Town established the sewer enterprise fund in 1976, no property tax contributions have subsidized pre-existing operations or infrastructure improvements. Taxpayer support has been sought through Town Meeting for projects designed to expand the sewer collection system and to support major upgrades to the Wastewater

Sewer Fund

Treatment Plant, as it also accepts septage from properties that are not directly related connected to the sewer system.

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."



FY24 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 improvements over the next 10-year budget cycle.
- Engage with regulators and begin negotiations to develop a scope of work with reasonable and attainable outcomes required to perform an antidegradation analysis necessary for the Town to be granted the needed increased NPDES discharge 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.
- Engage with regulators and begin negotiations to develop a scope of work with reasonable and attainable outcomes required to perform an antidegradation analysis necessary for the Town to be granted the needed increased NPDES discharge flow.
- Update Sewer Rules and Regulations (last amended in 2003) while incorporating related technical design details into Concord Public Works Construction and Design Standards.

Sewer Fund

Long-Term Plans

- ⇒ Continue to operate the municipal wastewater treatment facility in accordance with Concord's NPDES permit conditions.
- ⇒ Continue proactively managing finite wastewater capacity 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.
- ⇒ Track policy and regulatory developments relating to Per- and Poly-fluoroalkyl (PFAS) Substances ("forever chemicals") as they may impact residual 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

FY24 Budget Highlights

The proposed FY24 sewer rate of \$0.1298 per cubic foot represents a 5.0% increase over the FY23 rate of \$0.1236 per cubic foot. For the average residential customer, the annual increase in their sewer bill will be \$37.07, or \$3.09 per month.

The proposed FY24 capital improvement plan is \$1,348,600. It includes \$206,000 for collection system inflow and infiltration work, \$206,000 for a system-wide Water Meter Replacement Program and upgrades in conjunction with electric meter system upgrades planned by the Concord Municipal Light Plant (CMLP) and \$766,600 on wastewater treatment plant improvements. The proposed FY24 operating budget is \$3,624,065, an increase of 6.4% from FY23, primarily related to an increase in services, WWTP contract, and depreciation expenses. The Wastewater Treatment Plant was last overhauled in 2007. Significant investment in the refurbishment and replacement of process equipment is anticipated within the next five years – with investment to be informed by a comprehensive Facilities Plan which is presently under development.

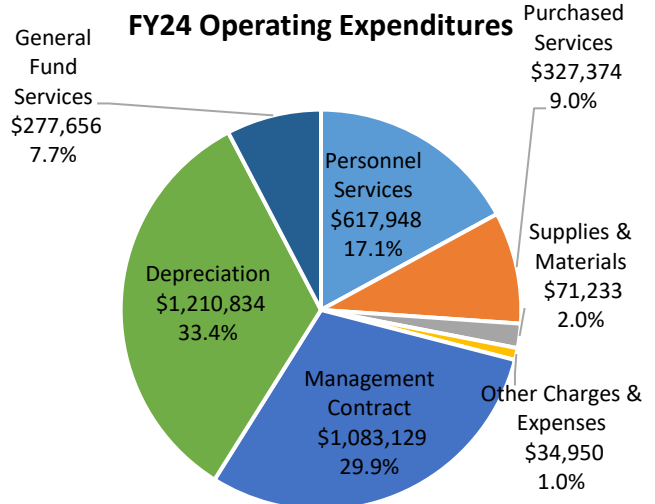
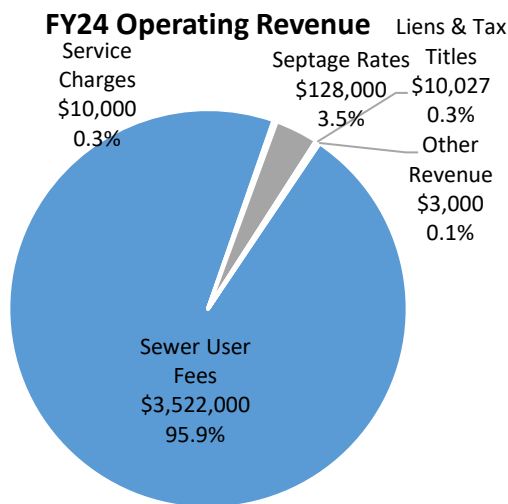
Budget Highlights

FY24 Projected Revenue	\$3,673,027
FY24 Projected Expenses	<u>(3,623,124)</u>
FY24 Projected Operating Income	\$49,903
FY24 Projected Net Income	\$278,698
FY24 Projected Sewer Fund Balance	\$7,229,082

Revenues and Expenditures Overview

Approximately ninety-six percent of the Sewer Division's revenue in FY24 is expected to come from sewer user fees (\$3,522,000 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 \$3,623,124 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 bill's purpose 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. The Town complied with the MassDEP regulation (314 CMR 16) deadline requirement, submitting the Town's "SSO Notification Plan" to the DEP on July 6th, 2022, stating how our public notifications will be conducted for SSO events.

NPDES – Permit Renewal: In January 2022, the EPA notified "Medium Wastewater Treatment Facility (WWTF)" NPDES Permittees that a "General Permit" would be issued to regulate such publicly-owned treatment works in the Commonwealth. Concord Sewer Division submitted a "Notice of Intent" to the EPA in December 2022, seeking to be included in the Medium WWTF NPDES General Permit. In February 2023, the Town received authorization notification from the EPA to discharge under the General Permit. The authorization will become effective on April 1st, 2023. Separately, in FY24, the Division will also continue pursuing an NPDES Permit discharge limit increase with regulators by undertaking and conducting an antidegradation analysis to demonstrate that an increase in discharge will now cause a violation of water quality standards in the receiving water (Concord River, in the Merrimack River Watershed).

Annual I&I Report: Submitted to the EPA/MassDEP per existing NPDES permit for calendar 2022. The combined inflow and infiltration rate calculated for Concord's collection system was 30.4% of the year's total sewer flow. This combined rate falls within acceptable industry limits and below "excessive" rates defined by the MassDEP.

Sewer System Infiltration and Inflow (I/I) Rehabilitation Program: Phase II of the I&I Control Plan will resume in 2023 with the CCTV inspection of sewer collection system pipelines and the visual inspections of sewer manholes in subareas 2, 3, 6, and 8. The investigation of any remaining Phase I sewer mains will be completed as part of the Phase II investigations. System rehabilitation, which may include point repairs, CIPP lining, joint testing and sealing, root control treatment, and manhole rehabilitation, may be completed based on the results of the investigations conducted in Phase I of the I&I Control Plan, and the availability of funds and resources.

Wastewater Treatment Plant Facility Plan, Capital Improvement Plan, and Improvements: The Division contracted with Woodard & Curran to prepare a Facility Plan Report, including developing a schedule for implementing recommendations to be provided in the Facility Plan and identifying potential financing options to fund the proposed WWTF improvements. The Facility Plan will include estimating wastewater flows and pollutant loading for a 20-year planning period (through the year 2043); identifying current and potential future environmental requirements of the WWTF performance; assessing and evaluating existing WWTF unit processes; evaluating resiliency, energy baseline, and energy savings opportunities; assessing instrumentation/controls and SCADA; and preparation and delivery of the Facility Plan Report, including funding and financing support. The Facility Plan will establish the Capital Improvement "roadmap" and schedule for identified facilities and systems improvements needed at the WWTF.

Sewer Fund – Proforma

Sewer Fund: Plan and Projection	Unaudited FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10 years FY24-33
Operating Revenue													
User Fees	2,713,397	3,353,000	3,522,000	3,700,000	3,885,000	4,081,000	4,163,000	4,246,000	4,333,000	4,420,000	4,509,000	4,599,000	41,458,000
Other	185,048	150,027	151,027	152,027	154,027	155,027	156,027	159,027	162,027	164,027	167,027	170,027	1,590,270
Subtotal	2,898,445	3,503,027	3,673,027	3,852,027	4,039,027	4,236,027	4,319,027	4,405,027	4,495,027	4,584,027	4,676,027	4,769,027	43,048,270
Operating Expense													
O & M	1,848,976	2,264,761	2,412,291	2,485,097	2,560,119	2,637,424	2,717,083	2,799,170	2,883,759	2,970,929	3,060,760	3,153,335	27,679,966
Depreciation	1,101,237	1,141,153	1,210,834	1,215,479	1,248,616	1,291,266	1,444,440	1,368,153	1,361,463	1,219,663	1,095,179	0	11,455,093
Subtotal	2,950,213	3,405,914	3,623,124	3,700,576	3,808,735	3,928,690	4,161,523	4,167,322	4,245,222	4,190,592	4,155,939	3,153,335	39,135,059
Operating Income	-51,768	97,113	49,903	151,451	230,292	307,337	157,504	237,705	249,805	393,435	520,088	1,615,692	3,913,211
ADD: Interest Income	154,298	129,574	93,495	79,954	84,484	88,101	97,122	111,810	125,986	125,986	125,986	125,986	1,058,909
Bond Premium	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Improvement Fees	181,000	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													
Existing Debt	73,309	59,125	45,700	32,129	19,457	6,529	0	0	0	0	0	0	103,815
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
Net income	210,221	348,562	278,698	380,277	476,319	569,909	435,626	530,514	556,791	700,421	827,074	1,922,677	6,678,305
Available Resources from:													
Net income	210,221	348,562	278,698	380,277	476,319	569,909	435,626	530,514	556,791	700,421	827,074	1,922,677	6,678,305
Depreciation expense	1,101,237	1,141,153	1,210,834	1,215,479	1,248,616	1,291,266	1,444,440	1,368,153	1,361,463	1,219,663	1,095,179	0	11,455,093
subtotal	1,311,458	1,489,715	1,489,532	1,595,755	1,724,935	1,861,175	1,880,066	1,898,667	1,918,254	1,920,084	1,922,253	1,922,677	18,133,398
Bond proceeds													
Loan proceeds													
LESS: Principal repayments													
Existing Debt	670,734	627,668	637,843	627,265	639,936	652,865	0	0	0	0	0	0	2,557,909
New Debt	0	0	0	0	0	0	0	0	0	0	0	0	0
BAN Repayment													
Net Available for Capital Purposes	640,724	862,047	851,689	968,490	1,084,999	1,208,310	1,880,066	1,898,667	1,918,254	1,920,084	1,922,253	1,922,677	15,575,489
Capital Plan:													
User Fee Supported	929,810	1,297,700	992,600	787,510	267,690	2,773,130	3,040,080	332,290	419,270	434,760	451,270	467,790	9,966,390
Improvement Fee Supported	286,000	100,000	356,000	613,000	2,220,000	2,227,000	500,000	200,000	120,000	124,000	128,000	132,000	6,620,000
Borrowing Supported	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Position													
Beginning balance	8,898,961	8,323,875	7,788,222	7,291,311	6,859,291	5,456,601	1,664,781	4,767	1,371,144	2,750,128	4,111,451	5,454,434	41,741,229
ADD: Net available	640,724	862,047	851,689	968,490	1,084,999	1,208,310	1,880,066	1,898,667	1,918,254	1,920,084	1,922,253	1,922,677	15,575,489
LESS: Planned Capital	1,215,810	1,397,700	1,348,600	1,400,510	2,487,690	5,000,130	3,540,080	532,290	539,270	558,760	579,270	599,790	16,586,390
Changes in assets & liabilities													
Ending balance	8,323,875	7,788,222	7,291,311	6,859,291	5,456,601	1,664,781	4,767	1,371,144	2,750,128	4,111,451	5,454,434	6,777,321	41,741,229

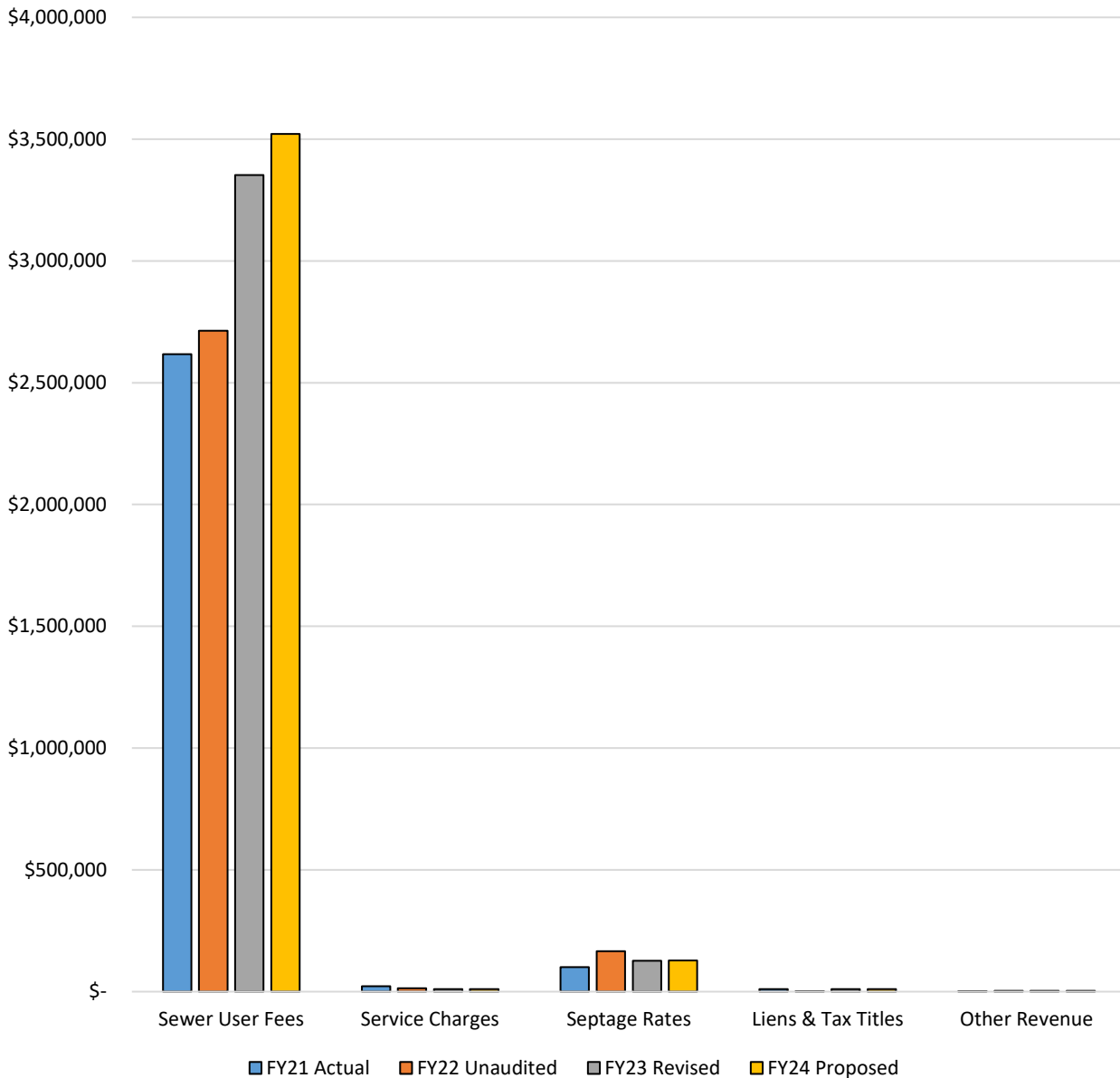
Sewer Fund – Revenues

Operating Revenues

OPERATING REVENUES

	FY21 Actual	FY22 Unaudited	FY23 Revised	FY24 Proposed
Sewer User Fees	\$ 2,617,590	\$ 2,713,397	\$ 3,353,000	\$ 3,522,000
Service Charges	21,748	14,005	10,000	10,000
Septage Rates	100,963	165,853	127,000	128,000
Liens & Tax Titles	10,027	\$ 1,886	10,027	10,027
Other Revenue	2,450	3,303	3,000	3,000
Total Operating Revenues	\$ 2,752,777	\$ 2,898,445	\$ 3,503,027	\$ 3,673,027

Sewer Operating Revenues



Sewer Fund – Revenues

Sewer Rates

The total revenue projected to be raised through sewer rates in FY24 is \$3,522,000. 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 FY24 proposed sewer use rate is \$0.1298 per cubic foot (1 cubic foot = 7.48 gallons).

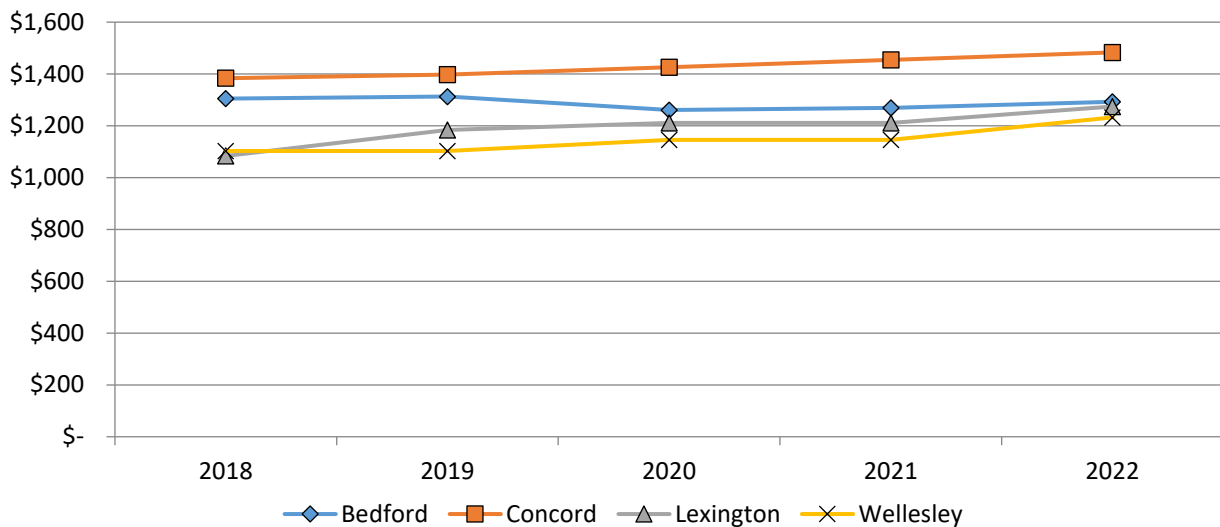
The FY24 rate of \$0.1298 represents a 5% increase over the FY23 rate of \$0.1236. Since FY2014, sewer rates have increased at an average annual rate of 2.5% per year.

In FY24, the average residential customer is expected to pay a total of \$779 in sewer use for the year. The average residential customer is assumed to use 750 cubic feet per month.

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

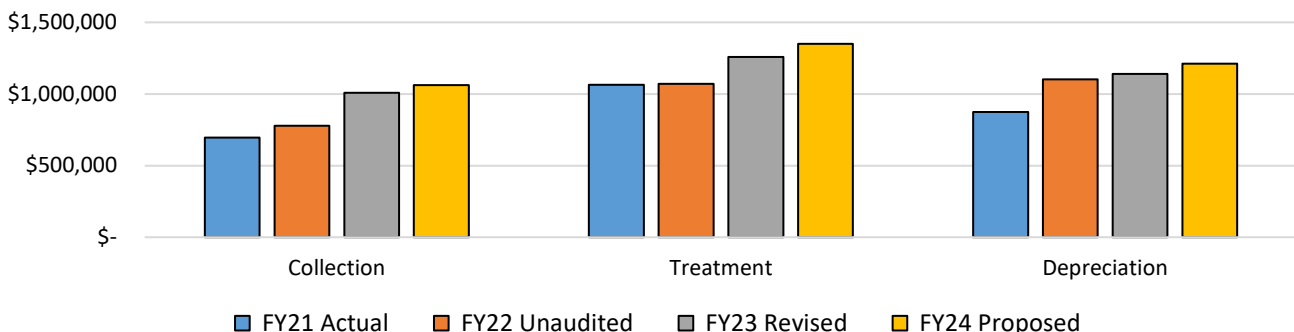
OPERATING EXPENSES

<u>Sewer Divisions</u>	FY21	FY22	FY23	FY24
<u>Collection</u>	Actual	Unaudited	Revised	Proposed
Personnel Services	\$ 340,535	\$ 361,449	\$ 538,427	\$ 549,851
Purchased Services	144,676	207,571	243,965	267,374
Supplies & Materials	50,165	58,189	61,129	71,233
Other Charges & Expenses	26,863	23,153	34,926	34,950
General Fund Services	132,931	127,558	128,722	138,828
Subtotal	\$ 695,170	\$ 777,919	\$ 1,007,169	\$ 1,062,236
<u>Treatment</u>				
Personnel Expenses	\$ 66,402	\$ 55,084	\$ 61,928	\$ 68,097
Purchased Services	7,198	14,469	60,000	60,000
Management Contract	857,137	873,945	1,006,942	1,083,129
Supplies & Materials	-	-	-	-
Other Charges & Expenses	-	-	-	-
General Fund Services	132,931	127,558	128,722	138,828
Subtotal	\$ 1,063,668	\$ 1,071,056	\$ 1,257,592	\$ 1,350,054
Depreciation Expense	873,933	1,101,237	1,141,153	1,210,834
Total Operating Expense	\$ 2,632,770	\$ 2,950,213	\$ 3,405,914	\$ 3,623,124

RETIREMENT AND OPEB ASSESSMENT

<i>For Informational Purpose Only</i>				
	FY21	FY22	FY23	FY24
	Actual	Actual	Revised	Proposed
Retirement Assessment	\$ 31,735	\$ 31,156	\$ 31,156	\$ 30,215
OPEB Assessment	5,000	10,949	11,715	10,949
Total Assessment	\$ 36,735	\$ 42,105	\$ 42,871	\$ 41,164

Sewer Operating Expenditures



Sewer Fund – Expenditures

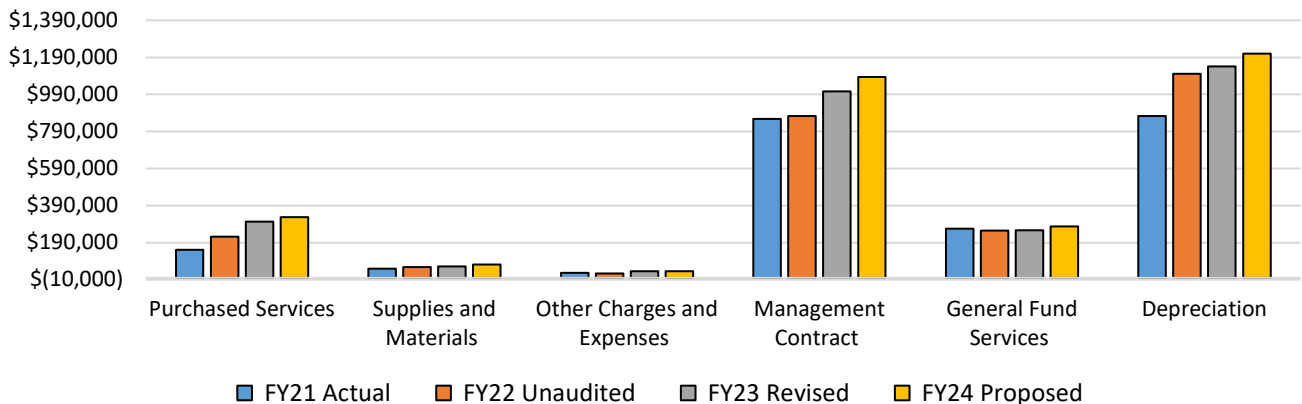
Personnel Summary

AUTHORIZED POSITIONS

	FY23 Revised		FY24 Proposed	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
Regular Staff - Collections	4.25 FTEs	\$ 379,767	4.25 FTEs	\$ 421,120
Employee Benefits				
Group Insurance	N/A	\$ 43,343	N/A	\$ 32,050
OPEB	N/A	11,715	N/A	-
Retirement Contribution	N/A	31,156	N/A	30,215
Subtotal	N/A	\$ 86,214	N/A	\$ 62,265
Payroll Taxes				
Medicare Tax	N/A	\$ 4,642	N/A	\$ 4,781
Social Security Contribution	N/A	1,699	N/A	1,750
Subtotal	N/A	\$ 6,341	N/A	\$ 6,531
Other Personnel Costs				
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
Total Collections	4.25 FTEs	\$ 538,427	4.25 FTEs	\$ 556,021
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	-
Treatment Personnel Costs	0.75 FTEs	\$ 61,928	0.75 FTEs	\$ 61,928
Total Sewer Personnel	5.00 FTEs	\$ 600,355	5.00 FTEs	\$ 617,949

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

	FY21	FY22	FY23	FY24
	Actual	Unaudited	Revised	Proposed
Management & Engineering:				
Public Works Administration	\$ 41,558	\$ 38,517	\$ 39,151	\$ 38,992
Public Works Engineering	29,600	30,577	31,526	25,911
Highway Maintenance	6,899	5,861	6,560	6,847
133/135 Keyes Road	14,867	14,867	564	1,309
Subtotals	\$ 92,924	\$ 89,822	\$ 88,129	\$ 73,059
Financial & Administrative:				
Town Manager	\$ 37,756	\$ 38,522	\$ 37,023	\$ 33,189
Human Resources	6,810		7,911	8,032
Information Systems	5,978	5,967	8,685	15,209
Facilities Administration	6,416	7,298	27,437	29,716
Finance Administration	24,661	22,358	22,723	23,282
Treasurer-Collector	14,234	14,028	13,998	12,048
Town Accountant:				
General Services	15,543	10,847	11,251	11,345
Audit Services	6,000	8,652	9,240	9,600
Town House	-	-	-	-
Subtotals	\$ 117,398	\$ 107,672	\$ 113,086	\$ 142,421
Natural Resource:				
Planning	\$ 9,677	\$ 10,036	\$ 9,807	\$ 10,148
Natural Resources	8,708	9,074	10,475	10,354
Health	37,154	38,511	40,872	41,674
Subtotals	\$ 55,539	\$ 57,621	\$ 56,229	\$ 62,176
Salary Reserve	\$ -	\$ -	\$ -	\$ -
Totals	\$ 265,861	\$ 255,115	\$ 257,444	\$ 277,656

Sewer Fund – Expenditures

Capital (Capital Outlay and Debt-Funded)

SEWER FUND CAPITAL PLAN	Actual FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total FY24-29
COLLECTION SYSTEM									
Pumping Plant									
Station Structures	10,000	10,000	11,000	12,000	13,000	14,000	15,000	16,000	81,000
Station Equipment	160,000	10,000	75,000	75,000	13,000	14,000	15,000	16,000	208,000
Other									
Subtotal: Pumping	170,000	20,000	86,000	87,000	26,000	28,000	30,000	32,000	289,000
Collection Plant									
Sewer Mains/Laterals	20,000	21,000	22,000	23,000	24,000	25,000	26,000	27,000	147,000
Inflow/Infiltration (Note 1)	135,000	0	206,000	213,000	220,000	227,000	0	200,000	1,066,000
Inflow/Infiltration	0	200,000	0	0	0	0	234,000	42,000	276,000
Meter Replacements	30,000	206,000	206,000	30,000	31,000	32,000	33,000	34,000	366,000
Sewer Service Connections									
Subtotal: Collection Plant	185,000	427,000	434,000	266,000	275,000	284,000	293,000	303,000	1,855,000
Total: Collection System	355,000	447,000	520,000	353,000	301,000	312,000	323,000	335,000	2,144,000
WASTE WATER TREATMENT PLANT									
Structures	357,000	250,000	350,000	450,000	50,000	52,000	54,000	56,000	1,012,000
Plant Equipment	245,000	100,000	103,000	107,000	50,000	52,000	54,000	56,000	422,000
Other (7 year life)									
Facilities Plan Improvements		100,000	150,000			2,500,000	2,500,000		5,150,000
Capacity/Treatment Optimization (Note 1)	151,000	100,000	150,000	400,000	2,000,000	2,000,000	500,000		5,050,000
Capacity/Treatment Optimization									
Personal Services (7 years)	12,810	13,200	13,600	14,010	14,440	14,880	15,330	15,790	88,050
Total: Wastewater Treatment Plant	765,810	563,200	766,600	971,010	2,114,440	4,618,880	3,123,330	127,790	11,722,050
GENERAL PLANT									
Keyes Road CPW Facility	10,000	10,000	11,000	12,000	13,000	14,000	15,000	16,000	81,000
GIS		0	0	0	0	0	0	0	0
Vehicle Replacements (10 year life)	0	367,500	0	0	0	0	0	0	0
Vehicle Replacements (7 year life)	85,000	0	40,000	52,500	46,250	41,250	63,750	37,500	281,250
Miscellaneous Equipment	0	10,000	11,000	12,000	13,000	14,000	15,000	16,000	81,000
Total: General Plant	95,000	387,500	62,000	76,500	72,250	69,250	93,750	69,500	443,250
Land Acquisition									
WASTEWATER MANAGEMENT PROJECT									
Wastewater Planning (Note 1)	0	0	0	0	0	0	0	0	0
Phase I Construction Cost									
Total: Wastewater Management Project	0	0	0	0	0	0	0	0	0
audit adjustment									
Total User Fee Supported	929,810	1,297,700	992,600	787,510	267,690	2,773,130	3,040,080	332,290	8,193,300
Total Improvement Fee Supported	286,000	100,000	356,000	613,000	2,220,000	2,227,000	500,000	200,000	6,116,000
Total Borrowing Supported									
Grand Total Sewer Fund:	1,215,810	1,397,700	1,348,600	1,400,510	2,487,690	5,000,130	3,540,080	532,290	14,309,300

