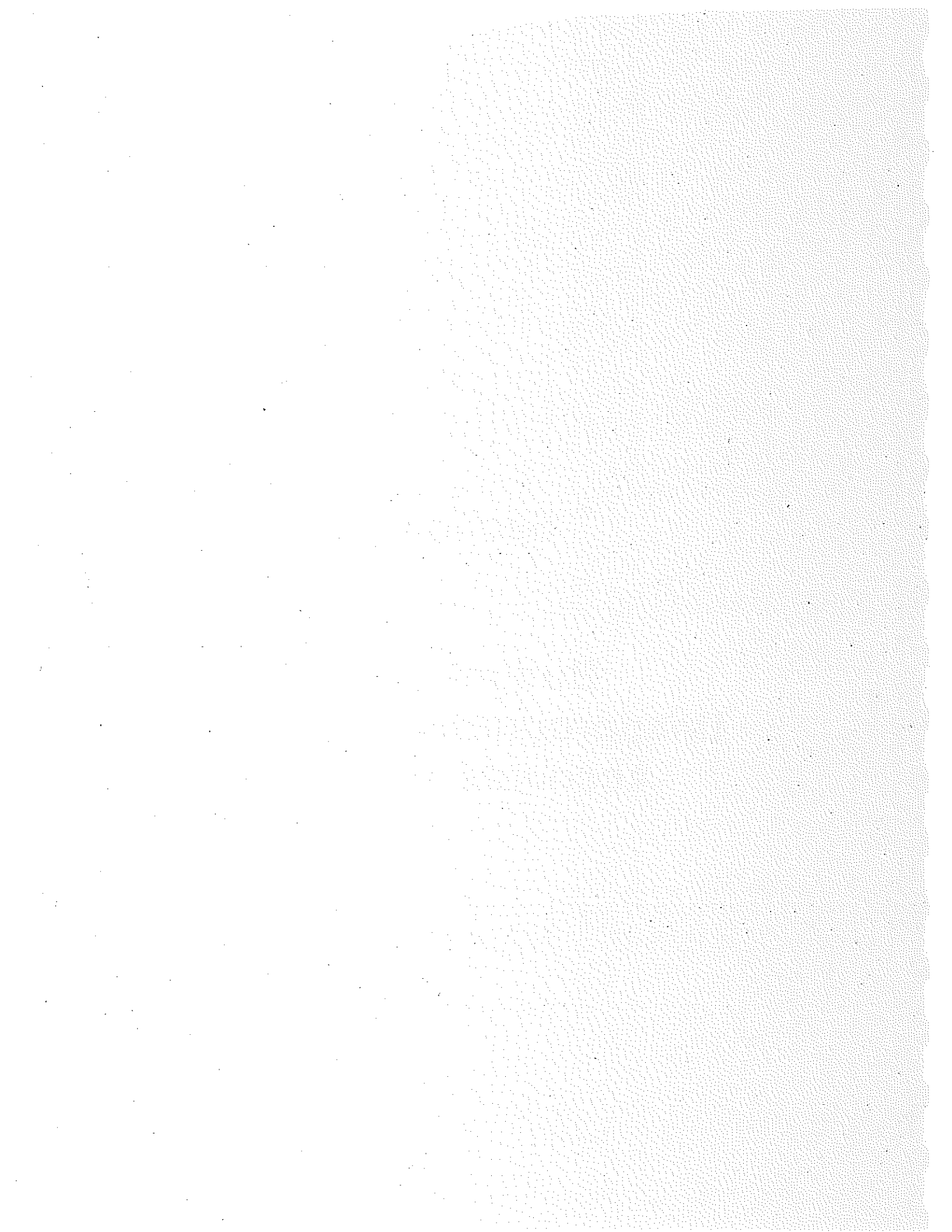


Section V

Budget Detail Unappropriated Accounts Accounts 101 - 103



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Program Description

Certain charges are levied on the Town by state law and are not subject to Town Meeting appropriation. The principal item is the Town's assessment for MBTA services, estimated at \$316,373 for FY06. While existing state law stipulates that assessments on cities and towns in the aggregate cannot rise more than 2 1/2% per year, the allocations to individual municipalities are determined in part by relative equalized property valuation. A portion of the MBTA charge is allocated by periodic passenger boarding counts. Thus, the charges to an individual municipality are not predictable with exactness. Further, the state legislature has acted on occasion to exceed this overall 2 1/2% growth limit.

1999 legislation enacted as part of the state budget sets forth a new structure for financing the MBTA. Over the ensuing years, this legislation promised a modest reduction in Concord's assessment as the paying district has been enlarged beyond the prior 78 cities and towns. The MBTA assessment estimate for FY06 is about 13% less than the peak year FY01 assessment of \$364,828.

