



# Warrant Committee Report Town of Belmont

## FY 2014 Budget

June 3, 2013

**2012 – 2013 Warrant Committee Members**

*Elisabeth Allison*

*Sami Baghdady*

*M. Patricia Bruschi*

*Adam Dash*

*Roy J. Epstein (Secretary)*

*James Gammill*

*Elizabeth Grob*

*Anne Helgen*

*Michael D. Libenson (Vice Chair)*

*William M. Lynch (Chair)*

*Raffi Manjikian*

*Robert McLaughlin*

*Noreen Millane*

*Robert Sarno*

*Ex officio*

*Mark Paolillo, Board of Selectmen*

*Laurie Slap, School Committee*

## WARRANT COMMITTEE REPORT

June 3, 2013

### Warrant Committee

Belmont's Town Moderator appoints the fifteen (15) members of the Warrant Committee to staggered three (3) year terms. A representative from the Board of Selectmen and the School Committee also serve. The Belmont Town By-Laws charge the Warrant Committee to report to Town Meeting on all articles that involve an appropriation of money. The Warrant Committee is also required to recommend a budget to Town Meeting and that recommendation follows.

### Overview of FY2014 Budget

The initial School and Town Department FY2014 budgets were proposed to the Warrant Committee in February 2013. During the budget process, town and school representatives and elected officials worked collaboratively with the Warrant Committee. Based on the final Massachusetts House of Representatives budget, the Belmont FY2014 budget was revised. The recommended budget for FY2014 is \$ 91, 736,910. Highlights of the budget follow.

### Highlights of FY2014 Budget

#### Exhibit 1: Highlights of FY2014 Budget

	FY2013 (Adjusted)	FY2014	% change
<b>Total Budget</b>	\$ 89,619	\$ 91,737	2.4
minus fixed costs*	\$ 15,176	\$15,168	(.1)
<b>equals operating budget</b>			2.9
	\$ 74,443	\$ 76,569	
School	\$ 43,068	\$ 44,349	3.0
Town	\$ 29,953	\$ 30,998	3.5
<b>Capital Budget</b>	\$ 1,422	\$1,222	(14.1)

\*Legally binding obligations, denominated in \$ terms: pension debt replacement, state charges (e.g. MBTA), Roads override, Assessor's reserves, and assessment from Minuteman Vocational Regional School

## **FY2014 Budget Highlights**

- Hiring a new Town Administrator resulted in a collaborative budget process with Town and School departments, elected officials and the Warrant Committee
- Level service budget for all town (non-school) departments
- The School Department budget, while not Level Services, experiences a 3.4% increase taking into account all funding sources
- Unlike FY2013, when the School Department hired additional staff to accommodate a significant enrollment increase, the proposed budget will limit its ability to respond if faced with a similar increase in FY2014
- The Retirement Board conducted an actuarial study to determine unfunded liability and set a corresponding funding schedule, which met the 6.7% projection contained in the budget

## **Department Highlights**

### **Education**

- New line item detail for all Department funding sources (General Fund, Grants, and Revolving Accounts) have provided greater budget transparency
- This year's enrollment increases have impacted individual schools differently; rather than reassign existing students, the Department has implemented a more conservative approach of assigning new enrollments to schools with available capacity
- The substantial enrollment growth in FY2013 is expected to continue in FY2014; classroom capacity should be able to handle the influx, however, this could present an increasing challenge in future years
- Long-term staffing increases have tracked enrollment growth closely for the past ten years, with the student-to-teacher ratio increasing by only 0.4 students during that period
- The Department's 3.4% budget increase over FY2013 is driven primarily by a 4.9% increase in personnel costs; the current step-and-lane compensation system is not sustainable, and the Department has stated an intention to seek changes in next year's collective bargaining negotiations
- The Department will begin implementation of new mathematics curriculum in FY2014, using \$ 57,000 from the Town's Education Funds, as the FY2014 budget does not support full implementation (\$ 200,000)
- The Department is using one-time revenue this year, from LABBB credit account, to help fund out-of-district tuitions, a recurring cost
- Minuteman assessment reflected a decrease in Belmont enrollment and a smaller budget increase than in past years

### **Public Service – Public Works, Community Development and Building Services**

- DPW continues to maintain level services in FY2014, however, the budget only allows for limited additional investment to maintain or improve town infrastructure, such as sidewalks
- The Planning Coordinator and Planning and Economic Development positions now report to the Community Development Director to improve coordination of activities and communication

### **Public Safety – Police, Fire and Emergency Management**

- The Police and Fire Departments have tighter control over medical costs by retaining Meditrol, a benefits consulting firm resulting in substantial savings
- Advanced Life Support (ALS) are being added with expected break-even economics in FY2014 and \$ 75,000 – 100,000 of incremental cash in future years
- ALS financial performance will be monitored carefully and can be eliminated if it proves not to be a value creator

### **General Government – Financial and Administrative Departments**

- Hiring a new Town Administrator has greatly improved inter-departmental communication
- The Town Clerk's efforts to use technology and convert paper records to digital format will increase staff productivity and improve information accessibility
- IT Department's work with various departments to enhance the use of technology will better serve the Town and provide automation.

### **Culture and Recreation – Council on Aging, Health, Library and Recreation**

- The Recreation Department has been consolidated within Public Works, eliminating the Recreation Director position, which will create operating efficiencies
- The Council on Aging (COA) shows markedly improved data collection, but should continue to improve the identification of number of residents receiving services
- Other towns consolidate Veterans, COA and Social Worker services under one department and this approach should be considered
- The Library is exploring whether to install a second self-checkout, as the one currently in place has created efficiencies

### **Outlook for FY2015 and Beyond**

The issues that Belmont faces in FY2015 and beyond are not new and are outlined below.

#### **Revenue Growth**

Belmont, like other municipalities, derives a majority of tax revenue from residential property tax. Our annual property tax revenue growth is subject to the Proposition 2 ½ Property Tax Levy law. Therefore, our annual revenue growth will be in the 2½ - 3½ % range. There are several projects before the Planning Board; however, they may not generate a substantial net revenue gain (gross revenue minus the cost of providing services).

## **Compensation**

Belmont's town employees are a valuable resource; however, Belmont is continuously challenged on how to compensate employees within our financial resources. Obligations under Collective Bargaining agreements, retirement benefits and health benefits continue to outpace revenue growth.

## **Infrastructure**

Belmont needs to address infrastructure, such as roads, sidewalks, and drainage systems. In addition, the town will consider whether to replace or renovate the Belmont High School, the Library, DPW and Police buildings, Skating Rink, White Field House and the Underwood Pool, in no particular order. These projects have to be considered in light of capital costs and a set of clear, shared criteria. The Belmont Town Treasurer has indicated that each \$ 1M for a 20-year debt exclusion borrowing raises taxes temporarily by an estimated \$ 10.00 for a single-family home.

## **Organization of the Report**

The Warrant Committee takes a programmatic approach to analyzing the budget. The report begins with a budget overview of each department. It includes a breakdown of each department budget by program and includes an expense analysis of any item that changed by more than \$ 5,000 and 5%. Proposed additions to programs and services are identified. The report includes a Special Analysis/Observations section. Recommendations from last year (FY2013) and for this year (FY2014) are also included in the report.

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## Culture and Recreation

### Council on Aging

#### Budget Overview

FY 2014 \$	\$ Change from Prior Year	% Change from Prior Year	FY 2013 FTEs
\$ 355,313	(\$16,229)	-4.4%	5.91

#### Department Mission/ Description of Services

*Mission:* Provide services to enrich the ability of seniors to live safe, independent, meaningful and healthy lives.

*Services:* Transportation; social services for seniors and their families; on-site and home-delivered meals through Springwell, a funded non-profit; fitness activities and health education; recreation, education and arts programs for socialization; volunteer service opportunities, and senior trips. Also manage the Beech Street Center rental program.

#### Budget by Program

Transportation accounts for the largest percentage of FTEs (34.4%) and highest percentage of budget dollars (32.7%). FTEs for volunteers or grant-funded programs are not included.

Program	FTE's	FTE %	Budget \$	Budget %
Transportation	2.031	34.4%	\$116,157	32.7%
Social Services	1.235	20.8%	\$75,767	21.3%
Nutrition	.115	2%	\$8,787	2.5%
Health & Wellness	.094	16.6%	\$66,326	18.7%
Socialization	.0958	16.3%	\$62,578	17.6%
Volunteer Services	.415	7%	\$11,199	3.1%
Senior Trips	.102	1.7%	\$6,258	1.8%
Rentals	.07	1.2%	\$8,242	2.3%
<b>Total</b>	<b>5.91</b>	<b>100%</b>	<b>\$355,313</b>	<b>100%</b>

#### Expense Analysis

Although the total budget was down \$11,845, there were swings in the line items that showed more than a 5% and \$5,000 change in Transportation, which was down 6.8% or \$28,156 and Health & Wellness, which was up 5.8% or \$19,419.

#### Requested Adds (not included in budget above)

Request	Rationale/support
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An additional \$6,000 to provide social worker coverage during the Summer	The social worker shared with the Health Department does not work Summers
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**Special Analysis /Observations**

*Data Collection:* COA Data Collection was markedly improved this year.

*Beech Street Center Rentals:* The Beech Street rentals exceeded expenses and showed a profit of approximately \$13,000, compared to a loss the previous year.

*Transportation:* Although less this year, approximately 1/3 of the budget and 1/3 of the full time employees are devoted to Transportation services.

*Overall Funding:* COA has outside funding sources through Federal and State grants, donations, and volunteer hours.

*Consolidation:* There is an obvious synergy between the services rendered and the constituency served between the Board of Health and the COA. Evidence of the synergy is the current sharing of a social worker for 20 hours per week in each department.

**Recommendations**

**Recap of Prior Year Recommendations**

Recommendation	Status
Consolidate Recreation, COA and Health departments	Some progress to the extent the Town Administrator now has joint responsibility concerning the Director.
Staff Alignment	No progress beyond sharing of a full-time social worker.
Improve data collection	Improvement shown but continued effort for details in both services rendered and overall cost, including outside funding and identifying the number different persons receiving COA services.
Transportation	The COA defends the funds and staff devoted to transportation but the services are significantly more generous than surrounding comparable towns.

**FY 2014 Recommendations**

Recommendation	Rationale
Transportation	Efforts should be made to find efficiency in the delivery of transportation services and further efforts should be made to keep sufficient records to determine the cost per ride.
Consolidation	Other towns consolidate Veterans, COA and Social Worker services under one department and this approach should be considered.

Data Collection	Continue data collection and focus on the number of different persons in receipt of COA services.
Inter-Department Cooperation	Coordinate the use of Belderbus with Recreation and cooperate with the department on the use of the Beech Street Center for after school Recreation Department activities.

## Health Department

### Budget Overview

FY 2014 \$	\$ Change from Prior Year	% Change from Prior Year	FY 2014 FTEs
\$488,318	\$42,217	9.5%	4.5**

8\* Excludes public health RN shared with Lexington through professional service contract.

### Department Mission/Description of Services

*Mission:* Promote health, prevent disease and enforce state and local regulations

*Services:* Inspection services, including licensing and enforcement; emergency planning; disease prevention and hazardous waste disposal. Also animal control, assistance to veterans, and social services to youths and families.

### Budget by Program

The budgeted rate of growth in expenses exceeds the average for town departments and available revenue growth. There are no significant changes in the budget allocation among programs. Inspections and Administration account for the highest percentage of FTE's and the largest share of budget dollars, totaling 50%.

Belmont contracts with Lexington for a 0.4 FTE Public Health RN. The position is not reflected in the FTE's but the contract position cost is included in the budget.

Program	FTE's	FTE %	Budget \$	Budget %
Public Safety	0.9	20	99,202	20.3
Inspections	1.0	22	122,094	25.0
Social Services	0.7	16	89,046	18.2
Disease Prevention	0.7	16	61,046	12.5
Administration/Other	1.2	27	116,930	24.0
Total	4.5	100.0%	\$488,318	100.0%

**Expense Analysis**

One line item, full time wages for health miscellaneous increased by more than 5% and \$ 5,000 from the previous fiscal year. Veteran benefits are budgeted to increase by \$32,000 based on the current number of qualifying veterans.

<i>Line Item</i>	<i>FY2014</i>	<i>Prior Year</i>	<i>% incr.</i>	<i>Explanation</i>
Full Time Wages (Health)	\$220,623	\$213,449	3.4%	Step increases and general town increase

**Requested Adds**

The Health Department has requested its half time social worker (shared with COA) be increased to full time. That addition is not reflected in the budget analysis above.

**Special Analysis /Observations**

*Financial/operating information:* This department does an excellent job of capturing cost and revenue information and has good activity indicators for its programs.

*Fee Structure:* The Health Department reviews and adjusts permit and inspection annually and the current fee structure is now consistent with neighboring communities. Even with these revenue adjustments, fees cover less than 40% of the inspection budget. This highlights the importance of exploring ways to increase the efficiency of the inspection process.

*Digital progress:* The department has made good progress with IT initiatives in its core functions of inspection and public health.

*Provision of social services:* The department has two part time social service providers. The Youth and Family Services Coordinator position, currently shared with the Council on Aging, is held by a highly credentialed social worker on a ten-month basis. (The COA Director covers during the summer months.) This professional provides a mix of referral services and non-means tested counseling to teens and families. The department uses a portion of its Animal Control officer’s time to provide a range of social services to veterans.

*Veterans Benefits:* While the state currently reimburses towns 75% of the expense of veteran’s benefits, this reimbursement is delayed by one year and is potentially subject to change. There is no reimbursement for social services.