Sewer Fund – Expenditures

DEBT SERVICE

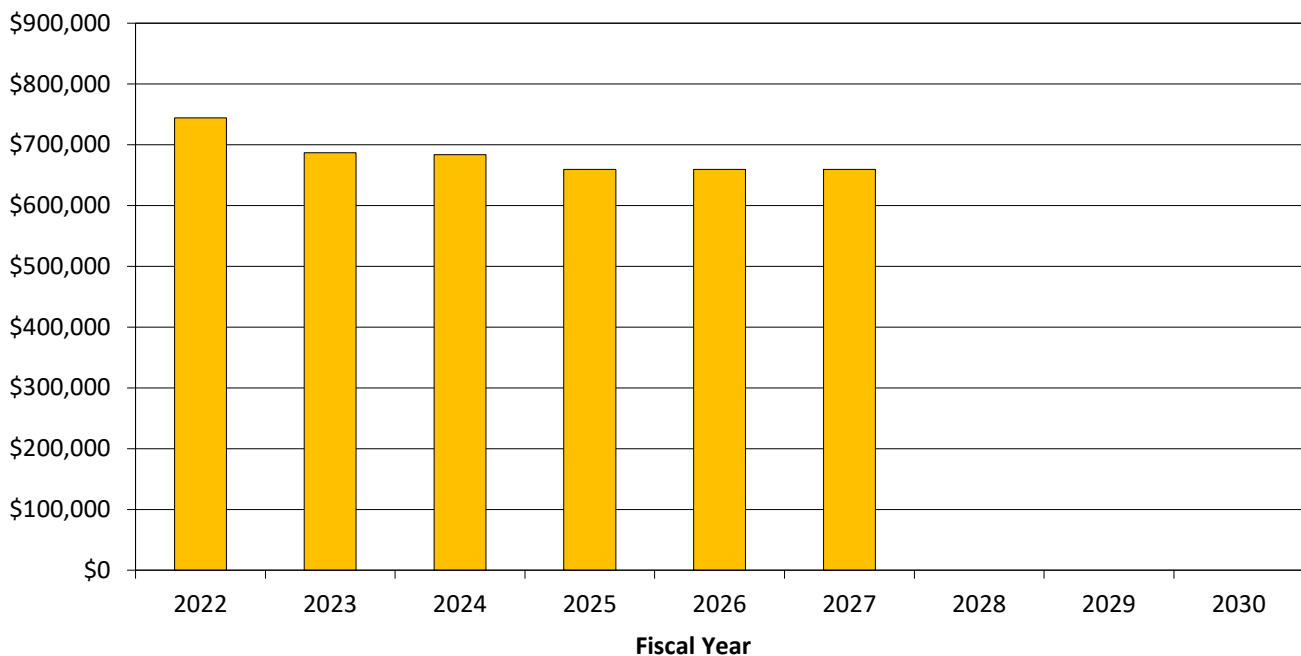
	FY21 Actual	FY22 Unaudited	FY23 Revised	FY24 Proposed
Long Term Debt Repayment:				
Principal	\$ 694,036	\$ 670,734	\$ 627,668	\$ 637,843
Interest	60,273	73,309	59,125	45,700
Totals	\$ 754,309	\$ 744,043	\$ 686,792	\$ 683,542

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	-	-	-
Totals	\$4,515,346	\$324,254	\$4,839,600

Sewer Fund Debt Service

(As of June 30, 2022)



Sewer Fund – Net Income & Fund Balance

Net Income

NET INCOME				
	FY21	FY22	FY23	FY24
	Actual	Unaudited	Revised	Proposed
Operating Income				
Operating Revenues	\$ 2,752,777	\$ 2,898,445	\$ 3,503,027	\$ 3,673,027
Less Operating Expenses	(2,632,770)	(2,950,213)	(3,405,914)	(3,623,124)
Operating Income	\$ 120,007	\$ (51,768)	\$ 97,113	\$ 49,903
Non-operating Income				
Add Investment Income	\$ 21,972	\$ 154,298	\$ 129,574	\$ 93,495
Add Bond Premium	-	-	-	-
Add Sewer Improvement Revenues	224,191	181,000	181,000	181,000
Less Int. Exp. and Admin. Fees	(58,441)	(73,309)	(59,125)	(45,700)
Non-operating Income	\$ 187,722	\$ 261,989	\$ 251,449	\$ 228,795
Net Income	\$ 307,729	\$ 210,221	\$ 348,562	\$ 278,698

AVAILABLE RESOURCES				
Resources Available from Current Operations for Replacement & Renewal of Facility:				
	FY21	FY22	FY23	FY24
<u>Capital Purposes</u>	Actual	Unaudited	Revised	Proposed
Add Depreciation Expense	\$ 873,933	\$ 1,101,237	\$ 1,141,153	\$ 1,210,834
Add Net Income	307,729	210,221	348,562	278,698
Add Bond Proceeds	-	-	-	-
Less Bonds Payable	(694,036)	(670,734)	(627,668)	(637,843)
Net Available for Capital	\$ 487,626	\$ 640,724	\$ 862,047	\$ 851,689

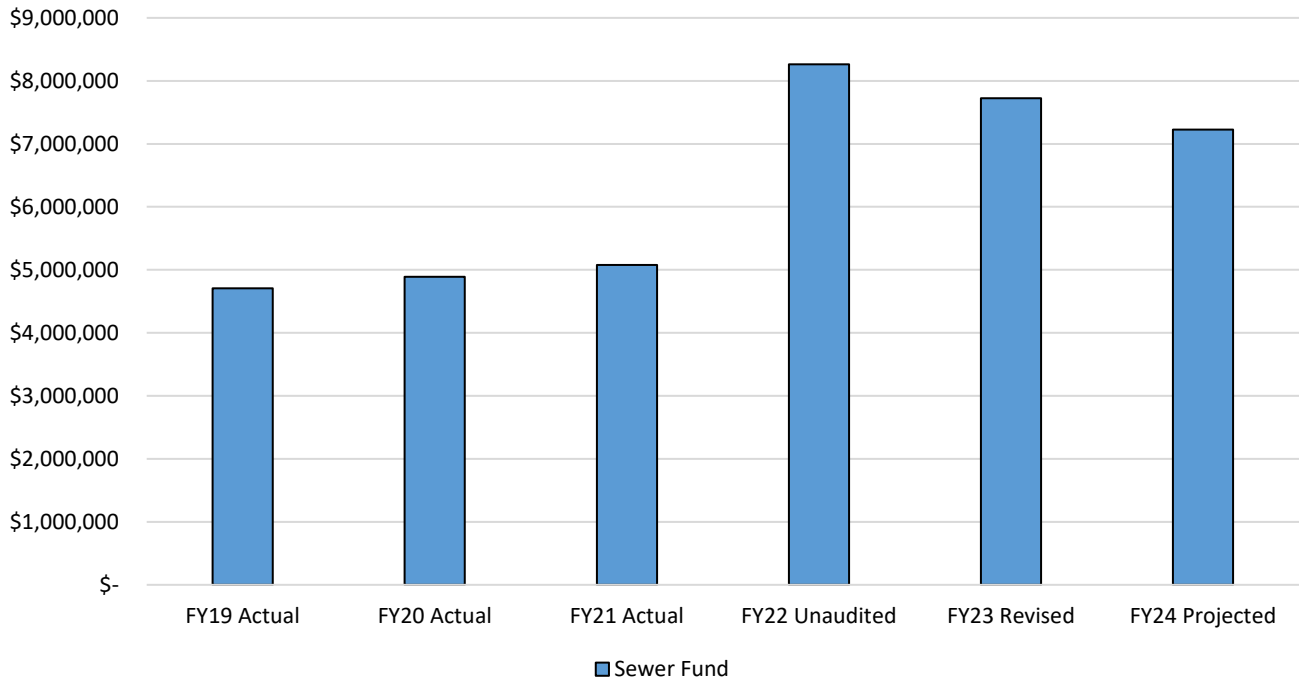
Sewer Fund – Net Income & Fund Balance

CASH POSITION AND FUND BALANCE FORECAST

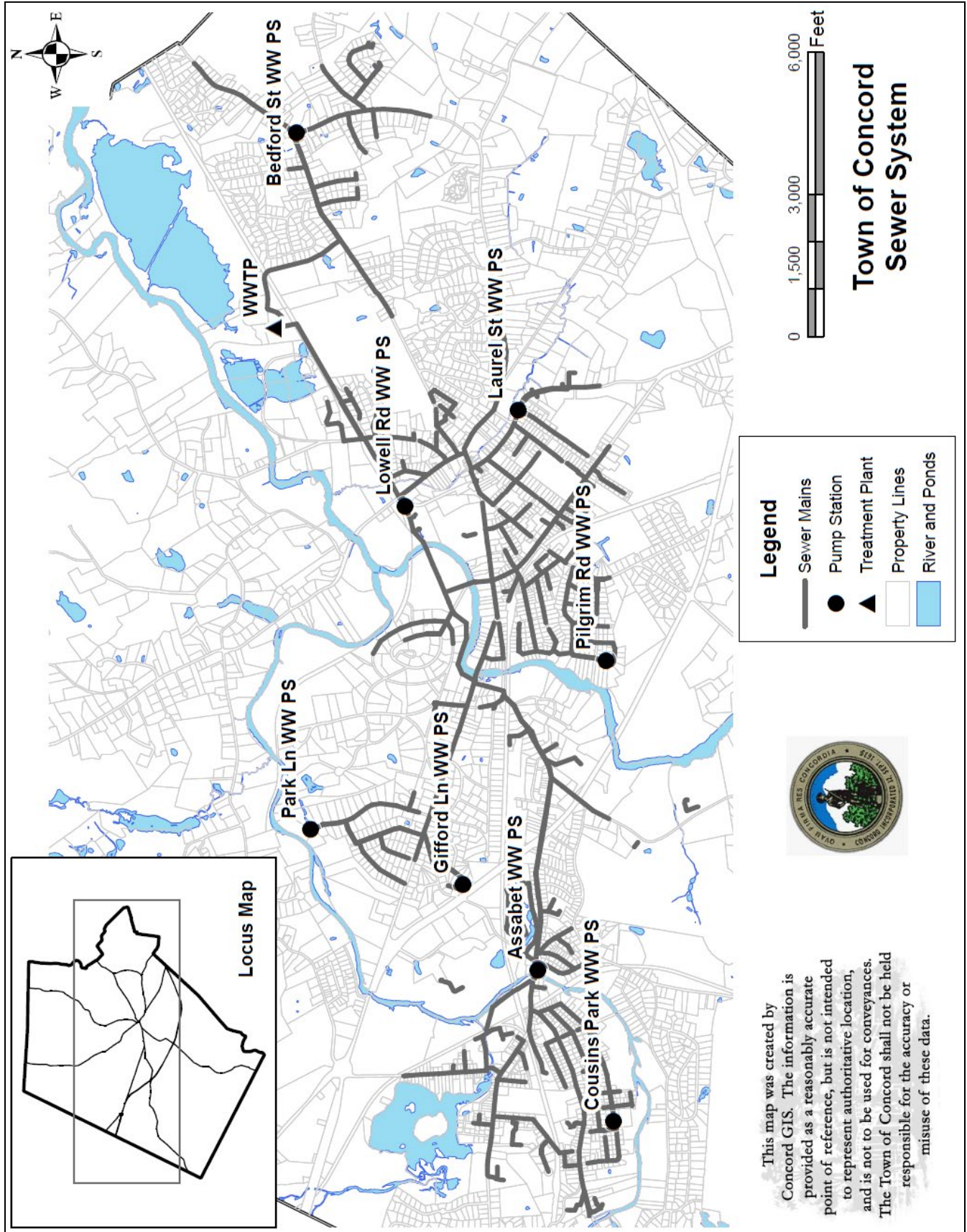
<u>Cash at Year Opening</u>	FY23		FY24	
Cash on July 1st	\$ 8,323,875		\$ 7,788,222	
Add Non-Cash Assets	628,235		628,235	
Less Liabilities and Deferred Inflows	(690,464)		(690,464)	
Fund Balance on July 1st	\$ 8,261,646		\$ 7,725,993	
<u>Fund Balance Details (projected)</u>	Credits	Debits	Credits	Debits
Net Income	348,562		278,698	
Bond Principal Repayment		(627,668)		(637,843)
Capital (Borrowing)		-		-
Capital Outlay (Non-Borrowing)		(1,297,700)		(992,600)
Capital (Sewer Improvement Fund)		(100,000)		(356,000)
Add Depreciation Expense	1,141,153		1,210,834	
Balance Projected at June 30th	1,489,715	(2,025,368)	1,489,532	(1,986,443)
Fund Balance on June 30th	\$ 7,725,993		\$ 7,229,082	
<u>Cash at Year End (projected)</u>				
Fund Balance on June 30th	\$ 7,725,993		\$ 7,229,082	
Less Receivables	(628,235)		(628,235)	
Add Cash Held for Liabilities	690,464		690,464	
Projected Cash at June 30th	\$ 7,788,222		\$ 7,291,311	

** Estimated Fund Balance as of July 1st, 2022 (or June 30, 2022) is based on information from FY2021 as the audited financial statements are not yet available for FY2022.*

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



Sewer Fund – Service Map



Sewer Fund – Service Map

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Solid Waste Fund

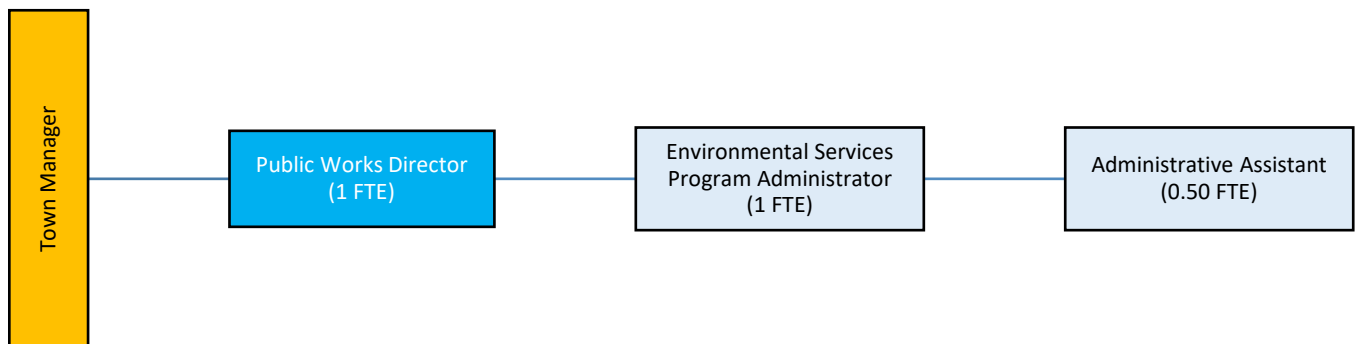
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Solid Waste Fund

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.

The 1979 Annual Town Meeting established the Solid Waste Disposal Fund. Expenses for municipal solid waste and recycling collection and disposal are covered entirely by user fees and special service fees. Concord Public Works is responsible for managing a third-party contract operation company (Waste Management Inc.) that performs these solid waste and recycling collection and disposal services.

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 3,640 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 and the weekly recycling collection program have resulted in a recycling rate of approximately 40% 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, 2024. Concord will negotiate a new contract in 2024 for solid waste and recycling services.

Recycling Processing Fees – Recycling processing fees vary monthly according to market rates. For FY23 and FY24, the Solid Waste fund budget is based on the historic costs over the last five years, including projected escalation.

FY22 Accomplishments

- ☑ The Curbside Collection Program provided uninterrupted trash and recycling collection and disposal services to more than 3,640 households.
- ☑ The Spring and Fall Drop-Off events successfully welcomed 1,231 households. Transitioned registration and payment to an online system improving customer experience and reducing wait time.
- ☑ Residents made more than 18,000 visits to the 755 Walden Street Compost Site, dropping off leaves, yard waste, and brush.
- ☑ One hundred seventy-two households properly disposed of Household Hazardous Waste at the Minuteman Regional Hazardous Waste Facility.
- ☑ Executed a new 2-year contract with Waste Management.
- ☑ Created a mattress and box spring drop-off and recycling program to address the MassDEP ban on mattress and box spring disposal as Solid Waste.



Solid Waste Fund

- ☑ Integrated day-to-day management and support of the municipal solid waste and recycling program into the Highway & Grounds service group.

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.

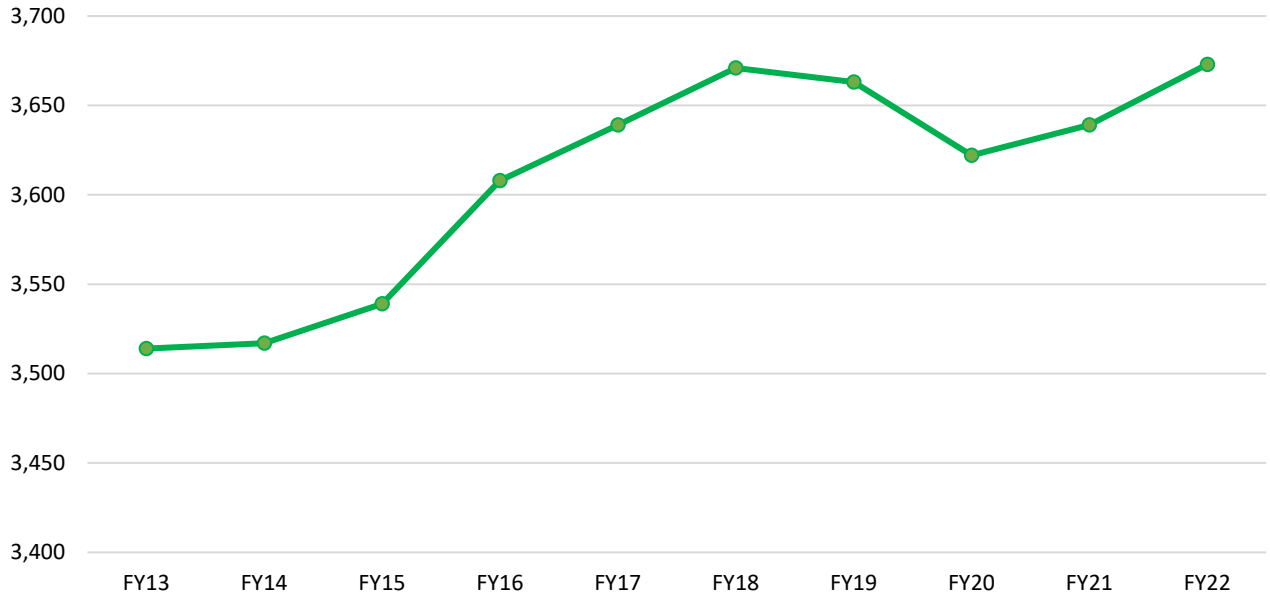
In FY22, subscribers to the municipal curbside collection program disposed of 2,418 tons of trash and recycled, 1,529 tons of paper and commingled containers. This resulted in a recycling rate of 39%.

The following table provides historical tonnage and recycling rates, with additional related graphs on the next page.

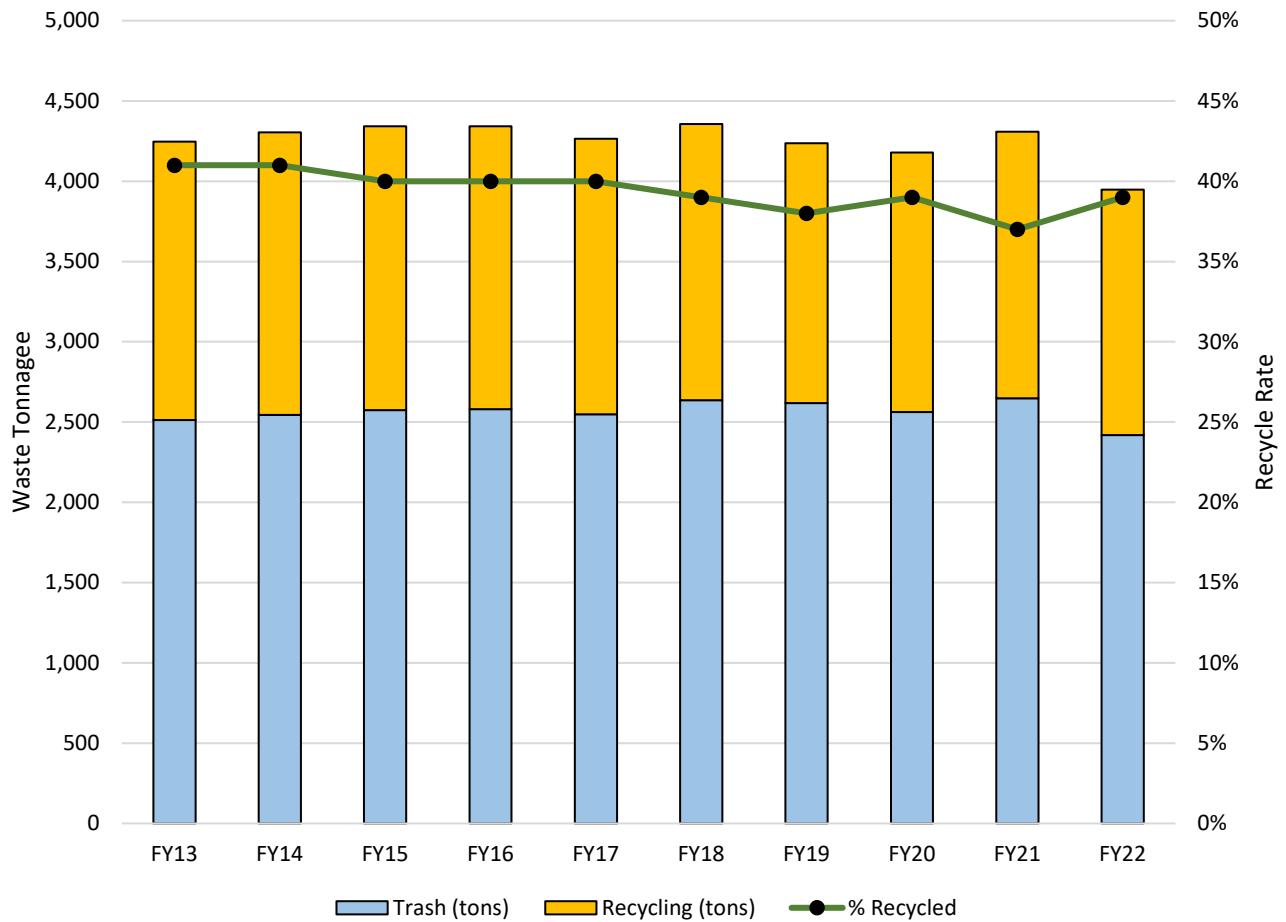
	No. of subscribers as of 6/30	Change in # of subscribers	Trash (tons)	Recycling (tons)	Total (Tons)	% Recycled
FY13	3,514	26	2,513	1,734	4,247	41%
FY14	3,517	3	2,544	1,760	4,304	41%
FY15	3,539	22	2,574	1,768	4,341	40%
FY16	3,608	69	2,581	1,761	4,342	40%
FY17	3,639	31	2,548	1,716	4,264	40%
FY18	3,671	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%
FY22	3,673	34	2,418	1,529	3,947	39%

Solid Waste Fund

Historic Number of Subscribers

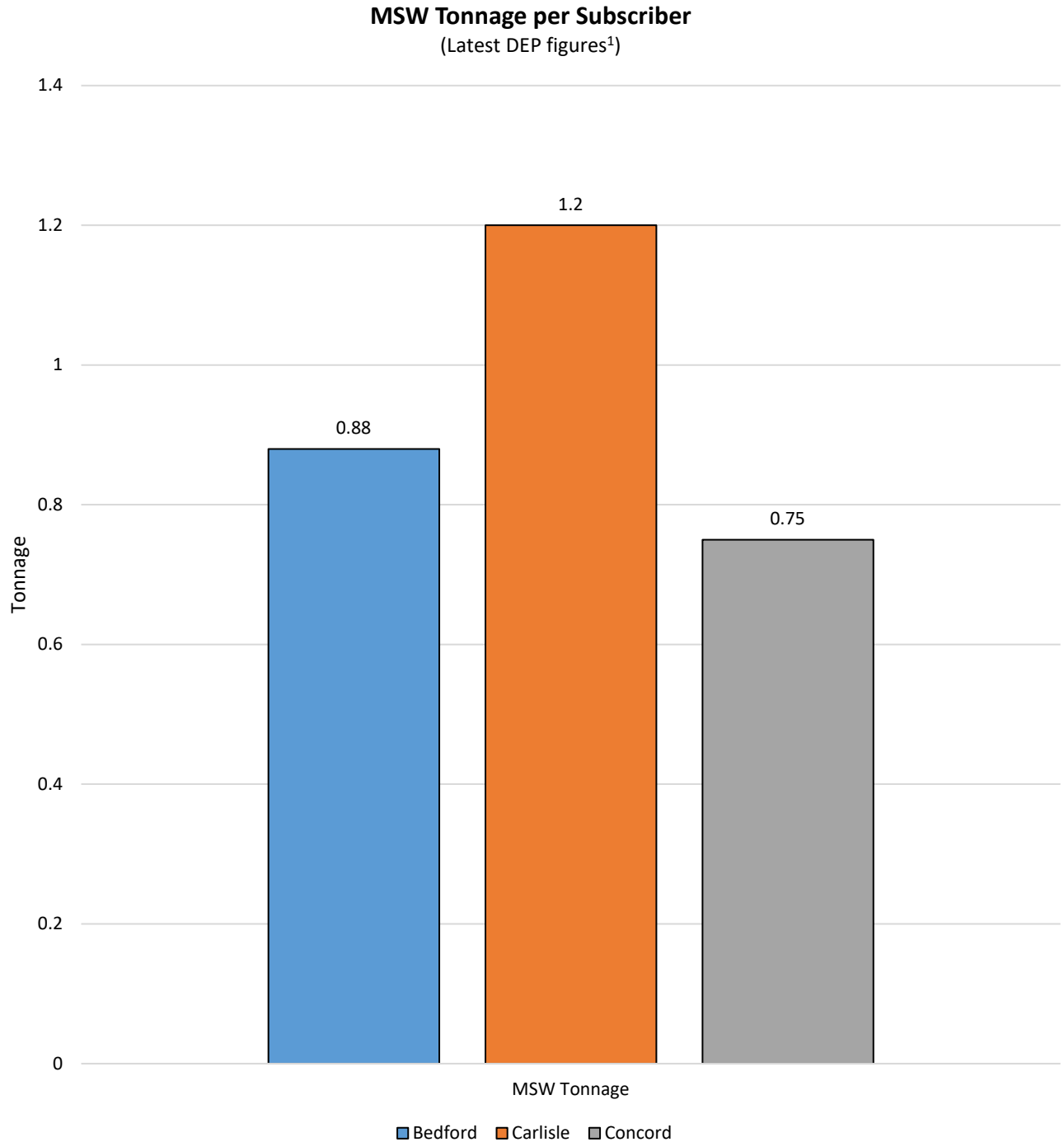


Tonnage & Recycle Rate



Solid Waste Fund

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.



¹2020 Municipal Solid Waste and Recycling Survey information.

Solid Waste Fund

Subscription Service Fee

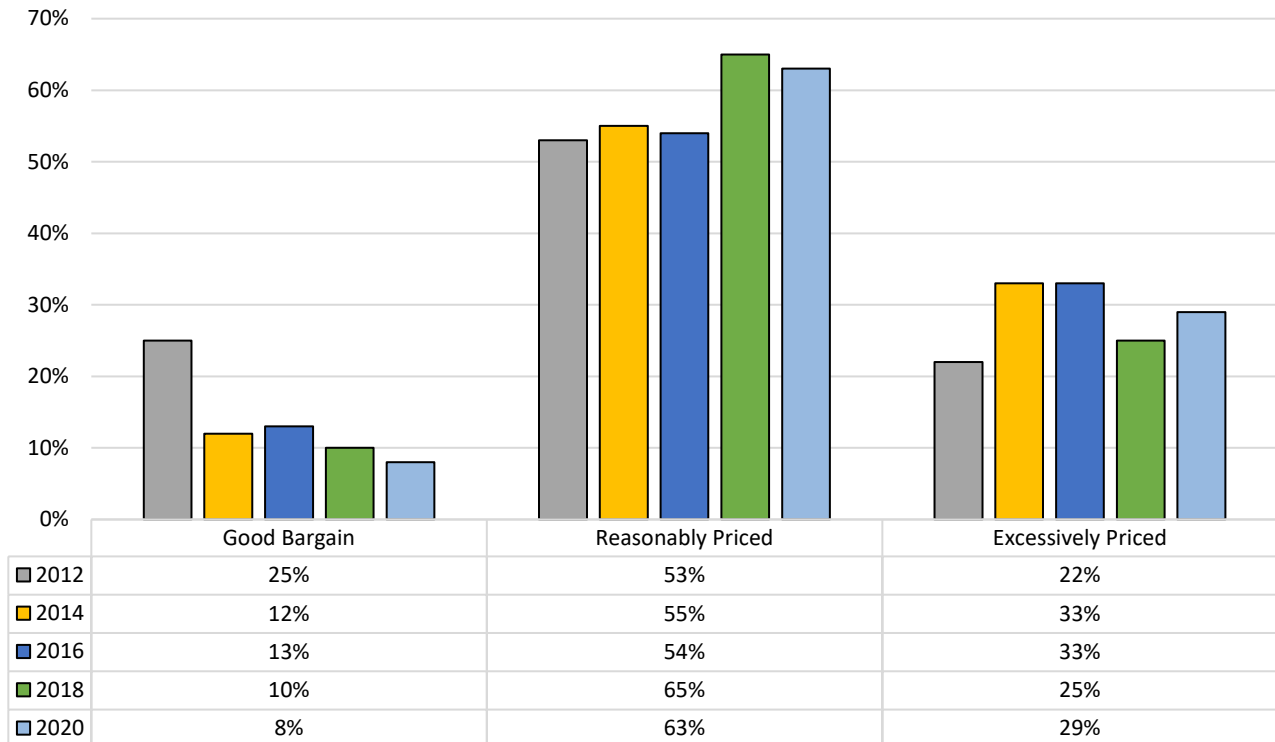
Subscription and disposal fees (barrel stickers and weekly tags) are established each year to allow the program to meet its yearly expenditures while remaining competitive, on average, well below the rate private haulers charge.

The current annual cost to curbside subscribers is \$322 plus a weekly disposal fee of either a \$1.80 disposal tag or a \$46.80 6-month barrel sticker. This PAYT pricing structure encourages residents to generate less solid waste. In addition, the subscription fee includes a visit to the Minuteman Household Hazardous Products Facility (a \$60.00 value). We anticipate increasing the subscription fee by 10% to \$355 to cover increased collection and disposal costs. The tag and barrel sticker costs will remain the same. As planned subscription fee increases will not cover all rising costs, a portion of the Solid Waste Fund Balance will be drawn upon to buffer this increase in costs during this transition year. In anticipation of our FY25 procurement of a new disposal contract, we will be investigating changes to our collection and disposal business model.

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

FY24 Goals

- Complete a policy and program analysis and assessment to determine the best program for Concord customers with consideration of cost and broader sustainability interests.
- Negotiate a multi-year curbside collection contract with a waste-hauling vendor.
- Evaluate new opportunities for improving programs associated with hard-to-recycle materials and universal waste.
- Evaluate pilot programs for solid waste reduction initiatives, including increasing education and outreach.
- Support local and state initiatives to reduce landfilled waste.
- Continue to host spring and fall DropOff/SwapOff recycling events.
- 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 Concord's current waste stream and develop a plan to increase waste diversion by 30%.
- ⇒ Evaluate disposal, recycling, and reuse opportunities at the municipal compost site.
- ⇒ Work with local and regional partners to explore sustainable opportunities to support Concord's greenhouse gas reduction initiatives.

Solid Waste Fund – Overview & Budget Highlights

FY24 Budget Highlights

Revenues are projected to decrease to \$1,995,833 in FY24 from \$2,109,081 in FY23, a \$113,248 or 5.4% decrease. Expenses as proposed total \$2,391,262, a \$163,702 or 7.3% increase from the FY23 Revised Budget of \$2,227,559. The curbside subscription fee for FY24 will increase by 10.2% from \$322 to \$355 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 \$33, based on the average set-out of 1.36 bags or barrels per week. The projected deficit in the Solid Waste program projected for FY24 will be offset by drawing on the program's fund balance.