Spending Detail

The estimates are made by the state government and are required by law to be used by the Board of Assessors in calculating the Town's tax levy and setting the annual property tax rate.

The estimate made last September for FY06 assessments has been updated based on information released as part of the Governor's proposed FY06 budget (January 26, 2005). An allowance has been retained for school choice/charter school assessments which may emerge. Such assessments occur whenever a Concord resident student attends a school in another community through "school choice" provisions or attends a charter school.

The "Parking Surcharge" and "Excise Tax Clears" items are amounts paid to the Registry of Motor Vehicles for the clearing of a registration suspension due to an unpaid parking ticket or unpaid motor vehicle excise tax bill. These fees are first collected with the fine or tax, and are then paid to the Registry through the state assessment process.

The table below shows the General Fund amounts actually charged and paid for FY03 and FY04, which can differ slightly from the amounts required to be added to the budget based on original state estimates (next page). The Estimated Charges for FY05 (shown in the Table below) are based upon the Notice of Assessment received from the state government on July 9, 2004 following enactment of the FY05 state budget. The projection for FY06 is based on the Governor's FY06 budget plus the additional allowance discussed above.

Performance Highlights

General Fund Charges	Expense FY03	Expense FY04	Est. Charges FY05	Est. Charges FY06
MBTA Assessment	\$346,670	\$336,786	\$326,435	\$316,373
Air Pollution Control	7,128	7,538	7,704	7,312
MAPC	4,046	4,148	4,492	4,328
Special Education		1,219	1,271	1,322
School Choice Tuition				
Charter School Tuition		11,670		20,665
Parking Surcharge		9,600	11,200	11,140
Excise Tax Clears		4,280	3,260	3,280
TOTAL	\$370,404	\$375,241	\$354,362	\$364,420

Town of Concord, Massachusetts

UNAPPROPRIATED: State & County Assessments	ACCT.# 101
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EXPENDITURE DETAIL

	FY03 <u>Budget</u>	FY04 <u>Budget</u>	FY05 <u>Budget</u>	FY06	
				<u>Dept. Request</u>	<u>Manager Recommends</u>
State Assessments	357,844	381,057	339,902	350,000	350,000
Parking Surcharge	9,060	9,600	11,200	11,140	11,140
Excise Tax Clears	<u>3,500</u>	<u>4,280</u>	<u>3,260</u>	<u>3,280</u>	<u>3,280</u>
 TOTAL	 370,404	 394,937	 354,362	 364,420	 364,420

FUNDING PLAN

	<u>FY05 Budget \$</u>	<u>% of Budget</u>	<u>FY06 Recomm.\$</u>	<u>% of Budget</u>	<u>% Change in Dollars</u>
General Fund	339,902	96.0%	350,000	96.1%	3.0%
Parking Meter Fund	11,200	3.2%	11,140	3.1%	-0.5%
Agency Fund	<u>3,260</u>	<u>0.9%</u>	<u>3,280</u>	<u>0.9%</u>	<u>0.6%</u>
	354,362	100.1%	364,420	100.0%	2.8%

AUTHORIZED POSITIONS

<u>Code</u>	<u>Position Title</u>	<u>Grade</u>	<u>FY05 Budget</u>		<u>FY06 Recommendation</u>	
			<u># Positions</u>	<u>\$ Amount</u>	<u># Positions</u>	<u>\$ Amount</u>
	NONE					

Program Description

"Overlay" is the amount added to the property tax levy in excess of the sum required to meet appropriations, state assessments and deficits (if any). It cannot exceed five percent of the levy and is used to cover abatements and exemptions granted by the Board of Assessors or as a result of appeals to the State Appellate Tax Board or to the courts. The overlay amount is counted in the total tax levy subject to the limitations of Proposition 2 1/2.

After all abatements and exemptions have been settled for a given year, any surplus remaining in that year's overlay account is first applied to any deficit balances from other years. Funds remaining after such transfer become part of the Town's fund balance available for appropriation by Town Meeting (Free Cash). The overlay amount itself is not subject to Town Meeting appropriation or ratification. It is, however, a part of the Town's budget plan. A deficit overlay balance which cannot be met from any other year's overlay account surplus, must be raised as part of the next tax levy. This allocation must, by state law, also remain within the annual levy limit prescribed by Proposition 2 1/2.

Spending Detail

The following statistics show the original amount of annual overlay and the portion used as of June 30, 2004, as a percentage of that year's Total Levy (an asterisk denotes a revaluation certification year).