*Animal control:* The reporting structure differs from many surrounding communities, where the animal control officer is a police department employee working in a 24/7 department.

*Overall costs:* Using budget information from Arlington, Lexington and Winchester, and looking purely at core public health functions (i.e. eliminating social services, animal control and veteran’s services), Belmont’s per capita costs appear to be 25 – 30% higher. Administrative costs are also relatively high, at over 20% of the budget.

**Recommendations**

The Health Department has regionalized and consolidated services in the past and continues to work on these measures.

**Recap of Prior Year Recommendations**

Recommendation	Status
Regionalization	Sharing public health nurse sharing with Lexington has continued and is working well*
Consolidation within the town	Town Meeting voted to allow the department to remain autonomous reflecting regulatory concerns about the core public health function

\*Other regionalized activities include mosquito control, hazardous waste collection, emergency preparedness and under age tobacco sales

**FY 2014 Recommendations**

Recommendation	Rationale
Explore combining all social services (COA, current teen/family effort at Health, Veterans Services) in single unit under town management	Current social service FTE of 1.5 should allow year round services to be provided if management were centralized. Consolidated unit would facilitate coordination across Town departments and with School.
Study mix of referral and counseling services currently provided	Provision of referral informal may not require very highly credentialed employees
Explore shifting of Animal Control responsibilities to Police Department	May provide more consistent 24/7 response and improve dispatch/management of officer time

**Library**

**Budget Overview**

FY 2014 \$	\$ Change from Prior Year	% Change from Prior Year	FY 2014 FTEs
\$ 2,025,190	\$ 29,704	1.5%	23.58

**Department Mission/Description of Services**

*Mission:* Serve as a resource for equal and open access to information, ideas and technology to enrich the lives of all; provide services that address the diverse needs and interests of the citizens of Belmont; promote and support a strong sense of community.

*Services:* Curate resource collections; facilitate circulation of resources; provide reference and research support; sponsor programs; maintain public community spaces and meeting rooms; support life-long learning, including technology training; and, participate in larger networks such as the Minuteman Library Network.

**Budget by Program**

The budget calls for an increase below the town average. There are no significant changes in the allocation among programs. The FTE and FY 2014 allocations are:

<b>Program</b>	<b>FTE's</b>	<b>FTE %</b>	<b>Budget \$</b>	<b>Budget %</b>
Administration	1.78	7.5%	\$332,293	16.4%
Adult Services	6.64	28.2%	\$633,893	31.3%
Young Adult Services	1.23	5.2%	\$80,386	4.0%
Children's Services	3.58	15.2%	\$278,193	13.7%
Circulation Services	6.73	28.5%	\$410,511	20.3%
Technical Services	3.62	15.4%	\$289,914	14.3%
<b>Total</b>	<b>23.58</b>	<b>100.0%</b>	<b>\$2,025,190</b>	<b>100.0%</b>

**Expense Analysis**

One line item increased by more than 5% and more than \$5,000:

<b>Line Item</b>	<b>FY2014</b>	<b>Prior Year</b>	<b>% incr.</b>	<b>Explanation</b>
Building Systems Maintenance	\$126,180	\$78,725	60.3%	Painting exterior windows/doors, and removal and replacement of asbestos tiles.

One line item decreased by more than 5% and more than \$5,000:

<b>Line Item</b>	<b>FY2014</b>	<b>Prior Year</b>	<b>% incr.</b>	<b>Explanation</b>
Book/Periodical/Film/CD/Record	\$279,305	\$306,005	-8.8%	Reflects absence of a one-time allocation of \$40,000 in FY 2013

**Requested Adds (not included in budget above)**

None.

**Recap of Prior Year Recommendations**

<b>Recommendation</b>	<b>Status</b>
Explore IT investments for back office operations	Library installed a self-checkout station to help reduce lines at the circulation desk during peak hours. The library is evaluating whether to install a second station (space/money considerations).

Revisit use of benefited PT positions	The staff structure was reduced in FY13 from four benefited part-time positions to three benefited part-time positions. The staff structure has remained the same for FY14 with three benefited part-time positions. The trustees will continue to evaluate reduction of hours through attrition, following the union process, and discussions with the Town Administrator and Town Counsel.
Digital expansion	The yearly total of circulated e-books rose from less than 3,000 to more than 10,000.
Evaluate the increase in Young Adult/Reference Librarian to full time (+5 hours) @\$7,104 and the \$8,000 for PT personnel	The library and school will evaluate the services for FY14.

#### FY 2014 Recommendations

Recommendation	Rationale
Finalize a Memo of Agreement with the Town for facility coordination.	With a new director of building services coming on board, the final steps can be completed.
Allow a more structured role for the Town Administrator to facilitate inter-department collaboration.	Now that Town Meeting has voted to support the amended by-law to establish the position of Town Administrator, all departments are encouraged to make full use of this new position.

### Recreation Department

#### Budget Overview

FY 2014 \$	\$ Change from Prior Year	% Change from Prior Year	FY 2014 FTEs
\$635, 136	\$(63,509)	( 9.90)%	14.28

#### Department Mission/Description of Services

*Mission:* Provide Belmont residents with healthy, enjoyable and affordable activities regardless of age, gender or physical ability.

*Services:* Summer Underwood and Higginbottom Pool Programs, Summer Sports and Activity Programs, School Year Programs, Skating Rink Programs, Spring Programs and Special Needs Programs.

#### Budget by Program

The budget calls for a 9.9% decrease for FY2014, primarily driven by consolidation of Recreation into the Department of Public Works, resulting in the elimination of the Recreation Director position. For this same reason, Recreation supervision decreased as a percentage of budgeted numbers from 23.2% in

FY13 to 12.1% in FY14. The Summer Pool Program accounts for the highest percentage of FTE's (31%) and the School Year Programs represents the largest share of budget dollars (29.2%).

Program	FTE's	FTE %	Budget \$	Budget %
Summer Pool Program	4.49	31%	\$147,514	23.2%
Summer Sports Program	4.31	30%	\$140,025	22.0%
School Year Programs	2.70	19%	\$185,166	29.2%
Skating Rink Programs	1.72	12%	\$57,207	9.0%
Spring Programs	.50	4%	\$35,083	5.6%
Special Needs	.56	4%	\$70,141	11.0%
Total	14.28	100.0%	\$635,136	100.0%

**Expense Analysis**

Three program salary lines are budgeted to increase more than 5% and \$5000 in FY14, as detailed below; however, total Recreation expenses are budgeted to decrease by 9.9% due to the elimination of a supervisory position and a reduction in custodial expenses by \$10,000 (23%), a more accurate reflection of usage. Budgeted Recreation revenues are expected to cover budgeted expenses in FY14, as was the case in FY13.

Line Item	FY2014	Prior Year	% incr.	Explanation
	\$	\$	%	
Summer Programs	127,965	116,000	10.3%	Pool open an extra week; assumes maximum days and full staff for all programs.
Fall and Winter Programs	101,199	92,300	9.6%	
Athletic/Kids Camps	<u>113,837</u>	<u>100,060</u>	13.7%	
Total Program Salary	343,001	308,360	11.2%	

**Requested Adds (not included in budget above)**

None.

**Special Analysis /Observations**

*Organizational Change:* For FY14, the Town of Belmont will include Recreation within the Department of Public Works. Folding Recreation into the DPW will result in operating efficiencies and will provide additional resources for Recreation staffing, resulting in more effective delivery of programming.

*Shared Resources:* Recreation continues to share resources with the Council on Aging, including limited use of both the Belderbus and space for programming at the Beech Street Center.

*New Programming:* Recreation continues to evaluate programming; in FY13 several popular programs were expanded (Zumba, tennis) and Kids Karate was added.

*Expense Reduction and New Revenue Initiatives:* Adding local sponsorship for spring ball programs has met with great success and generated savings in uniform costs. This program is will be expanded in 2014.

*Fees:* Fees increased 5% to better represent the actual cost of the delivery of programming.

**Recommendations**

**Recap of Prior Year Recommendations**

Recommendation	Status
Consolidation of Departments	Recreation consolidated into DPW, resulting in the elimination of one supervisory position and creating efficiencies
Evaluate use of CPA funds to repair/rebuild Underwood Pool	CPA funds requested for plan/design of new pool

**FY 2014 Recommendations**

Recommendation	Rationale
Evaluate operating Recreation as an enterprise fund	Facilities and expenses paid by users; revenues cover maintenance and upgrades. Other towns offer more programs at comparable costs to townspeople.
Consider outsourcing more programs with higher revenue split	Creates efficiencies and increases revenues.
Work with COA to explore ways to free up space for use by Recreation	Allows for expansion of programming, generates increased revenues.

**General Government – Administrative Departments**

**Budget Overview**

FY 2014 \$	Change from Prior Year	% Change from Prior Year	FY 2014 FTEs
2,384,035	73,258	3.2%	17.17

**Department Mission/Description of Services**

General Government Administrative Departments are responsible for the administrative, legal and management functions of the town.

**Town Clerk**

*Mission:* To support town governance by gathering, recording and communicating vital information in a timely and accurate manner.



*Services:* Conduct elections, maintain the town census and voting lists, promote voter registration and participation, maintains the town’s vital records, handle licenses; maintain information about Town Meeting, boards and committees in compliance with Open Meeting Laws, ensures compliance with ethic and campaign reporting requirements and provide support for Town Meetings.

**Information Technology**

*Mission:* Provide technology infrastructure for town government.

*Services:* Maintain core network infrastructure (including backup and security); and provide essential enterprise software systems; coordinated support for GIS data and software; and maintain desktop and field hardware and software equipment, applications and support and provide user training.

**Human Resources:**

*Mission:* Provide a range of personnel services to the Town.

*Services:* Administer benefits for current employees, retirees, and survivors; handle employee and labor relations matters; implement pay and position classification revisions; ensure compliance with Federal and State employment regulations; assist other departments in recruiting staff; and provide information and assistance on HR-related matters to Town departments, external agencies, and the general public.

**Town Administrator:**

*Mission:* Serve as the Town’s chief administrative officer and chief of staff for the Board of Selectmen.

*Services:* Oversees and coordinates activities of Town departments; initiates and organizes planning and budgeting; senior point of contact for residents regarding town services and issues.

**Budget by Program**

**Town Clerk:** Most of the cost is distributed between two areas – elections and registration and town clerk responsibilities.

**Information Technology:** The distribution of expenses is fairly even, with the exception of technical training. Most of the costs fall in the “other” category, which included hardware refresh, software licensing and maintenance for each function.

**Human Resources:** The largest amount of time and money is spent on Benefits Administration services, which include health, dental and life insurance enrollments, deductions, bill processing, COBRA notices and assistance to all Town and School employees and retirees.

**Town Administrator:** The largest amount of time is spent in General Management services, which includes but is not limited to, meeting with department heads, overseeing and procuring insurance, and handling community relations.

<b>Program</b>	<b>FTE’s</b>	<b>FTE %</b>	<b>Budget \$</b>	<b>Budget %</b>
Town Clerk	4.5	26%	\$431,075	18%
Information Technology	5	29%	\$882,480	37%
Human Resources	2.92	17%	\$276,209	12%
Town Administrator	4.75	28%	\$794,271	33%
<b>Total</b>	<b>17.17</b>	<b>100.0%</b>	<b>\$2,384,035</b>	<b>100.0%</b>

**Expense Analysis\***

Seven lines increased by more than 5% and \$5,000.

<i>Line Item</i>	<i>FY2014</i>	<i>Prior Year</i>	<i>% incr.</i>	<i>Explanation</i>
IT Software Licenses	\$210,050	\$128,500	63.5%	Moving toward hosted solutions and various upgrades
Poll Workers	\$93,360	\$58,000	61%	Extra elections
Election & Reg. Salaries	\$68,648	\$60,100	14%	Additional hours needed for elections
Insurance	\$352,509	\$323,400	9%	Increased premiums
TA Professional Services	\$10,000	\$5,000	100%	Combined costs of transcribing committee minutes into one line item
TA Wages	\$414,641	\$358,085	13.6%	Combined wages for committee work with general management wages
TA Health insurance	\$38,580	\$6,042	500%	Re-allocated by person

**Requested Adds (not included in budget above)**

Request	Rationale/support
HR-Add a full-time professional position (\$60,000)	Assist with research, projects and non-clerical duties
Town Administrator (TA)-Improved document managing (no new cost)	Convert paper record to electronic format for all departments
TA-Website enhancements (no new cost)	Expand on-line offerings
TA-Automated agendas (\$6,000)	Automate the process for planning meetings

**Special Analysis/Observations**

**IT:** Professional services and consultants have been reduced considerably as a two year project will be completed by the start of FY14. Beginning with FY14, the town will no longer receive a reimbursement from the Belmont Municipal Light Department for services provided by the IT department, as the BMLD has hired its own IT manager. In FY13 this reimbursement was \$69,000.

**Town Administrator:** The new Town Administrator has implemented the combination of some part-time positions approved in FY2013, and has improved interdepartmental communications. The Planning

Coordinator and Planning & Economic Development Manager positions now report to the Community Development Director.

**HR:** One time pay classification study in the FY13 budget creates an HR budget reduction for FY14.

**Recommendations:**

**Town Clerk:** Recommend continuing to increase staff productivity and information accessibility through expanded use of technology and the conversion of paper records to digital format.

**IT Licenses:** Recommend approval for better performance and increased efficiencies of the IT system.

**Town Administrator:** Automated Agendas: A small cost, which would save a lot of administrative staff time in scheduling BOS and committee meetings.

