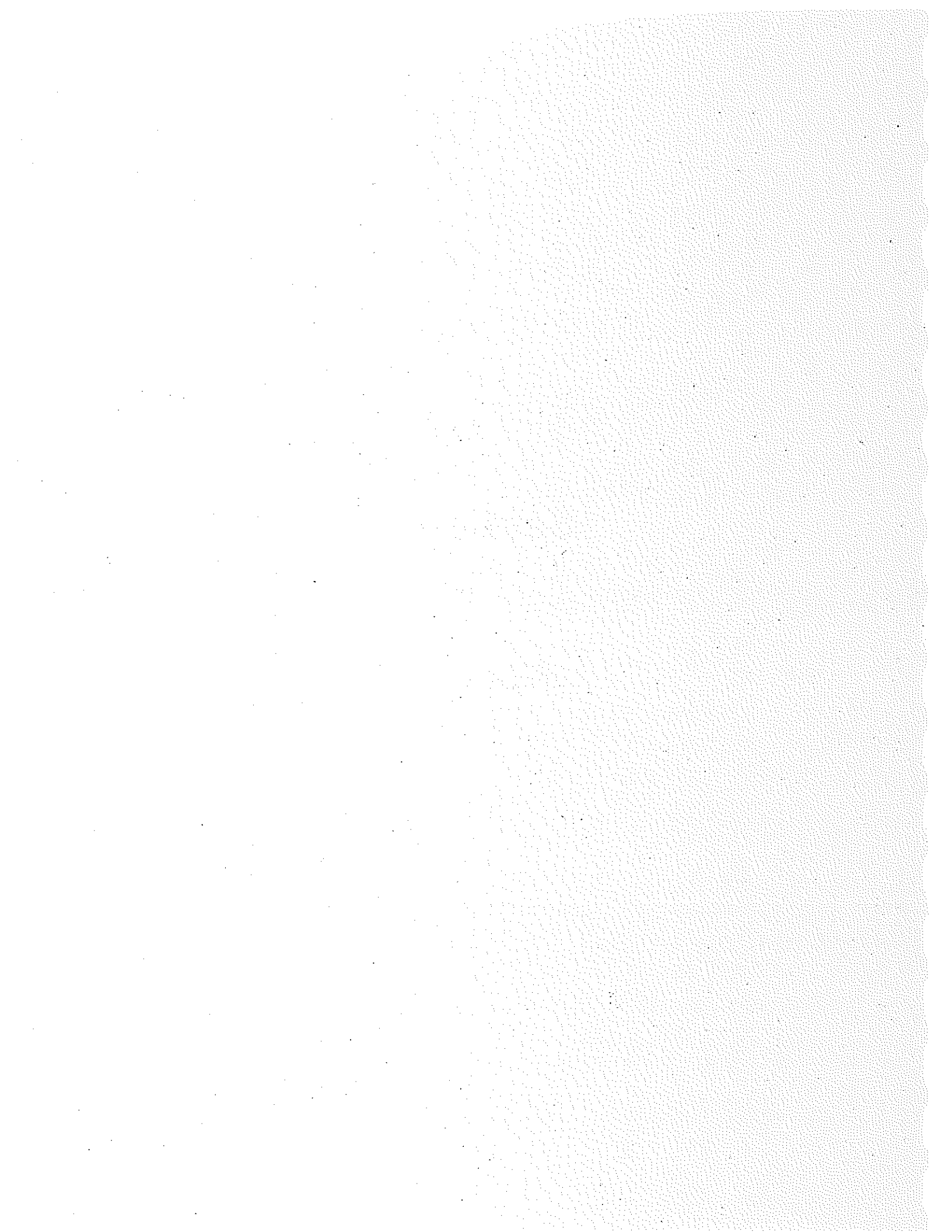


Section VIII

Appendix



TOWN OF CONCORD

COMMUNITY PROFILE

HISTORY

Purchased from the local Indians and founded in 1635, Concord was the first interior, non-tidewater town in Massachusetts Bay Colony. Though the origin of its name is unknown, one theory is that it derived from the peaceful manner in which the colonists and Indians reached agreement on its purchase and settlement. In fact, relations between the colonists and Indians during the 1600's were such that Concord was largely spared any hostile Indian actions during King Philip's War, which began in 1675. By 1775 Concord had evolved from a frontier town into a prosperous regional center with a mixed society, including small yeoman farmers, affluent gentry, and immigrants from Italy and Norway. In 1775 the town was witness to the famous Battle of Concord, which, along with the Lexington skirmish preceding it, ushered in the Revolutionary War for Independence. In the 19th century Concord became the leader of American literature and philosophy. Louisa May Alcott, Bronson Alcott, Ralph Waldo Emerson, Henry David Thoreau, and Nathaniel Hawthorne, among others, all lived in Concord.

As the 20th century progressed Concord evolved into primarily a suburban, residential community, with a mix of non-residential activities. The community has focused on preserving its rich Colonial and literary history as a means of promoting tourism and diversity in its economy. Diversity of population is also a major community focus. Concord is a part of the Boston Metropolitan Statistical Area, and a member of the Metropolitan Area Planning Council.

GEOGRAPHY

The Town of Concord in Middlesex County in eastern Massachusetts is located approximately 18 miles west of Boston, 34 miles northeast of Worcester, and 215 miles northeast of New York City. It is bordered by the towns of Maynard and Acton on the west, Carlisle on the north, Bedford and Lincoln on the east and southeast, and Sudbury and Wayland on the south. Of Concord's 25.89 square miles of gentle hills, valleys, fields, and ponds 24.92 square miles are land area. Concord is situated at the confluence of the Assabet and Sudbury Rivers, which join to flow northeast as the Concord River.

TRANSPORTATION AND ACCESS

