

## **Warrant Committee Report**

**Town Meeting, May 25, 2010**

A principal function of the Warrant Committee is to report to Town Meeting on all Warrant Articles that involve an appropriation of money. The Belmont Warrant Committee consists of fifteen residents (not necessarily Town Meeting Members) appointed by the Moderator for staggered three-year terms, plus the Chairs of the Board of Selectmen and the School Committee. The Warrant Committee appoints one of its members to the Capital Budget Committee. The Town Accountant, Town Administrator, and Town Treasurer regularly attend meetings.

This report provides Town Meeting Members with a background and explanation of the proposed budget for Fiscal Year 2011.

### **Budget Overview**

Because of sharply declining state tax revenues which began in 2008 and are not expected to improve for several more years, Belmont's Fiscal Year 2011 budget is the second of several very difficult years. Last year, we were fortunate to have received almost \$1.9 million in federal stimulus grants under the American Recovery and Reinvestment Act (ARRA) and the Individuals with Disabilities in Education Act (IDEA). These monies are outside the Town budget and did not appear in the appropriation under Article 4. For the FY11 budget, federal stimulus funds have declined to approximately \$635,000. We expect that there will be no stimulus funds for FY12. As with last year's stimulus grants, the Warrant Committee is recommending that all of the federal stimulus funds be applied to the School budget with no reduction in the recommended appropriation from Town Meeting.

Without an operating override for FY11, there is \$83,977,043 in revenue that can be appropriated for all expenditures of the Town of Belmont. This is \$3.57 million less than the "needs" budgets proposed by the Town Administrator and Superintendent of Schools. The Selectmen have placed an operating override on the ballot in the amount of \$2 million, to be allocated as follows: \$1 million to the Belmont Schools; \$600,000 to the capital budget; and \$400,000 to General Government. Accordingly, the Warrant Committee is recommending two budgets to Town Meeting this year: a "no-override" budget in the amount of \$83,977,043 and an "override" budget in the amount of \$85,979,846. The override budget is contingent on the passage of the operating override in June. If the override fails, the no-override budget will become the Town's budget for FY11.

The no-override budget represents an increase of 5% in overall spending from the FY10 budget approved by Town Meeting, but when stimulus funds are added to the FY10 budget the increase is approximately 2.8%. The override budget represents an overall increase of 7.5% over FY10, but approximately 5.3% if stimulus funds are added to FY10 spending.

## **Warrant Committee Initiatives**

This year, the Warrant Committee began two initiatives that we hope and expect to carry forward into future years. The first is taking a programmatic approach to analyzing the budget. Under this approach, we endeavor to identify the programs undertaken or provided by each Town department and then analyze the actual cost of those programs including cross-subsidies within the Town. Our report to Town Meeting this year contains far more detail than reports from prior years. For each department, we have attempted a spending overview; programmatic analysis; discussions of special issues, marginal cuts and adds, and long-term issues; and then our observations and recommendations. We will refine this analysis in future years, but for the moment we hope that Town Meeting members find the format and discussion useful.

The second initiative is an attempt to identify, assess and quantify structural changes to the way we do business across the Town. We have sought input from Town departments, the Schools, elected and appointed bodies, and the general public. We will be pursuing these ideas as an ongoing part of the Warrant Committee agenda. We hope that these ideas, and our analysis, will help to illuminate the more general discussion of what kind of town we want to live in. What are the core services that distinguish us from other towns and make us so proud to be citizens of Belmont? Once we have identified these services, we need to work on the process of making them affordable for our residents.

### **Review of Departmental Budgets**

#### **General Government**

Accountant, Assessors, Human Resources, Information Technology, Town Administrator, Selectmen, Town Clerk, and Town Treasurer

#### **Town Clerk's Office**

I. Introduction. The Town Clerk operates three main areas – Legislative, Elections and Registrations and Record Keeping. It performs a large range of recording and legal functions and is often seen as the heart of town government and major liaison to residents. The department operates with 4 FTEs including the elected Town Clerk, Assistant Town Clerk and two additional staff.

#### II. Spending Overview

Overall Spending	Estimate FY2011
Operating Budget	\$130,436
Operating Expenses	\$ 33,150 (25% of Town Hall)
Capital Budget	0

Debt Repayment	0
Pension	\$ 39,626
Retiree Medical	\$ 9,663
Total	\$212,875

Revenue Offsets	\$ 91,121
-----------------	-----------

### III. Trends in \$ and Headcount

Operating Budget 2011	\$130,436
% change (2010-2011)	-14%
Headcount 2011 (FTE)	4

Average annual growth	2001 – 2010
Operating budget	1.01%
All Belmont	3.5%

### IV. Programmatic analysis

#### 2011 Estimate

Program 1	Legislative	\$11,920
Program 2	Election & Reg	\$187,616
Program 3	Town Clerk	\$152,663
Total		\$352,199

### V. Proposed Cuts/Addds

The Town Clerk's salary has been adjusted downward after a review of salary levels and work requirements in towns similar to Belmont.