**Recap of Prior Year Recommendations**

Recommendation	Status
Work with school department to streamline services wherever possible	Limited progress
Regionalization	No progress
Consolidation with School HR	Reviewed
Review pay classifications	Being pursued
Drop an old health ins. plan	Done
Regionalization	Being pursued
Further use of technology	Being pursued
Re-work the VFW payment/lease	No progress
Re-bid services	Legal services renewed at current rates
Market Town Hall for rentals	No progress
Changes to the Town Admin role	Approved at April 2013 Town Meeting

**FY 2014 Recommendations**

Recommendation	Rationale
Better coordination of these numerous small departments	Allow more efficient use of personnel and improve information flow
Further use of technology	Possible cost savings and/or efficiencies

**General Government – Financial Department**

**Budget Overview**

FY 2014 \$	Change from Prior Year	% Change from Prior Year	FY 2014 FTEs
1,350,005	23,059	1.73%	13.9

**Department Mission/Description of Services**

General Government Financial Departments are responsible for the assessing, billing, and collection of town revenues in addition to managing the town’s accounting function.

**Accounting:**

**Mission and Services:** Accounting – prepares Town financial statements, maintain general ledger, prepare required filings to MA Department of Revenue, and assist with recapitulation for tax rate certification. Auditing – work with external auditors, review internal procedures and perform fraud risk assessments, assist with Town compliance with Personal Information Protection Program  
Contracts/Accounts Payable – act as Chief Procurement Officer, maintain custody of all contracts, prepare and approve all warrants for payments in accordance with Massachusetts General Laws.  
Budgets – provide financial information to all town departments; assist in preparation of department budgets and monitoring revenues and expenditures.

**Treasurer:**

**Mission:** To manage all cash collections, borrowings, investing and disbursements for the Town.

**Services:** The Treasurer’s Department manages all cash collections, borrowings, investing and disbursements, insuring the safety of all funds and adequate liquidity to pay obligations as due. In addition, the Treasurer is responsible for other financial functions including the administration of payrolls, deferred compensation plans management of real estate and other tax collections, preparation of quarterly reports for the IRS, liaison with debt rating agencies, and serving as the Parking Clerk.

**Assessors:**

**Mission:** To list and value all real and personal property for tax purposes.

**Services:** The Assessing office is responsible for listing and valuing all real estate and personal property in Belmont. It is also charged with the administration of tax exemptions, excise and real estate and personal property abatements as well as inspections and changes in value due to structural additions and modifications. It operates under the oversight and direction of an elected Board of Assessors.

**Budget by Program**

<b>Program</b>	<b>FTE’s</b>	<b>FTE %</b>	<b>Budget \$</b>	<b>Budget %</b>
Accounting	2.8	20%	\$340,641	25%
Treasurer	7.3	53%	\$623,793	46%
Assessors	3.8	27%	\$385,571	29%
Total	13.9	100.0%	1,350,005	100.0%

**Expense Analysis\***

There are not any items (except for contractual salary increases) that have increased by more than 5% and more than \$5,000 from 2012 Estimated Expenses

**Requested Adds (not included in budget above)**

None.

**Special Analysis /Observations**

**Accounting:** Chitra Subramanian has completed her first full year as the new Town Accountant and has demonstrated her ability to manage this critical office. The department uses 1 part-time intern to assist with accounts payable and filing. The position is at a straight hourly wage with no benefits. This has worked out well. Implementation of the Community Preservation Act (CPA) has increased the workload of the department. With only 2.8 FTEs there is likely no further scope for staff reduction.

**Treasurer: Administrative overhead:** Has declined by 1.5 FTE over the last 10 years.

**Part time employees:** The Department has two PT employees, one at 16 hours per week and a second at 4 hours per week. Neither PT position carries benefits.

**Assessors: Administrative overhead:** 3.4 FTEs are hired staff. 0.4 FTEs represent the 3 member Board of Assessors.

**Part time employees:** The Department has one PT employee at 12 hours per week. This position does not carry benefits

**Recommendations**

**Recap of Prior Year Recommendations**

Recommendation	Status
Consolidation of Town payment windows – Treasurer’s and BML	Progress: All payments are accepted at the Treasurer’s window.
Town parking lot spaces priced below market	Progress: Parking rates are being reviewed.
Savings through technology	Progress: E-Billing has been available since August 1, 2012
Timely Information Distribution	Progress: Have agreed to a schedule to distribute information
Use of Technology	Exemption and abatement forms are available on-line
Implement CPA	Done

**FY 2014 Recommendations**

Recommendation	Rationale
All billings and collections for water, sewer and light should be centralized in the Treasurer’s Department	Treasurer can collect unpaid fees by placing real estate tax liens; efficiency
Monitor pricing of Town parking lots	To optimize turnover and revenue
Expand Payment in Lieu of Taxes Program (PILOT)	Non-profit institutions draw on Town Services and should reimburse the Town for such services
Encourage more use of paperless	Efficiency and cost savings

billing	
Use part-time non-benefited workers whenever possible	Reduction in compensation expenses

## Police Department

### Budget Summary

<b>FY 2014 \$</b>	<b>\$ Change from Prior Year</b>	<b>% Change from Prior Year</b>	<b>FY 2014 Headcount</b>
<b>\$6,779,957</b>	<b>\$250,046</b>	<b>3.8%</b>	<b>84</b>

### Department Mission/Description of Services

*Mission:* The Police Department's primary responsibility is to protect and serve the Town residents.

*Services:* There are five primary services: 1) Police Patrol Services; 2) Traffic Management; 3) Detectives and Investigations; 4) Community Services; and 5) Public Safety Communications.

### Budget by Program

The budget as submitted calls for an increase of 3.8% with changes in the allocation of personnel and benefits among programs. Patrol Services accounts for the highest percentage of FTEs (41.6%) and the highest share of budget dollars (60.8%).

<b>Program</b>	<b>FTEs</b>	<b>FTE %</b>	<b>Budget \$</b>	<b>Budget %</b>
Patrol Services	35	41.6%	\$3,973,898	58.6%
Traffic Management	26	31.0%	\$564,365	8.3%
Detectives & Investigations	5	6.0%	\$520,581	7.7%
Community Services	3	3.6%	\$274,192	4.0%
Public Safety Comm.	10	12.0%	\$921,845	13.6%
Administration	3	3.6%	\$438,221	6.5%
Records	2	2.2%	\$86,855	1.3%
<b>Total</b>	<b>84</b>	<b>100.0%</b>	<b>\$6,779,957</b>	<b>100.0%</b>

### Expense Analysis

In the Police Department budget, there are 20 line items that change by more than 5% and more than \$5,000 from the previous fiscal year. We highlight five below as the remainder were largely driven by settlement with bargaining units and accounting changes, with a number of wage and healthcare line items reallocated to more accurately reflect personnel assignments. Taken as a whole, these "accounting" wage and health care items go up by less than 5%.

<b>Line Item</b>	<b>FY2014</b>	<b>Prior Year</b>	<b>% incr.</b>	<b>Explanation</b>
Patrol: Crim. Justice Training	\$15,434	\$10,434	48%	NEMLAC training
Patrol: In-Service Training	\$40,000	\$20,000	100%	Mandated training
Patrol: Computer Services	\$48,612	\$40,923	26%	Upgrades to hardware

Admin: Due/Membership	\$7,435	\$2,335	218% Annual dues
Traffic: Full-Time Wages	\$282,510	\$212,919	24% Alignment of staff

**Requested Adds (not included in budget above)**

School Resource Officer (SRO)

Request	Rationale/support
One FTE in SRO, at cost of \$70,000	See recommendation section below

**Special Analysis/Observations**

**Cost Allocation:** In recent past, there had been discrepancy on how the department reports staffing. Working with the new Town Administrator and the PD leadership team, consensus was achieved to use headcount as a basis to report out staffing. In addition to sworn officers, the Police Department relies on a cadre of 31 volunteer and per diem staff for total personnel of 116.

**Staffing/Service Model:** The department has been short staffed during FY13 and will be adding five candidates from the Police Academy. The Public Safety Subcommittee had begun an effort, in cooperation with Police Department leadership, to comparatively analyze the service and staffing models of neighboring towns. This benchmarking will hopefully result in insights and recommendations. A private grant funded the creation a K-9 program providing an additional resource in the department and the additional benefit of community awareness and engagement.

**Regionalization:** The Police Department has been actively involved with regionalization of Public Safety Communication/911 services and participates actively with NEMLAC, RRT, SWAT, ICS, STARS, to name a few. No place was this more evident in the April 19, 2013 search of the suspects in the Boston Marathon bombing where our department worked in conjunction with other local, state, and federal agencies in Watertown.

**Sick / Disability Management:** The Warrant Committee applauds the effort by the Police Chief (and Fire Chief) to take tighter control over sick / disability costs by hiring Meditrol, a benefits consulting firm.

Recent Meditrol Disability Management				
Service	Original Charge	Negotiated Charge	Meditrol Cost	Net Savings
Evaluation	\$ 14,890.00	\$ 4,898.00		\$ 9,992.00
Surgery	\$ 136,598.00	\$ 30,874.00		\$ 105,724.00
Physical Therapy	\$ 14,785.00	\$ 5,130.00		\$ 9,655.00
Follow-up	\$ 393.00	\$ 80.54		\$ 312.46
Total	\$ 166,666.00	\$ 40,982.54	\$ 7,500.00	\$ 118,183.46

**Recommendations**

**Recap of Prior Year Recommendations**

<i>Recommendation</i>	<i>Status</i>
Benchmarking with neighboring communities	Limited action taken this year. Some data was shared by the Department; add'l work required.
Cost allocation	The Town Administrator and the Chief of Police reallocated the number of uniformed officers to various departments to better reflect reality and adjusted healthcare expenses accordingly.

**FY 2014 Recommendations**

<i>Recommendation</i>	<i>Rationale</i>
The decision regarding increasing one uniformed officer as School Resource Officer (SRO) will likely add approximately \$75-90K of implied annual cost obligation (fully-loaded) with the goal of improving safety. Assessment of the cost of the incremental FTE should factor in the full lifetime cost implications (health, pension, etc.) Consideration should be given to re-assigning an officer from another position to serve as the SRO, until this position can be fully funded.	With the traumatic violence from the Sandy Hook School shooting, returning this position to the line of duty assigned to the School System has been raised as a priority. This position has been on the margin for the past three budget years.

**Fire Department**

**Budget Summary**

<b>FY 2014 \$</b>	<b>\$ Change from Prior Year</b>	<b>% Change from Prior Year</b>	<b>FY 2014 FTEs</b>
<b>\$5,514,449</b>	<b>\$243,766</b>	<b>4.6%</b>	<b>55.49</b>

**Department Mission/Description of Services**

*Mission:* The Fire Department’s primary responsibility is providing emergency response to Town residents.

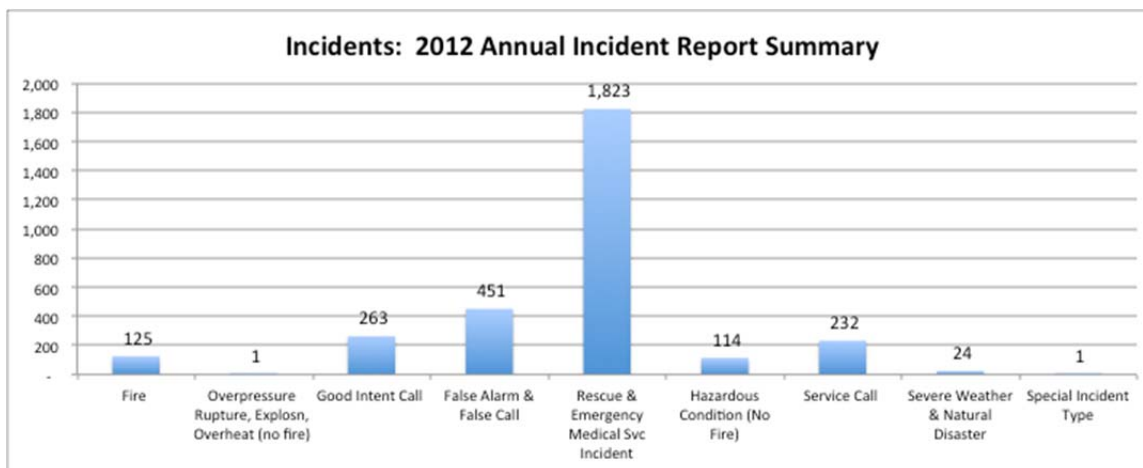
*Services:* There are four primary services: 1) suppressing the spreading of fires, including responding to calls where a fire is likely; 2) fire prevention; 3) providing rescue services to the Town; and, 4) service calls.



## Budget by Program

The budget as submitted calls for an increase (4.6%) above the town average (2.1%), with no significant changes in the allocation among programs. This increase is primarily driven by investments in equipment for Advanced Life Support (ALS) – investments that will be covered by increased ALS revenues. Without these ALS investments, the total budget increase would be 1.0%, below the town average. FTEs have been allocated across programs using salary and benefits estimated for each function. Rescue Services accounts for the largest % of both FTEs and budget dollars.

<b>Program</b>	<b>FTEs</b>	<b>FTE %</b>	<b>Budget \$</b>	<b>Budget %</b>
Fire Suppression	12.84	23.1%	\$1,276,462	23.1%
Fire Prevention	5.59	10.1%	\$555,694	10.1%
Rescue Services	25.43	45.8%	\$2,526,774	45.8%
Service Calls	6.10	21.0%	\$1,155,517	21.0%
Total	55.49	100.0%	\$5,514,449	100.0%



## Expense Analysis

Ten line items changed by more than 5%, and more than \$5,000, from the previous fiscal year. Several changes are primarily the result of more accurate accounting under the leadership of our new Town Administrator. Advanced Life Support (ALS) is a roll-up of a number of individual expenditures.