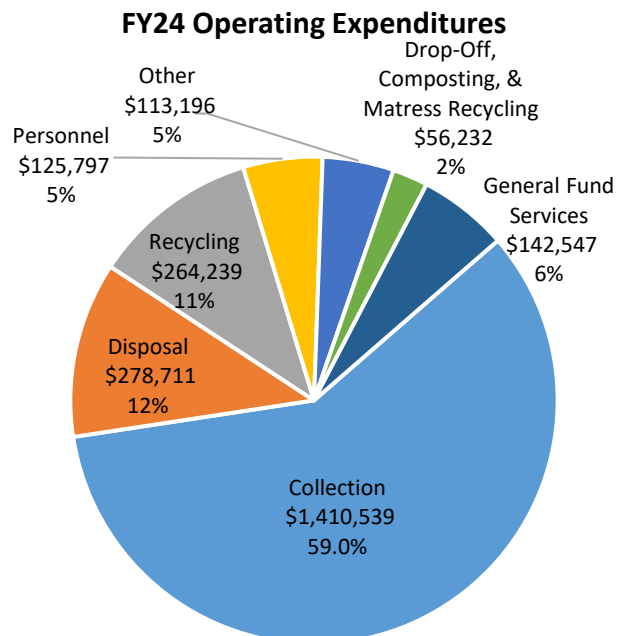
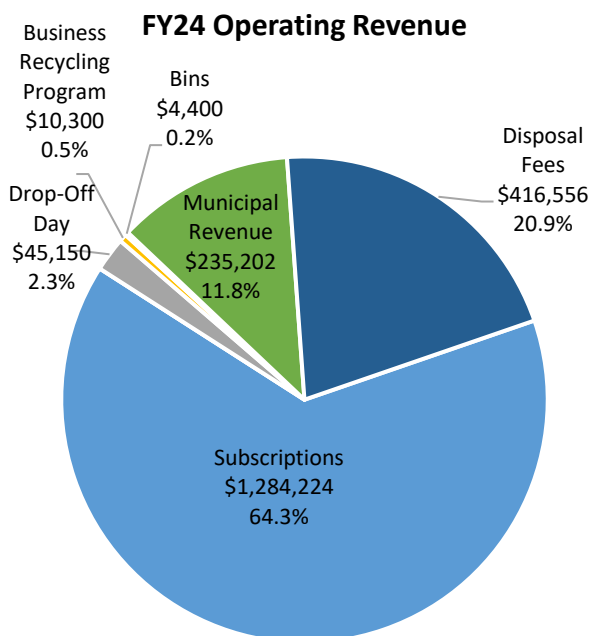
Budget Highlights

FY24 Projected Revenue	\$1,995,833
FY24 Projected Expenses	<u>(2,391,262)</u>
FY24 Projected Operating Loss	\$(395,429)
FY24 Projected Net Loss	\$(395,429)
FY24 Projected Solid Waste Fund Balance	\$136,364

Revenues and Expenditures Overview

In FY24, 85.2% or \$1,700,780 of the FY24 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 \$235,202. Other revenues from Drop-Off Day, business recycling, and sales of recycling bins and compost bins are projected to total \$59,850.

The two largest expense categories are the contracted collection and disposal costs. Based on the Town's Waste Management's FY24 contract pricing, FY24 collection costs, including the Business Recycling Program, are



Solid Waste Fund – Overview & Budget Highlights

budgeted to total \$1,410,539. This amount represents a 4.1% increase over the FY23 budget of \$1,355,289, reflecting an anticipated increase in subscribers and a per-customer cost increase.

Disposal costs are estimated to decrease by 1.9% in FY24, while recycling processing fees are proposed to increase by 25.3% or \$53,350 compared to FY23.

Collection Rate Highlights

With the FY24 Curbside Collection Rates increasing from our FY23 rates, the average cost per household (based on 1.36 barrels per week) will increase from \$449.30 to \$482.80 per year.

	Contract Charges				
	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	
Trash and Recycling	\$238.25	\$282.00	\$282.00	\$331.20	per subscriber per year
Recycling Only	\$145.00	\$153.00	\$153.00	\$182.40	per subscriber per year
Dumpster Pickup	\$55.00	\$17-80	\$17-80	\$17.32	per pickup (based on size)
Recycling Tote	\$2.75	\$2.93	\$2.93	\$3.51	Business recycling only
Public Barrels	\$3.10	\$3.25	\$3.25	\$3.40	per barrel per pickup
Trash Tonnage	\$79.00	\$84.00	\$84.00	\$92.00	per ton
Commingled Containers	\$34.00	\$114.61	\$114.61	\$110.76	per ton*
Paper Processing Fee	\$60.00	\$89.76	\$89.76	\$125.12	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>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	
Trash and Recycling Subscription	\$282.00	\$322.00	\$322.00	\$355.00	per year
Recycling Only Subscription	\$154.00	\$162.00	\$162.00	\$178.00	per year
Weekly Disposal Tag	\$1.80	\$1.80	\$1.80	\$1.80	per barrel per week
Barrel Sticker	\$93.60	\$93.60	\$93.60	\$93.60	per year
Cost per Household	\$409.30	\$449.30	\$449.30	\$482.80	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). These events provide opportunities for Concord residents to recycle, reuse, or dispose of items that no longer have a useful life. This includes 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 2022 events welcomed 1231 households (685 and 546, respectively).

Events for 2023 are currently scheduled on May 20th and September 30th.

Document Shredding and Electronics Recycling Event

The Business Recycling Events provide an opportunity for businesses in Town to take advantage of collective document shredding and electronics recycling offering twice each year. In 2022, 15 businesses attended these events.

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. 172 curbside subscribers visited the site in 2021.

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.



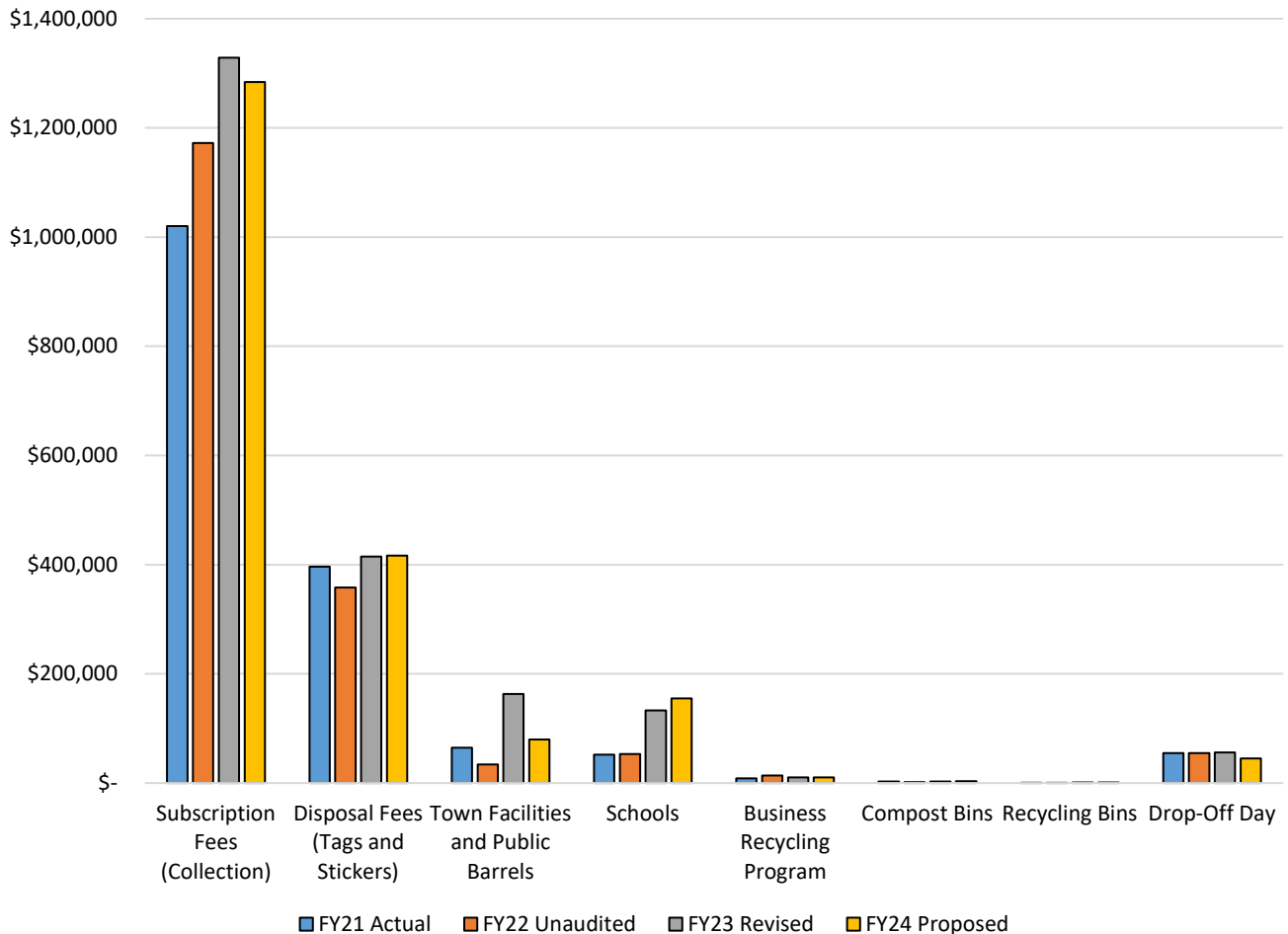
Solid Waste Fund – Revenues

Operating Revenues

Operating Revenues

	FY21		FY22		FY23		FY24	
	Actual		Unaudited		Revised		Proposed	
Subscription Fees (Collection)	\$	1,020,250	\$	1,172,553	\$	1,328,360	\$	1,284,224
Customer Rebates		-		-		-		-
Disposal Fees (Tags and Stickers)		396,311		358,324		414,846		416,556
Town Facilities and Public Barrels		64,549		34,176		163,012		80,000
Schools		51,709		53,232		132,886		155,202
Business Recycling Program		8,797		13,893		10,300		10,300
Compost Bins		2,560		1,360		2,750		3,300
Recycling Bins		94		704		880		1,100
Drop-Off Day		54,789		54,580		56,046		45,150
Matress Recycling Revenue		-		-		-		-
Miscellaneous Revenue		-		-		-		-
Brush Fees		-		-		-		-
Sale of Recycled Paper		-		-		-		-
Operating Revenues Total	\$	1,599,059	\$	1,688,821	\$	2,109,081	\$	1,995,833

Solid Waste Operating Revenues



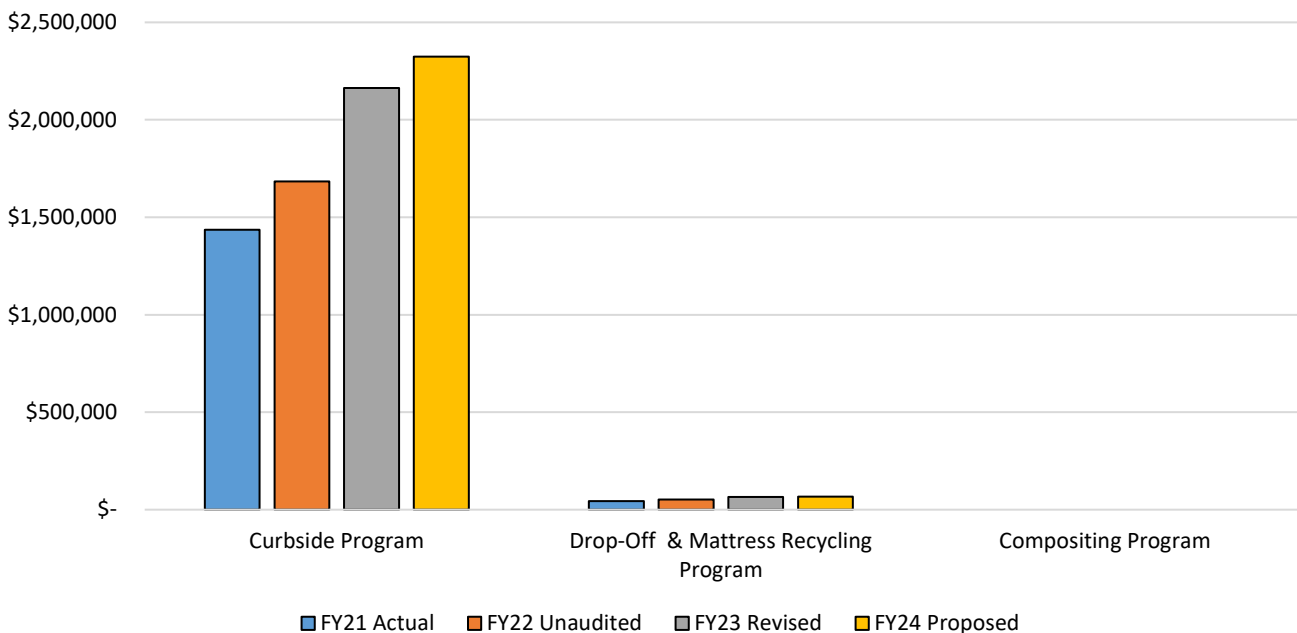
Solid Waste Fund – Expenditures

Operating Expenditures

Operating Expenses

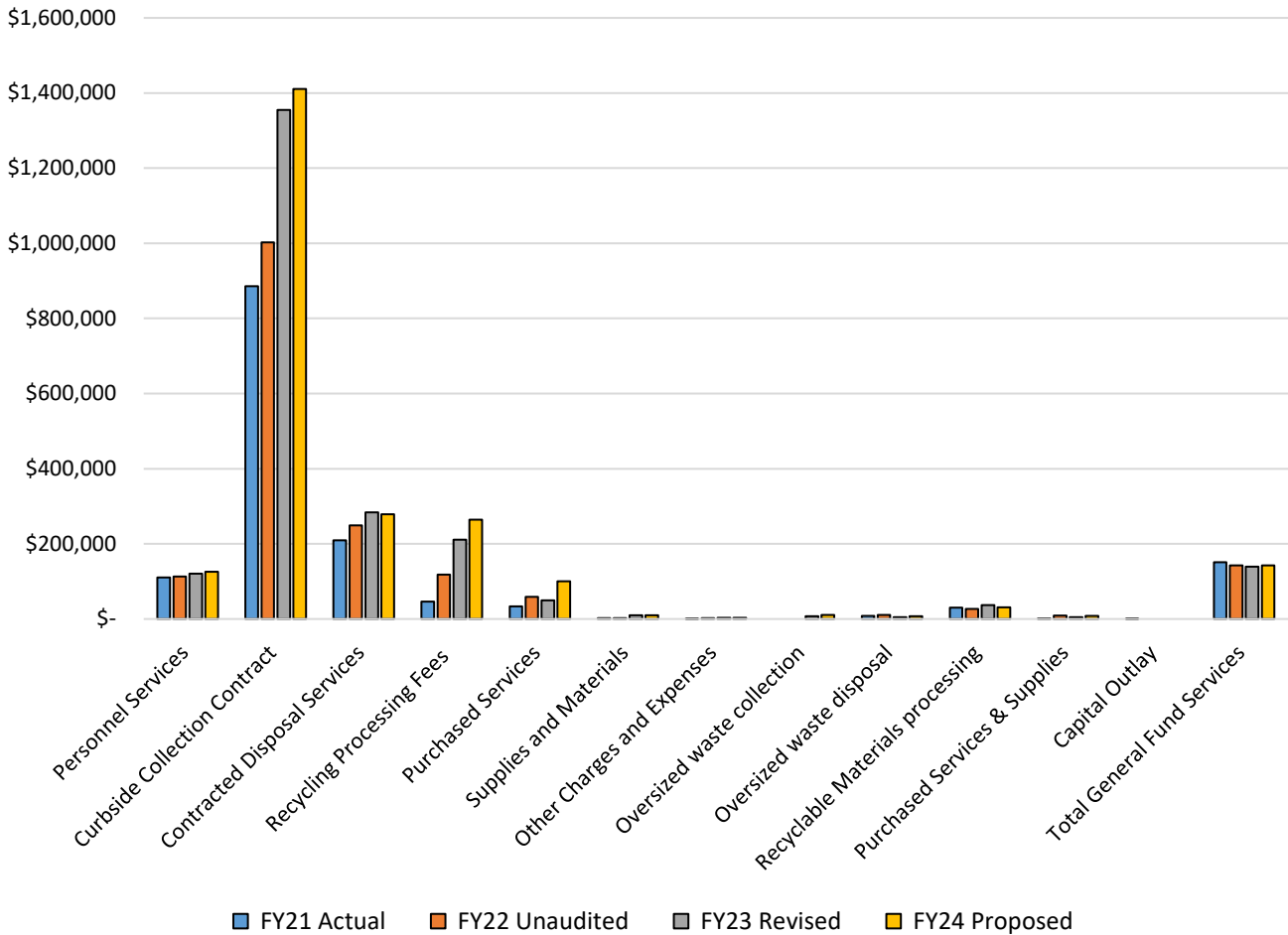
	FY21 Actual	FY22 Unaudited	FY23 Revised	FY24 Proposed
<u>Curbside Program</u>				
Personnel Services	\$ 106,245	\$ 107,888	\$ 110,066	\$ 114,442
Curbside Collection Contract	886,091	1,002,772	1,355,289	1,410,539
Contracted Disposal Services	209,197	248,998	284,222	278,711
Recycling Processing Fees	46,233	117,696	210,889	264,239
Fuel Adjustment Expense	-	-	-	-
Customer Rebate	-	-	-	-
Purchased Services	33,930	59,076	49,993	100,171
Supplies and Materials	2,463	2,439	9,900	10,170
Other Charges and Expenses	200	2,142	2,855	2,855
Capital Outlay	82	-	-	-
General Fund Services	151,017	142,868	139,431	142,547
Subtotal	\$ 1,435,457	\$ 1,683,880	\$ 2,162,645	\$ 2,323,674
<u>Drop-Off & Mattress Rec. Programs</u>				
Personnel Services	4,274	5,293	10,713	11,355
Oversized waste collection	-	-	7,670	10,481
Oversized waste disposal	7,784	10,347	5,208	6,923
Recyclable Materials processing	30,067	26,745	36,820	30,930
Purchased Services & Supplies	1,084	9,351	4,503	7,898
Subtotal	\$ 43,209	\$ 51,736	\$ 64,915	\$ 67,588
<u>Composting Site Program</u>				
General Fund Services	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 1,478,667	\$ 1,735,617	\$ 2,227,559	\$ 2,391,262

Solid Waste Operating Expenditures



Solid Waste Fund – Expenditures

Solid Waste Operating Expenditures



Personnel Summary

AUTHORIZED POSITIONS

	FY23 Revised Budget		FY24 Initial Budget	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
Curbside Collection Program				
5111 - Regular Personnel (1)	1.50	\$ 108,870	1.50	\$ 112,764
5120 - Temporary Status		-		-
5178 - Medicare Tax	N/A	1,568	N/A	1,678
5180 - Social Security	N/A	71	N/A	-
Subtotal	1.50 FTEs	\$ 110,509	1.50 FTEs	\$ 114,442
Drop-Off Day & Mattress Rec. Programs				
5130 - Drop-Off Day Overtime	90.0 hrs.	5,503	90.0 hrs.	5,680
5131 - Police Overtime	90.0 hrs.	4,766	90.0 hrs.	5,675
Subtotal	0.00 FTEs	\$ 10,269	0.00 FTEs	\$ 11,355
Total Personnel Services	1.50 FTEs	\$ 120,778	1.50 FTEs	\$ 125,797

(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

	FY21 Actual	FY22 Unaudited	FY23 Revised	FY24 Proposed
Curbside Collection/Drop-Off Program				
Management Services	\$ 90,466	\$ 79,271	\$ 91,568	\$ 80,822
Financial & Administrative Services	60,551	58,072	47,863	61,725
Salary Reserve	-	5,243	-	-
Subtotal	\$ 151,017	\$ 142,586	\$ 139,431	\$ 142,547
Composting Site Program				
Management Services	-	-	-	-
	\$ -	\$ -	\$ -	\$ -
Combined	\$ 151,017	\$ 142,586	\$ 139,431	\$ 142,547

Solid Waste Fund – Net Income and Fund Balance

Net Income and Fund Balance

NET INCOME

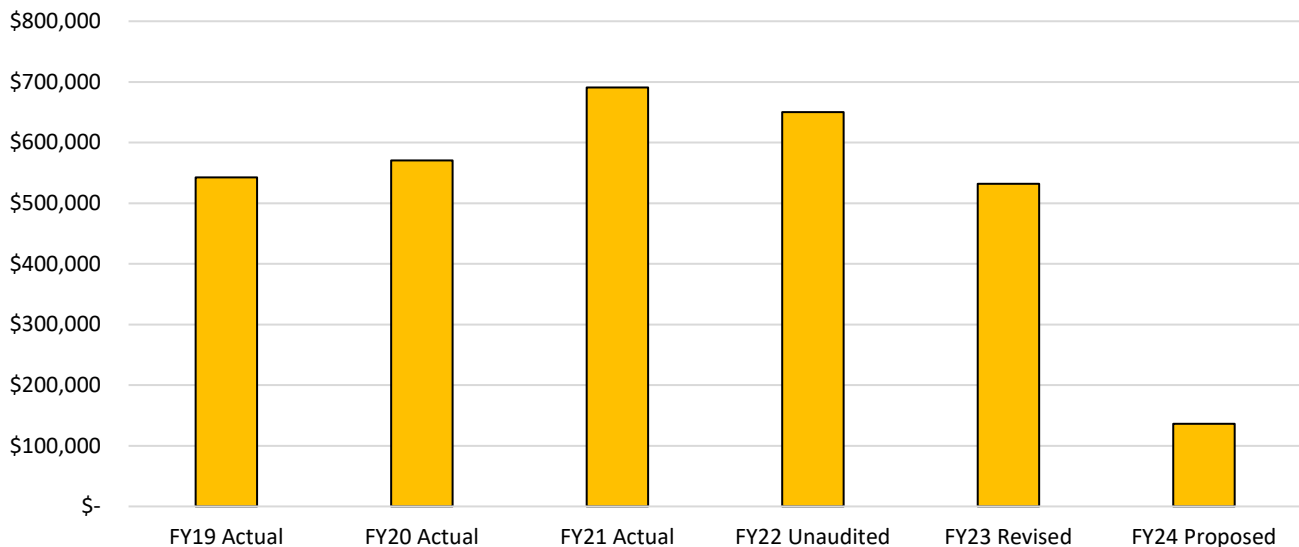
	FY21		FY22		FY23		FY24	
	Actual		Unaudited		Revised		Proposed	
Operating Income:								
Operating Revenues	\$	1,599,059	\$	1,688,821	\$	2,109,081	\$	1,995,833
Less Operating Expenses		(1,478,667)		(1,735,617)		(2,227,559)		(2,391,262)
Operating Income	\$	120,392	\$	(46,795)	\$	(118,478)	\$	(395,429)
Non-Operating Income:								
Non-Operating Revenues	\$	-	\$	6,416	\$	-	\$	-
Non-Operating Expenses		-		-		-		-
Non-Operating Income	\$	-	\$	6,416	\$	-	\$	-
Net Income	\$	120,392	\$	(40,380)	\$	(118,478)	\$	(395,429)

FUND BALANCE

	FY21		FY22		FY23		FY24	
	Actual		Unaudited		Revised		Proposed	
Fund Balance:								
Beginning Fund Balance	\$	570,259	\$	690,651	\$	650,272	\$	531,793
Net Income		120,392		(40,380)		(118,478)		(395,429)
Ending Fund Balance*	\$	690,651	\$	650,272	\$	531,793	\$	136,364

* Estimated Fund Balance as of July 1st, 2022 (or June 30, 2022) is based on information from FY2021 as the audited financial statements are not yet available for FY2022.

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



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Swim & Fitness Fund

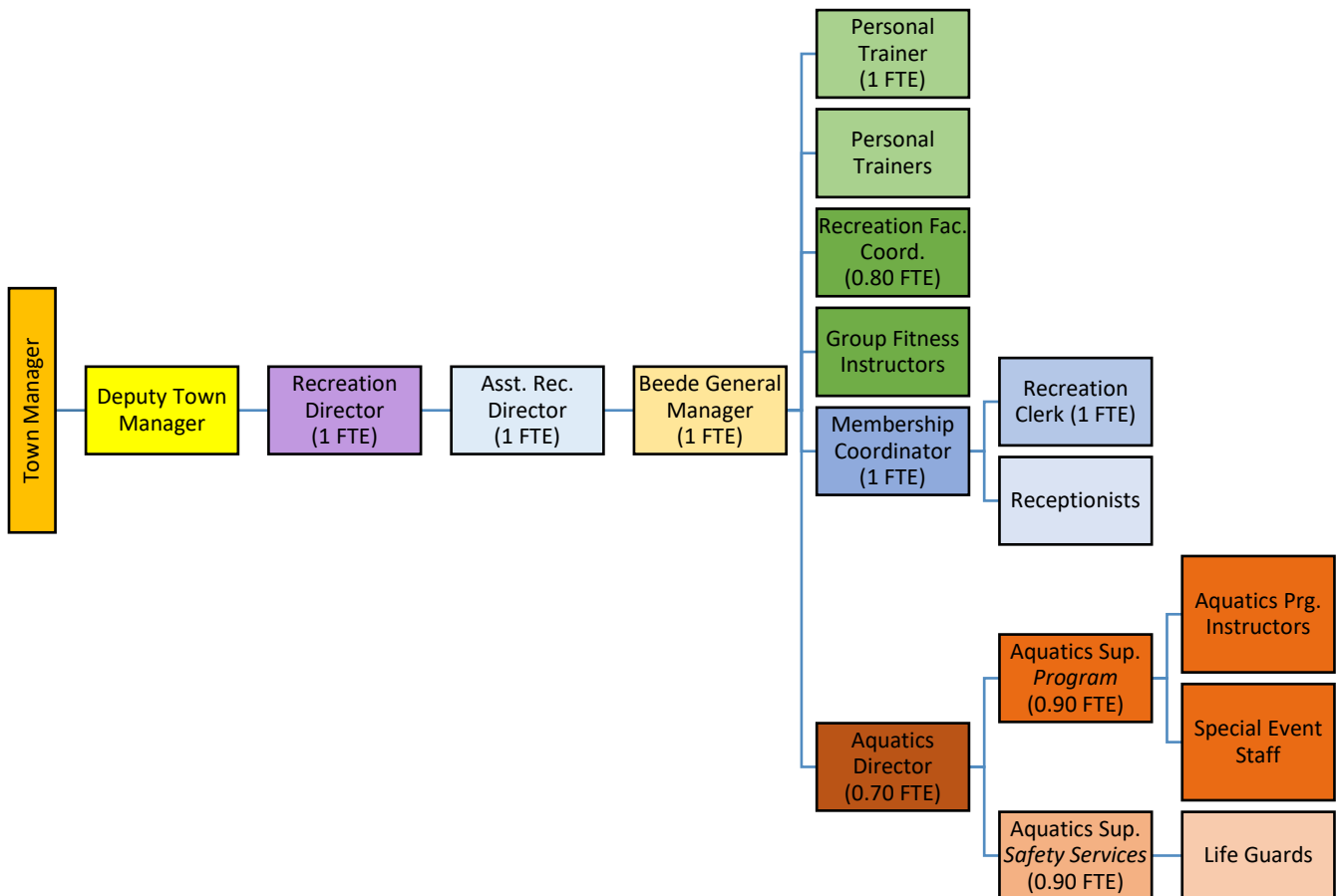
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Swim & Fitness Fund

Mission Statement

A branch of the Concord Recreation Department, the Beede Swim and Fitness Center aligns with the Department’s mission of supporting and promoting the community through wellness and play.

Organizational Chart



Swim & Fitness Fund

Overview

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.



Located on the campus of the Concord-Carlisle Regional High School, The Beede Swim and Fitness Center hosts an 8-lane lap pool, a warm water pool, a children’s pool with spray features, 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 to a multipurpose fitness room primarily used for personal training. In addition, the facility includes men’s and women’s locker/shower rooms, inclusive changing rooms, and staff office space. The facility is open approximately 100 hours each week Monday-Friday 5:30 AM to 9:00 PM and weekends 7:00 AM to 6:00 PM. The Center closes for all federal and state holidays as well as an annual, weeklong maintenance closure late summer.

The Beede Center, as part of the Concord 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.

The Beede Center has 7.30 full time employees housed within the Swim and Fitness Fund and 12.73 FTEs that support seasonal or limited status programs. This team of employees oversees and facilitates a variety of programs, events, and operations that make the Beede Center what it is.

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.

On March 1, 2017, the Beede Swim & Fitness Center changed its membership plans to provide members with simpler, more flexible membership options. Following an industry standard, the Beede Center moved to monthly recurring billing for all members as well as 3-month memberships and a 10-visit pass. With that change, all memberships now included swim and fitness facility access, non-resident rates were eliminated, and the joining fee was reduced from \$199 to \$99. The FY24 membership categories and rates are listed on the following page.

Swim & Fitness Fund

2023 Membership Categories and Rates

	Monthly	3 Month	10 Visit	Day Pass
Adult	\$84	\$300	\$200	\$20
Couple	\$131	\$450		\$30
Family	\$155	\$550		\$40
65+	\$64	\$220		
65+ Couple	\$100	\$340		
14-18	\$43	\$150		
80+	\$199 (annual rate, only)			

The Center is proud to offer various discounts to municipal Town employees as well as membership discounts for Concord-Carlisle High School and Concord Public-School full-time employees.

For more information, please visit: <https://beedecenter.com/>.



Swim & Fitness Fund

Aquatics Facility, Programs and Rentals



Beede’s state-of-the-art aquatic facilities serve competitive swimmers, aquatics fitness classes, therapeutic programs, rental groups, Town Departments, and families year-round. The natatorium includes the following amenities:

- 8-Lane Competition Pool (25yd x 25m),
- Deep water diving well with two 1m boards and one 3m board,
- Warm water pool,
- Children’s play pool featuring spray fountains and a slide,
- Accessibility lifts that provide access to all pools,
- Various toys, kick boards, goggles, etc.,
- Overhead sound system, and
- Automated timing system on starting blocks.