### VI. Structural Change commentary.

- The town is in the last century by way of use of digital technology. It is difficult to conduct financial transactions with the town on line. Many invoices from the town could be sent by e-mail. Many documents which the town clerk sends to Town Meeting Members could be done more efficiently if done via e-mail. The head of information technology should have much more authority, to bring Belmont into the digital age.
- At times there is a lack of cooperation between town departments. For example, a few years ago the town clerk tried to combine all voting sites in the Field House at the High School but gave up because of lack of cooperation from the school department.

- With digital technology available, there is no reason for the town to be burdened with keeping vital statistics. This function could be assumed statewide by the Secretary of State's office.

Town Administrator

1. INTRODUCTION

A. Description

The Town Administrator Department has a staff of 3.8 FTE's for overall Town management services.

The Department has produced savings by a relatively small increase in insurance coverage, which has led to a significant decrease in legal services, as the insurance companies now pay for the legal costs of claims under those policies.

The Department produces revenue from two areas which may increase recently, namely the Beech Street Center, which is expected to produce additional rental revenue as it becomes more known as a place to hold functions; and license fees, which will increase from the four new liquor licenses recently approved by Town Meeting.

B. Mission

The Department's mission is to provide general Town management services; manage insurance and legal services; and support the Board of Selectmen, various Town Committees and Town Meeting.

II. SPENDING OVERVIEW

A. Overall Spending

Operating budget 2011 (needs based)	\$943,877
Capital budget	\$0
Debt repayment	\$0
Pension	\$20,684
Retiree medical	\$25,081
Disability	\$0
Utility and Maint. Costs	\$47,943
Total	\$1,037,585

Revenue offsets:

Beech St. Center rentals	\$37,000
License Fees	\$72,050

B. Changes in \$ and headcount/ Operating budget

i. Trends in operating budget and headcounts

	Budget	Headcount
Current year	\$905,014	
% budget	1.1%	3.8 FTE
% change/ FTE level	0%	3.8 FTE

	Budget	Headcount
Long term growth		
Town Administrator	-3.6%	-0.14
All Belmont	3.5%	N/A

III. PROGRAMMATIC ANALYSIS

a. Program and costs

Program	Budget \$	Budget %
BOS Support	149,990	17%
VFW/Amer. Legion	7,500	1%
Legal Services	274,330	30%
TM, Comm. Support	87,333	10%

Community Relations	48,751	6%
Insurance	337,110	36%
Total	\$905,014	100

b. Activity indicators

1. Board of Selectmen

- # of BOS meetings attended 2010 36
  - Change since 2007 0%
  - Change since 2009 0%
- Liquor licenses issued
  - 2011 projected 14
  - 2010 13
  - 2009 13

2. VFW/American Legion

- Town Administrator requests Finance to send a check quarterly to the VFW

3. Legal Services

- Cases handled by year
  - 2007
    - Cases Closed 8
    - Cases Continuing 10
  - 2008
    - Cases Closed 7
    - Cases Continuing 8
  - 2009
    - Cases Closed 6
    - Cases Continuing 6

4. Town Meeting/Committee Support

- Town Meeting

Nights Attended	6
Increase in nights of TM since 2007	50%

Hours to Produce Slides	45
Increase in Hours to Produce Slides	15%

- Town Committees
 

Committees Supported	46
Change in number of Committees since 2007	-25%

  

Committee Members Supported	494
Change in # of members since 2007	-24%

5. Community Relations

- Pages of Annual Report Produced 190  
Change since 2007 -30%
- Hours to Produce Annual Report 75  
Change since 2007 -6%

6. Insurance

- Purchases Insurance for:
  - Fire
  - Auto
  - General Liability

c. Performance indicators

1. Board of Selectmen

- Largest Amount of Staff Time Spent on Board of Selectmen Support
- Change in Liquor License fees
 

-since 2009	10%
-since 2010 (projected)	10%

2. VFW/American Legion

- One hour per year spent on this

3. Legal Services

- Change in legal fees since 2008 -24%
4. Town Meeting/Committee Support
    - None
  5. Community Relations
    - None
  6. Insurance
    - Insurance budget
      - Change since 2008 8%
      - Change since 2009 5%
    - Increase of 8% for insurance has yielded 24% drop in legal fees since 2008
    - Change in Number of Claims

Year	# Claims
– 2007	71
– 2008	69
– 2009	91

IV. EXPENSE ANALYSIS

A. Historical

Changes from 2001-2010:

-BOS Support	-49%
-Legal Services	33%
-TM/Committee Support	-44%
-Community Relations	-82%
-Insurance	(Could not compare)

B. Expense analysis 2010-2011

- Change from 2010-2011 -1.7%
- (2011 numbers from proposed avail. funds budget)
- Only change for 2011 from Needs-Based to Avail. Funds:

Legal Services -7%

V. SPECIAL ISSUES

- a. New Liquor Licenses approved for 2011 by Town Meeting should bring in more money.