<b>Line Item</b>	<b>FY2014</b>	<b>Prior Year</b>	<b>% incr.</b>	<b>Explanation</b>
Specialty Stipends	\$9,000	\$0	n/a	Was in salary account; now broken out
In-state travel / training	\$12,320	\$1,600	670%	Acctg. change; moved cost from Suppression to Administration
Longevity	\$12,140	\$5,000	143%	Paid out over 3 yrs. prior to retirements; will grow (see below)
Health Insurance	\$581,220	\$627,368	-7%	Driven either by census

Education	\$23,300	\$30,517	-24%	or change in policy mix Reallocated to Training
Vehicle Maintenance	\$61,000	\$51,000	20%	Aging fleet requires specialized repairs
Radio Maintenance	\$14,000	\$8,000	75%	Accessories + repair costs; was \$23K in FY12
Training	\$22,000	\$10,000	120%	Moved from Education + increased Training under new CBA
Software Upgrade	\$7,500	\$0	n/a	New staffing software; last upgrade 7 yrs. ago
Advanced Life Support	\$363,875	\$169,875	114%	\$90K startup costs, \$34K billing costs, \$70K ALS operating expenses

**Requested Adds (not included in budget above)**

None.

**Special Analysis / Observations**

*Advanced Life Support (ALS):* The FY 2012 fee increases for Basic Life Support (BLS) has already generated an incremental \$210K vs. FY 2011, with a total of \$550K in overall annual revenue expected in both FY'13 and FY'14. In FY 2014, our Fire Department will begin providing ALS. All in, this will require approximately \$300K in investments (largely capital) this year – mostly one-time expenses like cardiac monitors and supplies – and also includes setting aside \$50K per year (for 5 years) in order to fund the eventual purchase of a new ambulance. Careful analysis by the Fire Department suggests that ALS will generate an incremental \$300K or so in incremental annual revenue going forward, resulting in break-even economics in FY 2014 and approximately \$75-100K in net gain after that. If the Town discovers that ALS proves to generate less revenue than expected in future years, we can always choose to revert to BLS only.

*Disability / Medical Bill Management.* The Warrant Committee applauds the effort by the Fire Chief (and Police Chief) to take tighter control over sick / disability costs by hiring Meditrol, a medical claims administration firm. Thus far in FY 2013, there have been a number of firefighter injuries that have resulted in medical expenses. Meditrol, has been able to negotiate lower expenses resulting in \$42,145 of avoided medical costs. With Meditrol's fees of \$8,000, Belmont has saved a net of \$34,145. Meditrol administration of claims has also resulted in shorter medical leaves, positively impacting overtime expense.

*Transition Planning:* Because of significant hiring that took place back in 1986-1989, approximately 30% of the current firefighters are forecast to retire in the next five years (including key leadership positions); the Longevity variance above is an early indicator. As is also the case in the Police Department, hiring and deploying new firefighters takes up to a year, with hiring and training lifecycles that are effectively impossible to accelerate (absent changes by the academy that reduce wait times; we are hopeful for some progress here). Without intelligent planning and phasing in new firefighters, Belmont could be looking at overtime budgets that are significantly above their current levels. The major transition on the horizon is both a major challenge and also a unique opportunity to think carefully and creatively about

both transition planning as well as evaluating the underlying staffing / service model we currently deploy. The Warrant Committee will support the Fire Department, as needed, in this process.

**Recommendations**

Some progress has been made on recommendations made in prior years:

**Recap of Prior Year Recommendations**

<i>Recommendation</i>	<i>Status</i>
Evaluate existing service/staffing model	Some work has been done, demonstrating that Belmont’s costs are relatively low compared to nearby towns. More work will be done in coming years as a part of transition planning.
Explore federal SAFER grant for buffer expansion and long-range retirement planning	The Fire Department applied for the grant but was denied.
Barring legislative action (or new information) acknowledge that FD regionalization is impossible	The Warrant Committee continues to believe that any meaningful regionalization efforts will need to come from the state legislature.

**FY 2014 Recommendations**

<i>Recommendation</i>	<i>Status</i>
Reapply for federal SAFER grant	With the limited staffing buffer today, continued careful overtime management will be vital. Federal grant monies may help mitigate this issue and also assist in transition planning.
Actively plan for upcoming retirements, including evaluating service / staffing model	See description in <i>Transition Planning</i> (above).

**Public Works**

**Budget Overview**

<b>FY 2014 \$</b>	<b>\$ Change from Prior Year</b>	<b>% Change from Prior Year</b>	<b>FY 2014 FTEs</b>
6,389,347	\$74,030	1.2%	50.86

Note: \$ figures exclude water and sewer enterprise accounts

**Department Mission/Description of Services**

*Mission and Services:* The Department of Public Works (DPW) provides a wide variety of key Town services including street and sidewalk maintenance; snow removal, vehicle fleet maintenance, forestry, grounds and delta maintenance, solid waste collection and disposal, street lighting, parks and playing fields maintenance, cemetery maintenance, water and sewer maintenance and construction.

**Budget by Program**

<b>Program</b>	<b>FTE's</b>	<b>FTE %</b>	<b>Budget \$</b>	<b>Budget %</b>
Administration	3	5.9%	\$333,660	1.6%
Street Maintenance	5	9.8%	\$639,722	3.1%
Snow Removal	0	0.0%	\$567,200	2.8%
Central Fleet Maintenance	4	7.9%	\$572,338	2.8%
Forestry	1	2.0%	\$262,014	1.3%
Delta & Grounds	1	2.0%	\$63,577	0.3%
Solid Waste Collection & Disposal	1.5	2.9%	\$2,475,835	12.1%
Street Lighting	0	0.0%	\$278,677	1.4%
Cemetery Maintenance	5.71	11.2%	\$465,350	2.3%
Parks & Facilities	5.25	10.3%	\$730,974	3.6%
Water Administration	2	3.9%	\$627,808	3.1%
Water Distribution	10.4	20.4%	\$5,081,422	24.0%
Sewer Maintenance	8	15.7%	\$7,791,647	39.3%
Storm water Maintenance	4	7.9%	\$464,491	2.3%
<b>Total</b>	<b>50.86</b>	<b>100.0%</b>	<b>\$20,354,715</b>	<b>100.0%</b>

**Expense Analysis\***

The following budget line items increased by more than 5% and by more than \$5,000 from 2013 Estimated Expenses

<b>Line Item</b>	<b>FY2014</b>	<b>Prior Year</b>	<b>% incr.</b>	<b>Explanation</b>
Street Lighting	\$278,677	\$260,000	7.2%	BMLD rate increase

**Requested Adds (not included in budget above)**

None.

**Special Analysis /Observations**

The department is commended for once again maintaining level services in FY 2014 within a level services budget. However, a level services budget does not allow for additional investment to maintain Town infrastructure.

Sidewalk construction is budgeted at \$7,100. Given sidewalk reconstruction costs of approximately \$30/lineal foot, this budget allows for approximately 236 feet of sidewalk. Belmont has 97 miles of sidewalks, much of which is in deplorable condition.

For FY14 the Recreation Department budget will be included within the DPW budget.

As we have noted in the past, the Underwood pool and the Skip Vigliolo Skating Rink are past their useful lives. The deteriorating condition of the DPW yard facilities also needs to be addressed. These assets may fail with little warning.

## Recommendations

### Recap of Prior Year Recommendations

Recommendation	Status
Increase recycling percentage	Examining trade off of recycling vs. disposal expense

### FY 2014 Recommendations

Recommendation	Rationale
Progress on incinerator site	Funds have been set aside for this purpose. The process is moving forward but post-closure use must be resolved.

## Community Development

### Budget Overview

FY 2014 \$	\$ Change from Prior Year	% Change from Prior Year	FY 2014 FTEs
\$954,324	\$57,561	6.4%	8.97

### Department Mission/Description of Services

*Mission and Services:* There are four departments:

- **Administration** – administers and monitors requests for proposals, grants, contracts, and reimbursements.
- **Inspection Services** – issues building permits and conducts building inspections, also responsible for code enforcement. Plumbing and gas inspector is a shared position with the Town of Watertown.
- **Engineering** – responsible for the development, design, and oversight of road reconstruction and major sanitary sewer and storm drain rehabilitation projects.
- **Planning** – provides professional “in-house” planning services to the Town offering guidance on land use issues to the Board of Selectmen and the Town Administrator.

### Budget by Program

Planning accounts for the highest percentage of FTE’s (33.5%), and Administration and Planning account for approximately 60% of budget dollars.

Program	FTE’s	FTE %	Budget \$	Budget %
Administration	1.58	16.5%	\$145,396	15.2%
Engineering	2.14	25.0%	\$245,029	25.7%
Inspection/Enforcement	2.25	12.0%	\$297,878	31.2%
Planning	3.0	33.5%	\$266,023	27.9%
Total	8.97	100.0%	\$954,324*	100.0%

\*difference due to rounding

### Expense Analysis\*

There are no budget line items that increase by more than 5% from 2013.

### Requested Adds (not included in budget or discussed by Board of Selectmen above)

None.

### Special Analysis /Observations

The department is commended for once again maintaining level services in FY 2014 within a level services budget. The retirement of the previous Town Planner in January 2013 is an opportunity to redefine and rescope this position before filling it again.

### Recommendations

#### Recap of Prior Year Recommendations

Recommendation	Status
Obtain historical document imaging system	No progress
Review organization of Planning Division and coordination with Planning Board	Planning Division now reports to Director of Community Development instead of Town Administrator.

#### FY 2014 Recommendations

Recommendation	Rationale
Re-examine level of permit fees.	Cover cost of permitted activities.

## Building Services

### Budget Overview

FY 2014 \$	\$ Change from Prior Year	% Change from Prior Year	FY 2014 FTEs
\$1,470,413	-\$109,845	-6.9%	7

### Department Mission/Description of Services

#### Mission and Services:

- Maintenance, cleaning, and repair of the following Town buildings including the Police Station, Town Hall, Homer Bldg, Old BMLD Bldg, the Fire Stations, the Town Yard, and the Beech Street Center.

- Manage fuel and utilities for town buildings (heating oil, diesel fuel, natural gas, water, electricity).
- Manage town telecommunications contracts.
- Assist with oversight of Town capital projects.

**Budget by Program**

<b>Program</b>	<b>FTE's</b>	<b>FTE %</b>	<b>Budget \$</b>	<b>Budget %</b>
Administration	1.2	17.1%	\$72,648	17.1%
Capital Project	0.5	7.1%	\$30,271	7.1%
Building Management	5.3	75.7%	\$320,864	75.7%
Total	7.0	100.0%	\$423,783	100.0%

**Expense Analysis\***

The following budget line items increase by more than 5% and by more than \$5,000 from the 2013 adjusted budget.

<b>Line Item</b>	<b>FY2014</b>	<b>Prior Year</b>	<b>% incr.</b>	<b>Explanation</b>
Wages	\$314,790	\$298,076	5.6%	Salary allowance for new department head
Health Insurance	\$38,580	\$27,085	42.4%	New staff
Postage	\$42,000	\$26,500	58.5%	Town-wide postage expense.

**Requested Adds (not included in budget above)**

None.

**Special Analysis /Observations**

The department is commended for once again maintaining level services in FY 2014 within a level services budget.

Repairs to the Police Station building envelope are now complete. The building is now in serviceable condition.

**Recommendations**

**Recap of Prior Year Recommendations**

<b>Recommendation</b>	<b>Status</b>
Continue planning for consolidation with School Buildings function	Progressing

**FY 2014 Recommendations**

Recommendation	Rationale
Evaluate including maintenance of Library within consolidated building facilities program.	More efficient building management.

**MINUTEMAN**

**Budget Overview**

<b>FY 2014 Assessment</b>	<b>\$ Change from Prior Year</b>	<b>% Change from Prior Year</b>
\$ 851,984	(\$88,015)	-9.3%

The reduction results from fewer Belmont students enrolled this year.

**Department Mission/Description of Services**

*Mission:* Minuteman’s mission is to serve a diverse student body with multiple learning styles within academic, career, and technical areas.

*Services:* Minuteman provides instruction to high school students in traditional academic subjects and 21 career and technical training areas, such as carpentry, plumbing, culinary arts, early education, telecommunications, biotechnology, environmental science, and computer programming/web design. Minuteman also provides career and technical training to post-graduate students.

**Budget by Program**

Minuteman’s major program areas are shown below. Because many post-graduate students are embedded into the high school programs, Minuteman does not break out the costs of post-graduate programs separately. Instructional support includes services such as special education, technology support, guidance, the library, and health.

<b>Program</b>	<b>Budget FY 2014</b>	<b>Difference From FY 2013</b>
Administration	\$1,421,327	\$100,040
Student Instructional Services	\$9,154,499	\$618,069
Student Services	\$1,987,161	\$91,356



Operation & Maintenance	\$1,659,520	(\$95,974)
Insurance, Retirement, Leases	\$2,883,584	\$116,164
Community Services	\$100,000	\$0
Asset Acquisition & Improvement	\$888,688	\$455,000
Debt Service	\$452,318	\$10,729
Tuition Payments	\$0	\$0

### **Expense Analysis**

The total Minuteman budget is increasing by \$1,295,385 or 7.5% in Fiscal Year 2014. As shown on the previous schedule, the bulk of the increase is due to student structural services and asset acquisitions and improvements. Two-thirds of the increase in student instructional services represents contractual salary increases, with the remainder primarily consisting of the conversion of three or four teaching assistant positions in the career and technical areas to full-time teachers and the funding of two special education positions that were previously funded by outside grants. The increase in the asset acquisitions and improvements line item represents addressing a number of deferred maintenance items at the school, as well as an anticipated \$200,000 contribution into the stabilization fund that was approved by the member towns last year. Excluding the increase in the capital accounts, the increase in the Minuteman budget is comparable to the budget increase in Fiscal Year 2013.