Youth and Adult Aquatics Programs

The Beede Center boasts a variety of aquatics-based programs for youth and adults. A proud partner of the American Red Cross Swimming and Water Safety Program, Beede’s year-round swim lessons help participants build competence in the water. Lessons are available to members and non-members in small group and private options. Seasonally, Beede Center water safety instructors also offer swimming lessons for youth at the outdoor pool at Emerson Park as well as White Pond Beach. Classes include, but are not limited to:

<u>Classes & Programs</u>	<u>Age Group</u>
• Parent & Child	(ages 0.6-4 years old)
• Preschool Lessons	(ages 3-5 years old)
• Learn to Swim	(ages K+)
• Lifeguard Training Programs	(ages 16+)
• Water Safety Instruction Programs	(ages 16+)
• Competitive Swimming Private Training	(ages 12-18)
• Diving Lessons	(ages 6-18 years old)
• Otters Swim Team	(10 and under, 11 and older)
• Masters Swim Program	(ages 18+)
• Adult Swim Lessons	(ages 14+)
• Adaptive Swim Lessons	(ages 5-22 years old)
• Water Polo	(ages 18+)
• Aquatics School Vacation Week Prgms.	(Grades K-5)



The Center also offers a wide variety of aquatics fitness classes designed to meet a diverse range of needs and ability levels.

Swim & Fitness Fund

Our comprehensive water fitness program takes place in warm water, deep water and shallow water pools for adult participants run by our skilled, certified instructors. Classes include, but are not limited to:

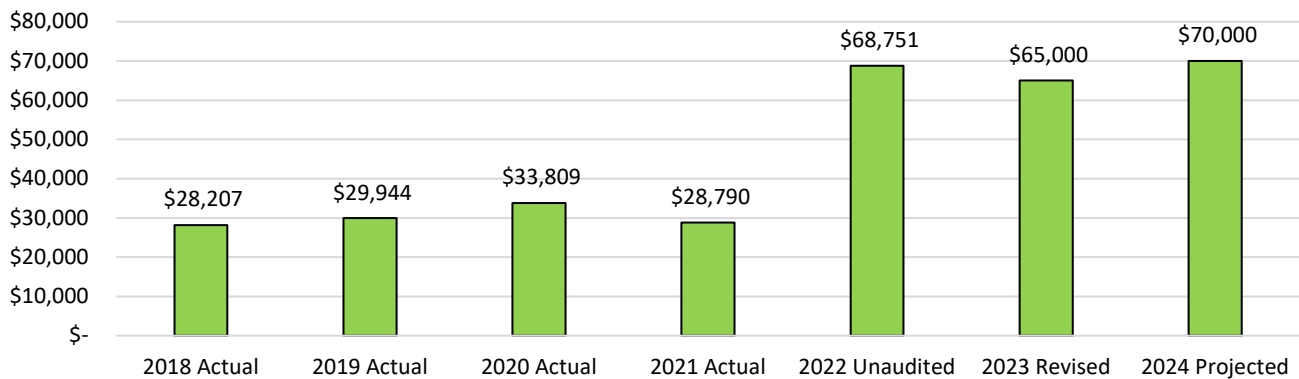
- Shallow water workout
- Deep water workout
- Aqua Cardio and Kickboxing
- Deep Core
- Deep Intervals
- Ai Chi
- Arthritis
- Baby and Me Parent/Child Fitness

Aquatics programs continue to be the second most revenue producing area at the Beede Center, after memberships.

Rentals

The Beede Center rents out space in the natatorium to various user groups in and around the Concord area. Rentals are allowed at times that will have the least impact on membership and often serve as a supplement to the already established programs and events that take place in the pools. The home pool for the Concord-Carlisle

Rental Revenue
Annual Comparison (FY)



High School swim team, the Beede Center works with the school to reserve space for swim practices and meets and when not in use by CCHS, the Center rents out space to other teams, hosting swim meets and practices as possible. Long standing rentals continue with Boston Area Diving and Laura Diamond Physical Therapy Associates.

Special Events

The Beede Center offers various special events to members and non-members throughout the year. Varying from road races to parents’ night out, the Center encourages participation from members and non-members, alike.

The largest special event that the Beede Center runs is the Sleepy Hollow 5K and Fun Run. This race welcomes costume adorned runners to weave through Concord streets, starting and ending at the Beede Center. Prizes and medals are typically awarded for the fastest runners in all categories. The Center is excited to start running monthly, special events.



Swim & Fitness Fund

Fitness Facility and Programs

Beede Center members have the opportunity to utilize three main fitness spaces at the Center including a cardio room, strength room and multi-purpose personal training room. Seasonally, members can also utilize the Beede Center’s outdoor, covered patio. New members receive a free equipment orientation from a Beede employee and personal trainers are available to answer questions on how to use equipment. The Beede Center primarily hosts Cybex equipment in the cardio room including ARC trainers, treadmills, recumbent and upright bikes, rowers and more. The strength room includes various pieces of equipment including a smith press, seated leg machines, various flat and adjustable benches, chest press, a multi jungle cable machine as well as a variety of free weights, bands, and balance boards.

Group Fitness Classes

The Beede Center offers in person and online land-based group fitness classes typically running for 60 minutes and ranging from Yoga 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.

Seasonally, classes may also be offered on the patio of the Beede Center or at one of the Town’s other recreation facilities including Emerson Park, Rideout Park or White Pond beach. All Beede Center group fitness instructors are certified in their specialty areas and work with participants to adapt the program to their skill and comfort level. New in FY24, the Center will be expanding on nature-based fitness programs including yoga hikes, trail meditation, and stand-up paddle board yoga at White Pond Beach.



Personal Training

The Beede Center has a team of dedicated personal trainers who are available to 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 routine, the personal training team is there to help. Most often, training sessions take place at the Beede Swim and Fitness Center, but trainers are encouraged to use other outdoor space throughout Town. The Beede Center also offers private pilates reformer or private pilates mat sessions, available in 1, 5, or 10 punch passes. The Beede Center’s training team consists of one, full time personal trainer and 5-7 part time personal trainers.

Swim & Fitness Fund

FY22 Accomplishments

According to the FY22 Revised Budget, the Beede Center was projected to operate at a net loss \$410,425 by the end of the fiscal year. However, the Beede Center team is incredibly proud to highlight that the fund is proposed to have achieved \$297,507 in net income (unaudited); the first net positive year since FY18.

Most notably, the Center did not predict such a strong return of memberships, up \$351,000 from budget predictions as well as increased swim program participation, up \$180,000 from budget predictions. Additionally, the Center was able to engage in new rental contracts increasing the rental revenue 102% and the sale of 10 punch pass, guest pass and 3-month membership saw an increase of \$110,000 over budget predictions.

While the Center saw impressive growth in these revenue producing areas, there was also significant cost reductions; not all welcomed. The Beede Center experienced a tremendous reduction in the workforce necessary to efficiently staff the Center. Specifically, payroll for lifeguards was down nearly \$23,000, from desk staff was down nearly \$34,000 and regular status positions were down nearly \$38,000.

Throughout it all, the Beede Center team stayed focused on successfully supporting and serving hundreds of members and participants; below are highlights from the year:

- ☑ July 2021: The Beede Center's water safety instructor team hosted swim lessons at White Pond for 41 students, the start of a new, annual offering at White Pond Beach.
- ☑ August 2021: The Beede Center's team worked with the Town's Community Service Coordinator to collect new and (very gently used) backpacks for Concord school children. Many residents generously fill the packs with brand new school supplies so the students receiving the bags are ready to start a new school year.
- ☑ September 2021: The Beede Center hosted the 20th Annual Nick Ressler Blood Drive. This community event has helped more than 3,000 individuals in need of blood.
- ☑ October 2021: The Beede Center hosted its first annual Sleepy Hollow 5K and fun Run. The event attracted nearly 200 runners of varying ages and abilities for a festive run throughout Town.
- ☑ November 2021: Adam Lapointe was hired in November of 2021 as the Recreation Department's new Assistant Director of Recreation. Adam received a bachelor's degree in Youth Development from Springfield College, and recently earned his Master's in Public Administration from Framingham State University. Adam's work experience varies from public and private recreation ranging from YMCAs in Boston and Hartford to his recent role as the Recreation Program Coordinator for the Town of Westborough, MA. He has a significant amount of experience in positive youth development programming, management of parks and recreation facilities, physical plant management, and budget oversight.
- ☑ December 2021: The Center facilitated its first annual vacation week program with 45 kids participating during the week of school vacation. The program included opportunities for kids to swim, craft, and play.
- ☑ January 2022: Beede introduced a new pricing structure for personal training programs, encouraging users to have small group training and 25- or 55-minute sessions.
- ☑ February 2022: All membership rates increased by \$2.00/month with approval from the Recreation Commission.
- ☑ March 2022: The Recreation Department worked with the Select Board to approve a formal parking restriction for the Beede Swim and Fitness Center parking lot. The new restriction allows lot use by Beede customers, staff, and certain school department vehicles, only. Concord Police are now able to ticket vehicles that do not have a parking placard displayed on their dash.
- ☑ April 2022: The Beede Swim and Fitness Center celebrated its 16th birthday by offering a month of promotions and raffles, including a reduced joining fee.

Swim & Fitness Fund

- ☑ May 2022: The Beede Center implement digital ID cards for use at all Town aquatics sites including Beede, White Pond, and Emerson pool reducing the need for plastic ID cards. This change aligns with the Town’s goals to be more sustainable in our practices.
- ☑ June 2022: Optima Synchro, a group that specializes in artistic (synchronized) swimming for all ages, joined the Beede Center as a new, recurring pool rental.

FY24 Goals

- ☐ Challenge the Beede Center team to be innovative and expansive in programming and special event development to increase revenues.
- ☐ Implement cost recovery tools for all program areas.
- ☐ Better control capital plans with the utilization of a capital asset management program and the employment of a Recreation Facilities Coordinator.
- ☐ Expend capital dollars as allocated.

Long-Term Plans

The Beede Center’s long-term plans all relate to assuring the Center can be fiscally sustainable for years to come. To do this, the Concord Recreation team will be analyzing solutions for a variety of operational challenges that come with an aging facility and growing utility costs. The Department will depend on the support, guidance, and input from various Town Departments as we work to make changes that position the Center to be long-lasting. Aligning with this goal of fiscal sustainability, the Recreation Commission voted to create a subcommittee that will focus on the future financial health of the Beede Swim and Fitness Center. The Commission will work with the Recreation Department to explore opportunities for cost reduction and revenue expansion whenever possible.

- ⇒ **Energy Saving Initiatives:** The Beede Center is dedicated to exploring energy savings initiatives to help reduce utility expenses. To that end, the Department is exploring the possibility of installing solar panels on the roof and/or parking lot to offset growing electricity costs. The Recreation Department has a goal to have a solar feasibility study done in FY24, a new roof installed to support the solar panels in FY25 (if necessary) and solar panels installed in FY26. The Beede Center Subcommittee will work with the Recreation Department to explore grant opportunities to offset installation costs and will continue to encourage the Department to explore other mechanisms for reducing the Center’s utility costs.
- ⇒ **Capital Asset Management:** The Beede Center facility will be 17 years old in April 2024. As the team works to keep the facility running at optimal efficiency, it is imperative that the Department prioritizes capital asset management. Plans to hire a Recreation Facilities Coordinator will place attention on the facility’s needs including preventative maintenance schedules, mechanical efficiency monitoring, depreciation schedules, and capital asset requests.
- ⇒ **General Fund Contributions:** Due to the Beede Center’s financial strife over the last four years, the Center has been relieved of paying back to the general fund (FY21-FY24). The Beede Center recognizes its responsibility to contribute for the utilization of Town services and fully expects to resume payment in coming years when the net income is positive. To prepare the Center to be able to afford this, the Recreation team is working on cost recovery tools that will take into overhead of the facility’s indirect operating expenses into consideration when setting program and membership prices.

Swim & Fitness Fund – Overview & Budget Highlights

FY24 Budget Highlights

The Beede Center has worked hard to recover from a distressing hit to operations in FY21 and FY22. In FY24, the Center is still expecting a net loss but wants to highlight the dramatic recovery that is expected when compared to the last 5 years of operation. As of June 30, 2022, the Beede Center is estimated to have a fund balance of \$3,309,071 according to unaudited financial data. The FY24 Proposed budget projects a fund balance of \$3,815,850 at the end of the fiscal year.

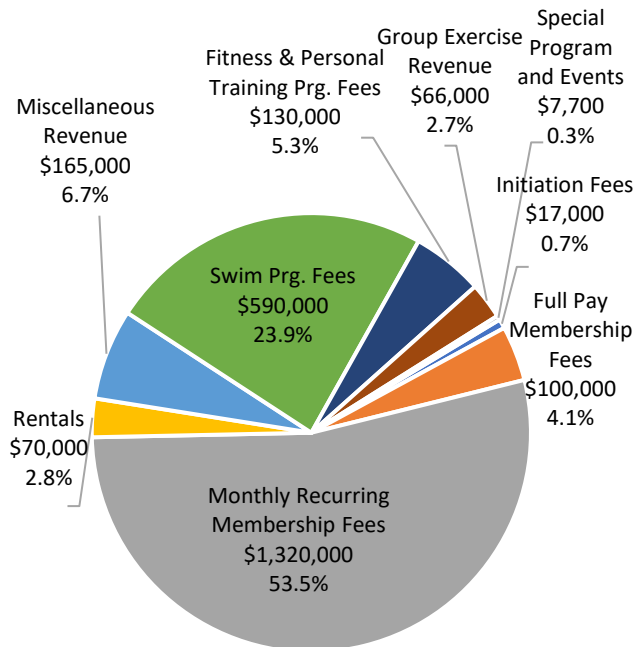
Budget Highlights

FY24 Projected Revenue	\$2,465,700
FY24 Projected Expenses	<u>(2,521,347)</u>
FY24 Projected Operating Loss	\$(55,647)
FY24 Projected Net Loss	\$(35,647)
FY24 Projected Swim & Fitness Fund Balance	\$3,815,850

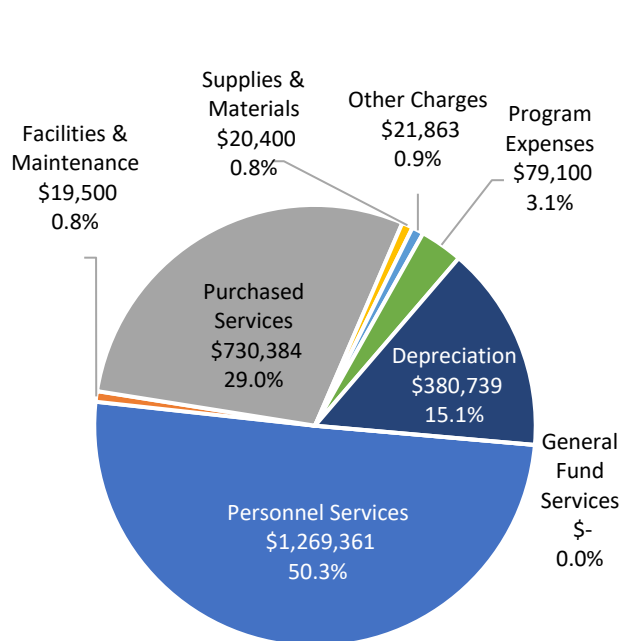
Revenues and Expenditures Overview

Operating revenues are projected to be \$2,465,700, which is a \$230,700 or 10.3% increase compared to the FY23 Revised budget. These estimated revenues are increasing compared to previous years due to projected recovery in membership and program attendance. With operating expenditures proposed to be \$2,521,347, the Fund’s operations are proposed to result in a net operating loss of \$55,647 for fiscal year 2024. With the addition of non-operating revenues from investment income the FY24 Swim & Fitness Fund budget shows a projected net loss of \$35,647.

FY24 Operating Revenue



FY24 Operating Expenditures



Swim & Fitness Fund – Revenues

Operating Revenues

Operating Revenues are projected to be \$2,465,700, which is a 10.3% increase from the FY23 Revised budget. FY24 Projected Operating Revenues are estimated to recover close to pre-pandemic actuals. The Beede Center continues to see the majority of revenue collected through monthly, recurring memberships followed by in house swim programs and then miscellaneous revenues which include 10 punch passes, guest passes, seasonal summer memberships, special events and day passes. As we continue to explore how to best support the operational growth, the Department looks at these numbers to guide decisions on what customers need.

OPERATING REVENUES (\$)

	FY21	FY22	FY23	FY24
	Actual	Unaudited	Revised	Proposed
Initiation Fees	\$ 7,663	\$ 19,093	\$ 10,000	\$ 17,000
Full Pay Membership Fees	99,899	119,234	130,000	100,000
Monthly Recurring Membership Fees	685,354	1,200,275	1,210,000	1,320,000
Rentals	28,790	68,751	65,000	70,000
Miscellaneous Revenue	12,314	158,531	110,000	165,000
Swim Prg. Fees: Beede	295,783	529,696	530,000	550,000
Swim Prg. Fees: White Pond & Emerson	-	-	-	40,000
Fitness & Personal Training Prg. Fees	98,205	127,198	120,000	130,000
Group Exercise Revenue	43,488	55,895	60,000	66,000
Special Program and Events	-	-	-	7,700
Operating Revenues Total	\$ 1,271,496	\$ 2,278,673	\$ 2,235,000	\$ 2,465,700

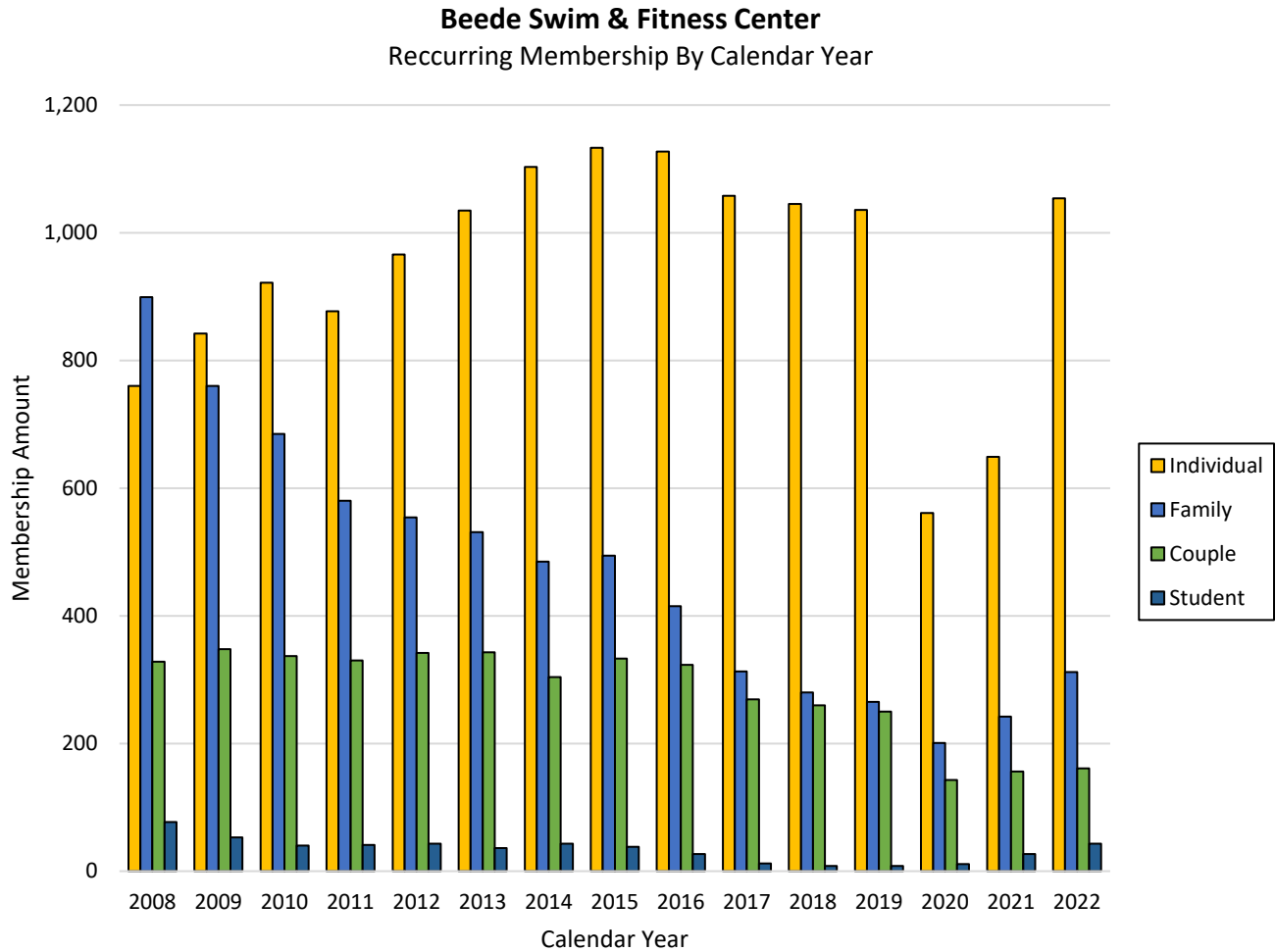
Membership Revenue

The Beede Center sells a variety of membership types to meet the consumer’s needs. The chart below speaks to annual membership sales by category. What is most exciting to see is that for the first time since 2017, the Beede Center has more than 300 active family memberships. For perspective, the Beede Center had 155 active family memberships at the end of November 2021 and 279 active family memberships at the end of November 2022. That is a change of 124 new memberships over the year which is exciting data to see. Of the membership base:

- 14.25% are ages 0-10
- 17.62% are age 11-20
- 3.91% are age 21-20
- 9.67% are age 31-40
- 14.20% are age 41-50
- 11.39% are age 51-60
- 13.25% are age 61-70
- 9.96% are age 71-80
- 2.61% are age 81-90
- 0.13% are age 91-100
- 0.12% are age 101-110
- There are 39 accounts, or 2.47 %, that do not have ages associated.

Swim & Fitness Fund – Revenues

Acknowledging that 71.0% of membership is age 60 or under and within that majority, 32.0% are under the age of 20 is very valuable data to acknowledge as the Center proceeds with programming and facility use decisions.



Additionally, the Beede Center’s short term membership sales have continued to increase including 10 punch passes, guest passes and day passes. These revenues are captured under the “miscellaneous revenue” category as does cancellation fees, locker rentals, and summer membership sales to Emerson Pool.

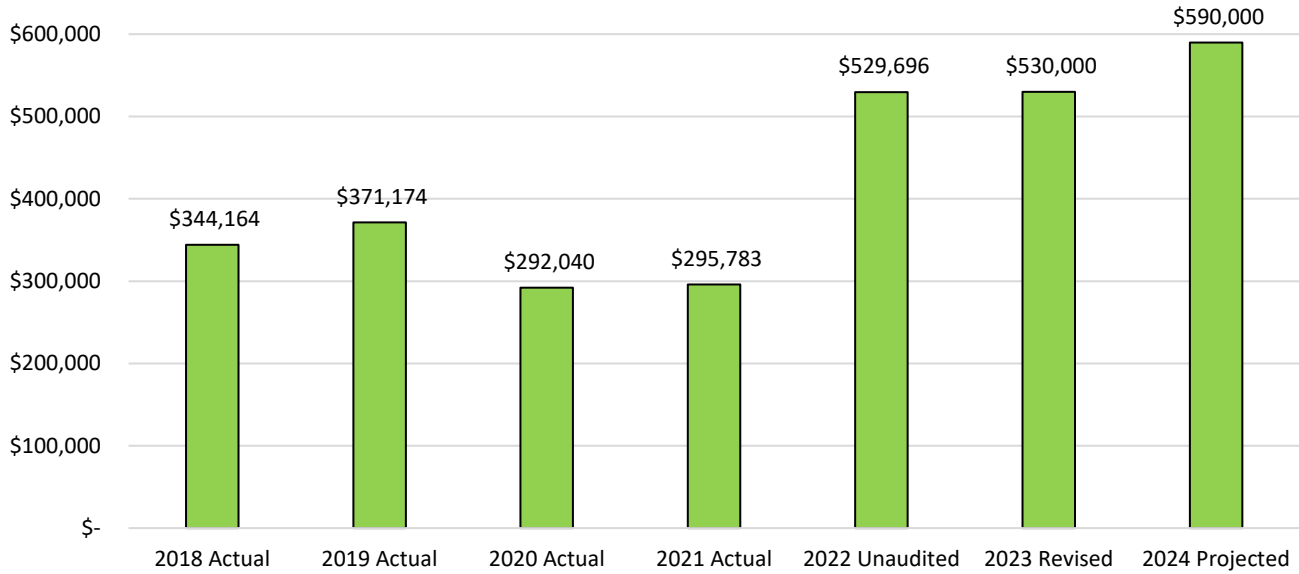
Swim & Fitness Fund – Revenues

Aquatics Program Revenue

The Beede Center’s aquatics programs continue to expand and account directly for 25% of the operating revenue, annually. Specifically, the Center’s Learn To Swim Program which includes swim lessons for youth, sell out and

Aquatics Program Revenue

Annual Comparison (FY)



often have waitlists of 50+ swimmers. To that end, the Center expects to increase aquatics program revenues by \$60,000 in FY24 as compared to FY23 revised estimates. Additionally, the Beede Center oversees the aquatics programs at Emerson Pool and White Pond Beach in the summer season and collects the revenues accordingly. New to Emerson Pool in summer 2023 will be birthday party rentals and increased swim lessons on nights and weekends.



Swim & Fitness Fund – Expenditures

Operating Expenditures

Operating Expenditures in FY24 are proposed to be \$2,521,347. Driving factors include \$125,896 or 11.0% in increased personnel related expenses 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 increase by \$23,105. It is important to note that the FY23 Revised and FY24 Proposed budgets included no planned transfers to the General Fund.

OPERATING EXPENSES (\$)

	FY21	FY22	FY23	FY24
	Actual	Unaudited	Revised	Proposed
<u>Personnel Services</u>				
Personnel Expenses	\$ 893,966	\$ 946,751	\$ 1,143,465	\$ 1,269,361
Accrued Employee Benefits	-	-	-	-
Audit Adjustment	(236,180)	-	-	-
Subtotal	\$ 657,786	\$ 946,751	\$ 1,143,465	\$ 1,269,361
<u>General Purpose</u>				
Facilities and Maintenance	10,973	17,010	40,295	19,500
Purchased Services	560,057	574,168	575,447	730,384
Supplies and Materials	15,957	20,121	31,093	20,400
Other Expenses	13,541	14,798	14,454	21,863
Audit Adjustment	35,384	-	-	-
Subtotal	635,911	626,097	661,289	792,147
<u>Program</u>				
Group Exercise Expenses	42	172	500	2,500
Aquatic Safety Mgt Exp. Beede	21,291	28,222	26,616	35,000
Aquatic Safety Mgt Exp. White Pd & Emerson	-	-	2,000	-
Aquatic Prg. Exp. Beede	2,137	10,985	8,243	29,000
Aquatic Prg. Exp. White Pd & Emerson	-	-	-	-
Fitness Management Expenses	633	3,085	-	5,000
Personal Trainer Expenses	-	-	-	600
Special Program Events Expenses	-	-	-	7,000
Subtotal	\$ 24,104	\$ 42,464	\$ 37,359	\$ 79,100
<u>General Fund Services</u>				
Town Manager	-	-	-	-
Human Resources	-	-	-	-
Facilities Management	-	-	-	-
Finance Administration	-	-	-	-
Treasury	-	-	-	-
Accounting	-	-	-	-
Recreation Administration	-	-	-	-
Salary Adjustment	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ -
<u>Depreciation Expense</u>				
Depreciation Expense	371,094	370,645	357,634	380,739
Subtotal	\$ 371,094	\$ 370,645	\$ 357,634	\$ 380,739
Total Operating Expense	\$ 1,688,895	\$ 1,985,957	\$ 2,199,747	\$ 2,521,347

Swim & Fitness Fund – Expenditures

Personnel Services

In FY24, the Beede Center is projected to spend approximately \$1,269,361 on full-time, part-time, limited, and temporary status staff, including benefits. This is a 11.0% increase compared to FY23 Revised Budget. These 100+ staff members include front desk staff, lifeguards, water safety instructors, fitness instructors, coaches, personal trainers to name a few. 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.

AUTHORIZED POSITIONS (\$)

	FY23 Revised		FY24 Proposed	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
<u>Personnel</u>				
Full-Time Positions	7.67	502,108	7.30	\$ 500,248
Part-Time Positions	0.00	-	0.00	-
Limited Status / Temporary Positions	11.45	496,732	12.73	618,981
Subtotal	19.12	\$ 998,840	20.03	\$ 1,119,229
<u>Employee Benefits</u>				
Health Insurance	N/A	39,037	N/A	30,830
Life Insurance	N/A	205	N/A	500
Dental Insurance	N/A	4,408	N/A	2,500
OPEB	N/A	1,893	N/A	1,847
Retirement Contribution	N/A	64,260	N/A	56,837
Subtotal	N/A	\$ 109,803	N/A	\$ 92,514
<u>Payroll Taxes</u>				
Medicare Tax	N/A	13,262	N/A	11,720
Social Security Contribution	N/A	21,001	N/A	20,885
Subtotal	N/A	\$ 34,264	N/A	\$ 32,605
<u>Other Personnel Costs</u>				
Overtime	N/A	558	N/A	-
Unemployment Compensation	N/A	-	N/A	-
Car Allowance	N/A	-	N/A	-
Salary Reserve	N/A	-	N/A	25,012
Subtotal	N/A	\$ 558	N/A	\$ 25,012
Total Personnel Costs	19.12 FTEs	\$ 1,143,465	20.03	\$ 1,269,361

Also new in FY24 is the restructuring of the full-time employees that support the aquatics operation. The directed programming that takes place in the natatorium (swim team, swim lessons, rentals, special events, etc.) accounts for about 27.0% of the facility’s operating revenue. This percent does not include the undocumented value of the Center’s membership who are able to utilize the pools for self-directed use at all hours of operation. These programs and events require a significant amount of planning and risk management to successfully support customer’s needs. To successfully grow the aquatics programs for members, the Center seeks approval to restructure full time staff to now include an Aquatics Director and two Aquatics Supervisors. These three staff will also support the aquatics operations at White Pond Beach and Emerson Pool and therefore are proposed to be partially paid by the Recreation Revolving Account.

Swim & Fitness Fund – Expenditures

Additionally, the Beede Center recognizes the need for an employee to solely focus on the maintenance, capital planning, and asset management. In FY24, the Beede Center seeks approval to hire a Recreation Facility Coordinator who will be assigned to focus on this area. This person will oversee the maintenance schedules for the pools, assure assets are inventoried and monitored for efficiency, oversee building inspections and permits, maintenance contracts, health code compliance, prepare for the annual shut down maintenance, and will play an active role in annual budgeting. This person will support the Beede Center’s operation as well as the facility operation at Emerson Pool and White Pond and therefore is proposed to be paid out of the Recreation Revolving Account.