Access to Concord is excellent, with east-west Route 2 traversing the town, and Route 128/95 (circumferential to Boston) just to the east, Interstate 90 (the Massachusetts Turnpike) several miles to the south, Interstate 93 several miles to the northeast, and Interstate 495 several miles to the west. In addition, there is regular commuter rail service from Boston to both Concord and West Concord, along with freight rail service. The Massachusetts Bay Transportation Authority (MBTA), of which Concord is a member community, provides a para-transit bus service for the elderly and disabled, while Yankee Lines provides bus service (1 trip daily) to Boston. Hanscom Field, a joint civil-military airport, is located in neighboring Bedford, and provides limited commercial air services.

FORM OF GOVERNMENT; GOVERNMENTAL SERVICES

Local legislative decisions are made by an open Town Meeting consisting of registered voters. Participation in Town Meeting, and volunteerism, are relatively high. Subject to town meeting decisions, and pursuant to the Town Charter adopted in 1956, the Town Manager handles the daily affairs of the Town of Concord and of the Municipal Light Plant. Matters of policy are referred first to the Town's five-member Board of Selectmen. Selectmen are elected at-large and serve three-year staggered terms. The Concord Municipal Light Plant is managed by a five-person board appointed by the Town Manager for staggered three-year terms. The Water/Sewer Division is part of the Public Works Commission managed by a five-person Board of Commissioners appointed by the Town Manager for staggered three-year terms. Local

property taxes are assessed by a board of five assessors appointed for staggered three-year terms by the Town Manager with the approval of the Board of Selectmen.

Concord provides a broad range of general governmental services, including police and fire protection; disposal of garbage and rubbish; water and sewer, including a secondary treatment plant; electricity; public works; parks and recreation; a community center; libraries; and a land conservation program. The Concord Housing Authority provides low-income and elderly housing.

EDUCATION

Concord's school system consists of the Concord Public Schools, grades kindergarten through 8, and the Concord-Carlisle Regional School, grades 9 through 12. Concord contributes about 70% of the enrollment in the regional high school. Total enrollment in this excellent school system is about 3,300, and has been slightly increasing since 1998. Technical education at the high school level is provided by the Minuteman Regional Vocational Technical School District, located in Lexington. Additionally, a number of fine private schools operate in Concord: Nashoba Brooks School, Concord Academy, the Fenn School, and the Middlesex School.