### **Special Analysis/Observations**

*Enrollment Trends:* The current total enrollment at Minuteman is comprised of 664 high school students, down from 889 students in 1998. 368 (55%) of those students are from the 16 member towns, with the rest representing tuition students from outside of the district. Minuteman also has another 75 post-graduate students, of which only 33 (45%) are from member towns. Belmont currently has 31 high school students and 3 post-graduates enrolled at Minuteman. Belmont's high school enrollment is down 10-15% from the last three years.

*Non-Member Tuition Students:* Out of district students pay a tuition which is set by the state Department of Elementary and Secondary Education (DESE). Presently, the out of district tuitions are less than the total per-pupil cost for each member town. However, the out of district towns must provide their own transportation, as opposed to the transportation that is provided for the district-town students, which reduces the disparity somewhat. The Minuteman administration has been advised that there will be a reduction next year in the out of district tuition established by DESE.

*Potential Building Renovation Project:* The Minuteman school facility was constructed in 1975 and has not undergone any significant renovation since that time. The Massachusetts School Building Authority

(MSBA) has approved a renovation/rebuilding of Minuteman. The Minuteman School Committee purportedly voted a bond issue to raise \$724,000 to fund a feasibility study for a new or renovated school. The Minuteman district agreement requires unanimous consent by all 16 member towns to incur debt. Belmont’s consent to allow Minuteman borrow the funds for the feasibility study was predicated on assurances that before funds were expended on the feasibility study, the enrollment and the sizing of the school would be agreed to by the member towns. (Non-member towns have no responsibility for capital expenditures such as a new or renovated school.) Nevertheless, with no direct input from the School Committee or the member towns, the Minuteman administration negotiated with the MSBA and the MSBA approved two enrollment levels for further analysis – a 435-student school and an 800-student school. The Minuteman School district has recently engaged an architect and a project manager in the furtherance of their feasibility study. Belmont is challenging the legality of the authorization to borrow funds to pay for the feasibility study prior to an agreement upon the enrollment. The dispute between Belmont and the Minuteman school district remains unresolved. Belmont has made a request to meet with the MSBA in an effort to resolve the dispute and to ensure that the full amount of the feasibility study funds are not spent until the member towns can agree on the scope of the project.

**Recommendations**

**Recap of Prior Year Recommendations**

Recommendation	Status
Complete enrollment study	No progress has been made and both a 435 and 800 student enrollment are presently being studied.
Address non-member and post-graduate enrollments	A task force has rendered a preliminary report studying the marginal cost of out of district students indicating a benefit to the district, at least on a marginal basis. The task force was clear, however, that its analysis could not be taken as justification for sizing a new school to admit a significant number of out of district students.
Continue exploring admitting new Towns to the District	The DESE has authorized a \$50,000 grant to study the sustainability of the district under its present 16 member agreement. Belmont has a representative on an ad hoc committee charged with amending the regional agreement with a view to, among other things, making the revised agreement more attractive for new towns to join the district.

## FY 2014 Recommendations

Recommendation	Rationale
<p>Settle upon a preferred alternative for the renovation or rebuilding of a new Minuteman High School by explicitly obtaining support from the 16 member towns to proceed before the full extent of the feasibility study funds are spent</p>	<p>It is wasteful of public funds to proceed with a study through schematic drawings and working drawings without assurances that the final construction funding will have the necessary unanimous approval of the member towns</p>
<p>Either revise the existing Minuteman district agreement addressing such issues as proportional voting, incurring of debt and allocation of capital expenditures both among members of the district and non-member cities or towns or dissolve the district agreement and reconstitute a new Minuteman district among such municipalities that choose to join</p>	<p>There is a growing consensus that the present Minuteman district agreement is unsustainable. It must either be revised with governance that is acceptable to the member towns or dissolved and reconstituted by special act of the legislature with cities and town willing in the form of a new agreement to combine to provide regional vocational and technical training</p>

## EDUCATION

### Budget and Staffing Summary

Funding Source	FY2013		FY2014		% Change	
	FTEs	Budget	FTEs	Budget	FTEs	Budget
<b>General Fund</b>	437.16	\$ 43,068,492	439.47	\$ 44,349,100	+ 0.5%	+ 3.0%
<b>Grants</b>	17.10	\$ 3,034,265	16.23	\$ 3,005,833	- 0.5%	- 0.9%
<b>Revolving Accounts</b>	31.19	\$ 2,905,657	34.33	\$ 3,309,602	+10.1%	+13.9%
<b>All Funding Sources</b>	<b>485.45</b>	<b>\$ 49,008,414</b>	<b>490.03</b>	<b>\$ 50,664,535</b>	<b>+ 0.9%</b>	<b>+ 3.4%</b>

### Department Mission/Description of Services

The School Department, responsible for K-12 education of all Belmont children and for pre-kindergarten services to children with special needs, is Belmont’s largest department. In addition to its core classroom education, it provides Belmont students with a wide array of athletic, cultural, and service opportunities. The School Department also manages an adult education program and recreation programs open to both children and adults.

### Budget by Program

In its FY2014 budget proposal, the School Department has provided program and line item detail, not only for its General Fund budget (87.5% of total funding), but also for Grant and Revolving Account funds. Because this detail has become available, the table that follows presents the FY2013 and FY2014 program allocations for both General Fund dollars and total funding. Also, it now includes three programs that are fully funded by Grants or Revolving Accounts – Food Services, METCO, and Adult Education. Data provided for each program include FTEs, budget dollars, and the program’s percentage of the total budget. (Note: The percentages included in the table **do not** represent increases from FY2013 to FY2014.)

Although the table does not indicate any dramatic changes in budget allocations from FY2013 to FY2014, there has been some shifting of financial resources among the programs.

- With respect to major program groupings, allocations have increased for Regular Instruction programs, by 0.6% for both General Fund dollars and total funding. Conversely, General Fund and total funding allocations have decreased for Operations (by 0.3%) and Leadership and Administration (by 0.2%), while total funding for Student & Instructional Services has decreased by 0.3%.
- Among individual programs, the most significant changes to budget allocations have occurred within the Regular Instruction programs: the English program’s allocation is up 0.3% for the General Fund and 0.2% for total funding; the allocation for Elementary Schools has increased by 0.4% and 0.3% respectively; and the Science program’s allocation has decreased by 0.3% in both instances.

Program/Budget Category	FY2013 Budget (GF only)			FY2013 Budget (All Funding)			FY2014 Budget (GF only)			FY2014 Budget (All Funding)		
	FTE's	Budget \$	Budge %	FTE's	Budget \$	Budget %	FTE's	Budget \$	Budget %	FTE's	Budget \$	Budget %
<b>Regular Instruction</b>												
English	24.10	1,676,171	3.9%	24.10	1,680,221	3.4%	24.85	1,841,545	4.2%	24.85	1,846,445	3.6%
Reading	8.87	705,347	1.6%	10.46	840,911	1.7%	8.15	715,030	1.6%	9.60	845,136	1.7%
Elementary	64.15	4,492,507	10.4%	64.15	4,492,507	9.2%	64.71	4,781,831	10.8%	64.71	4,781,831	9.4%
Fine Arts	1.30	102,152	0.2%	1.30	153,631	0.3%	1.30	106,462	0.2%	1.30	164,457	0.3%
Art	10.59	849,330	2.0%	10.59	849,330	1.7%	10.71	906,677	2.0%	10.71	906,677	1.8%
Music	9.83	790,965	1.8%	11.16	880,991	1.8%	9.94	783,609	1.8%	11.44	892,414	1.8%
Theater Arts	-	6,200	0.0%	-	6,200	0.0%	-	-	0.0%	-	-	0.0%
Kindergarten	10.50	717,308	1.7%	30.00	1,478,733	3.0%	10.10	733,401	1.7%	31.60	1,654,104	3.3%
Math	25.00	1,818,072	4.2%	25.00	1,822,122	3.7%	24.55	1,846,488	4.2%	24.55	1,851,388	3.7%
Physical Education	7.45	518,800	1.2%	7.45	518,800	1.1%	7.45	545,353	1.2%	7.45	545,353	1.1%
Science	27.20	1,997,376	4.6%	27.20	1,997,376	4.1%	24.75	1,938,061	4.4%	24.75	1,938,061	3.8%
Health Education	2.40	142,417	0.3%	2.40	142,417	0.3%	2.40	153,320	0.3%	2.40	153,320	0.3%
Technology Education	1.85	129,309	0.3%	1.85	129,309	0.3%	2.00	154,332	0.3%	2.00	154,332	0.3%
Social Studies	25.00	1,803,128	4.2%	25.00	1,803,128	3.7%	25.05	1,871,923	4.2%	25.05	1,871,923	3.7%
Foreign Language	16.20	1,220,418	2.8%	16.20	1,220,418	2.5%	17.40	1,355,785	3.1%	17.40	1,355,785	2.7%
<b>Subtotal</b>	<b>234.44</b>	<b>16,969,500</b>	<b>39.4%</b>	<b>256.86</b>	<b>18,016,094</b>	<b>36.8%</b>	<b>233.36</b>	<b>17,733,816</b>	<b>40.0%</b>	<b>257.81</b>	<b>18,961,225</b>	<b>37.4%</b>
<b>Special Instruction</b>												
English Language Learners	3.85	183,221	0.4%	3.85	216,180	0.4%	4.79	260,248	0.6%	4.79	293,978	0.6%
Pre-Kindergarten	12.32	564,037	1.3%	14.12	699,160	1.4%	11.98	487,760	1.1%	14.78	725,630	1.4%
Special Education	83.93	8,550,822	19.9%	83.93	10,701,885	21.8%	87.29	8,804,675	19.9%	87.29	11,069,174	21.8%
<b>Subtotal</b>	<b>100.10</b>	<b>9,298,080</b>	<b>21.6%</b>	<b>101.90</b>	<b>11,617,225</b>	<b>23.7%</b>	<b>104.06</b>	<b>9,552,683</b>	<b>21.5%</b>	<b>106.86</b>	<b>12,088,782</b>	<b>23.9%</b>
<b>Student &amp; Instructional Services</b>												
Athletics	1.00	292,154	0.7%	1.00	730,386	1.5%	1.00	290,628	0.7%	1.00	732,455	1.4%
Student Activities	0.25	39,253	0.1%	0.25	113,015	0.2%	0.25	41,979	0.1%	0.25	96,119	0.2%
Food Service	-	-	0.0%	16.97	869,278	1.8%	-	-	0.0%	16.38	867,544	1.7%
Guidance	10.60	775,968	1.8%	10.60	775,968	1.6%	11.00	835,040	1.9%	11.00	835,040	1.6%
Psychological Services	6.73	463,157	1.1%	6.73	463,157	0.9%	6.73	485,897	1.1%	6.73	485,897	1.0%
Health Services	7.50	525,294	1.2%	7.50	525,294	1.1%	7.90	576,617	1.3%	7.90	576,617	1.1%
Library	5.65	281,136	0.7%	5.65	281,136	0.6%	5.64	217,791	0.5%	5.64	217,791	0.4%
Technology & AV	9.50	1,050,727	2.4%	9.50	1,050,727	2.1%	9.50	1,066,801	2.4%	9.50	1,066,801	2.1%
Curriculum Development	1.00	107,534	0.2%	1.80	171,381	0.3%	1.00	110,520	0.2%	1.80	178,995	0.4%
Staff Development	1.00	226,314	0.5%	1.00	249,648	0.5%	1.00	229,300	0.5%	1.00	240,985	0.5%
Substitutes	0.00	465,000	1.1%	0.00	465,000	0.9%	-	485,000	1.1%	-	485,000	1.0%
METCO	-	-	0.0%	6.00	503,256	1.0%	-	-	0.0%	5.83	509,256	1.0%
Adult Education	-	-	0.0%	0.00	25,000	0.1%	-	-	0.0%	-	20,000	0.0%
Transportation (Reg. Ed.)	0.00	90,000	0.2%	0.00	424,000	0.9%	-	91,800	0.2%	-	425,800	0.8%
<b>Subtotal</b>	<b>43.23</b>	<b>4,316,537</b>	<b>10.0%</b>	<b>67.00</b>	<b>6,647,246</b>	<b>13.6%</b>	<b>44.02</b>	<b>4,431,373</b>	<b>10.0%</b>	<b>67.03</b>	<b>6,738,300</b>	<b>13.3%</b>