Purchased Services

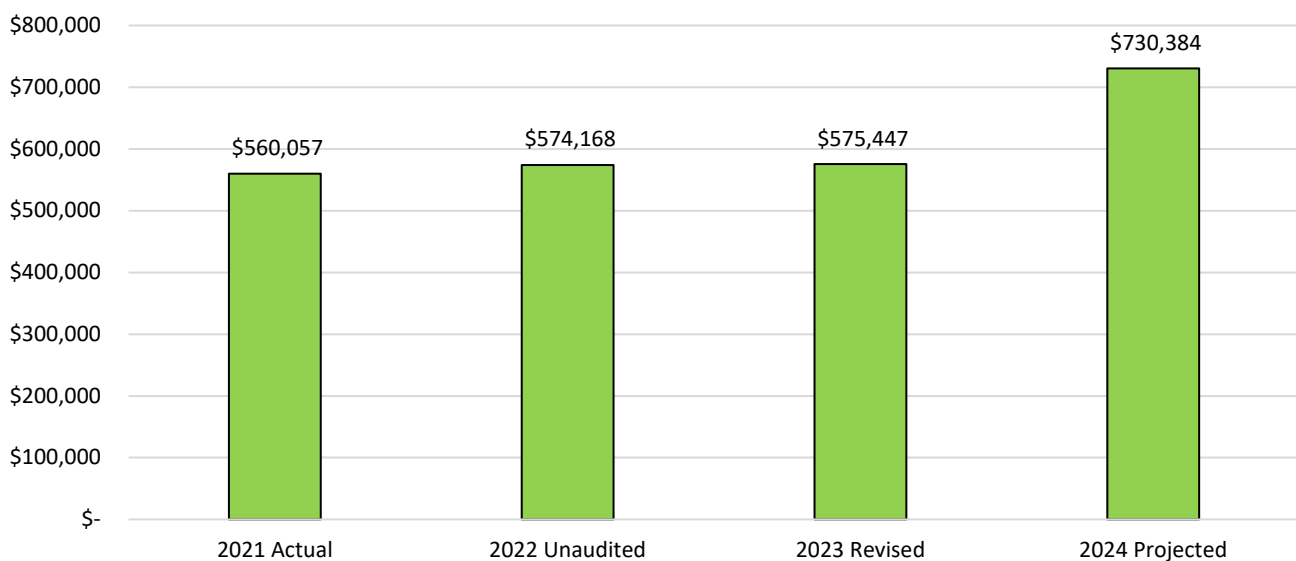
In FY24, The Beede Swim and Fitness Center is expecting to spend \$730,384 on purchased services, up 26.9% from compared to the FY23 Revised Budget.

A large portion of the energy expenditure goes towards running the Beede Center’s dehumidification system as well as the pool’s pumps and motors; even when the building is closed, the pool motors, filters, HVAC systems and pumps are always running.

The FY24 utility recommendations included an estimated 20.0% increase in electricity expenses as compared to FY22 actuals due to the variability of the current energy market. Utility recommendations also include 100.0% increase in natural gas expenses as compared to FY22 actuals due to pending renegotiations of the Town’s natural gas contract and current energy market. A 5.0% increase on water and sewer expenses as compared to FY22 actuals were also recommended. In total, this accounts for an additional \$101,266 in purchased utilities.

Purchased services also include the cost of the Beede Center’s contracted custodial services estimated to be \$180,000. This contract is in place for a three-year term and is up for renewal in FY24. Other smaller expenses that fall into the purchased services category includes banking charges for credit card transactions, elevator maintenance, and fire alarm maintenance as well as solid waste/recycling collection and disposal costs.

Beede Center's Purchased Services Expenditures
Annual Comparison (FY)



Swim & Fitness Fund – Expenditures

Capital (Capital Outlay and Debt-Funded)

In FY24, the Beede Center is proposed to include \$153,200 in planned capital outlay. The funding for FY24 includes the below items:

- \$20,000 for primary facility building improvements.
- \$15,000 for locker room improvements.
- \$10,000 for accessibility improvements.
- \$10,000 for primary facility miscellaneous equipment.
- \$15,000 for pool filters.
- \$30,000 for pool motors and pumps.
- \$15,000 for pool facility miscellaneous equipment.
- \$38,200 for strength machine, recumbent bikes, and miscellaneous equipment replacement.

Swim & Fitness Fund – Expenditures

Beede Swim and Fitness Center Capital Program

	FY22 Actuals	FY23 Revised	FY24	FY25	FY26	FY27	FY28	FY24→FY28 Total
Primary Facility								
Building Improvements	18,753	20,000	20,000	20,000	20,000	20,000	20,000	100,000
Roof	-	-	-	300,000	-	-	-	300,000
Carpet and Flooring	-	-	-	-	-	20,000	-	20,000
Dehumidification System	-	-	-	-	-	-	-	-
Roof Top HVAC Units	7,398	-	-	-	-	-	-	-
Sound System	-	-	-	-	-	-	-	-
Parking System	-	-	-	-	-	-	-	-
Parking Lighting	-	-	-	-	-	-	-	-
Parking Lot Replacement	-	-	-	-	-	-	-	-
FCR Doors & Frames	-	-	-	-	-	-	-	-
Locker Rooms	-	-	15,000	20,000	-	15,000	15,000	65,000
Sustainability (F)	-	-	-	-	600,000	-	-	600,000
Accessibility (F)	-	-	10,000	10,000	-	10,000	10,000	40,000
Misc. Equipment (F)	-	10,000	10,000	10,000	10,000	10,000	10,000	50,000
Subtotal	\$ 26,151	\$ 30,000	\$ 55,000	\$ 360,000	\$ 630,000	\$ 75,000	\$ 55,000	\$ 1,175,000
Pool Facility								
Deck Repairs	-	-	-	-	-	-	-	-
Pool Filters	-	20,000	15,000	15,000	15,000	15,000	15,000	75,000
Pool Motors & Pumps	-	-	30,000	30,000	30,000	30,000	30,000	150,000
Starting Blocks	-	-	-	-	-	-	50,000	50,000
Diving Boards	4,600	-	-	-	-	-	-	-
Lap Pool Connectors	-	-	-	-	-	-	-	-
Sustainability (P)	-	-	-	-	-	-	-	-
Accessibility (P)	-	-	-	-	-	-	-	-
Misc. Equipment (P)	1,710	8,000	15,000	15,000	15,000	15,000	15,000	75,000
Subtotal	\$ 6,310	\$ 28,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 110,000	\$ 350,000
Beede Equipment								
Fitness Equipment I (Treadmills)	-	-	-	-	-	-	43,500	43,500
Fitness Equipment II (ARC Trainers)	-	-	-	-	-	14,300	-	14,300
Fitness Equipment III (Strength Machines)	-	-	20,000	40,000	20,000	10,000	10,000	100,000
Fitness Equipment IV (Stationary Bikes)	-	55,000	-	7,300	-	-	-	7,300
Fitness Equipment V (Miscellaneous)	-	10,000	10,000	10,000	10,000	10,000	10,000	50,000
Fitness Equipment VI (Recumbant Bikes)	-	-	8,200	-	-	-	-	8,200
Fitness Equipment VII (Ellipticals)	-	-	-	-	9,800	-	-	9,800
Sustainability	-	-	-	-	-	-	-	-
Accessibility	-	-	-	-	-	-	-	-
Audit Adjustment	-	-	-	-	-	-	-	-
Subtotal	\$ -	\$ 65,000	\$ 38,200	\$ 57,300	\$ 39,800	\$ 34,300	\$ 63,500	\$ 233,100
Total Capital	\$ 32,461	\$ 123,000	\$ 153,200	\$ 477,300	\$ 729,800	\$ 169,300	\$ 228,500	1,758,100

Beede Capital Funding	FY22 Actual	FY23 Revised	FY24	FY25	FY26	FY27	FY28	FY24→FY28 Total
Capital Appropriation	8,281	123,000	153,200	477,300	729,800	169,300	228,500	1,758,100
Sawyer Trust/Beede Endowment	24,179	-	-	-	-	-	-	-
Article 21 ATM 18	-	-	-	-	-	-	-	-
Total Capital Funding	\$ 32,461	\$ 123,000	\$ 153,200	\$ 477,300	\$ 729,800	\$ 169,300	\$ 228,500	\$ 1,758,100

Swim & Fitness Fund – Moving Forward

Net Income and Fund Balance

NET INCOME (\$)

	FY21 Actual	FY22 Unaudited	FY23 Revised	FY24 Proposed
Statement of Net Income:				
Operating Revenues	\$ 1,271,496	\$ 2,278,673	\$ 2,235,000	\$ 2,465,700
Less Operating Expenses	(1,688,895)	(1,985,957)	(2,199,747)	(2,521,347)
Operating Income	\$ (417,399)	\$ 292,715	\$ 35,253	\$ (55,647)
<u>Nonoperating Revenues (Expenses)</u>				
Add Investment Income	\$ 7,114	\$ 4,792	\$ 45,000	\$ 20,000
Add Sawyer Sustain. Trust	-	-	-	-
Add Sawyer Beede Maint. Trust	-	-	-	-
Nonoperating Income	\$ 7,114	\$ 4,792	\$ 45,000	\$ 20,000
Net Income	\$ (410,285)	\$ 297,507	\$ 80,253	\$ (35,647)

AVAILABLE RESOURCES (\$)

Resources Available from Current Operations for Replacement & Renewal of Facility:				
	FY21 Actual	FY22 Unaudited	FY23 Revised	FY24 Proposed
<u>Capital Purposes</u>				
Add Depreciation Expense	\$ 371,094	\$ 370,645	\$ 357,634	\$ 380,739
Add Net Income	(410,285)	297,507	80,253	(35,647)
Net Available for Capital	\$ (39,191)	\$ 668,152	\$ 437,887	\$ 345,092

CASH POSITION AND FORECAST

	FY23		FY24	
	Credits	Debits	Credits	Debits
Cash at Year Opening				
Cash on July 1st	\$ 4,080,266		\$ 4,395,153	
Add Assets	154,324		154,324	
Less Liabilities	(925,519)		(925,519)	
Fund Balance on July 1st*	\$ 3,309,071		\$ 3,623,958	
<u>Fund Balance Details (projected)</u>				
Fund Balance as of July 1st	3,309,071		3,746,958	(123,000)
Net Income	80,253		(35,647)	
Capital Outlay (non-borrowing)		(123,000)		(153,200)
Add Depreciation Expense	357,634		380,739	
Balance Projected at June 30th	3,746,958	(123,000)	4,092,050	(276,200)
Fund Balance on June 30th	\$ 3,623,958		\$ 3,815,850	
<u>Cash at Year End (projected)</u>				
Fund Balance on June 30th		3,623,958		3,815,850
Add Assets		(154,324)		(154,324)
Add Cash Held for Liabilities		925,519		925,519
Projected Cash at June 30th	\$ 4,395,153		\$ 4,587,045	

* Estimated Fund Balance as of July 1st, 2022 (or June 30, 2022) is based on information from FY2021 as the audited financial statements are not yet available for FY2022.

Swim & Fitness Fund – Moving Forward

PROGRAM NET INCOME

	FY21 Actual	FY22 Unaudited	FY23 Revised	FY24 Proposed
<i>Group Fitness Program</i>				
Operating Revenues	\$ 43,488	\$ 55,895	\$ 60,000	\$ 66,000
Less Operating Expenses	31,694	36,432	49,652	61,150
Operating Income	\$ 11,794	\$ 19,463	\$ 10,348	\$ 4,850
<i>Aquatic Safety Management Beede</i>				
Operating Revenues	\$ -	\$ -	\$ -	\$ -
Less Operating Expenses	180,492	175,403	227,542	270,000
Operating Income	\$ (180,492)	\$ (175,403)	\$ (227,542)	\$ (270,000)
<i>Aquatic Safety Management Emerson</i>				
Operating Revenues	\$ -	\$ -	\$ -	\$ -
Less Operating Expenses	-	-	-	24,831
Operating Income	\$ -	\$ -	\$ -	\$ (24,831)
<i>Aquatic Programs Beede</i>				
Operating Revenues	\$ 295,783	\$ 529,696	\$ 530,000	\$ 550,000
Less Operating Expenses	69,678	111,189	181,125	159,000
Operating Income	\$ 226,105	\$ 418,508	\$ 348,875	\$ 391,000
<i>Aquatic Programs Emerson and White Pond</i>				
Operating Revenues	\$ -	\$ -	\$ -	\$ 40,000
Less Operating Expenses	-	-	-	13,000
Operating Income	\$ -	\$ -	\$ -	\$ 27,000
<i>Fitness Management</i>				
Operating Revenues	\$ -	\$ -	\$ -	\$ -
Less Operating Expenses	79,849	83,715	85,404	20,000
Operating Income	\$ (79,849)	\$ (83,715)	\$ (85,404)	\$ (20,000)
<i>Personal Trainer Programs</i>				
Operating Revenues	\$ 98,205	\$ 127,198	\$ 120,000	\$ 130,000
Less Operating Expenses	66,610	93,206	107,834	70,600
Operating Income	\$ 31,595	\$ 33,992	\$ 12,166	\$ 59,400
<i>Special Program and Events</i>				
Operating Revenues	\$ -	\$ -	\$ -	\$ 7,700
Less Operating Expenses	-	-	-	7,500
Operating Income	\$ -	\$ -	\$ -	\$ 200
Program Net Income	\$ 9,152	\$ 212,845	\$ 58,443	\$ 167,619
<i>General Beede & Other Programs</i>				
Operating & Non-Operating Revenues	\$ 841,135	\$ 1,570,676	\$ 1,570,000	\$ 1,692,000
Less Operating Expenses	1,260,572	1,486,013	1,548,190	1,895,266
Operating Income	\$ (419,437)	\$ 84,663	\$ 21,810	\$ (203,266)
Net Income	\$ (410,285)	\$ 297,507	\$ 80,253	\$ (35,647)

Swim & Fitness Fund – Moving Forward

Beede Swim & Fitness Center
Total Fund Balance by Fiscal Year



The fund balance is projected to end FY24 with \$ 3,815,850, an increase of \$191,892 compared to the projected ending balance of FY23 totaling \$3,623,958.

Moving Forward

Over the course of the last year, the Recreation Department’s Beede Center team has worked hard to run programs that meet the community’s needs, while continually showing flexibility, resourcefulness, and collaboration. 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 while better managing operational expenses and we are excited to see the fruits of their labor in FY24.

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

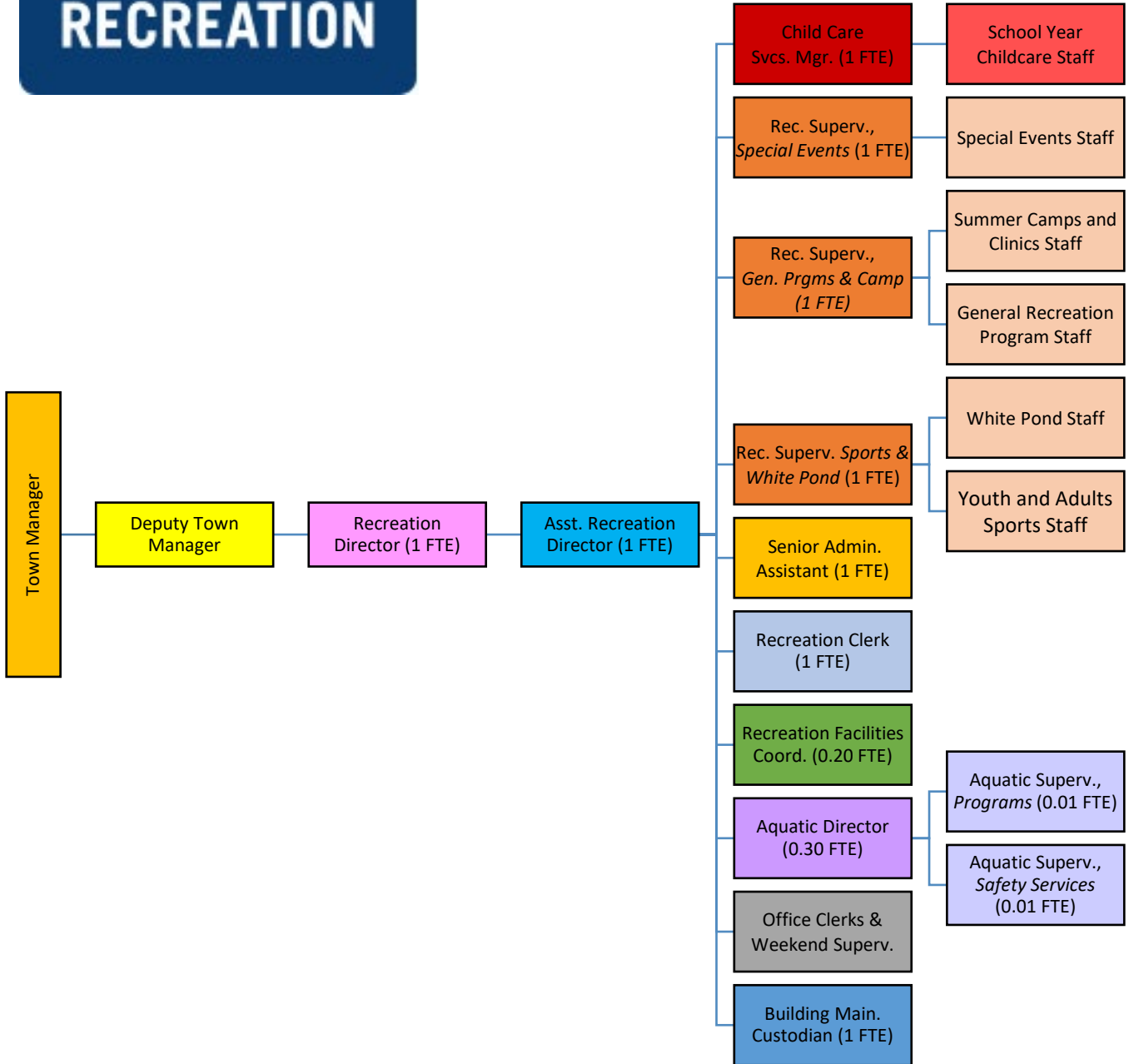
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Recreation Fund

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 special events, the Recreation Department has worked hard to assure that all residents have access to quality recreation and leisure services. 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, home to the Concord Carousel Preschool 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.

The Department is proud to offer various discounts to municipal Town employees as well as membership discounts for Concord-Carlisle High School and Concord Public-School full-time employees.

Financial Assistance

The Recreation Department is committed to assuring that residents have access to programs and activities. The Department's financial assistance program has been established to meet the needs of individuals and families who have limited financial resources. All Concord residents and students who attend any Concord Public School are eligible to apply. Concord Recreation follows the national poverty guidelines when determining awards and works closely with the Town's Community Service Coordinator to award above the federal poverty guidelines when necessary.



Concord Recreation is grateful to receive financial assistance support from the Concord Carlisle Community Chest and the Alcott School Turkey Trot.

Inclusive Recreation



Concord Recreation welcome kids and adults of all ages and abilities to participate in any of our programs or events. To help visually identify programs that are specifically designed to include participants of all abilities, the Department places an inclusion logo throughout our seasonal brochure for visual cuing. The Department has a Therapeutic Recreation Specialist with a Specialty Certification in Community Inclusion Services on staff to support families in need of recreation-based inclusion assistance and/or advice.

Continuing Education

Concord Recreation is committed to assuring staff are educated on trends and topics that better all programs and events. In FY2021-2022, the following trainings were attended by various Recreation Department staff:

- Transplaining, an organization that works to create a safe(r) world for transgender and gender non-conforming youth and adults, facilitated a workshop on the inclusion of transgender campers, students, and staff in a camp and Recreation setting.

Recreation Fund

- All summer camp staff are required to participate in the state’s “Heads Up” training. This training helps staff learn to recognize and respond to concussions, primarily when they first occur, to help prevent further injury or even death.
- Diversity Training; “Yes, This is America: Transcending Blind spots to Support a Better Community for All” facilitated by Nikki Turpin.
- Human Resources hosted Harassment and Workplace Violence Prevention Training as well as Town Policy trainings.
- All staff are required to be CPR/First Aid/AED certified. The Recreation Department hosts multiple trainings for this throughout the year to accommodate various schedules.
- Camp leadership attended the Tri State CAMP Conference in New Jersey. This is the largest gathering of camp professionals in the world.
- Every educator working in After School, Before School, Carousel and Early Release programs must participate in a minimum of 12-20 hours of training every year. During the last completed school year, the team participated in ALICE active shooter Training, Behavior Guidance, and an interactive session on Character Education through Games and Play.
 - All new childcare staff also participate in 12 hours of training through EEC’s Strong Start Program called “EEC Essentials” before they start work.
- Recreation Director and Assistant Director participated in the state training on Open Meeting laws.
- Various staff participated in the Massachusetts Recreation and Park Association Annual Conference including sessions on ADA in Recreation, capital, and master planning, etc.

Recreation Department Facilities and Shared Spaces

The Recreation Department runs programs and has offices at three main locations. These include the following:

- The Hunt Recreation Center, located at 90 Stow Street, is home to Recreation Department staff offices open Monday-Friday, 7:30 AM to 6:00 PM and varying hours on weekends but primarily 7:00 AM to 6:00 PM on Saturdays and 7:00 AM to 11:00 AM on Sundays. The facility has a public gymnasium used primarily for Concord Recreation programs and various rentals by youth sports groups. The facility is also used as a voting location for two precincts and serves as bathrooms for Emerson Park users.
- The Harvey Wheeler Community Center, located at 1276 Main Street, is home to the Council on Aging as well as the Concord Recreation Carousel Preschool. This multi-generational building is used during the school year to support the preschool operation and camps in the summer months. The program shares a small, fenced in playground with the Concord Children’s Center. This facility is supported by the General Fund.
- The Beede Swim and Fitness Center, located at 498 Walden Street, on the campus of the Concord-Carlisle Regional High School, hosts an 8-lane lap pool, a warm water pool, a children’s pool with spray features, 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 to a multipurpose fitness room primarily used for personal training. In addition, the facility includes men’s and women’s locker/shower rooms, inclusive changing rooms, and staff office space. The facility is open approximately 100 hours each week Monday-Friday 5:30 AM to 9:00 PM and weekends 7:00 AM to 6:00 PM. This building hosts a variety of programs and rentals and is funded through program income within the Swim and Fitness Enterprise Fund.

The Recreation Department also supports the Town by overseeing the scheduling of Town athletic fields and courts at Emerson Park, Rideout Park, the Ripley School and collaboratively with Natural Resources Cousins Field



Recreation Fund

and South meadow Field. After school hours, the Recreation Department also schedules the use of the Doug White Field Complex at Concord Carlisle Regional High School. Additionally, the Recreation Department schedules the use of the Ripley School Gymnasium at 120 Meriam Road.

Programs and Events

For FY24, the Recreation Department supports 17 full time employees spread between all three primary locations and 33.35 FTEs. Specifically, there are 9.7 full time employees housed within the Recreation Revolving Fund and 20.62 FTEs that support seasonal or limited status programs. This team of employees oversees and facilitates a variety of programs, events, and operations that make the Recreation Department what it is.

General Recreation Programs

Concord Recreation offers a variety of recreation programs to meet the needs of Concord residents during out of school time. The Recreation Department works collaboratively with the Parent Teacher Groups at all three elementary schools to offer an inviting and exciting array of programs before and after school hours. In total, the Department supported 234 students in programs at the elementary schools including cooking classes, chess club, musical theater, Lego engineering, string orchestra, etc.

Additionally, Concord Recreation supports residents by offering school vacation week and professional day programs. Specifically, Concord Recreation runs a vacation week program during February school vacation and April school vacation as well as Professional Days in November and April. Annually, the Department serves over 300 students in these programs ages 5-11.

Summer Camps

Concord Recreation offers something for everyone with our wide variety of camps, clinics, and programs in the summer months. Providing the finest day camp experience for your family since 1980, the Concord Recreation Department proudly facilitates high-quality summer camps for residents and non-residents ages 3-14. Our fun and educational camps options include full day, half day, sports, and specialty camp options. The staff at Concord Recreation offers a safe, nurturing environment where a child can experience physical, social, emotional, and cognitive growth while engaged in fun recreational activities. Our talented, energetic, and caring summer staff are all First Aid/CPR certified and a healthcare supervisor is always on site. Our camps comply with regulations of the Massachusetts Department of Public Health and are licensed by the Concord Board of Health. These programs include the Camp Three Rivers full and half-day camps, Trekkers Teen Travel Camp, Kaleidoscope Kids Preschool Program (licensed by EEC), Camp Three Rivers Inclusion Program, extended day options, and other specialty camps. Additionally, Concord Recreation collaborates with the Umbrella Center for Arts to offer a popular Arts and Recreation Camp each summer.



Seasonally, summer camps typically support over 1,000 campers consisting of about 70% residents and 30% non-residents. The most popular aged camp group continues to be those entering second grade with 19.34% of the total enrollment followed by the entering third grade group with 14.8% of the total enrollment and the entering first grade group with 14.14% of the total enrollment.

Recreation Fund

The Recreation Department proudly supported seven families to attend camp offering \$6,883.40 of financial assistance made possible by the Concord Carlisle Community Chest grant.

School Year Childcare Programs

The Recreation Department facilitates before school childcare, afterschool childcare, early release childcare and Carousel Preschool throughout the school year.

The Before School Program provides care for children grades K-5 in the morning before the start of the school day from 7:30 AM to 9:00 AM in each of the elementary schools. The children have the opportunity to prepare for their school day in a comfortable social setting. Children have time to play games, finish homework, read and play outdoors. Before School does not operate on days when school is not in session or when there is a delayed opening for the school.

The After School Program provides care for children in grades K-5 every day in each of the three elementary schools (from 3:00 PM to 6:00 PM) each day and 12:00 PM to 6:00 PM on Early Release days). The daily schedule at each site includes supervised indoor and (lots of) outdoor play. Activities are based on children's interests and each day includes a short homework/reading period. We follow the Concord School calendar and do not provide care on days that school is not in session. Concord Recreation often provides alternative programming on these days.



Concord Carousel Preschool is a full or half day program with extended day options. We offer a small, creative learning environment for children ages 2.9 – 5 years. We offer 3-, 4- and 5-day programs based on age from 7:30 AM or 9:00 AM until 12:00 PM or 4:00 PM with some optional extended days until 5:30 PM. We aim to create a safe, nurturing and quality preschool experience for our children and their families. Our developmental curriculum is designed to promote physical, social, emotional, and cognitive growth by presenting challenges and engaging children in meaningful activities. Problem solving, creativity and learning are stimulated through both spontaneous and structured activities. Integrated play activities encourage children to interact with their peers, their teachers, and materials.

Collectively, the Recreation Department employs over 42 staff to facilitate these programs and supports over 200 students per month. All of our Childcare Services Programs across all age groups value diversity and are committed to creating welcoming childcare settings. Our programs welcome families and children with a wide variety of experiences, identifications, and abilities, along with a variety of racial, ethnic, family, religious, economic, and cultural backgrounds. We work to instill a genuine appreciation of and respect for others. By appreciating individual differences, we encourage children and their families to value the richness and importance of a diverse community and to support a culture of belonging.

All of Concord Recreation's childcare programs are licensed by the Department of Early Education and Care.

The Concord Recreation Childcare Programs have been lucky to be granted an award from the American Rescue Plan Act Childcare Stabilization Grant from the Department of Early Education and Care. The grant amounts vary by site (based on enrollment) but are available for programs to use for:

- 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

Recreation Fund

- Professional development related to health and safety practices.

During school year 2021-2022, funds were used to pay for all staff expenses as well as a free membership to the Beede Swim and Fitness Center. The Childcare programs continue to see monthly payments from the grant program but we do anticipate these funds will cease at the end of the school year 2022-2023.

Youth and Adult Sports Programs

Concord Recreation offer a variety of sports programs for youth and adults. The Youth Basketball program, supporting nearly 200 young athletes, grades K-8 annually, teaches players introductory basketball skills. New this year was off-season clinics that kept kids working on their skills during the summer and fall months. The youth teams are coached by Concord volunteers, this year totaling 31 people. The Recreation Department continues to appreciate the generosity of Concord Academy who allows our program to utilize their gymnasium for weekend games.



The Department also continues to offer the popular youth ski program during the months of January and February, serving over 150 students grades 2-8 for ½ day adventures at either Nashoba Valley Ski Area or Wachusett Ski Area. The program is supported by 8 volunteers and 2 paid staff.

In the warmer months, Concord Recreation’s youth tennis programs serve nearly 100 kids during fall and spring programming. Instructors use the tennis courts at Emerson Park for classes and want to thank various residents who donated funds to purchase and install a new tennis backboard on the Emerson Park teaching court. The backboard is a great teaching tool for Concord Recreation

programs and allows court users to work on their tennis skills without having a partner to practice with.

Lastly, the Recreation Department continues to contract with other companies to run additional sports programs including Super Soccer Stars for youth soccer programming, On the Mark Archery for archery lessons, and Skyhawks for multi-sport programs, flag football, floor hockey and more.

For adults, Concord Recreation continues to see growing interest in the sport pickleball. In FY22, Concord Recreation’s indoor and outdoor pickleball programs engaged 63 participants of various ages. The most popular age of participants was 61-70 years old, making up 43% of the enrollment followed by 71-80 years olds at 31.75% of enrollment then 51–60-year-olds making up 12.7% of the enrollment. Additionally, Concord Recreation facilitates adult men’s and women’s basketball programs, adult volleyball, and tennis.

Recreation Fund

White Pond Beach

The Recreation Department oversees the operation of the Town's White Pond Beach. With over 130 feet of shoreline, the beach area welcomes over 500 memberships, annually. The Town finalized the planned beach renovations in 2022 to include stormwater remediation, ADA pathway to access the beach, new lower parking lot with drop off access, and vegetation management and removals. The Recreation Department has received great feedback from members about the updates. The Recreation Department continues to work closely with the Board of Health and Natural Resources Department to educate the public on the cyanobacteria issues that have plagued the pond. Of the 63 days planned for the beach season in 2022, only 6 days were closed for blue-green algae blooms as compared to 49 closure days in summer 2021. The most popular check in times at the beach continue to be between 10:00 AM to 11:00 AM and 4:00 PM to 5:00 PM. The beach is typically managed by 24, part time staff who guard the water from 10:00 AM to 7:00 PM, seven days a week, June to August.



The Recreation Department works closely with the Facilities Department during the summer months to maintain the beach area and restroom trailer.

Special Events

The Recreation Department continues to run monthly events that engage the Concord community. Below is a list of the annual events that the Department runs, in addition to other smaller events. The Department works closely with the Facilities Department, Public Works Department, Police, Fire and Public Ceremonies and Celebrations Committee to successfully facilitate these events.