POPULATION

The 2000 Federal Census population figure for Concord is 16,993, while a more recent local census figure is 17,076, resulting in a population density of about 660 people per square mile. These figures represent a slight decrease from the 1990 figures. While population figures have remained stable, the number of housing units since 1990 has increased by 4%. These numbers result in a decrease in average household size from 2.9 persons per household in 1980 to 2.62 in 2000. Approximately 43% of the town's population in 2000 was between 25 and 54 years of age, with the largest age category being 35-44 years of age. The median age has increased 10% from 38 to 42.2, due in part to the expansion in residential nursing homes and assisted living facilities in the town.

HOUSING

Within Concord's 26 square miles of territory are approximately 16,000 acres—over 90%—of residentially zoned land, and 600 acres of commercially zoned land. About 45% of the land is developed; approximately 32% of the land is permanently protected open space in the form of private conservation land, trust land, and municipal, state, and federal park, conservation, and agricultural lands. Approximately 5,000 acres—about 28% of the land—have not been developed or permanently protected; the majority of these acres are zoned for one- and two-acre residential development. Approximately 21 acres of commercially zoned land remain undeveloped.

Concord's housing stock is in excellent condition. Over half of the housing units have been built since 1950. Those constructed before 1950 are well maintained due to the affluence of the owners, the high value of housing and land, and the increasing turnover rate. Concord has a low vacancy rate of approximately 3.3% and a high owner-occupancy rate of nearly 78%, two factors that add to the high level of maintenance of housing stock.

The rate of residential development in Concord has been relatively stable since 1993, with the number of building permits issued averaging about 30 units per year. With fewer developable lots available, the trend has been towards larger, more expensive single-family homes. Single family homes account for 80% of Concord's housing units. As of January 1, 2003 the average single-family home value was \$754,200, while the median value was \$581,950. According to the 2000 Federal Census, Concord's median value was nearly 2.5 times the value reported state-wide (\$453,400 versus \$185,700).

Such high values, coupled with a real concern for preserving diversity, have led Concord to take many actions to preserve and increase affordable housing. The Town has enacted comprehensive plans, an inclusionary housing bylaw, and a cluster development bylaw, all designed to preserve or increase affordable housing. In addition, the Town has converted a former school building into affordable units, and continues to participate in many other such efforts with the Local Housing Partnership, the Concord Housing Trust, and private developers. A key state requirement is that 10% of the housing stock of every town be affordable.

ECONOMIC DEVELOPMENT

As with population diversity, Concord has long recognized the importance of preserving and enhancing its economic diversity. In 1928 the Town first adopted zoning that included business and industrial districts. Since that time the Town has continued to adopt or expand zoning and comprehensive planning designed to provide an optimum mix of residential and non-residential uses. In addition, the Town has invested considerable capital in providing infrastructure to serve its industrial areas. From 1990 to 2000, the number of firms in Concord reporting to the Massachusetts Department of Employment and Training increased approximately 22%, from 779 to 948. In 2003, there were 942 firms with an average monthly employment of 12,294 and an average weekly wage of \$1,043. Concord has experienced healthy growth of its medical/professional offices and facilities, and of its commercial office and retail space, since 1990. The Town works closely with the Chamber of Commerce and the Concord Business Partnership to continue these trends. Working together, the community has done much to foster and enhance Concord's three distinct business districts through aesthetic and infrastructure improvements. Street reconstruction, underground wiring, tree planting, municipal parking lot improvements are all ongoing projects. In addition, the new visitor center and restroom facility was completed in the summer of 2002. All of these activities and efforts are designed to enhance Concord's reputation and image as a vibrant, diverse community.

INCOME AND EMPLOYMENT

Concord's population is relatively affluent. Median family income in 2000 was \$115,839, and per capita income was \$51,477 compared to \$61,664 and \$25,952, respectively, for the state as a whole. According to the state Department of Employment and Training, in July of 2004, Concord had a total labor force of 8,443, of which 8,177 were employed and 266 or 3.2% were unemployed, as compared to 4.5% for Middlesex County and 5.4% for the state. In fact, from 1994 through 2004 Concord has experienced a consistently low unemployment rate compared to Middlesex County and the state.