Program/Budget Category	FY2013 Budget (GF only)			FY2013 Budget (All Funding)			FY2014 Budget (GF only)			FY2014 Budget (All Funding)		
	FTE's	Budget \$	Budget %	FTE's	Budget \$	Budget %	FTE's	Budget \$	Budget %	FTE's	Budget \$	Budget %
<b>Operations</b>												
Buildings & Grounds	6.45	796,664	1.8%	6.45	796,664	1.6%	6.60	814,950	1.8%	6.60	814,950	1.6%
Custodial Services	13.00	1,038,839	2.4%	13.00	1,038,839	2.1%	13.00	1,033,434	2.3%	13.00	1,033,434	2.0%
Utilities	0.00	1,659,175	3.9%	0.00	1,882,649	3.8%	-	1,604,048	3.6%	-	1,829,048	3.6%
<b>Subtotal</b>	<b>19.45</b>	<b>3,494,678</b>	<b>8.1%</b>	<b>19.45</b>	<b>3,718,152</b>	<b>7.6%</b>	<b>19.60</b>	<b>3,452,432</b>	<b>7.8%</b>	<b>19.60</b>	<b>3,677,432</b>	<b>7.3%</b>
<b>Leadership &amp; Administration</b>												
Building Administration	31.23	1,861,094	4.3%	31.23	1,861,094	3.8%	30.23	1,913,286	4.3%	30.23	1,913,286	3.8%
Central Administration	8.70	868,715	2.0%	9.00	888,715	1.8%	8.20	831,378	1.9%	8.50	851,378	1.7%
Legal Services	0.00	165,000	0.4%	0.00	165,000	0.3%	-	169,950	0.4%	-	169,950	0.3%
School Committee	0.00	17,700	0.0%	0.00	17,700	0.0%	-	17,700	0.0%	-	17,700	0.0%
<b>Subtotal</b>	<b>39.93</b>	<b>2,912,509</b>	<b>6.8%</b>	<b>40.23</b>	<b>2,932,509</b>	<b>6.0%</b>	<b>38.43</b>	<b>2,932,314</b>	<b>6.6%</b>	<b>38.73</b>	<b>2,952,314</b>	<b>5.8%</b>
<b>Allowances &amp; Benefits</b>												
Contractual Allowances	0.00	249,566	0.6%	0.00	249,566	0.5%	-	166,517	0.4%	-	166,517	0.3%
Fringe Benefits	0.00	5,827,622	13.5%	0.00	5,827,622	11.9%	-	6,079,965	13.7%	-	6,079,965	12.0%
<b>Subtotal</b>	<b>0.00</b>	<b>6,077,188</b>	<b>14.1%</b>	<b>0.00</b>	<b>6,077,188</b>	<b>12.4%</b>	<b>-</b>	<b>6,246,482</b>	<b>14.1%</b>	<b>-</b>	<b>6,246,482</b>	<b>12.3%</b>
<b>Grand Total</b>	<b>437.16</b>	<b>43,068,492</b>	<b>100.0%</b>	<b>485.45</b>	<b>49,008,414</b>	<b>100.0%</b>	<b>439.47</b>	<b>44,349,100</b>	<b>100.0%</b>	<b>490.03</b>	<b>50,664,535</b>	<b>100.0%</b>

- The changes to FTE allocations differ somewhat from the budget allocations. Regular Instruction programs show a 1.08 decrease in General Fund positions, although total FTEs (all funding sources) are increasing by 0.95, and Special Instruction programs, which exhibited minimal change in budget allocation, are increasing by 3.96 and 4.96 FTEs respectively. More consistent is the change to Leadership and Administration programs, where FTEs have decreased by 1.5 due to a reduction in Central Administration secretarial FTEs and the elimination of lunch aides at the middle school.

### Expense Analysis – Major Line Item Changes

The FY2014 budget proposal represents a 3.4% increase over last year’s budget, or 3.0% if one considers only the General Fund. (The comparable increase for the rest of the town departments is 2.6%.) The previous section described the changes to program budget allocations. The following table summarizes the changes to major line item categories. (Note that this table reflects all funding and not just General Fund dollars.)

Line Item Category	FY2013 Budget	FY2014 Budget	% Change
<b>Personnel Costs</b>			
FTEs	485.45	490.03	0.94%
Salaries	\$29,189,796	\$30,772,276	5.42%
Stipends	\$451,584	\$457,709	1.36%
Fringe Benefits	\$6,130,686	\$6,394,544	4.30%
Contract Allowances	\$249,566	\$166,517	-33.28%
Substitutes	\$465,000	\$485,000	4.30%
<b>Total Personnel Costs</b>	<b>\$36,486,632</b>	<b>\$38,276,047</b>	<b>4.90%</b>
<b>Non-Personnel Costs</b>			
Contract Services	\$ 1,011,905	\$ 1,024,865	1.28%
Legal Services	\$165,000	\$ 169,950	3.00%
Technology	\$542,479	\$ 521,229	-3.92%
Equipment & Supplies	\$1,339,576	\$ 1,317,024	-1.68%
Textbooks/Other Books	\$53,088	\$ 47,588	-10.36%
Out-of-District Placements	\$5,352,522	\$ 5,287,522	-1.21%
Transportation	\$1,520,486	\$ 1,565,320	2.95%
Facilities Maintenance/Repair	\$315,502	\$ 315,502	0.00%
Utilities	\$1,882,649	\$ 1,829,048	-2.85%
<b>Total Non-Personnel Costs</b>	<b>\$12,521,782</b>	<b>\$ 12,388,489</b>	<b>-1.06%</b>

*Note: The individual cost lines do not sum to the totals provided, as not all line item categories are listed.*

With respect to individual line items, the proposed School Department budget contains 100 items (out of a total of 816 across the three funding streams) that are changing – either increasing or decreasing -- by at least 5% and \$5,000 or are greater than \$5,000 in FY2014 after having received no funding in FY2013. The 15 line items included in the table below represent the largest such changes in absolute terms, ranging from \$181,961 for Wellington Elementary School Teachers to \$60,315 for Middle School Special Education Teachers.

Line Item (Funding Source)	FY2013 Budget	FY2014 Budget	Percent Increase	Explanation
Wellington Elementary Teachers (GF)	\$ 1,126,399	\$ 1,308,360	16.2%	2.0 Add'l. FTE; Sal. Incr.
Middle School English Teachers (GF)	\$ 743,938	\$ 872,355	17.3%	1.25 Add'l FTE; Sal. Incr.
MS Social Studies Teachers (GF)	\$ 764,334	\$ 885,767	15.9%	1.25 Add'l FTE; Sal. Incr.
MS Special Education Aides (GF)	\$ 352,393	\$ 457,910	29.9%	4.0 Add'l. FTE; Sal. Incr.
Wellington Kindergarten Tchrs. (RV)	\$ 91,636	\$ 196,948	114.9%	1.7 Add'l. FTE; Sal. Incr.
Pre-Kindergarten Teachers (RV)	\$ 108,978	\$ 211,798	94.3%	1.0 Add'l FTE; Sal. Incr.
High School Librarian (GF)	\$ 101,694	\$ 0	-100.0%	Ret - Repl. with Aide
High School Science Teachers (GF)	\$ 957,525	\$ 863,361	-9.8%	2.2 FTE Reduction
English Language Learner Tchrs. (GF)	\$ 102,496	\$ 193,278	88.6%	1.4 Add'l FTE; Sal. Incr.
Contract Allowance – Bargaining (GF)	\$ 127,841	\$ 44,867	-64.9%	Bargaining Completed
Pre-K Special Education Teachers (GF)	\$ 360,088	\$ 277,398	-23.0%	1.0 FTE Reduction
High School Heating Fuel (GF)	\$ 484,083	\$ 411,605	-15.0%	Conversion to Nat. Gas
HS Foreign Language Teachers (GF)	\$ 621,142	\$ 692,148	11.4%	1.0 Add'l FTE; Sal. Incr.
MS Foreign Language Teachers (GF)	\$ 509,097	\$ 571,229	12.2%	0.2 Add'l FTE; Sal. Incr.
MS Special Education Teachers (GF)	\$ 587,653	\$ 647,968	10.3%	Salary Increase

#### Potential Adds and Cuts to Proposed Budget

Regarding potential additions to the FY2014 budget, the Department has not specified a list of budget items that it would necessarily fund with any additional revenues that became available, but has identified several initiatives that it cannot fund within existing budget constraints. Included among these are:

- Full implementation of a new mathematics curriculum, estimated at \$200,000 (a partial implementation will be pursued using approximately \$57,000 from Town Education funds);
- Additional teaching staff to accommodate more fully the increasing enrollment levels and to implement the recommendations of the Class Size Advisory Group; and
- Additional support staff, including a School Resource Officer.

On the cuts side, the proposed Available Revenue Budget appears to be relatively lean, but there is one item within this budget that could potentially be reduced to free up funds for other purposes, especially in the fall when enrollment levels become clearer, and that is the salary cost estimates. The estimates included in Department budgets tend to be high, in that they assume current staff will remain in place for the entire year, when, in fact, both staff turnover and leaves of absence will occur, and replacement staff and substitutes are likely to receive lower compensation. This is especially true in the case of many Unit A members who, if they remain, will move up the step-and-lane advancement grid.

When combined with bargaining and non-bargaining contract allowance dollars that are included in the budget to cover merit or other potential raises, these estimates have tended to be higher than actual expenditures.



- During the last three years for which expenditure data are available (FY10-12), budgeted salary and allowance dollars exceeded actual expenditures by \$213,000 per year, despite the fact that, in FY11 and 12 alone, actual FTEs exceeded budgeted positions by 14. At the same time, the cost for substitute teachers exceeded budgeted amounts by an average of \$125,000 per year, resulting in excess salary dollars of \$88,000.
- This year, the Department has added eight unbudgeted positions. As of 3/31/13, salary accounts are projected to have a combined positive EOY balance of \$85,000, however, the substitute teacher account is expected to have a \$231,000 deficit, leading to a combined shortfall of \$146,000. It is estimated that this amount will be made up via surpluses in other budget accounts.

## Special Analyses

### ***Administrative/Overhead Expenses***

Administrative expenses -- consisting of management, clerical support, technical support, and operations staff, as well as building maintenance and utilities, general equipment and supplies, and dues, conferences, and other professional development activities – account for approximately 24.3% of the proposed FY2014 Available Revenue Budget, a decrease of 1.3% from the number reported last year. This reduction is due both to an increase in classroom teaching staff and to the inclusion this year of Grants and Revolving Accounts funds, which are more narrowly focused on direct educational services and contain only 19.7% administrative costs. (The General Fund number this year is 24.9%.)

### ***Use of Part-Time Staff***

This year, the School Department has 149 part-time employees, down from 156 last year. Of these, 95 work 20 or more hours per week, and are therefore eligible for health insurance, and 76 work 25 or more hours weekly, making them also eligible for retirement pensions. (The comparable numbers in FY2012 were 105 and 81 respectively.) These are important thresholds, in that the cost of a part-time employee who works 25 hours per week can be 2-3 times the cost of a 19-hour-per-week employee. The following table provides a breakdown of these employees by functions and hours worked per week.

<b>School Department Part-Time Positions – FY2013</b>						
<b>Position</b>	<b>Hours Worked per Week</b>					
	<b>1 – 9</b>	<b>10 – 19</b>	<b>20 – 24</b>	<b>25 – 29</b>	<b>30 – 34</b>	<b>35-Plus</b>
Teachers/Other Professional Staff	2	7	9	2	6	2
Instructional Aides, Tutors		9	5	57		
Administrators			1			
Secretarial Staff		1				
Clerical Aides		3		2		
Lunch Aides		16				
Cafeteria Staff		16	4	5	2	
<b>Totals</b>	<b>2</b>	<b>52</b>	<b>19</b>	<b>66</b>	<b>8</b>	<b>2</b>

*Note: 53 of the 57 Aides listed above work 27 or more hours per week; full-time for these staff is 30 hours.*

### **Long-Term Growth**

The following table provides updated findings concerning long-term growth in student enrollment, teachers and other classroom staffing, and annual budgets for the period from FY2004 to FY2013, as well as estimates for FY2014. As in last year's report, these findings are drawn from a combination of School Department annual reports and, for the most recent years, the Department's detailed budget submissions.

The most notable finding from this year's analysis is the higher-than-expected growth in student enrollment, which has increased by 97 in FY2013 and is projected to increase significantly in FY2014 and beyond, and its impact on both long-term growth rates and student-teacher ratios. The table uses the Department's more conservative estimate of 50 for FY2014 enrollment growth – vs. the 103 estimated by the New England School Development Council (NESDEC) -- and the staffing and funding included in the proposed FY2014 Available Revenue Budget.

- By FY2014, enrollment is growing at an average annual rate of 1.0% overall, with regular class enrollment increasing by 1.27% per year and special education enrollment decreasing by 1.62% per year.
- Growth in the total number of teaching staff actually exceeds enrollment growth, averaging 1.32% annually; however, this higher growth rate is the result of increases in special education teachers. Average annual growth for regular instruction teachers is 1.01%, whereas special education teachers are increasing by 3.8% per year. As a result, by next year student-teacher ratios in regular classrooms will have increased by 0.41 over the ten years, from 15.94:1 in FY2004 to 16.35:1 in FY2014; in special education, the ratios will have decreased from 16.90:1 to 9.88:1.
- The use of instructional aides in both special education and regular classrooms, while decreasing somewhat in FY2014, will continue to result in lower overall ratios of students to classroom staff. In regular classrooms, a 15.70:1 ratio in FY2004 will decrease to 14.82:1 in FY2014; in special education, the comparable ratio will decrease from 7.09:1 to 3.43:1.
- Budget growth exceeds 4% annually, whether one looks only at the General Fund budget, which has increased at an average annual rate of 4.11% during the period since FY2004, or at total funding, including Grants and Revolving Accounts, which has averaged 5.16% growth annually.

The Warrant Committee recognizes that, while district-wide changes in student-to-teacher ratios have not been great (in fact, the ratios have decreased slightly this year), the enrollment increases are impacting the individual schools and grade levels differently, with the Wellington Elementary School being a prime example. In its budget submission this year, the Department has suggested that, because of this differential impact, and because a portion of the staff teaching in the elementary schools are specialists in art, music, and physical education and do not have their own classrooms, the kind of overall growth analysis presented here and in last year's Warrant Committee Report, which counts all teaching positions and applies a simple ratio to measure changes in staffing sufficiency, overstates the adequacy of existing teaching resources and is therefore misleading.