- **February:** Winter Wonderland at the Hunt Recreation Center
- **March:** Shamrock Ball Parent/Child dance
- **April:** Egg Hunt at Emerson Park
- **May:** Kite Festival, Community Yard Sale
- **June:** Stow Street Block Party
- **July:** Outdoor Summer Concert Series at Rideout Park
- **August:** Outdoor Summer Concert Series at Rideout Park
- **September:** Outdoor Movie Night at Emerson Park
- **October:** Trunk-or-Treat at Beede
- **November:** Turkey Hunt
- **December:** Annual Tree Lighting and Parade. *The 2022 event was one of the largest events the Department has hosted with well over 3,000 people in attendance.*



FY22 Accomplishments

FY22 was filled with many accomplishments and challenges. One of the most difficult challenges during FY22 was combating the employee shortage. Historically, the Recreation Department hires 50+ temporary status, seasonal employees to support camp programs. In 2022, the team was only able to find and hire 38 staff which forced the Department to reduce summer camp programming. Specifically, the Department was not able to run the half day

Recreation Fund

summer school camp displacing 165 campers. Staffing shortages also effected the afterschool childcare programs, limiting sites to 40-50 kids instead of over 60 kids.

In FY22, the Recreation Departments Childcare Programs were fortunate to receive nearly \$340,000 from the American Rescue Plan Act Childcare Stabilization Grant from the Department of Early Education and Care. The grant amounts vary by site (based on enrollment) but are available for:

- 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.
- Professional development related to health and safety practices.

During school year 2021-2022, funds were used to pay for all staff expenses as well as a free membership to the Beede Swim and Fitness Center. These grants reduced an expected personnel expense of \$382,000 from the Revolving Fund to an actual expense of only \$44,917 out of the Revolving Fund. This grant dramatically changed the net income of the Recreation Revolving fund for FY22 and we predict it to do the same for FY23. The Childcare programs continue to see monthly payments from the grant program but we do anticipate these funds will cease at the end of the school year 2022-2023.

- ☑ **July 2021:** Concord Recreation welcomed the Bay State Falcons Power Soccer team to the Hunt Gymnasium as new weekend users. Power soccer is a fast paced, worldwide sport played by people who use power wheelchairs.
- ☑ **August 2021:** The Recreation Department supported the transition moving the Town's Visitor Center Services to the Planning Department.
- ☑ **September 2021:** The Concord Recreation Childcare Programs were awarded funds from the American Rescue Plan Act (ARPA) Child Care Stabilization funds aimed at providing economic relief to childcare programs impacted by the COVID-19 pandemic across the country. The Department of Early Education and Care (EEC) distributes the funds that will be used to support early education and care providers' day-to-day operational and workforce costs. In total, the Recreation Department was awarded \$340,000 to support the childcare programs in FY22.
- ☑ **October 2021:** The Recreation Department wants to thank the Public Works Department for the beautiful renovation of the Emerson Playground. A new, accessible surface was installed at the playground making the space truly inclusive. The Recreation Department uses the playground for camp and afterschool programs, year-round.
- ☑ **November 2021:** Adam Lapointe was hired in November of 2021 as the Recreation Department's new Assistant Director of Recreation. Adam received a bachelor's degree in Youth Development from Springfield College and recently earned his Masters in Public Administration from Framingham State University. Adam's work experience varies from public and private recreation ranging from YMCAs in Boston and Hartford to his recent role as the Recreation Program Coordinator for the Town of Westborough, MA. He has a significant amount of experience in positive youth development programming, management of parks and recreation facilities, physical plant management, and budget oversight.
- ☑ **December 2021:** Successfully ran the town's Holiday Parade and Tree Lighting event after taking a year off due to COVID-19.
- ☑ **February 2022:** The Recreation Department rolled out a new, summer aquatics facility membership called the Triple Play. The membership provides access to the Beede Center, White Pond, and Emerson Pool for the summer season. Registration opened in February and 21 units were sold.
- ☑ **March 2022:** The Recreation Department ran another successful Shamrock Ball welcoming over 450 children and parents for a formal night of dancing, raffles, and fun.

Recreation Fund

- ☑ **April 2022:** The annual Egg Hunt welcomed over a thousand people who collected 20,000 candy filled eggs over the course of the event.
- ☑ **May 2022:** Concord Recreation provides learning, care, and fun for 150-175 children every day after school hours. Our childcare programs serve children ages 2.9 to 10 years old who are supported by 42 educators for the length of the school year.
- ☑ **June 2022:** The Recreation Department was a proud recipient of a 2022 Concord-Carlisle Community Chest grant totaling \$15,000. The grants provided financial assistance to those that qualified to attend Concord Recreation summer camps or the school year childcare programs. The Department continues to be grateful for the financial support offered by the Chest.
- ☑ **June-August 2022:** Concord Recreation’s Camp Three Rivers served 1,525 campers in 2022 up from 1,260 campers in 2021. In total, there were 40 camp staff hired who proved to be a diverse and committed team of counselors and specialists making camp a huge success.

FY24 Goals

- ☐ Strategize on how to successfully absorb the Recreation Administration and Hunt Recreation Center budgets into the Recreation Revolving account without seeing an annual net loss.
- ☐ Prioritize professional development opportunities for staff that support DEIB initiatives, community health priorities, and programmatic/operational innovation.
- ☐ Design and implement cost recovery tools for all program areas.

Long-Term Plans

- ⇒ **Recreation Facilities Strategic Plan:** Concord Recreation, together with design firm Weston & Sampson, is conducting an assessment to understand opportunities and challenges in the town’s current recreational facilities. The results of the effort will be a published Recreation Facilities Strategic Plan used to guide operational, staffing, and budgeting decisions for Concord Recreation and other key town departments. The study has been funded through Community Preservation Act funds and has a target completion date of late fall 2023. The Recreation Department is excited to lead this project for the Town and look forward to accessing the information gathered in the months and years to come to help guide high-level decision making.

Recreation Fund – Overview & Budget Highlights

FY24 Budget Highlights

Depending on the number of participants in each program, the revenues and expenditures attributed to the Recreation Revolving 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. In FY24, Operating Revenues are projected to total \$2,423,832 while proposed Operating Expenses are budgeted to total \$2,728,178. This results in a projected net loss of \$304,346 and a projected fund balance of \$2,002,449 at the end of the fiscal year.

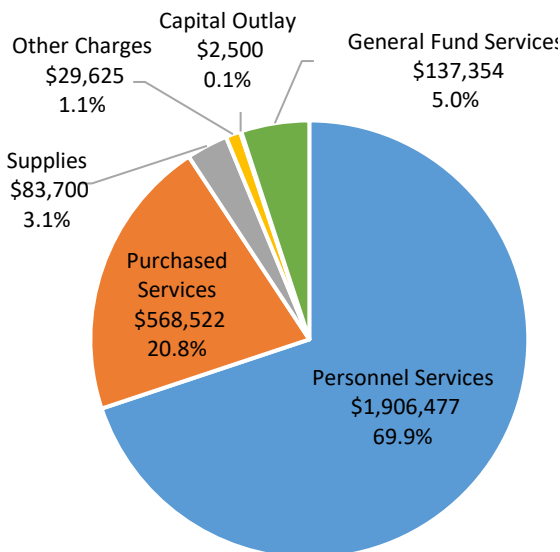
Budget Highlights

FY24 Projected Revenue	\$2,423,832
FY24 Projected Expenses	<u>(2,728,178)</u>
FY24 Projected Operating Loss	\$(304,346)
FY24 Projected Net Loss	(304,346)
FY24 Projected Recreation Fund Balance	\$2,002,449

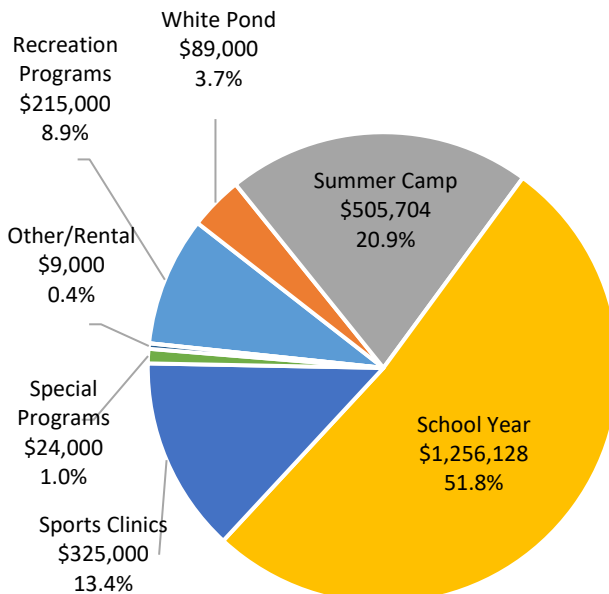
Revenues and Expenditures Overview

Operating revenues are projected to total \$2,423,832, which is a 1.8% increase compared to the FY23 Revised budget. In FY24, operating expenditures are budgeted to total \$2,728,178, and this represents a 29.3% increase compared to the FY23 Revised budget due to the proposed transfer of the General Fund Recreation Administration (Recreation Director) and Hunt Recreation Center (facility and building custodian) accounts in to the Recreation Revolving fund as well as growing insurance costs. With this transfer and proposed expenses for FY24, the fund is projecting a net loss of \$304,346.

FY24 Operating Expenditures



FY24 Operating Revenue



Recreation Fund – Revenues

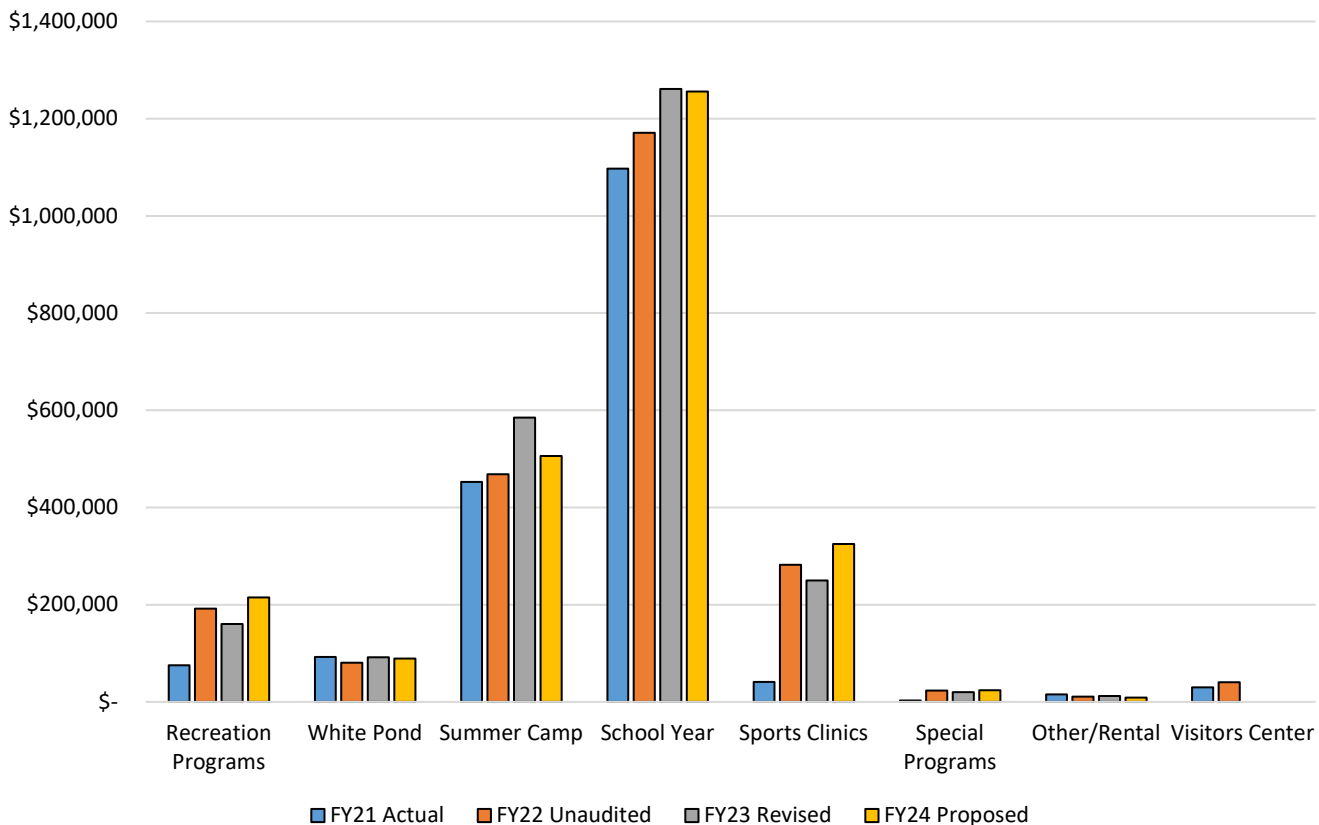
Operating Revenue

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. FY24 operating revenues are estimated to total \$2,423,832.

OPERATING REVENUES

	FY21 Actual	FY22 Unaudited	FY23 Budget	FY24 Proposed
Recreation Programs	75,418	191,704	160,000	215,000
White Pond	92,450	80,316	91,800	89,000
Summer Camp	452,496	468,187	585,000	505,704
School Year	1,097,539	1,170,729	1,261,491	1,256,128
Sports Clinics	41,140	282,131	250,000	325,000
Special Programs	2,630	23,327	20,000	24,000
Other/Rental	15,197	10,946	12,000	9,000
Visitors Center	29,790	40,474	-	-
Subtotal	\$ 1,806,660	\$ 2,267,814	\$ 2,380,291	\$ 2,423,832
Operating Revenues Total	\$ 1,806,660	\$ 2,267,814	\$ 2,380,291	\$ 2,423,832

Recreation Revolving Fund Operating Revenues

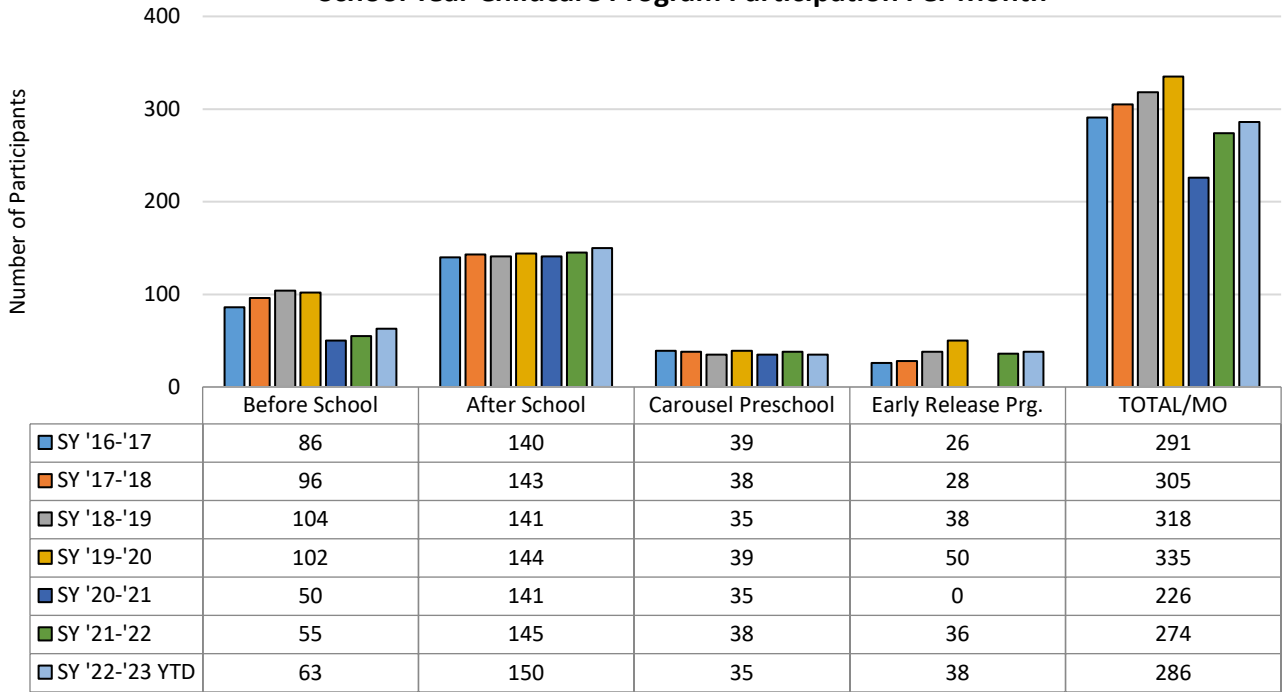


Recreation Fund – Revenues

School Year Childcare Program Revenue

School Year Childcare programs continue to produce nearly 52% of the Recreation Revolving fund revenue. The programs operate on a 10-month, recurring payment model. Prices are set by the Recreation Department and are compared regionally to other programs to assure affordability. Monthly, the programs enrollment varies but averages 250-300 students, grades PK-5.

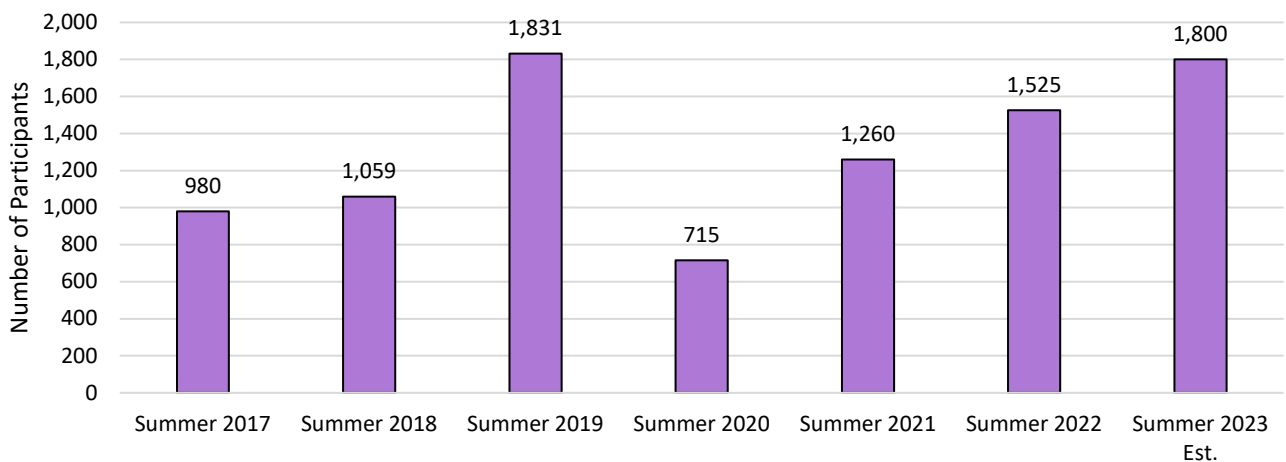
School Year Childcare Program Participation Per Month



Summer Camp Program Revenue

Summer camp programs make up nearly 21% of the operating revenue, the second highest program area in the Recreation Revolving fund. The programs operate seasonally June to August. Prices are set by the Recreation Department and are compared regionally to other programs to assure affordability.

Summer Camp Participation



Recreation Fund – Expenditures

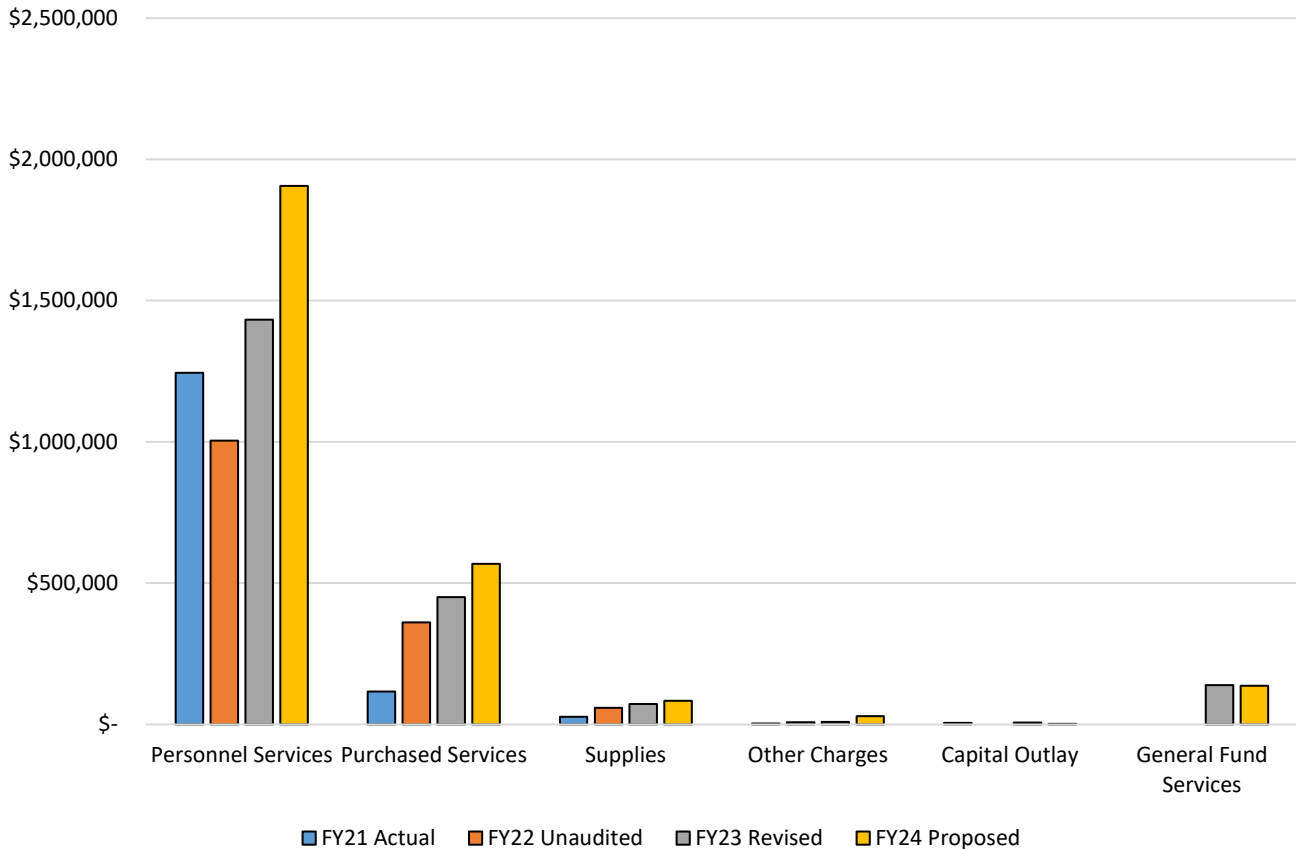
Operating Expenditures

Concord Recreation continues to monitor expenses closely to assure cost effective programs and events. In FY24, expenditures are proposed to total \$2,728,178.

OPERATING EXPENSES

	FY21 Actual	FY22 Unaudited	FY23 Budget	FY24 Proposed
Personnel Services	\$ 1,244,374	\$ 1,004,753	\$ 1,432,908	\$ 1,906,477
Purchased Services	116,926	361,287	450,160	568,522
Supplies	26,971	59,299	72,350	83,700
Other Charges	3,597	8,431	8,698	29,625
Capital Outlay	5,362	-	7,000	2,500
General Fund Services	-	-	139,427	137,354
Subtotal	\$ 1,397,230	\$ 1,433,769	\$ 2,110,543	\$ 2,728,178
Total Expenses	\$ 1,397,230	\$ 1,433,769	\$ 2,110,543	\$ 2,728,178

Recreation Revolving Fund Operating Expenditures



Recreation Fund – Expenditures

Personnel Services

The largest expense continues to be 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. In FY24, the Department is projected to spend approximately \$1,906,477 on full-time, part-time, limited status and temporary status staff including benefits.

These 100+ staff members, equating to 20.62 FTEs, include administration, camp counselors, before/after school staff, office clerks, weekend supervisors, program instructors, etc. In addition, the Recreation Revolving Account houses 9.7 full-time, year-round staff. These individuals are the ones that deliver programs and are continuously recognized as being vital to the success of the organization.

PERSONNEL DETAIL

	FY23 Revised		F24 Proposed	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
<u>Personnel</u>				
Full-Time Positions	6.98 FTEs	\$ 529,550	9.70 FTEs	\$ 812,636
Part-Time Positions	0.00 FTEs	-	0.00 FTEs	-
Limited Status Positions	1.56 FTEs	76,000	0.97 FTEs	52,770
Temporary Status Positions	16.62 FTEs	715,438	19.64 FTEs	852,864
Subtotal	25.16 FTEs	\$ 1,320,988	30.32 FTEs	\$ 1,718,270
<u>Employee Benefits</u>				
Health Insurance	N/A	\$ 37,190	N/A	\$ 109,474
Life Insurance	N/A	513	N/A	1,000
Dental Insurance	N/A	3,075	N/A	7,200
OPEB	N/A	-	N/A	-
Retirement Contribution	N/A	-	N/A	-
Subtotal	N/A	\$ 40,778	N/A	\$ 117,674
<u>Payroll Taxes</u>				
Medicare Tax	N/A	\$ 14,393	N/A	\$ 9,139
Social Security Contribution	N/A	36,090	N/A	37,238
Subtotal	N/A	\$ 50,483	N/A	\$ 46,377
<u>Other Personnel Costs</u>				
Overtime	N/A	\$ 2,000	N/A	\$ 1,000
Cell Phone Allowance	N/A	-	N/A	1,156
Incentive Pay	N/A	18,660	N/A	22,000
Unemployment Compensation	N/A	-	N/A	-
Car Allowance	N/A	-	N/A	-
Salary Reserve	N/A	-	N/A	-
Subtotal	N/A	\$ 20,660	N/A	\$ 24,156
Total Personnel Costs	25.16 FTEs	\$ 1,432,908	30.32 FTEs	\$ 1,906,477

Recreation Fund – Expenditures

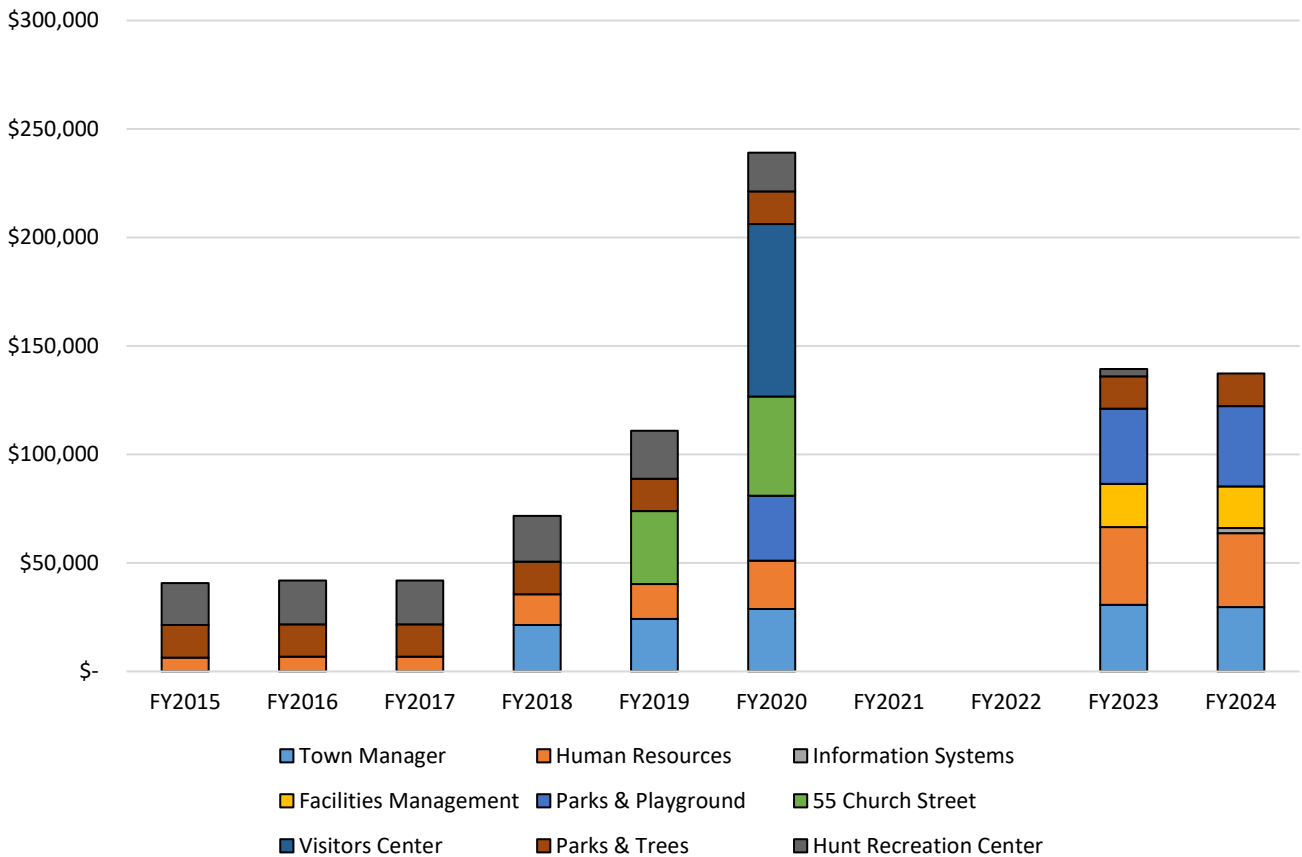
General Fund Services

The Recreation Fund, for the use of General services, contributes a set portion of funding each year to support personnel and non-personnel expenditures of certain accounts within the General Fund. In FY24, the Revolving Account is projected to pay \$137,354 in General Fund services.

PAYMENTS TO THE GENERAL FUND

	FY21 Actual	FY22 Unaudited	FY23 Budget	FY24 Proposed
Town Manager	\$ -	\$ -	\$ 30,766	\$ 29,683
Human Resources	-	-	35,703	34,021
Information Systems	-	-	-	2,457
Facilities Administration	-	-	19,990	19,163
Parks & Playgrounds	-	-	34,570	37,030
Hunt Recreation Center	-	-	3,398	-
Parks and Trees	-	-	15,000	15,000
Total	\$ -	\$ -	\$ 139,427	\$ 137,354

Recreation Fund
Historical Budgeted Interfund Transfers



Recreation Fund – Net Income & Fund Balance

Net Income and Fund Balance

It is important to note that in FY22, the Recreation Department’s Childcare Programs were fortunate to receive nearly \$340,000 from the American Rescue Plan Act Childcare Stabilization Grant from the Department of Early Education and Care. During the 2021-2022 school year, funds were used to pay for all staff expenses as well as a free membership to the Beede Swim and Fitness Center. These grants reduced an expected personnel expense of \$382,000 from the Revolving Fund to an actual expense of only \$44,917 out of the Recreation Fund. This grant dramatically changed the net income of the Recreation Revolving fund for FY22, but it should be noted that this is not expected to continue in future years.

Additionally, the Recreation Department received \$15,000 from the Concord Carlisle Community Chest in FY22 to support families who needed assistance in order to attend summer camp or school year childcare programs which offset direct costs in FY22.