TOWN OF CONCORD

FINANCIAL POLICIES

OVERVIEW

In order to ensure the Town's financial well-being and sound fiscal stewardship, the Town Manager has established the following policies and procedures that are financially prudent and in the Town's best economic interest.

Overall, it is the policy of the Town of Concord that financial management be conducted with the objectives of providing municipal service in an efficient and effective manner that is consistent with State laws and Town bylaws and with public policy goals as set forth by the Board of Selectmen and the Annual Town Meeting. In adherence to this policy, the Town shall pursue the following objectives:

- to set forth operational programs that minimize the cost of government to the extent consistent with services desired by the public;
- to instill public confidence in the Town's financial management;
- to protect and enhance the Town's credit rating and prevent default on any municipal debts;
- to maintain effective financial management that conforms to generally accepted accounting principles for governmental entities as set forth by GASB;
- to simplify, clarify, and modernize the financial systems of the Town as the need occurs;
- to provide safeguards to ensure the quality and integrity of the financial systems.

ACCOUNTING, AUDITING, AND FINANCIAL PLANNING POLICIES

1. The Town shall utilize accounting practices that conform to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB). In accordance with GASB Statement 34, the Town shall track, report, and depreciate capital assets as required.
2. All Town Government funds shall be placed at the highest possible rate, taking into account safety, liquidity, and yield, subject to the constraints established by State law and in compliance therewith.
3. An annual audit of the Town's financial statements shall be performed by an independent public accounting firm.
4. A management letter, a list of areas for potential improvement in the Town's financial management, shall be provided by the independent public accounting firm. Additional findings and recommendations may be communicated in a separate letter.

GENERAL POLICIES

1. The annual operating budget of the General Fund shall be balanced. A "balanced budget" for this fund is defined as 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). In short, for a budget to be balanced, proposed expenditures shall not exceed projected resources for the period.

2. The Town shall explore the utilization of as broad a diversity of revenues as possible under State law to ensure the Town's ability to handle fluctuations in the various sources of revenues with minimal negative impact on the overall budget.
3. One-time revenues shall not be used to fund ongoing expenditures. Upon their receipt, one-time and unpredictable revenues shall be utilized to fund one-time or intermittent expenditures or shall be added to reserves.
4. In accordance with State law, debt shall not be used to fund current operating expenditures.
5. Adequate maintenance of reserves is a priority. Free cash, which is the available undesignated fund balance in the General Fund, shall be maintained at a level no less than 5% of the total budget.
6. The Reserve Fund, an appropriated contingency account that is allocated during the year by vote of the Finance Committee pursuant to a request by the Town Manager, shall be used to provide financing for extraordinary or unforeseen expenditures, as required by State law.
7. Property valuation for the purpose of taxation shall meet the annual market value standards set by the State Bureau of Local Assessment.
8. The Tax Collector shall follow a comprehensive policy of collecting property tax revenues. An average collection rate of at least 98 percent of current levy shall be maintained.
9. Charges and fees for services, and other revenues, shall, to the extent feasible, reflect the full cost of the services, and shall be examined periodically (preferably annually) by each department as deemed necessary to respond to changes in the cost of services. Recommendations for charge and fee adjustments shall be provided by the Town departments to the Town Manager for action.
10. The Town shall avoid budgetary procedures that defer the recognition of current expenditures at the expense of meeting future year's expenditures, such as delaying the recognition of expenditure obligations until the next fiscal year.

CAPITAL BUDGET POLICIES

1. A capital item shall be defined as 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 2 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 part of a multi-year program of infrastructure improvements.
 4. An annual sum available for routine building improvements, renovations, or repairs.
2. The Town Manager shall prepare a 5-year capital improvement program (CIP) annually. This CIP shall include information on capital assets requested from the Town Government (including the enterprises) and the Concord Public Schools.

3. For the Town Government and Concord Public Schools, the total budget allocation within the levy limit for capital needs (cash capital outlay, principal and interest repayment, related debt issuance costs, and short-term interest expense) shall be in the range of 7-8% of the total General Fund budget.
4. One-third of total capital needs (that is, of the above 7-8% allocation limit) shall be met from current resources, limiting the cost of borrowing to approximately 5% of the total General Fund budget.