We believe our student-to-staffing ratios are valid measures for two reasons.

- First, measuring the overall student-to-teacher ratios is an appropriate way to gauge changes that may occur from year to year in the level of teaching resources (relative to enrollment) being funded through the Department's budget. Insofar as individual schools, grade levels, or classrooms are affected differently by enrollment growth, it is a result of how resources are allocated by the

### Long-Term Growth in Enrollment, Staffing, and Budget

	Fiscal Years											Total Growth	Avg. Ann. Growth
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
<b>Enrollment</b>													
Total Enrollment	3,727	3,715	3,696	3,733	3,760	3,862	3,957	3,937	3,968	4,065	4,115	10.41%	1.00%
Regular Instruction	3,335	3,280	3,251	3,293	3,345	3,476	3,604	3,632	3,662	3,737	3,782	13.41%	1.27%
Special Education	392	435	445	440	415	386	353	305	306	328	333	-15.07%	-1.62%
<b>Staffing</b>													
<b>Classroom Teachers</b>	<b>232.37</b>	<b>242.60</b>	<b>243.30</b>	<b>240.90</b>	<b>245.35</b>	<b>251.19</b>	<b>250.22</b>	<b>258.03</b>	<b>258.82</b>	<b>263.74</b>	<b>264.95</b>	<b>14.02%</b>	<b>1.32%</b>
Regular Instruction	209.17	219.65	218.95	216.90	220.35	224.07	222.10	226.93	226.02	231.04	231.25	10.56%	1.01%
Special Instruction	23.20	22.95	24.35	24.00	25.00	27.12	28.12	31.10	32.80	32.70	33.70	45.26%	3.80%
<b>Instructional Aides/Tutors</b>	<b>35.30</b>	<b>36.65</b>	<b>39.34</b>	<b>43.60</b>	<b>48.44</b>	<b>52.15</b>	<b>53.14</b>	<b>86.37</b>	<b>82.33</b>	<b>89.15</b>	<b>87.31</b>	<b>147.32%</b>	<b>9.48%</b>
Regular Instruction	3.19	2.95	3.20	3.15	3.07	7.38	3.26	19.65	25.92	27.70	24.02	652.98%	22.37%
Special Instruction	32.11	33.70	36.14	40.45	45.37	44.77	49.88	66.72	56.42	61.45	63.29	97.09%	7.02%
<b>All Classroom Staff</b>	<b>267.67</b>	<b>279.25</b>	<b>282.64</b>	<b>284.50</b>	<b>293.79</b>	<b>303.34</b>	<b>303.36</b>	<b>344.40</b>	<b>341.15</b>	<b>352.89</b>	<b>352.26</b>	<b>31.60%</b>	<b>2.78%</b>
Regular Instruction	212.36	222.60	222.15	220.05	223.42	231.45	225.36	246.58	251.94	258.74	255.27	20.21%	1.86%
Special Instruction	55.31	56.65	60.49	64.45	70.37	71.89	78.00	97.82	89.22	94.15	96.99	75.35%	5.78%
<b>All Department Staff</b>	<b>380.09</b>	<b>394.97</b>	<b>400.72</b>	<b>403.90</b>	<b>414.52</b>	<b>424.14</b>	<b>422.84</b>	<b>482.43</b>	<b>483.30</b>	<b>493.41</b>	<b>490.03</b>	<b>28.92%</b>	<b>2.57%</b>
<b>Student-Staffing Ratios</b>													
<b>Student-Teacher</b>	<b>16.04</b>	<b>15.31</b>	<b>15.19</b>	<b>15.50</b>	<b>15.33</b>	<b>15.37</b>	<b>15.81</b>	<b>15.26</b>	<b>15.33</b>	<b>15.41</b>	<b>15.53</b>		
Regular Instruction	15.94	14.93	14.85	15.18	15.18	15.51	16.23	16.00	16.20	16.17	16.35		
Special Instruction	16.90	18.96	18.28	18.33	16.60	14.23	12.55	9.81	9.33	10.03	9.88		
<b>Student-All Classroom Staff</b>	<b>13.92</b>	<b>13.30</b>	<b>13.08</b>	<b>13.12</b>	<b>12.80</b>	<b>12.73</b>	<b>13.04</b>	<b>11.43</b>	<b>11.63</b>	<b>11.52</b>	<b>11.68</b>		
Regular Instruction	15.70	14.73	14.63	14.96	14.97	15.02	15.99	14.73	14.54	14.44	14.82		
Special Instruction	7.09	7.68	7.36	6.83	5.90	5.37	4.53	3.12	3.43	3.48	3.43		
<b>Student-Department Staff</b>	<b>9.81</b>	<b>9.41</b>	<b>9.22</b>	<b>9.24</b>	<b>9.07</b>	<b>9.11</b>	<b>9.36</b>	<b>8.16</b>	<b>8.21</b>	<b>8.24</b>	<b>8.40</b>		
<b>Budgets (millions)</b>													
<b>General Fund Only</b>	<b>\$29.655</b>	<b>\$30.924</b>	<b>\$33.005</b>	<b>\$34.869</b>	<b>\$37.040</b>	<b>\$38.471</b>	<b>\$37.824</b>	<b>\$39.703</b>	<b>\$41.584</b>	<b>\$43.068</b>	<b>\$44.349</b>	<b>49.55%</b>	<b>4.11%</b>
<b>All Funding</b>	<b>\$30.639</b>	<b>\$31.824</b>	<b>\$34.589</b>	<b>\$36.580</b>	<b>\$38.915</b>	<b>\$40.885</b>	<b>\$42.311</b>	<b>\$44.225</b>	<b>\$47.199</b>	<b>\$49,008</b>	<b>\$50.665</b>	<b>65.36%</b>	<b>5.16%</b>

Notes: Enrollment, staffing, and budget totals for FY04-10 are taken from Annual Reports; totals for FY11-14 from School Department budget documentation.

All enrollment counts exclude Special Education out-of-district placements.

Because ELL students are in the regular education student population, ELL teachers and tutors are similarly included in the regular instruction staffing counts.

The 59.6 FTE increase in total staffing indicated in FY2011 appears to reflect both an increase in the classroom staffing included in this table (+41 FTEs), plus the inclusion of cafeteria staff who were not included in the FY2004-FY2010 Annual Reports.

The staffing and budget totals for FY2010 and FY2011 reflect ARRA and SFSF Grant funding. For years prior to FY2011, however, only General Fund and Revolving Account funding is included, as no data were found for other grant funding. It is unclear whether grant-funded staffing counts are also missing.

Department. Just how the Department chooses to allocate its resources or what instructional model it employs to teach its students is not at base an issue of school funding.

- Second, the available data concerning teacher assignments since 2004 indicate that the current model of employing specialized teachers for art, music, and physical education in the elementary schools has been in place throughout the ten-year period being reviewed. Thus, the ratios provided here depict each of the measured years in the same manner. (It should be remembered that our analysis does not attempt to evaluate staffing ratios against any established standard, but only to measure the extent to which these ratios have changed over time.)

### **Observations**

The most noteworthy aspect of FY2013 School Department operations concerns student enrollment. The enrollment growth experienced this year (97 students) and expected next year (estimated to be between 50 and 103 students) has clearly posed a challenge to the Department as it tries to maintain what it considers appropriate resource levels and classroom sizes. In addition, there are some indications that this trend may continue. The long-term forecast provided by NESDEC suggests significant annual increases during the next ten years, although the projected increases level off after next year: they predict an increase of 103 students in FY2014, whereas during the subsequent nine years their forecast is for average annual growth of just over 39.

Looking at the near term, the Department has been able to respond to the enrollment increases by adding resources. For FY2013, it added five teaching positions not included in its original budget, and eight positions overall. For FY2014, the proposed budget funds one more teaching position, although the total staffing count is reduced by 3.4. In addition, the Department is currently exploring ways to modify the instructional models it employs, especially at the Chenery Middle School, in order to create greater flexibility in class assignments and achieve a more even distribution of students.

Much of the concern about FY2013 and FY2014 enrollment levels has focused on the four elementary schools, both because these grades have experienced the largest increases this year (57 of the 97 total for the district) and because small class sizes are considered particularly critical for young students. The following table assesses FY2013 enrollment levels for each of the four schools, comparing them to both the Class Size Guidelines developed by the School Committee several years ago and the cap of 25 students per classroom that the Department has identified as a level above which educational quality will suffer.

These numbers suggest several factors that the School Department can consider as it prepares to accommodate further increases in FY2014.

- Both the Wellington and Winn Brook schools have grades that exceed the School Committee guidelines: the Wellington exceeds these levels, by an average of 5.5 students, across all grades except kindergarten; the Winn Brook exceeds only for the 1st grade, by 2 students. (Note also that the Butler School's 2<sup>nd</sup> grade classrooms are at the maximum guideline of 23). Compared to the student cap, the current 3<sup>rd</sup> and 4<sup>th</sup> grades at the Wellington are the only instances where enrollment exceeds 25, in each case by 1 student in total across all classrooms.
- The remainder of the individual school grades show some capacity for growth: applying the guidelines, this additional capacity ranges from a low of 1 (Burbank kindergarten, Winn Brook kindergarten and 3<sup>rd</sup> grade) to a high of 14 (Butler 3<sup>rd</sup> and 4<sup>th</sup> grades, Winn Brook 4<sup>th</sup> grade); using the student cap, the range becomes 1 (Wellington 1<sup>st</sup> grade) to 21 (Wellington kindergarten).

School	Measure	Grade Level				
		K	1	2	3	4
Burbank	Total Enrollment	65	65	62	68	66
	Average Class Size	21.67	21.67	20.67	22.67	22.00
	Add'l. Capacity within Guideline	1	4	7	4	6
	Add'l. Capacity within Cap (25)	10	10	13	7	9
Butler	Total Enrollment	62	67	69	82	58
	Average Class Size	20.67	22.33	23.00	20.50	19.33
	Add'l. Capacity within Guideline	4	2	0	14	14
	Add'l. Capacity within Cap (25)	13	8	6	18	17
Wellington	Total Enrollment	104	124	95	101	101
	Average Class Size	20.80	24.80	23.75	25.25	25.25
	Add'l. Capacity within Guideline	6	-9	-3	-5	-5
	Add'l. Capacity within Cap (25)	21	1	5	-1	-1
Winn Brook	Total Enrollment	87	94	87	95	82
	Average Class Size	21.75	23.50	21.75	23.75	20.50
	Add'l. Capacity within Guideline	1	-2	5	1	14
	Add'l. Capacity within Cap (25)	13	6	13	5	18
Totals	Total Enrollment	318	350	313	346	307
	Average Class Size	21.20	23.33	22.36	23.07	21.93
	Add'l. Capacity within Guideline	12	-5	9	14	29
	Add'l. Capacity within Cap (25)	57	25	37	29	43

Source: Belmont School Department Official Enrollment for year 2012-2013, dated October 1, 2012.

Maximum guidelines established by Belmont School Committee are 22, 23, 23, 24, and 24 respectively for grades K-4.

- Using current enrollment in grades K-3 as a baseline for grade 1-4 enrollment in FY2014 (for obvious reasons, there is no comparable baseline for kindergarten enrollment), and assuming for the moment no additions or subtractions, several changes can be seen. First, grade 1-4 enrollment across the four schools shows an increase of 11 students, with 318 current kindergarten students replacing 307 4<sup>th</sup> graders. Second, the most obvious jump in enrollment occurs in the Wellington second grade, where 124 students replace 95; the Department's proposed budget adds a 2<sup>nd</sup> grade classroom to accommodate this increase. Third, the only other major increase is at the Butler, where 4<sup>th</sup> grade enrollment increases by 24; since 82 is an unusually high enrollment at this school, it seems possible that this increase might be accommodated by reassigning a 3<sup>rd</sup> grade teacher to the 4<sup>th</sup> grade. (This assumes that existing certifications and skill-sets support such a reassignment.)
- Finally, across the entire school district there is clearly some room for growth. The only instance where this is not true is the current 1<sup>st</sup> grade where enrollment is 5 students above the guidelines, although still 25 below the cap. All other grades have additional capacity, ranging from 9 to 29 vs. the guidelines and from 29 to 57 vs. the cap. Making full use of this capacity, of course, would require some rebalancing of the individual school enrollments, either by reassigning existing students next September, which would yield the most immediate impact, or by redirecting new enrollments to those schools with the capacity to accept them. Recognizing that redistricting can be disruptive to students and is a sensitive subject for many parents, the Department has taken the more conservative approach, implementing an enrollment freeze at the Wellington School.

If we look beyond FY2014, it is possible that increased student enrollment will continue to challenge the school district's capacity for some time to come. The most recent NESDEC forecast indicates that an additional 456 students will enter Belmont's school system by 2022. It is not clear, however, just how reliable this forecast is. For example, as noted earlier, it includes an estimate of 103 additional enrollees in FY2014 that the Department believes is too high. Furthermore, these estimates tend to be less reliable the further they look into the future. Two years ago, NESDEC forecasted FY2014 enrollment at 4,224; now it is predicting 4,168. For FY2020, the last year included in both forecasts, the discrepancy is larger: this year's forecast of 4,463 students is 282 lower than the earlier forecast of 4,745. This is not to suggest that the NESDEC forecasts should be disregarded, but only that some caution be exercised as the Department factors them into its long-term planning.

**Recommendations**

The objectives of the Warrant Committee's budget review are to analyze the major components of the School Department's budget, to understand those factors that contribute to budget growth, and to recommend steps that Department leadership might take to bring that growth more into line with Belmont's revenue growth. In this effort, we focus on ways to improve management information, to control major cost components like employee compensation and special education out-of-district placement costs, and to explore and, if appropriate, adopt more cost-effective instructional methods. Obviously, all of these strategies become even more critical in the face of significant enrollment growth.