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Overlay</u>	<u>Original Overlay as % of levy</u>	<u>Used as of 6/30/04 amount</u>	<u>% of levy</u>	<u>Balance as of 6/30/04</u>
*1999	\$32,177,637	\$318,889	1.0%	\$231,330	0.72%	\$612
2000	\$33,179,677	\$326,652	1.0%	\$128,495	0.39%	\$466
2001	\$34,906,895	\$370,151	1.1%	\$101,963	0.29%	\$70,407
*2002	\$39,068,686	\$461,718	1.2%	\$744,520	1.91%	\$ 0
2003	\$42,496,029	\$413,140	1.0%	\$511,269	1.20%	\$ 0
2004	\$46,721,518	\$500,207	1.1%	\$181,004	0.39%	\$319,203
Budget						
*2005	\$50,147,585	\$584,657	1.2%			
Proposed						
*2006	\$54,002,318	\$500,000	0.9%			

Performance Highlights

Part of the overlay account funds the cost of various property tax exemptions granted to eligible taxpayers by state law. Article 19 of the 2001 Town Meeting adopted a local-option state law that permitted the Board of Assessors to increase the dollar value of the exemptions by 100%. Prior to that vote, Concord had increased the state-set exemption amounts by 50%. This authorization must be renewed by Town Meeting action each year. For FY05, this was voted by Article 17 at the 2004 Annual Town Meeting.

Partial state reimbursement is received for some exemptions. The gross dollar value of exemptions is charged to the overlay account. State reimbursement is a General Fund receipt.

	Exemptions			
	<u>Granted</u>	<u>Dollar Value</u>	<u>State Share</u>	<u>Local Share</u>
FY 00	152	\$ 69,662	\$ 25,521	\$ 44,141
FY 01	148	70,500	23,145	47,355
FY 02	147	91,450	21,995	69,455
FY 03	140	89,442	21,792	67,650
FY 04	136	91,516	24,906	66,610

UNAPPROPRIATED: Overlay	ACCT.# 102
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EXPENDITURE DETAIL

	FY03 Expend.	FY04 Expend.	FY05 Budget	FY06	
				Dept. Request	Manager Recommends
Original Overlay	413,140	500,207	584,657	500,000	
<u>Plus:</u> Amount to be raised from recap	45,389	0			
<u>Less:</u> Used for abatements and exemptions through 6/30/04	511,269	181,004	--	--	--
Transferred to (from) other years	(52,740)	0	--		
Transfer to unreserved fund balance	0	0	--	--	--
Balance as of June 30, 2004	0	319,203	N/A	N/A	N/A

FUNDING PLAN

	FY05 Budget \$	% of Budget	FY06 Recomm.\$	% of Budget	% Change in Dollars
General Fund	584,657	100.0%	500,000	100.0%	-14.5%

AUTHORIZED POSITIONS

Code	Position Title	Grade	FY05 Budget		FY06 Recommendation	
			# Positions	\$ Amount	# Positions	\$ Amount
	NONE					

UNAPPROPRIATED: Snow & Ice Deficit / Other Deficits

ACCT.# 103

Program Description

Snow removal expense is unpredictable from year to year, and subject to wide variations. The budget strategy is to recognize long-term trends without assuming a "worst-case" situation. As long as the amount appropriated is at least equal to the prior year's appropriation, the state law permits deficit spending for this purpose. The amount of any deficit is then added to the following year's levy (subject, however, to the levy limit; thus, budget changes could be required if the size of the snow removal deficit is greater than planned). This deficit spending allowance is contingent upon the appropriation amount being no less than the prior year's appropriation. By the time of the Annual Town Meeting, the size of the deficit is known or at least susceptible to more precise estimation and is considered in making any final revisions to the proposed budget.

Authorization to spend in excess of the appropriated budget for Snow and Ice Removal requires the joint approval of the Town Manager and the Finance Committee.

The amounts shown on the facing page as "expenditure" represent budget overruns of the prior year added to the budget of the year shown, as authorized by MGL ch.44, s. 31D. Thus, the FY05 "Snow and Ice Deficit" budget covers the deficit incurred during FY04 (July 1, 2003 - June 30, 2004) and raised as part of the FY05 tax levy.

Spending Detail

The snow removal appropriation recommended for FY06 is unchanged at \$405,000 (see Account #21, page IV-73). The annual appropriation has generally tracked a **ten-year** average (unadjusted for inflation). Net of federal and state aid emergency aid, this would require an appropriation of \$399,000 for FY06. Over the past **five** years, the average annual net expenditure has been approximately \$410,000.

The level of FY05 (current year) expense provided for is \$505,000; \$405,000 in the appropriation and \$100,000 in the deficit provision. This structure provides greater flexibility in fiscal planning than the alternative of a larger increase in the appropriation account (which would set a permanent floor on future years appropriations).