In FY24, it is important to note the new transfer of the Recreation Administration (Recreation Director) and Hunt Recreation Center (facility and custodian) expenses to the Recreation Revolving fund resulting in the large financial impact. With this transfer and original proposed expenses, the fund is projecting a net loss of \$304,346 in FY24. In order to effectively absorb this change, the Recreation Department will be reviewing and implementing new cost recovery mechanisms including program fee increases and reduction of hours that the Hunt Recreation Center is open to the public.

NET INCOME AND FUND BALANCE

	FY21 Actual	FY22 Unaudited	FY23 Budget	FY24 Proposed
Recreation				
Operating Revenues	\$ 1,806,660	\$ 2,267,814	\$ 2,380,291	\$ 2,423,832
Less Operating Expenses	(1,397,230)	(1,433,769)	(2,110,543)	(2,728,178)
Total Operating Income	\$ 409,430	\$ 834,045	\$ 269,748	\$ (304,346)
Fund Balance:				
Beginning Fund Balance	\$ 793,573	\$ 1,203,003	\$ 2,037,048	\$ 2,306,795
Net Income	409,430	834,045	269,748	(304,346)
Ending Fund Balance*	\$ 1,203,003	\$ 2,037,048	\$ 2,306,795	\$ 2,002,449

** Estimated Fund Balance as of July 1st, 2022 (or June 30, 2022) is based on information from FY2021 as the audited financial statements are not yet available for FY2022.*

Recreation Fund – Net Income & Fund Balance

PROGRAM NET INCOME

	FY21	FY22	FY23	FY24
	Actual	Unaudited	Budget	Proposed
<u>Recreation Program</u>				
Operating Revenues	\$ 75,418	\$ 191,704	\$ 160,000	\$ 215,000
Less Operating Expenses	35,915	155,043	98,600	170,255
Operating Income	\$ 39,503	\$ 36,661	\$ 61,400	\$ 44,745
<u>White Pond</u>				
Operating Revenues	\$ 92,450	\$ 80,316	\$ 91,800	\$ 89,000
Less Operating Expenses	55,249	52,556	84,500	80,800
Operating Income	\$ 37,201	\$ 27,760	\$ 7,300	\$ 8,200
<u>Summer Camp</u>				
Operating Revenues	\$ 452,496	\$ 468,187	\$ 585,000	\$ 505,704
Less Operating Expenses	202,657	258,627	419,300	389,482
Operating Income	\$ 249,839	\$ 209,560	\$ 165,700	\$ 116,222
<u>School Year</u>				
Operating Revenues	\$ 1,097,539	\$ 1,170,729	\$ 1,261,491	\$ 1,256,128
Less Operating Expenses	394,704	56,705	429,698	551,282
Operating Income	\$ 702,835	\$ 1,114,024	\$ 831,793	\$ 704,846
<u>Sports Clinics</u>				
Operating Revenues	\$ 41,140	\$ 282,131	\$ 250,000	\$ 325,000
Less Operating Expenses	13,789	97,405	95,360	149,338
Operating Income	\$ 27,351	\$ 184,726	\$ 154,640	\$ 175,662
<u>Special Programs</u>				
Operating Revenues	\$ 2,630	\$ 23,327	\$ 20,000	\$ 24,000
Less Operating Expenses	2,458	33,965	44,250	70,500
Operating Income	\$ 173	\$ (10,638)	\$ (24,250)	\$ (46,500)
<u>Visitors Center</u>				
Operating Revenues	\$ 29,790	\$ 40,474	\$ -	\$ -
Less Operating Expenses	22,269	21,006	-	-
Operating Income	\$ 7,521	\$ 19,469	\$ -	\$ -

Recreation Fund – Net Income & Fund Balance

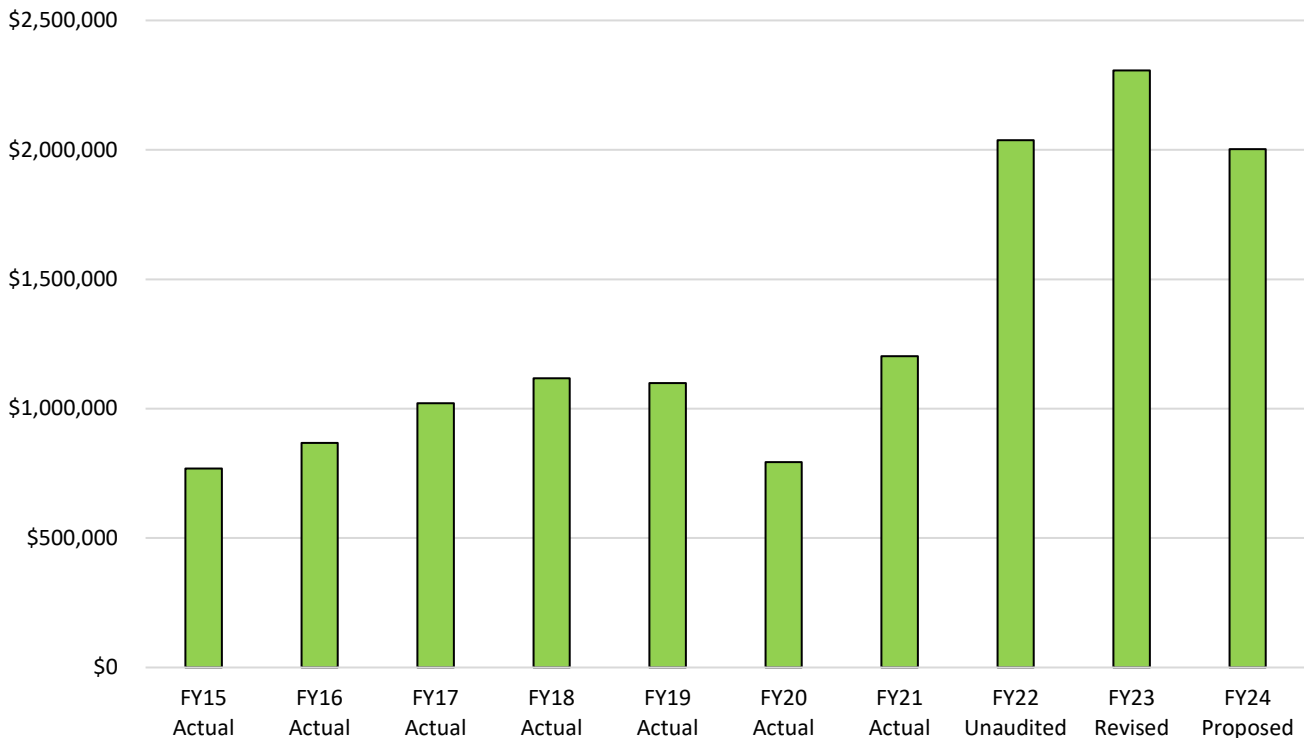
PROGRAM NET INCOME (Continued)

	FY21 Actual	FY22 Unaudited	FY23 Budget	FY24 Proposed
<i>Hunt Recreation Center</i>				
Operating Revenues	\$ -	\$ -	\$ -	\$ -
Less Operating Expenses	-	-	-	109,958
Operating Income	\$ -	\$ -	\$ -	(109,958)
Program Net Income	\$ 1,064,423	\$ 1,581,562	\$ 1,196,583	\$ 893,217
<i>General Recreation & Other Programs</i>				
Operating Revenues	\$ 15,196	\$ 10,946	\$ 12,000	\$ 9,000
Less Operating Expenses	670,189	758,463	938,836	1,206,563
Operating Income	\$ (654,993)	\$ (747,517)	\$ (926,836)	\$ (1,197,563)
Net Income / (Loss)	\$ 409,430	\$ 834,045	\$ 269,748	\$ (304,346)

As of June 30, 2022, the Recreation Revolving fund is estimated to have a Fund Balance of \$2,037,048 according to unaudited financial data. The FY24 Proposed budget projects a Fund Balance of \$2,002,449 at the end of the fiscal year.

Recreation Revolving Fund Historical Fund Balance

(As of June 30th)



Recreation Fund – Moving Forward

Moving Forward

Over the course of the last year, the Recreation team has worked hard to run programs that meet the community’s needs, while continually showing flexibility, resourcefulness, and collaboration. 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 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.

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Minuteman Media Network

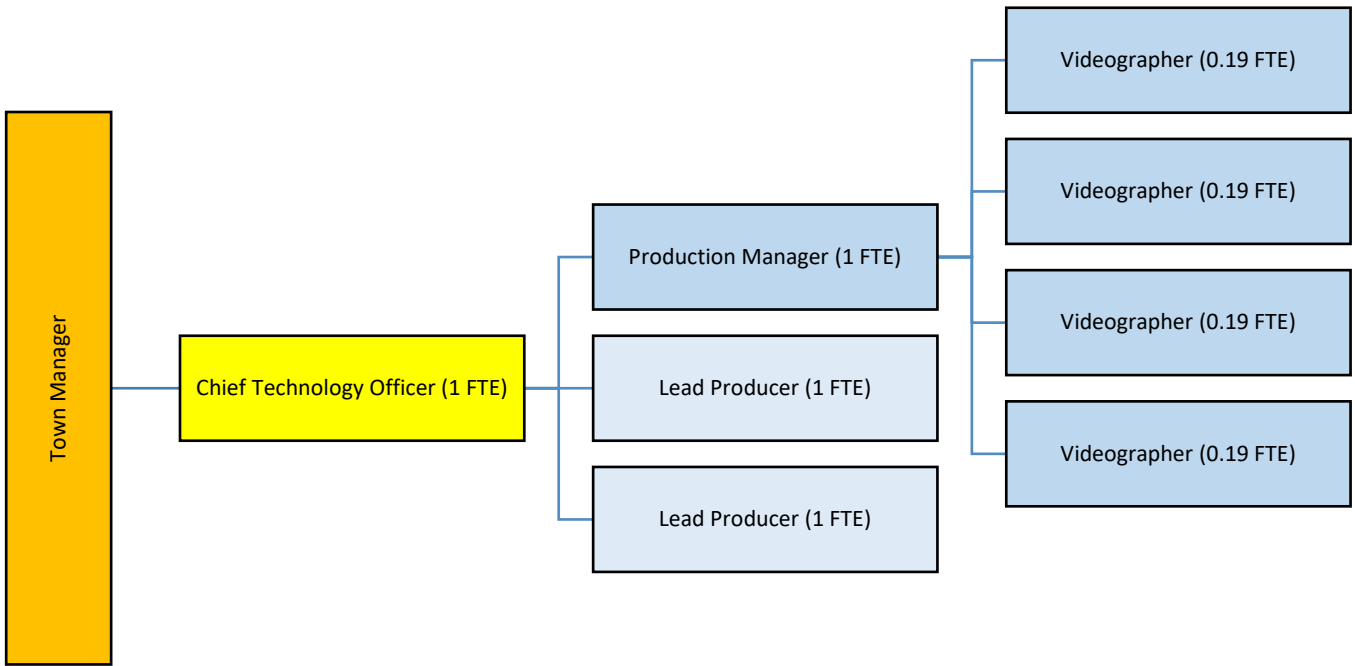
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Minuteman Media Network

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 part of the Technology Department, which is managed by the Chief Technology Officer.

FY22 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, which recently hit the milestone of having over 1,000 subscribers.
- ☑ 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 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.
- ☑ Through a partnership with the schools, several key pieces of equipment have been replaced and installed in the Ripley building to make it easier to cover the School Committee meetings.
- ☑ MMN continues to produce videos showcasing the Towns of Concord and Carlisle and works with the two communities to produce short documentaries, PSAs, 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. Between July 1, 2022, and December 31, 2022, MMN’s YouTube channel had over 25,000 views

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.

Minuteman Media Network

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.

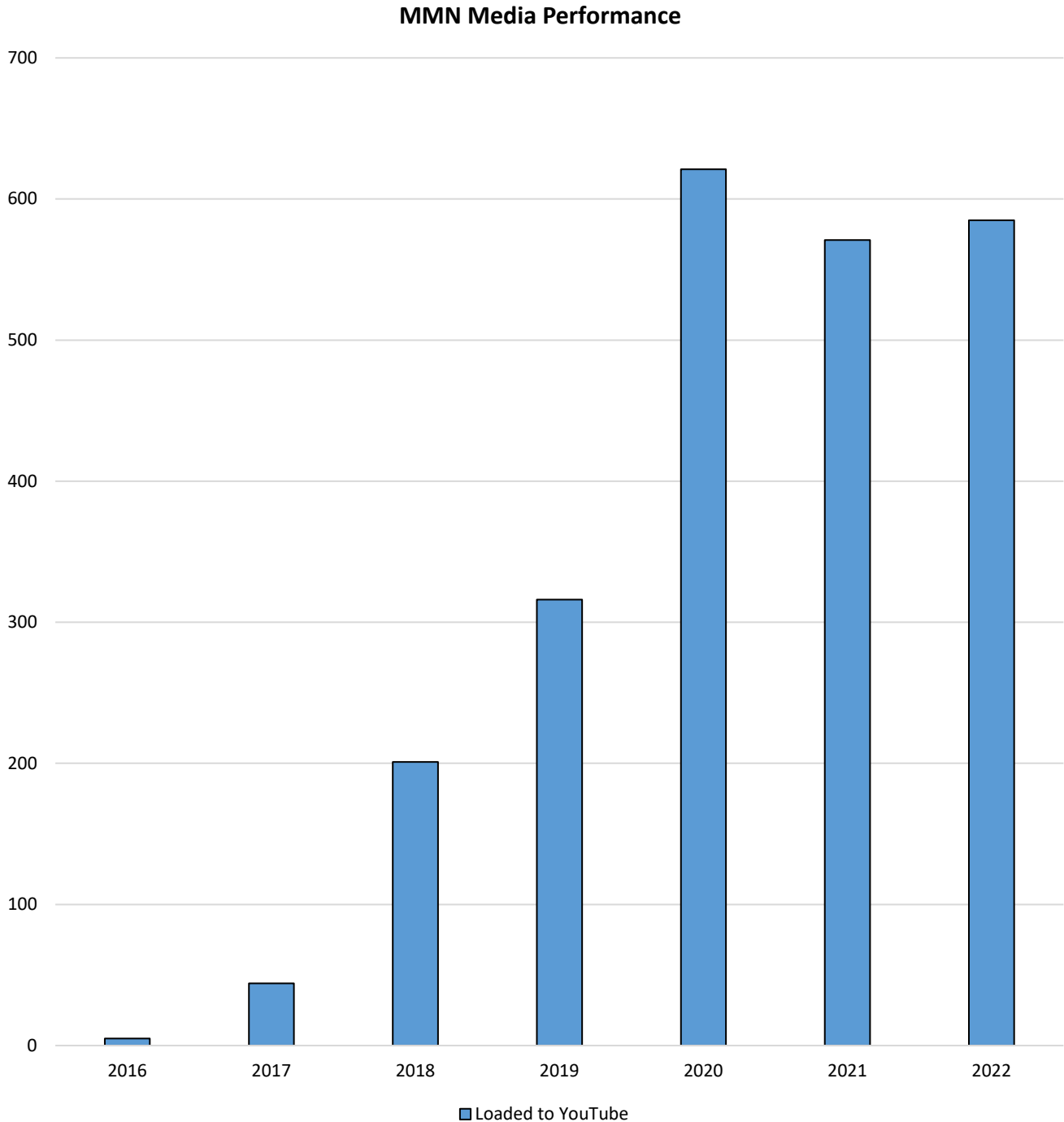


Figure 1: As Virtual Zoom and hybrid meetings continue to make recording easy for more boards and committees, more meetings have been posted to YouTube. Note the large jump from 2019 to 2020, which reflects the number of virtual meetings that took place and enabled easier recording.

Minuteman Media Network

FY24 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.
- Prepare to complete negotiations on the franchise renewal between the Town of Concord and Comcast.
- 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

FY24 Budget Highlights

In FY24, Operating Revenues are projected to total \$334,745 while proposed Operating Expenses are budgeted to total \$402,557. This results in a projected net loss of \$67,812 and a projected fund balance of \$1,391,170 at the end of the fiscal year inclusive of proposed capital outlay needs totaling \$135,000.

Budget Highlights

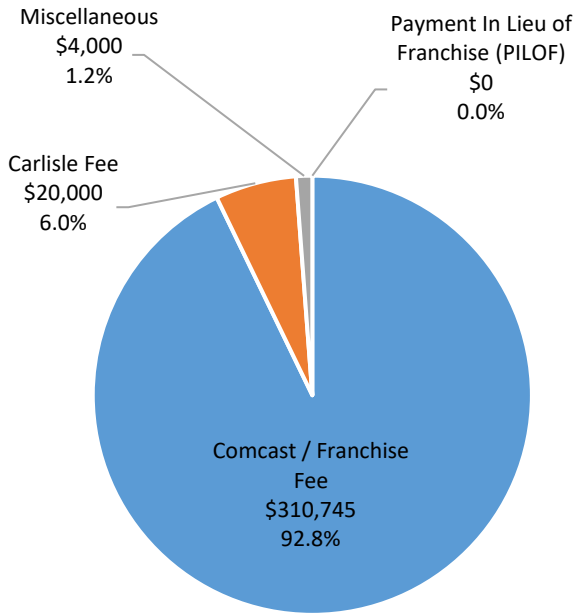
FY24 Projected Revenue	\$334,745
FY24 Projected Expenses	<u>(402,557)</u>
FY24 Projected Operating Loss	\$(67,812)
FY24 Projected Net Loss	\$(67,812)
FY24 Projected MMN Fund Balance	\$1,391,170

Revenues and Expenditures Overview

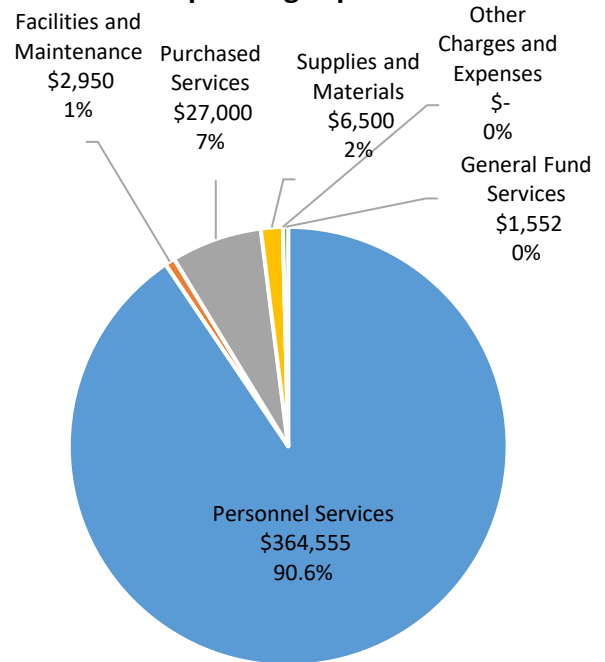
In FY24, operating revenues are projected to be \$334,745 and operating expenses to be \$402,557 resulting in a net loss of \$67,812. Approximately ninety percent of expenditures are for personnel services, which includes both full-time and part-time staff as well as their benefits.

This projected net loss is proposed to be absorbed by the healthy fund balance. This will allow continued support and improvement in the exchange of information and ideas through a variety of mediums. The FY24 budget includes one-time capital costs that will drop in subsequent fiscal years. Depending on the negotiations with Comcast on the franchise renewal, all of this money may not be spent.

FY24 Operating Revenue



FY24 Operating Expenditures



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” (Public) 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. FY24 will be the fifth 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.

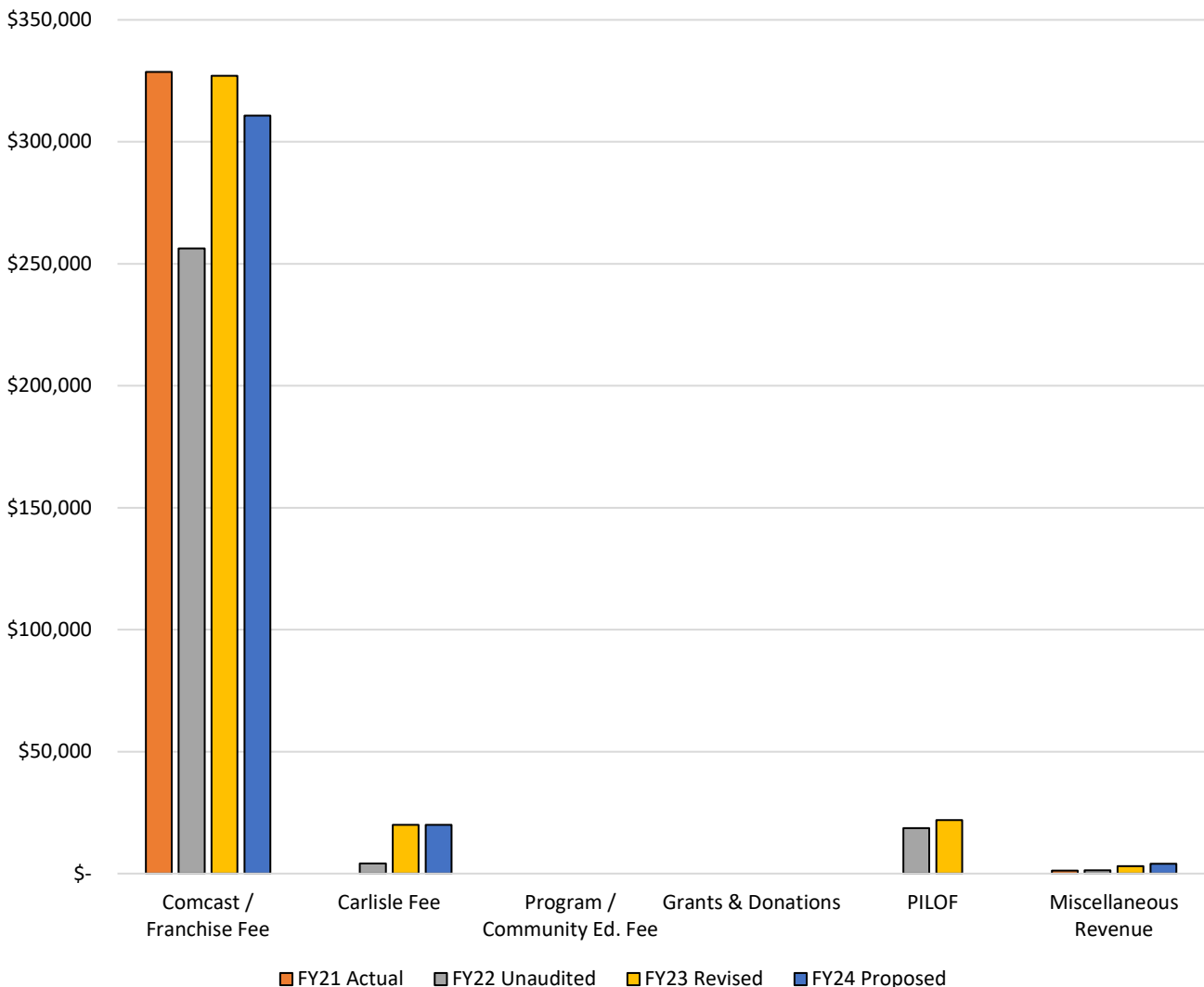
Minuteman Media Network – Revenues

Operating Revenues

The majority of Operating Revenue collected in FY22 came from the Comcast / Franchise Fee paid quarterly to the Town. In FY24, \$310,745 is proposed to be collected from the Comcast / Franchise Fee in addition to \$20,000 from Carlisle along with an estimated \$4,000 in miscellaneous revenue.

OPERATING REVENUES				
	FY21	FY22	FY23	FY24
	Actual	Unaudited	Revised	Proposed
Comcast / Franchise Fee	\$ 328,611	\$ 256,361	\$ 327,100	\$ 310,745
Carlisle Fee	-	4,101	20,000	20,000
Program / Community Ed. Fee	-	-	-	-
Grants & Donations	-	-	-	-
Payment In Lieu of Franchise (PILOF)*	-	18,634	21,923	-
Miscellaneous Revenue	1,218	1,294	3,000	4,000
Operating Revenues Total	\$ 329,829	\$ 280,391	\$ 372,023	\$ 334,745

Minuteman Media Network Operating Revenues



Minuteman Media Network – Revenues

Comcast Franchise Agreement

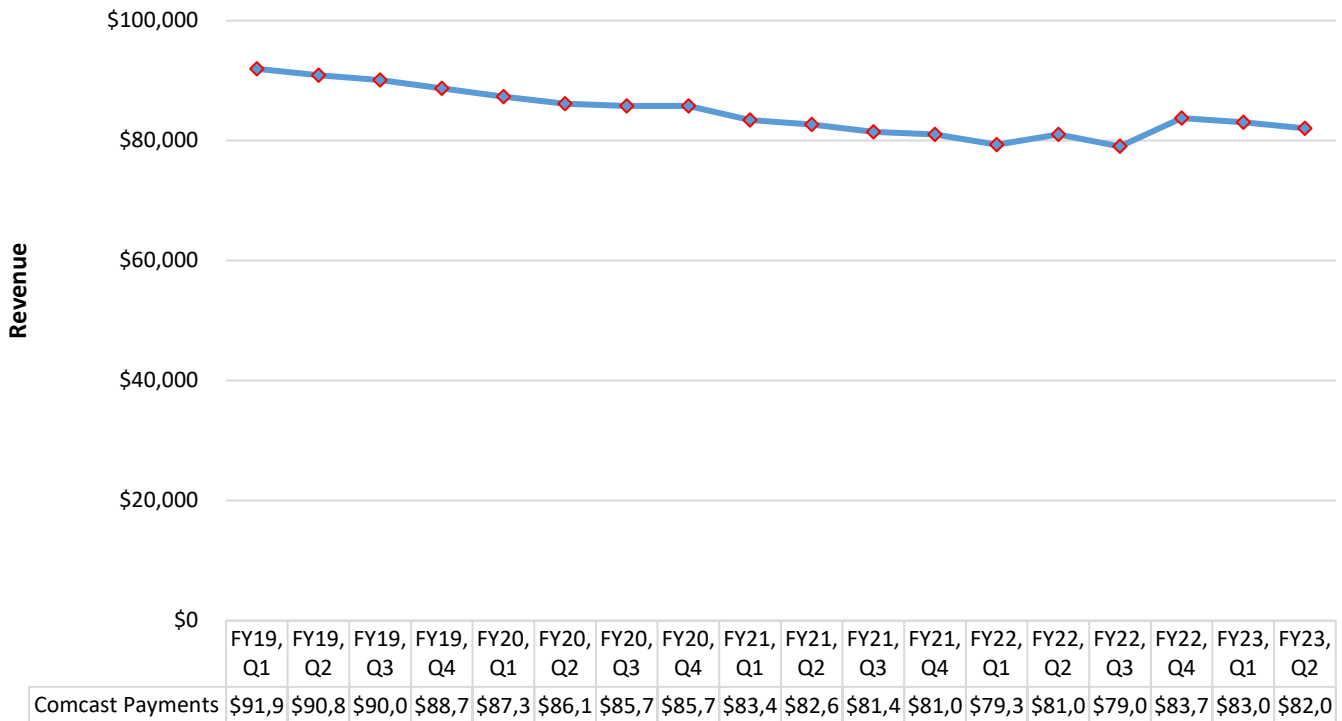
The Select Board issued a License Agreement to Comcast of Massachusetts III, Inc. for the period of April 22, 2014, through April 21, 2024, which authorizes the company to provide non-exclusive cable television and other telecommunication services to homes and businesses in the Town of Concord. The agreement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

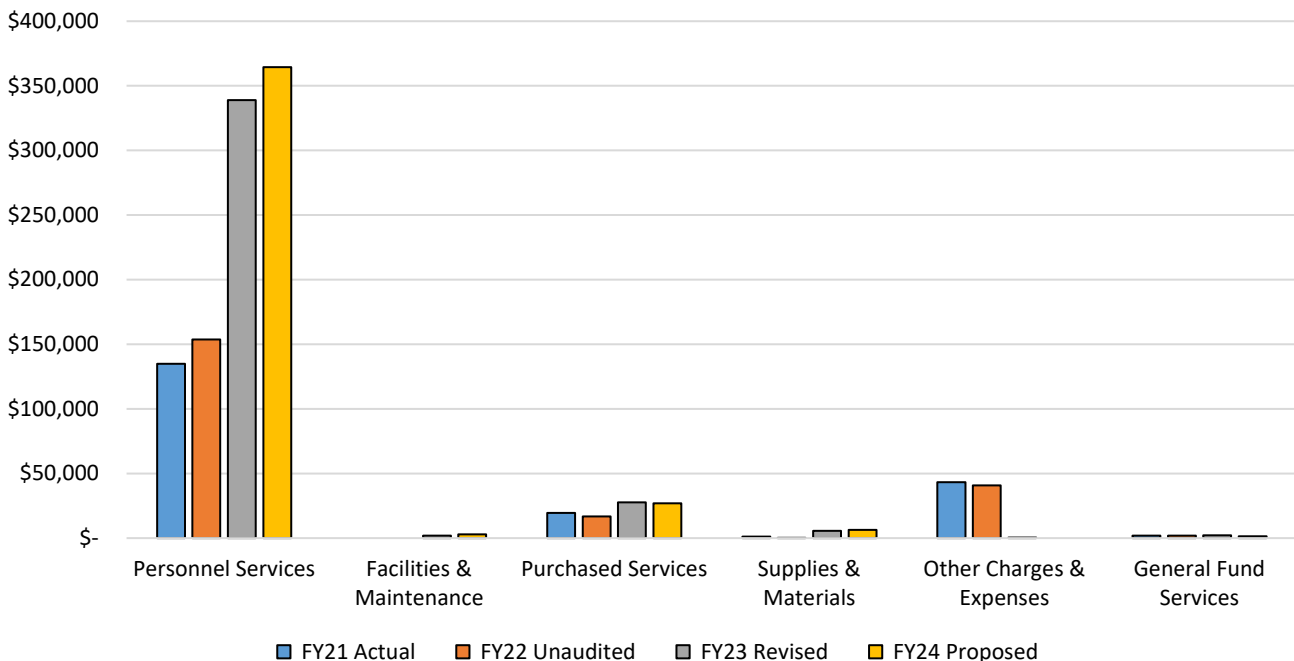
Minuteman Media Network – Expenditures

Operating Expenditures

With the assumption of responsibility for the reorganized network, the majority of planned expenses in FY23 and FY24 are focused on Personnel Services. These services in FY24 are proposed to include salaries, wages, and benefits for MMN staff that totals 90.6% of the budget. In addition, the FY24 proposed budget also includes \$36,450 for various facility needs, advertising, branding, and other technology related services.