**Recap: FY2013 Recommendations and Follow-Up**

The following table lists the recommendations made in last year's Warrant Committee Report and the current status of the Department's implementation of those recommendations. Recommendations that were not implemented or otherwise resolved and are still pending are included in the subsequent discussion of FY2014 recommendations.

FY2013 Recommendation	Status / Follow-Up
Align Grant and Revolving Account line item detail with the General Fund.	Implemented in this year's Budget Book, with line item detail provided for both FY2013 and FY2014.
Establish sub-accounts for Special Education Out-of-District tuition and transportation line items in order to provide greater detail regarding the costs of component services.	The Department has agreed to this recommendation, stating that such detail would serve its purposes as well. Its Business Office and the School Committee's Financial Subcommittee are exploring ways to establish the recommended level of account detail, however, its primary financial information system (MUNIS) is difficult to modify, and at this point the Department expects that such refinements will take considerable time to accomplish. <i>(See further discussion below.)</i>
Conduct evaluation of OOD/LABBB program costs for the past three years to develop detailed information regarding underlying cost dynamics (originally recommended in FY2012 report).	The recommended three-year analysis has not been completed. An internal audit of two years conducted in the fall of 2012 did not fully provide the cost detail requested. A recently released report from Walker Partnerships has provided some additional information, but also lacks detailed information about service costs. Important privacy concerns have been raised, and we continue to work with the Department to identify appropriate cost information that will not violate student confidentiality. <i>(See further discussion below.)</i>

FY2013 Recommendation	Status / Follow-Up
Continue efforts to constrain long-term salary growth by negotiating changes to the current Unit A salary advancement grid to reduce the number or size of step and/or lane increases (originally recommended in FY2012 report).	The Department did not address this issue in its last contract negotiations, as the Unit A contract for FY12-14 instituted 2% COLA increases for FY13 and FY14 and left the underlying step-and-lane advancement grid unchanged. This year, the Department has acknowledged that the step and lane system is unsustainable in its present form and has stated its intention to seek changes to this system in contract negotiations that begin next year. <i>(See further discussion below.)</i>
Implement new instructional models and/or classroom staffing strategies to achieve more cost-effective delivery of educational services (originally recommended in FY2012 report).	For several years, the Department has used increasing numbers of instructional aides in elementary grades. Further, this year's budget submission expresses a commitment to adopting more cost-effective instructional models, so long as they do not impair educational quality, and references several "innovation pilots" currently underway. At this point, however, it is unclear whether either of these approaches will have a measurable impact on class sizes, the number of teaching staff required, or the Department's operating costs. <i>(See further discussion below.)</i>
Reconsider human resources consolidation.	The Department has declined to implement this recommendation, stating that HR requirements specific to the schools, including the new teacher evaluation system, make this an impractical suggestion. (An earlier 2010 effort to study HR consolidation was suspended when the school's HR position was reduced to part-time at 0.4 FTE, however, it was increased to 0.6 FTE in 2012 and is budgeted at 0.8 FTE for FY2014.)
Limit use of one-time revenues to non-recurring costs.	In principle, the Department stated its agreement that the use of one-time revenues to fund recurring operating costs is not good practice, but seems to leave open the possibility that such action could prove unavoidable (even if it is not sustainable), given current budgetary constraints. The issue of last year's use of one-time health insurance savings was not addressed.
Put legal services contract out to bid and/or consider consolidating the Department's legal services contract with that of the Town.	The Department has responded that its need for legal services, including those related to employee relations, arise even in non-contract years, and, further, that it believes the current legal services contract is the most cost-effective solution available, due, first, to the provider's competitive rates and, second, to their familiarity with Department policies and practices, and thus the nature of its legal services requirements. No response was made concerning a potential consolidated legal services arrangement to serve both town and school needs.

FY2013 Recommendation	Status / Follow-Up
Establish procedures and approval criteria for accessing monies from the Special Education Stabilization Fund.	As the Department stated in this year’s budget submission, the Warrant Committee’s Education Subcommittee is working with the Department to develop the procedures to be followed by the Department to request Stabilization Fund monies and the criteria to be applied by the Warrant Committee in evaluating such a request for its report to Town Meeting. In designing these procedures and approval criteria, our objectives are to establish clear definitions of the kinds of services or activities that might be supported by the Fund, as well as to define financial reporting requirements that will ensure that these funds are accessed only when other internal funding options have been exhausted. <i>(See further discussion below.)</i>

**Recommendations for Fiscal Year 2014**

**Implement Changes to Constrain Long-Term Salary Growth:** Employee salaries are the largest single component of School Department costs, accounting for over 60% of total costs in the Department’s proposed FY2014 budget. Salary increases are therefore a major determinant of overall budget growth; while the FY2014 Available Revenue Budget represents a 3.4% increase over the FY2013 budget, combined salaries are increasing by 5.4%. Such increases in employee compensation virtually guarantee that school budget growth, which has averaged more than 4% annually for the past ten years, will consistently outpace the tax increases sanctioned by Proposition 2 ½.

During the last several years, as the Warrant Committee has reviewed School Department compensation growth, we have focused primarily on the employees belonging to Bargaining Unit A, which includes teachers and other professional staff. In FY2013, these employees account for 59.4% of all Department FTEs and 71.5% of total salaries. Their compensation package is also the most inflationary; even in the absence of any negotiated cost-of-living increases (2% in FY2013 and FY2014), the Unit A’s step-and-lane advancement grid provides for annual “step” increases averaging 4.2% during the first 14 years of employment, as well as “lane” increases, ranging from 1.5% to 5.6%, that are granted based on graduate credits or degrees earned.

As noted by the Department in its budget submission this year, such salary growth is unsustainable. Absent real reform, this growth will continue to place tremendous pressure on the Department’s budget and is likely to require some combination of service cuts, including reductions to both personnel and non-personnel accounts, and revenue increases, in the form of an operating override, increased student fees, and/or the development of new revenue sources. The Warrant Committee is encouraged by the Department’s stated intention to seek changes to the Unit A compensation system in next year’s contract negotiations. While we agree that achieving agreement to any changes to the existing compensation scheme will be tremendously difficult, it has, in our view, become necessary.

**Generate More Detailed Information Regarding Out-of-District Placement Costs:** The Warrant Committee has been encouraging the Department to develop more detailed information concerning the cost components within its out-of-district tuition and transportation accounts. Currently its budgets and expenditure reports contain only five General Fund line items for these costs – 4 for tuitions (MA Public, Out-of-State, Private, and LABBB) and one for student transportation. The Department has asserted that it is unlikely that these costs will continue to be the major drivers of budget growth they have been in the past, however, at \$6,190,222 they remain a significant component of both the Special Education



budget (56%), and the Department's total budget (12.3%), and we believe greater accounting detail is needed to understand the dynamics underlying these costs.

These line items encompass a variety of service costs: the amounts recorded as tuitions may include, besides base tuitions, such ancillary service providers as nurses, behavioral therapists, speech and language therapists, instructional aides and tutors, counselors, and physical and occupational therapists; and transportation charges may include monitors required for students with behavioral issues. We are asking the Department to provide greater detail regarding these costs by undertaking two initiatives:

- Modify its accounting systems and practices to create sub-accounts that will provide line item detail for the costs that comprise the tuition and transportation categories routinely; and
- In order to begin providing this information more quickly, review the past three years of invoices for out-of-district tuitions and transportation services, identifying for each the placement type and the detailed component service costs.

The preceding table summarizes the Department's progress to date in implementing these recommendations. It seems clear that system modifications to implement the new sub-accounts will take some time to accomplish, and we encourage the School Department and the School Committee's Finance Subcommittee to continue their efforts.

With respect to current costs, two initiatives -- an internal review of FY2011-2012 costs and a study of FY2013 costs conducted by Walker Partnerships -- have shed additional light on the relative costs of Private, MA-Public, and LABBB placements. For example, Walker has reviewed tuition costs for each current year placement and determined that annual LABBB tuitions, averaging \$51,724, are \$6,600 lower than tuitions for other collaborative placements (the MA-Public category) and \$6,800 lower than private tuitions. However, like the internal analysis, the Walker study does not provide the kind of detailed service cost information that would enable the Department to determine what factors drive these cost differences. It is possible that the differential cost Walker has identified is due to MA-Public and Private placements' providing a wider array of services or different services. We cannot tell from the data collected thus far.

The Warrant Committee understands that Special Education services are mandated and that the Department has limited ability to control placement costs. We are also aware that individual placement decisions must be based solely on what placement/services will best meet a child's educational needs. We nevertheless believe that, besides providing greater transparency regarding the expenditure of public funds, a greater knowledge of detailed service costs can have value to the Department when selecting from equally appropriate service options

Finally, the Department has raised appropriate concerns about disclosing individual student-level information, and we recognize that it has an obligation to protect each student's privacy. Our objective is to work with the Department to devise a method to collect aggregate service data than can improve program management without violating the confidentiality of student records.

***Implement New Instructional Models and/or Staffing Strategies to Reduce Costs:*** As noted above, over 70% of salary costs are attributable to Unit A employees, the vast majority of whom are classroom teachers. Given the relatively high costs associated with these positions, and with traditional classroom instruction generally, this Committee has encouraged the Department to consider alternate staffing patterns and instructional models that might improve the cost-effectiveness of its programs. To date, it is still unclear whether significant cost-savings are possible or if strategies to achieve such savings are in fact being implemented.

With respect to staffing, the Warrant Committee is not qualified to make judgments about the educational impact of using aides, but their use in regular classrooms would seem to offer a cost-effective way to accommodate higher class sizes. Whether cost savings would actually be achieved would depend on the relationship between the marginal cost of adding a classroom to address increased enrollment and that of hiring sufficient aides to enable existing classrooms to accommodate the new students. There are many factors to consider, including the size of the enrollment increase, the number of classrooms that a single aide could support, and the extent to which such aides would be benefits-eligible; however, given the difference between the average salary for teachers (\$71,650) and classroom aides (\$20,600), it seems likely that such a strategy could be successful in many instances.

We have noted in the past the Department's increased use of instructional aides assigned to regular classrooms (from 3.26 ELL staff in FY2010 to 27.7 total positions in FY2013). Many of these aides work in kindergarten classes; more recently, they have been assigned to assist teachers with increased enrollments in grades 1-4 at the Wellington School. Unfortunately, however, the Department has indicated that four of these aide positions will be eliminated next year to fund an additional classroom/teaching position and a part-time assistant principal.

Modifying instructional models can take many forms. This year a Class Size Advisory Group was appointed by the Department to consider ways to respond to increased enrollment. In its February 2013 report, in addition to recommending the hiring of 2 additional teachers each at the Wellington and Middle Schools, this group recommended that the Department consider redesigning the instructional models employed at the Middle School, including the establishment of multi-grade-level classrooms, in order to improve flexibility in student class assignments and distribute students more equitably. It was also recommended that the Department look for opportunities to reallocate resources across the school district to reflect variations in enrollments. We support these recommendations as cost-effective responses to growing enrollments.

In addition to staffing realignments, we have encouraged the implementation of new technologies to capitalize on regional or other remote learning resources, as such innovations would seem to offer potential for maintaining or even expanding the educational offerings available to Belmont students while at the same time reducing the costs associated with the more traditional classroom model. The Department has provided information on three technology-based pilots currently in the planning or implementation stages and involving student use of iPads both to support classroom instruction and to expand students' ability to conduct independent research.

Again, although such innovative use of technology is exciting and offers clear potential to enrich the educational environment, there is no evident relationship between such innovations and cost reduction. The Department describes these pilots as cost-effective methods to improve the student's educational experience. However, there is a clear difference between using cost-effective technologies to achieve educational enrichment objectives, which, however efficient, will add cost, and the implementation of technology-based learning to replace more traditional and labor-intensive methods. Beyond the laudable goal of using technology to improve student performance and outcomes, the Warrant Committee encourages continued exploration of new approaches that can also improve the overall cost-effectiveness of Department programs.

***Establish Special Education Stabilization Fund Procedures:*** As noted in the preceding table, the Education Subcommittee is working with the Department to develop procedures and approval criteria for accessing Stabilization Fund monies. Our objective in designing these procedures is to avoid criteria and a process that are either so demanding as to make the Fund essentially unavailable to the

Department, no matter how legitimate the need, or so relaxed or undefined that the Fund in effect becomes part of the Department's operating budget.

From our discussions with Department administrators, the Education Subcommittee has identified three elements that we consider essential to the proper administration of the Fund.

- **Approval Criteria:** The procedures must include a clear definition of the circumstances in which the appropriation of Fund monies might be warranted. In our view, required approval criteria include: (1) the expense in question must not have been included in the Department's budget; (2) it must also be of a type and/or size that could not reasonably have been anticipated by the Department in developing its budget; and (3) the Department must be able to establish that no other funds are available within its budget to cover the expense.
- **Prompt Notification:** The Department must alert the Warrant Committee's Education Subcommittee as soon as a potential need for a Stabilization Fund request is identified.
- **Budget Status Reports:** To enable the Warrant Committee to evaluate its request, the Department must, at the time of both the initial notification and the later submission of a request, provide financial reports that show the current status, including expenditures, encumbrances, and balances, of all Department budget accounts.

While the Warrant Committee will not have the same approval authority over Stabilization Fund appropriations that we have over appropriations from the Reserve Fund Account, but rather will only make recommendations to Town Meeting, these criteria are modeled on those that have been successfully used in administering the latter fund.