Performance Highlights

10-year History:	Fiscal Year	Snow Appropriation	Snow Expenditure	State & Federal Aid	Surplus (Deficit)
	1995	262,000	220,321		41,679
	1996	290,000	677,565	113,984	(273,581)
	1997	300,000	355,704		(55,704)
	1998	315,000	320,942		(5,942)
	1999	315,000	387,641		(72,641)
	2000	320,000	311,243		8,757
	2001	335,000	615,817	53,708	(227,109)
	2002	335,000	281,900		53,100
	2003	360,000	654,568	44,726	(249,842)
	2004	360,000	462,943	77,457	(25,486)
current	2005	405,000			
Proposed	2006	405,000			

Town of Concord, Massachusetts

UNAPPROPRIATED: Snow & Ice Deficit / Other Deficits	ACCT.# 103
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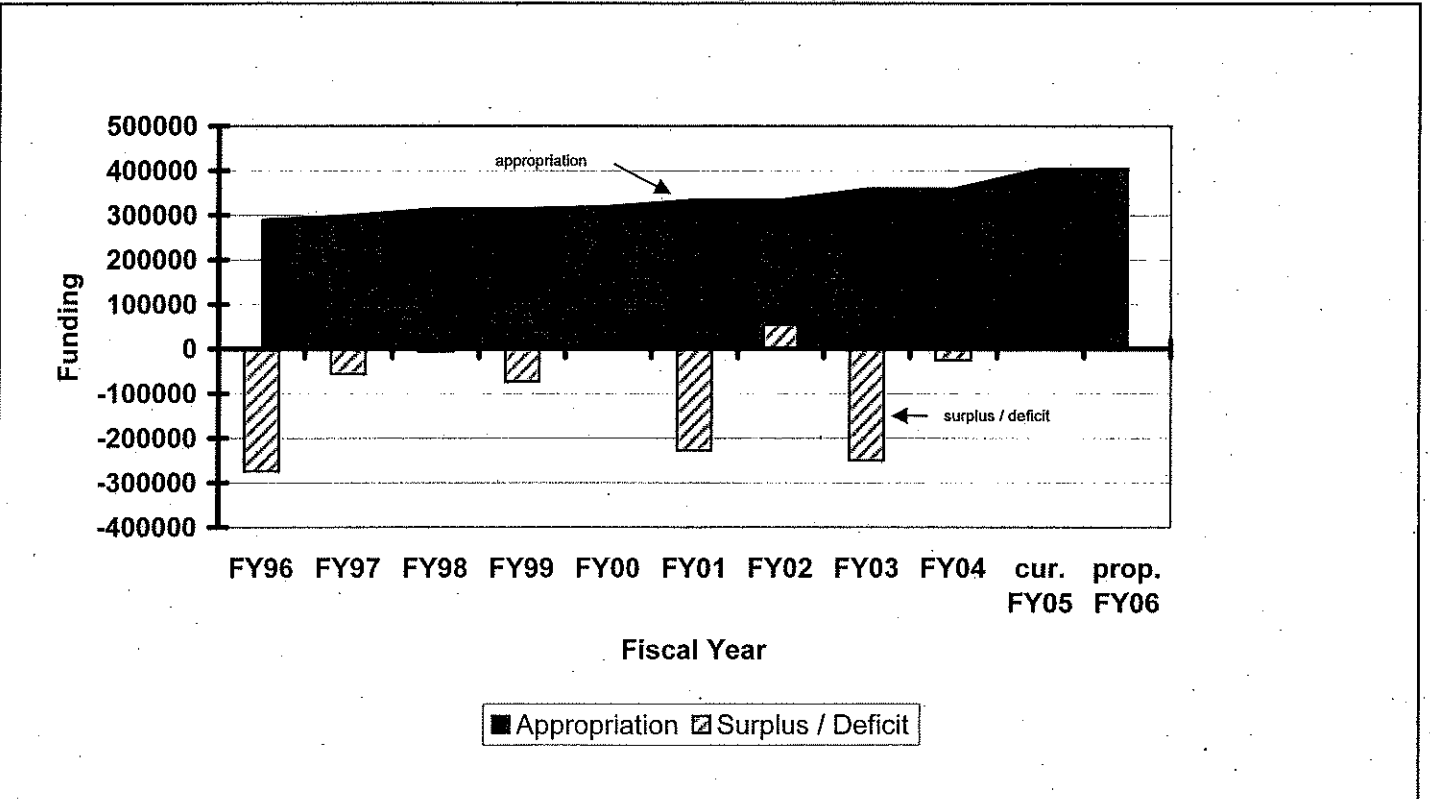
EXPENDITURE DETAIL

	FY03 Expend.	FY04 Expend.	FY05 Expend.	FY06	
				Dept. Request	Manager Recommends
Snow and Ice Deficit	0	249,842	25,486	100,000	100,000
Overlay Deficit	63,144	0	47,708	0	0
	63,144	249,842	73,194	100,000	100,000

FUNDING PLAN

	FY05 Budget \$	% of Budget	FY06 Recomm.\$	% of Budget	% Change in Dollars
General Fund	73,194	100.0%	100,000	100.0%	--

Snow Appropriation History: Surplus and Deficit



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