OPERATING EXPENSES								
	FY21		FY22		FY23		FY24	
<u>Personnel Services</u>	Actual		Unaudited		Revised		Proposed	
Personnel Expenses	\$	134,802	\$	153,811	\$	338,865	\$	364,555
Retirement Adjustment								
Audit Adjustment		-		-		-		-
Subtotal	\$	134,802	\$	153,811	\$	338,865	\$	364,555
<u>Non-Personnel Services</u>								
Facilities and Maintenance		-		-		1,890		2,950
Purchased Services		19,495		16,885		27,580		27,000
Supplies & Materials		1,222		229		5,729		6,500
Other Charges & Expenses		43,347		40,874		551		-
Audit Adjustment		-		-		-		-
Subtotal	\$	64,064	\$	57,989	\$	35,750	\$	36,450
<u>Other</u>								
General Fund Services	\$	1,812	\$	2,016	\$	2,187	\$	1,552
Audit Adjustment		-		-		-		-
Subtotal	\$	1,812	\$	2,016	\$	2,187	\$	1,552
Total Operating Expense	\$	200,679	\$	213,816	\$	376,802	\$	402,557

Minuteman Media Network Operating Expenditures



Minuteman Media Network – Expenditures

Personnel Services

AUTHORIZED POSITIONS

Staff	FY23 Revised		FY24 Proposed	
	FTE	Amount	FTE	Amount
Regular Full & Part Time Staff	5.90	\$ 302,236	5.90	\$ 344,624
Subtotal	5.90 FTEs	\$ 302,236	5.90 FTEs	\$ 344,624
Programming				
Educational Programming-Students	0 hrs.	\$ -	0 hrs.	\$ -
Community Programming	0 hrs.	-	0 hrs.	-
Subtotal	0.00 FTEs	\$ -	0.00 FTEs	\$ -
Employee Benefits				
Health Insurance	N/A	\$ 23,575	N/A	\$ -
Life Insurance	N/A	-	N/A	-
Dental Insurance	N/A	2,132	N/A	-
Subtotal	N/A	\$ 25,707	N/A	\$ -
Payroll Taxes				
Medicare Tax	N/A	\$ 4,207	N/A	\$ -
Social Security Contribution	N/A	4,015	N/A	-
Subtotal	N/A	\$ 8,222	N/A	\$ -
Other Personnel Costs				
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	17,231
Subtotal	N/A	\$ 2,700	N/A	\$ 19,931
Total Personnel Costs	5.50 FTEs	\$ 338,865	5.90 FTEs	\$ 364,555

Minuteman Media Network – Expenditures

Capital (Capital Outlay and Debt-Funded)

The FY24 budget proposes a total of \$135,000 in capital outlay. Funding for FY24 includes the following items listed below:

- \$45,000 is proposed to support the replacement of broadcast server hardware.
- \$7,000 to support the upgrading of editing computer equipment.
- \$68,000 to support the replacement of equipment at the Town House.
- \$15,000 to support the replacement of equipment at Ripley.

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

Description	FY22 Unaudited	FY23	FY24	FY25	FY26	FY27	FY28	FY24 to FY28 Total
Broadcast Server Hardware	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000
Computer Replacement (editing)	-	-	7,000	-	-	-	8,000	\$ 15,000
Town House Equipment Replacement	13,855	-	68,000	-	-	-	-	\$ 68,000
Ripley Equipment Replacement	-	-	15,000	-	-	-	-	\$ -
Portable PA System	-	-	-	7,500	-	-	-	\$ 7,500
Studio Equipment Replacement	15,089	-	-	-	70,000	-	-	\$ 70,000
Portable Camera Replacement	-	-	-	-	-	15,000	-	\$ 15,000
Computer replacement (employee)	-	-	-	-	-	12,000	-	\$ 12,000
Miscellaneous Equipment	2,157	-	-	-	-	-	-	\$ -
Vehicles	-	-	-	-	-	-	-	\$ -
<i>Subtotal</i>	\$ 31,102	\$ -	\$ 135,000	\$ 7,500	\$ 70,000	\$ 27,000	\$ 8,000	\$ 232,500
Audit Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital	\$ 31,102	\$ -	\$ 135,000	\$ 7,500	\$ 70,000	\$ 27,000	\$ 8,000	\$ 232,500

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 FY24 proposed budget includes an estimated contribution of \$1,552 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

	FY21	FY22	FY23	FY24
	Actual	Unaudited	Revised	Proposed
<u>Finance & Administrative</u>				
Town Manager	\$ -	\$ -	\$ -	-
Human Resources	1,812	2,016	2,187	1,552
Town Accountant				
Accounting Services	-	-	-	-
Audit Services	-	-	-	-
Treasurer-Collector	-	-	-	-
Finance Administration	-	-	-	-
Facilities Maintenance	-	-	-	-
Subtotal	\$ 1,812	\$ 2,016	\$ 2,187	\$ 1,552
Salary Reserve	-	-	-	-
Audit Adjustments	-	-	-	-
Totals	\$ 1,812	\$ 2,016	\$ 2,187	\$ 1,552

Minuteman Media Network – Net Income & Fund Balance

Net Income and Fund Balance

NET INCOME				
	FY21	FY22	FY23	FY24
	Actual	Unaudited	Revised	Proposed
Statement of Net Income:				
Operating Revenues	\$ 329,829	\$ 280,391	\$ 372,023	\$ 334,745
Less Operating Expenses	(200,679)	(213,816)	(376,802)	(402,557)
Operating Income	\$ 129,150	\$ 66,574	\$ (4,779)	\$ (67,812)
Nonoperating Revenues (Expenses)				
Add Investment Income	\$ -	\$ -	\$ -	\$ -
Add Other Revenue/Expense	-	-	-	-
Less Interest Expense	-	-	-	-
Less Issuance Expense	-	-	-	-
Nonoperating Income	\$ -	\$ -	\$ -	\$ -
Net Income	\$ 129,150	\$ 66,574	\$ (4,779)	\$ (67,812)

AVAILABLE RESOURCES				
Resources Available from Current Operations for Replacement & Renewal of Facility:				
	FY21	FY22	FY23	FY24
<u>Capital Purposes</u>	Actual	Unaudited	Revised	Proposed
Add Net Income	129,150	66,574	(4,779)	(67,812)
Add Debt Financing	-	-	-	-
Less Bonds Payable	-	-	-	-
Net Available for Capital	\$ 129,150	\$ 66,574	\$ (4,779)	\$ (67,812)
Capital Outlay	-	-	-	135,000

CASH POSITION AND FUND BALANCE FORECAST				
<u>Cash at Year Opening</u>	FY23		FY24	
	Credit	Debit	Credit	Debit
Cash on July 1st	\$ 1,623,115		\$ 1,618,336	
Add Receivables	-	-	-	-
Add Inventory & Other Assets	-	-	-	-
Less Cash held for Liabilities		(24,354)		(24,354)
Deferred Outflows (Inflows)		-		-
Fund Balance on July 1st*	\$ 1,598,761		\$ 1,593,982	
Fund Balance Details (projected)				
Fund Balance on July 1st	\$ 1,598,761	\$ -	\$ 1,593,982	\$ -
Net Income	(4,779)	-	(67,812)	-
Bond Principal Repayment	-	-	-	-
BAN and Bond Proceeds	-	-	-	-
Capital Borrowing	-	-	-	-
Capital Outlay (non-borrowing)	-	-	-	(135,000)
Balance Projected at June 30th	1,593,982	-	1,526,170	(135,000)
Fund Balance on June 30th	\$ 1,593,982		\$ 1,391,170	
Cash at Year End (projected)				
Fund Balance on June 30th	\$ 1,593,982	\$ 1,391,170		
Less Receivables	-	-		
Less Inventory & Other Assets	-	-		
Add Cash Held for Liabilities		24,354		24,354
Add Cash Held for Deferred Inflows		-		-
Projected Cash at June 30th	\$ 1,618,336		\$ 1,415,525	

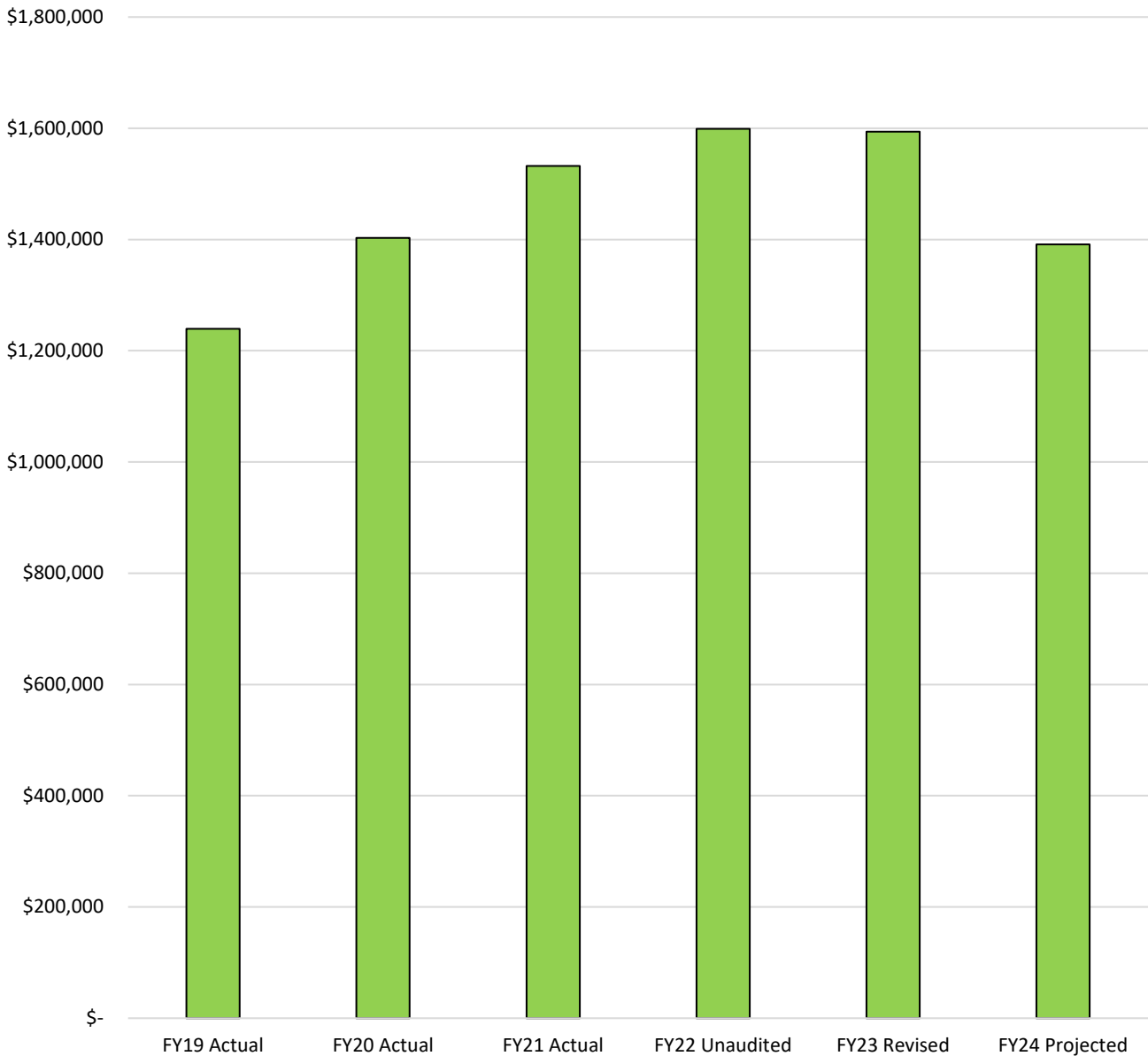
* Estimated Fund Balance as of July 1st, 2022 (or June 30, 2022) is based on information from FY2021 as the audited financial statements are not yet available for FY2022.

Minuteman Media Network – Net Income & Fund Balance

In an effort to maintain and improve services provided by 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 FY21 according to audited financial statements was \$1.5 million as well as in FY22 based on unaudited financial information. The proposed FY24 budget estimates the fund balance to be \$1,391,170 by fiscal year end.

FUND BALANCE							
MMN Fund Balance	FY21		FY22		FY23		FY24
	Actual		Unaudited		Revised		Proposed
Operations	\$ 1,532,187	\$	1,598,761	\$	1,593,982	\$	1,391,170
Capital	-		-		-		-
Undesignated	-		-		-		-
Total	\$ 1,532,187	\$	1,598,761	\$	1,593,982	\$	1,391,170

**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 CY23/FY24 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 March.

Shown on the following pages are a calendar of important dates and a chart of the budget schedules for developing and acting on the CY23/FY24 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.									
				Town Mgr. reviews budgets & submits them to Board of Selectmen							
				Warrant is Open							
						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.

2022

August 10	Bylaw required deadline to issue Guidelines
August 29	General Fund and Enterprise Funds Capital Improvement Program (FY24-28) instructions issued
September 12	FY24 Budget instructions issued to all departments, boards, and committees
September 19	General Fund Capital Improvement Program (FY24-28) requests due
October 13	Guidelines subcommittee - Town Manager's, Superintendent's (CPS & CCRSD), and Minuteman Tech's responses to the Information Letter.
October 17	FY24 General Fund Operating Budget requests due
October 18 – October 21	FY24 General Fund Capital Improvement Program (FY24-28) request review meetings with Town Department Heads and Budget Review Team
November 1 – November 9	FY24 General Fund Operating request review meetings with Town Department Heads and Budget Review Team
November 7	Enterprise Funds Capital Improvement Program (FY24-28) requests due
November 17	Guidelines subcommittee - Town Manager's and Superintendent's response to tentative guideline; Final Guidelines to be issued to Select Board and School Committees
December 2	FY24 General Fund Operating Budget and General Fund Capital Budget Recommendations compiled by Budget Review Team for Town Manager's review and adjustment
December 3	Warrant opened - Select Board/Committees Coordination Meeting; planning session for 2023 Annual Town Meeting & Review of known articles

2023

January 4	Warrant for Town Meeting closes at 4:00 PM
January 13	FY24 Enterprise Fund Operating Budget Requests due

Appendix – Budget Calendar

2023 (Continued)

January 23 – 27	FY24 Enterprise Fund Operating Budget Requests review: Meetings with Town Department Heads and Budget Review Team
January 30	90 days prior to the Annual Town Meeting, the Town Manager's Proposed Budget for FY24 (General Fund operations and proposed appropriations) is set and submitted to Select Board. The Superintendent of Schools submits budgets for Concord Public Schools and Concord-Carlisle Regional High School to the respective School Committees. Through February, these committees and Finance Committee will conduct a review.
February 13	Target Date for Mailing of Town Meeting Warrant to Residents (At least 10 Days Prior to Public Hearing)
February 17	Town Manager's Proposed FY24 General Fund Budget Book is published
March 1	Finance Committee public hearing regarding Town Manager's General Fund operating and capital budget proposals for FY24 and other non-school and non-CPA financial articles on the Town Meeting Warrant
March 9	Finance Committee public hearing on Education budget proposals for FY24 (Concord Public Schools, Concord-Carlisle Regional High School, and Minuteman Career and Technical High School) and Community Preservation Act Article
March 10	Town Manager's Proposed FY24 Enterprise Budget is published
March 15	Finance Committee public hearing on FY24 Enterprise Fund Budgets and Articles
April 4	Finance Committee Completes its recommendations for Town Meeting
April 5	Finance Committee Report to Printer
April 14	Finance Committee Report mailed to residents (at least 10 days prior to Town Meeting)
April 30	Annual Town Meeting

Appendix – Financial Statements

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	
Assets					
Current:					
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
Total Current Assets	12,827,308	9,899,976	10,122,033	3,444,575	36,293,892
Noncurrent:					
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
Capital assets:					
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
Total Noncurrent Assets	27,215,863	17,366,799	51,122,048	7,331,938	103,036,648
Total Assets	40,043,171	27,266,775	61,244,081	10,776,513	139,330,540
Deferred Outflows of Resources					
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
Total Deferred Outflow of Resources	483,087	108,560	2,803,432	154,324	3,549,403
Liabilities					
Current:					
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
Current portion of long-term liabilities:					
Bonds payable	685,592	939,005	834,429	-	2,459,026
Compensated absences	10,062	2,516	13,232	3,893	29,703
Total Current Liabilities	2,103,141	1,367,874	9,741,420	90,716	13,303,151
Noncurrent:					
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
Total Noncurrent Liabilities	4,381,117	4,371,363	8,895,291	277,052	17,924,823
Total Liabilities	6,484,258	5,739,237	18,636,711	367,768	31,227,974
Deferred Inflows of Resources					
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
Total Deferred Inflows of Resources	648,042	153,983	1,442,625	557,751	2,802,401
Net Position					
Net investment in capital assets	22,734,165	12,441,941	35,953,279	7,331,938	78,461,323
Restricted for:					
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
Total Net Position	\$ 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 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
Operating Revenues					
Charges for services	\$ 5,950,771	\$ 2,752,777	\$ 27,963,382	\$ 1,271,496	\$ 37,938,426
Total Operating Revenues	5,950,771	2,752,777	27,963,382	1,271,496	37,938,426
Operating Expenses					
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
Total Operating Expenses	4,066,246	2,601,035	29,640,725	1,688,895	37,996,901
Operating Income (Loss)	1,884,525	151,742	(1,677,343)	(417,399)	(58,475)
Nonoperating Revenues (Expenses)					
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
Total Nonoperating Revenues (Expenses), Net	(63,060)	(82,541)	229,223	7,114	90,736
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
Cash Flows From Operating Activities					
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)
Net Cash Provided By (Used for) Operating Activities	3,575,267	1,100,017	229,171	(250,642)	4,653,813
Cash Flows From Noncapital Financing Activities					
Transfers out	(126,942)	(31,735)	(474,500)	(65,134)	(698,311)
Net Cash (Used for) Noncapital Financing Activities	(126,942)	(31,735)	(474,500)	(65,134)	(698,311)
Cash Flows From Capital and Related Financing Activities					
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
Net Cash (Used For) Capital and Related Financing Activities	(4,032,606)	(3,665,037)	(1,792,983)	-	(9,490,626)
Cash Flows From Investing Activities					
Investment income	22,992	21,972	110,302	7,114	162,380
Net Cash Provided By Investing Activities	22,992	21,972	110,302	7,114	162,380
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
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
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
Net Cash Provided By (Used For) Operating Activities	\$ 3,575,267	\$ 1,100,017	\$ 229,171	\$ (250,642)	\$ 4,653,813
Schedule of non-cash capital and related financing activities:					
Disposal of capital assets	\$ -	\$ -	\$ (78,323)	\$ -	\$ (78,323)
Acquisition and construction of capital assets on account	643,827	-	-	-	643,827

Appendix – Financial Statements

TOWN OF CONCORD, MASSACHUSETTS
MUNICIPAL LIGHT PLANT
Combining Statement of Net Position
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	2021				2020			
	Light Fund	Broadband Fund	Eliminations	Total	Light Fund	Broadband Fund	Eliminations	Total
Assets								
Current:								
Unrestricted cash and short-term investments	\$ 324,264	\$ 155,534	\$ -	\$ 479,798	\$ 966,699	\$ 188,486	\$ -	\$ 1,155,185
Accounts receivable, net of allowance for uncollectible	3,691,059	105,441	-	3,796,500	4,288,791	105,862	-	4,394,653
Prepaid expenses	1,921,081	11,528	-	1,932,609	3,251,607	13,265	-	3,264,872
Inventory	1,106,652	151,658	-	1,258,310	1,151,096	139,519	-	1,290,615
Other	15,258	3,699	-	18,957	8,402	8,306	-	16,708
Total current assets	7,058,314	427,860	-	7,486,174	9,666,595	455,438	-	10,122,033
Noncurrent:								
Restricted cash	13,897,230	120,142	-	14,017,372	10,760,140	79,863	-	10,840,003
Investment in associated companies	782,056	-	-	782,056	353,766	-	-	353,766
Due from Broadband	1,900,000	-	(1,900,000)	-	1,900,000	-	(1,900,000)	-
Capital assets:								
Land and construction in progress	2,422,763	736	-	2,423,499	2,296,767	10,826	-	2,307,593
Other capital assets, net of accumulated depreciation	34,207,460	2,454,791	-	36,662,251	35,353,025	2,267,561	-	37,620,686
Total noncurrent assets	59,209,509	2,575,669	(1,900,000)	53,885,178	50,663,698	2,358,350	(1,900,000)	51,122,048
Total Assets	60,267,823	3,003,529	(1,900,000)	61,371,352	60,330,293	2,813,788	(1,900,000)	61,244,081
Deferred Outflows of Resources								
Related to pension	1,721,080	279,040	-	2,000,120	2,378,070	154,486	-	2,532,556
Related to OPEB	372,361	55,376	-	427,737	236,013	34,863	-	270,876
Total Deferred Outflows of Resources	2,093,441	334,416	-	2,427,857	2,614,083	189,349	-	2,803,432
Liabilities								
Current:								
Accounts payable	5,461,370	32,302	-	5,493,672	4,094,065	28,504	-	4,122,569
Accrued liabilities	211,677	44,808	-	256,485	209,660	38,253	-	247,913
Customer deposits	606,380	-	-	606,380	543,669	-	-	543,669
Customer advances for construction	70,297	1,861	-	72,158	103,747	8,441	-	112,188
Unearned revenue	2,120,632	25,312	-	2,145,944	3,845,768	21,652	-	3,867,420
Current portion of long-term liabilities:								
Bonds payable	570,026	60,015	-	630,041	717,290	117,139	-	834,429
Compensated absences	10,006	1,821	-	11,827	11,854	1,378	-	13,232
Total current liabilities	9,050,388	166,119	-	9,216,507	9,526,053	215,367	-	9,741,420
Noncurrent:								
Due to light	-	1,900,000	(1,900,000)	-	-	1,900,000	(1,900,000)	-
Bonds payable, net of current portion	2,468,699	417,843	-	2,886,542	3,050,714	329,360	-	3,380,074
Net pension liability	1,001,836	162,413	-	1,164,249	2,908,860	188,967	-	3,097,827
Net OPEB liability	1,060,504	20,010	-	1,080,514	2,138,955	27,027	-	2,165,982
Compensated absences	190,109	34,602	-	224,711	225,233	26,175	-	251,408
Total noncurrent liabilities	4,721,148	2,534,868	(1,900,000)	5,356,016	8,323,762	2,471,529	(1,900,000)	8,895,291
Total Liabilities	13,771,536	2,700,987	(1,900,000)	14,572,523	17,849,815	2,686,896	(1,900,000)	18,636,711
Deferred Inflows of Resources								
Related to pension	1,819,615	294,987	-	2,114,602	1,032,566	67,078	-	1,099,644
Related to OPEB	1,260,688	18,595	-	1,279,283	342,981	-	-	342,981
Total Deferred Inflows of Resources	3,080,303	313,582	-	3,393,885	1,375,547	67,078	-	1,442,625
Net Position								
Net investment in capital assets	33,591,498	1,977,669	-	35,569,167	34,062,792	1,890,487	-	35,953,279
Restricted for depreciation fund	6,083,556	-	-	6,083,556	4,810,412	-	-	4,810,412
Unrestricted	5,834,371	(1,654,293)	-	4,180,078	4,845,810	(1,641,324)	-	3,204,486
Total Net Position	\$ 45,509,425	\$ 323,376	\$ -	\$ 45,832,801	\$ 43,719,014	\$ 249,163	\$ -	\$ 43,968,177

Appendix – Financial Statements

**TOWN OF CONCORD, MASSACHUSETTS
MUNICIPAL LIGHT PLANT**

Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021			2020		
	Light Fund	Broadband Fund	Total	Light Fund	Broadband Fund	Total
Operating Revenues						
Electric sales	\$ 25,719,399	\$ -	\$ 25,719,399	\$ 24,994,161	\$ -	\$ 24,994,161
Internet sales	-	1,326,540	1,326,540	-	1,242,267	1,242,267
Rate refund	1,748,680	-	1,748,680	(675,883)	-	(675,883)
Underground surcharge	435,214	-	435,214	402,008	-	402,008
Renewable energy certificate revenue	3,363,741	-	3,363,741	1,801,988	-	1,801,988
Other operating revenue	45,412	19,350	64,762	178,511	20,330	198,841
Total Operating Revenues	31,312,446	1,345,890	32,658,336	26,700,785	1,262,597	27,963,382
Operating Expenses						
Purchase power	22,067,067	195,673	22,262,740	19,156,969	209,390	19,366,359
Salaries and benefits	2,569,040	690,998	3,260,038	3,920,733	560,696	4,481,429
Other operating expenses	1,059,764	193,101	1,252,865	1,479,142	141,289	1,620,431
Depreciation	1,901,168	74,198	1,975,366	1,856,017	70,933	1,926,950
Customer accounts	1,102,712	45,889	1,148,601	876,288	20,430	896,718
Distribution	925,549	143,958	1,069,507	1,078,839	168,863	1,247,702
Transmission	110,328	-	110,328	101,136	-	101,136
Total Operating Expenses	29,735,628	1,343,817	31,079,445	28,469,124	1,171,601	29,640,725
Operating Income (Loss)	1,576,818	2,073	1,578,891	(1,768,339)	90,996	(1,677,343)
Nonoperating Revenues (Expenses)						
Interest income	448,947	-	448,947	110,302	-	110,302
Interest expense	(101,663)	(20,371)	(122,034)	(135,675)	(21,906)	(157,581)
Gain (Loss) on disposal of capital assets	33,270	(2,066)	31,204	(11,271)	(2,193)	(13,464)
Other	284,539	94,577	379,116	191,104	98,862	289,966
Total Nonoperating Revenues (Expenses), Net	665,093	72,140	737,233	154,460	74,763	229,223
Income (Loss) Before Transfers	2,241,911	74,213	2,316,124	(1,613,879)	165,759	(1,448,120)
Return on Investment - transfer to Town of Concord	(451,500)	-	(451,500)	(474,500)	-	(474,500)
Change in Net Position	1,790,411	74,213	1,864,624	(2,088,379)	165,759	(1,922,620)
Net Position - Beginning of Year	43,719,014	249,163	43,968,177	45,807,393	83,404	45,890,797
Net Position at End of Year	\$ 45,509,425	\$ 323,376	\$ 45,832,801	\$ 43,719,014	\$ 249,163	\$ 43,968,177

Appendix – Financial Statements

**TOWN OF CONCORD, MASSACHUSETTS
MUNICIPAL LIGHT PLANT**

Combining Statement of Cash Flows
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021			2020		
	Light Fund	Broadband Fund	Total	Light Fund	Broadband Fund	Total
Cash Flows From Operating Activities						
Receipts from customers and users	\$ 30,247,752	\$ 1,349,971	\$ 31,597,723	\$ 26,054,357	\$ 1,285,706	\$ 27,340,063
Payments to vendors and employees	(25,920,668)	(1,194,906)	(27,115,574)	(26,090,918)	(1,006,510)	(27,097,428)
Net Cash Provided By (Used For) Operating Activities	4,327,084	155,065	4,482,149	(36,561)	279,196	242,635
Cash Flows From Noncapital Financing Activities						
Return on investment to Town of Concord	(451,500)	-	(451,500)	(474,500)	-	(474,500)
Due to/from light	-	-	-	(72,555)	72,555	-
Other	233,406	80,936	314,342	117,498	70,623	188,121
Net Cash Provided By (Used For) Noncapital Financing Activities	(218,094)	80,936	(137,158)	(429,557)	143,178	(286,379)
Cash Flows From Capital and Related Financing Activities						
Acquisition and construction of capital assets	(881,599)	(251,237)	(1,132,836)	(965,081)	(95,600)	(1,060,681)
Gain (Loss) on disposition of assets	33,270	(2,066)	31,204	(11,271)	(2,193)	(13,464)
Proceeds from bonds	-	131,000	131,000	-	-	-
Principal payments on bonds	(685,000)	(105,000)	(790,000)	(685,000)	(125,000)	(810,000)
Interest expense	(101,663)	(20,371)	(122,034)	(102,637)	(7,786)	(110,423)
Bond premium proceeds	96,000	19,000	115,000	-	-	-
Loss on refunding	(96,000)	-	(96,000)	-	-	-
Net Cash (Used For) Capital and Related Financing Activities	(1,634,992)	(228,674)	(1,863,666)	(1,763,989)	(230,579)	(1,994,568)
Cash Flows From Investing Activities						
Investment income	448,947	-	448,947	110,302	-	110,302
Increase in investments in associated companies	(428,290)	-	(428,290)	-	-	-
Net Cash Provided By Investing Activities	20,657	-	20,657	110,302	-	110,302
Net Change in Cash and Short-Term Investments	2,494,655	7,327	2,501,982	(2,119,805)	191,795	(1,928,010)
Cash and Short Term Investments, Beginning of Year	11,726,839	268,349	11,995,188	13,846,644	76,554	13,923,198
Cash and Short Term Investments, End of Year	\$ 14,221,494	\$ 275,676	\$ 14,497,170	\$ 11,726,839	\$ 268,349	\$ 11,995,188
Reconciliation of Operating Income (loss) to Net Cash provided by (used for)						
Operating Activities						
Operating income (loss)	\$ 1,576,818	\$ 2,073	\$ 1,578,891	\$ (1,768,339)	\$ 90,996	\$ (1,677,343)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	1,901,168	74,198	1,975,366	1,856,017	70,933	1,926,950
Changes in assets, liabilities, and deferred outflows/inflows:						
Accounts receivable	597,732	421	598,153	(542,724)	23,109	(519,615)
Prepaid expenses	1,330,526	1,736	1,332,262	(1,304,221)	14,082	(1,290,139)
Inventory	44,444	(12,139)	32,305	(39,860)	19,600	(20,260)
Other assets	-	4,609	4,609	-	(3,075)	(3,075)
Deferred outflows - related to pension	656,990	(124,554)	532,436	508,037	(13,706)	494,331
Deferred outflows - related to OPEB	(136,348)	(20,513)	(156,861)	(124,101)	(24,859)	(148,960)
Accounts payable	1,367,304	3,797	1,371,101	694,638	(28,057)	666,581
Accrued liabilities	2,017	6,553	8,570	25,742	20,526	46,268
Customer advances for construction	-	(6,580)	(6,580)	-	3,255	3,255
Unearned revenue	(1,725,136)	3,660	(1,721,476)	694,819	5,797	700,616
Net pension liability	(1,907,024)	(26,554)	(1,933,578)	(606,900)	17,511	(589,389)
Net OPEB liability	(1,078,451)	(7,017)	(1,085,468)	(245,913)	26,305	(219,608)
Other liabilities	(7,712)	8,871	1,159	(2,019)	15,828	13,809
Deferred inflows - related to pension	787,049	227,909	1,014,958	494,716	40,848	535,564
Deferred inflows - related to OPEB	917,707	18,595	936,302	323,547	103	323,650
Net Cash Provided By (Used For) Operating Activities	\$ 4,327,084	\$ 155,065	\$ 4,482,149	\$ (36,561)	\$ 279,196	\$ 242,635

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.

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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 stockholder's 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, Property Tax Levy:</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**.



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