GENERAL OBLIGATION DEBT POLICIES

1. As a general policy, the threshold for an item funded through borrowing shall be at a level of at least \$100,000 and have a useful life in excess of 5 years.
2. The term of long-term debt shall not exceed the expected useful life of the capital asset being financed, and in general it shall not exceed 20 years.
3. For borrowing within the levy limit and excluding some enterprise bond issuances, a rapid debt repayment schedule shall be maintained, with a goal of 60% principal repayment within five years and 90% repayment within ten years.
4. Debt supported outside the levy limit—that is, through a debt exclusion—may be above the 7-8% allocation limit, and may be structured for a longer repayment schedule; such debt shall be reserved for large capital improvements, generally those costing over \$1 million and bonded for 10 years or more.
5. For all debt exclusion items, the impact on property tax rates shall be estimated.
6. All debt of the Town shall be issued as general obligation debt. As a policy, debt for enterprises may be paid for from fee revenue rather than through taxes.

ENTERPRISE FUND POLICIES

1. Rates charged by an enterprise shall be designed to generate enough revenue to cover the full cost of the enterprise (including depreciation expense).
2. As a general policy, renovation or replacement of an enterprise's capital assets shall be funded with current revenues. Capital assets associated with expansion of service may be funded through borrowing supported by enterprise revenues, betterments, and/or general taxation.

GIFTS AND GRANTS POLICIES

1. All gifts and grants shall be evaluated for suitability and consistency with Town policies.
2. All gifts and donations shall be managed and expended according to the wishes and instructions of the donor; all grants shall be managed to comply with the laws, regulations, and guidance of the grantor.
3. For amounts less than or equal to \$500, the Town Manager shall formally accept the gift. For amounts over \$500, the Board of Selectmen shall formally accept the gift.

A 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.

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.

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) 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.

Cherry Sheet: An annual statement received from the Massachusetts Department of Revenue 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.

Debt Service: Payment of interest and principal related to long term debt.

Encumbrance: Obligations such as purchase orders, contracts or salary commitments which 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: The value of all property as determined by the Commissioner of Revenue biennially, using a standard of "full and fair value".

Expenditure: The spending of money by the Town for the programs or projects within the approved budget.

Fiscal year: 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 numbers of the fiscal year is that of the calendar year in which it ends; FY02 is the fiscal year which ends June 30, 2002.

Free cash: Referred to by statute as "undesignated fund balance". Certified each July 1 by the State, this is the portion of Fund Balance available for appropriation. It is not cash but rather is approximately the total of cash and receivables less current liabilities and earmarked reserves, reduced also by reserves for uncollected taxes.

Fund: An accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.

Fund balance: The amount by which cash, accounts receivable and other assets exceed liabilities and restricted reserves. It is akin to the stockholders equity account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash).

General Fund: The fund into which the general (non-earmarked) revenues of the town are deposited and from which money is appropriated to pay expenses.

General Obligation Bonds: Bonds issued by the Town which are backed by the full faith and credit of its taxing authority.

Land Fund: A fund established by Town Bylaw in FY86 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 portion of previous year's overlays; 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.

Personal Services: The cost of salaries, wages and related employment benefits.

Purchased Services: The cost of services that are provided by a vendor.

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:

<i>House value:</i>	\$500,000
<i>Tax rate:</i>	\$9.83 (which means \$9.83 per thousand)
<i>Levy:</i>	\$9.83 multiplied by \$500,000 and divided by \$1,000.
<i>Result:</i>	\$4,915

Reserve fund: A fund appropriated each year which may be used only by vote of the Finance Committee for "extraordinary or unforeseen expenditures."

Revolving fund: Those funds which may be used without appropriation and which 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.

Warrant: A list of items to be voted upon at Town Meeting.

Terms associated with Proposition 2 1/2

Excess levy capacity: The difference between the town's maximum annual tax levy limit as established by Proposition 2 1/2 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 1/2 percent of certified full and fair cash value of taxable property.

Secondary levy limit or annual levy limit: Prior levy limit plus 2 1/2 percent (base) plus growth revenue.

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