VI. PROPOSED CUTS AND ADDS

The Legal Services budget is being cut to reflect savings due to increased insurance coverage. There is expected to be more revenue from Beech Street Center rentals as word gets out. The recently approved 4 new liquor licenses will bring in a total of \$28,000 in license fees once they are all issued.

VII. LONG TERM AND STRUCTURAL CHANGE ISSUES

There are several areas in which structural change might be considered. The first is consolidation of some of the service functions, particularly in the library and school maintenance areas. Differences among functions would need to be considered in assessing the possible gains from such consolidation, and the other boards affected would have to agree.

Another area would be to charge market rent to the VFW for their building. This has been suggested in the past but not accomplished.

Legal services and insurance policies can be put out to bid in the hope of saving money, however, institutional memory will be lost. The Department is currently starting to do this.

Fewer Board of Selectmen, Town Meeting, Town Committee meetings would save resources but would limit public participation. Having them provide their own support would save resources, however, it is unlikely that volunteers will be able to do the work.

VIII. OBSERVATIONS AND RECOMMENDATIONS

The Department has been starting to implement some of the structural changes. The complicated structure of the Town's government (with many elected boards not under the Town Administrator's control) makes the Town Administrator's areas of authority difficult to determine. This sometimes ties the Town Administrator's hands in taking action on certain items. More clearly defined lines of authority would help with efficiency, but it is unclear if this would result in any monetary savings.

## Human Resources

### 1. INTRODUCTION

#### A. Description

The Human Resources Department administers benefits for the Town, being retirement assets for current employees, retirees and survivors; unemployment claims (for which the Town self-insures); workers compensation claims; Medicare; health, dental and life insurance for both Town and School. The HR Department has a staff of 2.71 FTE's for Town-wide HR services.

In addition, the Department handles human resources and labor relations matters, pay and classification of positions, employment regulation compliance, recruitment and assistance on HR matters for the Town.

#### B. Mission

The Department's mission is to administer benefits; provide internal support services to managers, staff and retirees; and to provide compliance for Federal and State employment laws.

### II. SPENDING OVERVIEW

#### A. Overall Spending

The HR operating budget account for approximately 84% of total spending on the HR function, with the balance accounted for by retiree benefits and building service costs. Building service costs are relatively high because of the low utilization of Town Hall. There are no revenue offsets.

Operating budget (available funds)	\$248,274
Capital budget	\$0
Debt repayment	\$0
Pension	\$29,448
Retiree medical	\$0
Disability	\$0
Utility and Maint. Costs	\$14,249
Total	\$291,971

#### B. Changes in \$ and headcount/ Operating budget

Budget and headcount are flat year to year. Long term growth in the operating budget has been below the town average.

ii. Trends in operating budget and headcounts

	<b>Budget</b>	<b>Headcount</b>
Current year	\$248,165	
% budget	0.3%	2.71 FTE
% change/ FTE level	0%	2.71 FTE

	<b>Budget</b>	<b>Headcount</b>
Long term growth		
HR	0.9%	Nil
All Belmont	3.5%	N/A

III. PROGRAMMATIC ANALYSIS

Programs and costs

Benefit administration accounts for by far the largest share of time and budget for this department (43%), with all other areas accounting for 15% or less.

<b>Program</b>	<b>Budget \$</b>	<b>Budget %</b>
Benefits Admin.	106,758	43 %
HR/Labor Relations	42,207	17 %
Pay & Classific.	7,448	3 %
Employment regulation compliance	37,241	15 %
Recruitment	27,310	11 %
Assistance	27,310	11 %
Total	\$248,274	100

Activity indicators

As indicated by the budget allocations, benefits administration is the major function of this office.

## 1. Benefits Administration

- # of employees and retirees taking Town health insurance serviced by HR

– People served	
– (2011 Target)	500
– Change since 2010	0%
– Change since 2008	10%
– Number insured	1,800

- # of employees and retirees taking life insurance serviced by HR

– People served	
– (2011 Target)	65
– Change since 2010	8%
– Change since 2008	-13%
– Number insured	500

- # of employees and retirees taking dental insurance serviced by HR

– People serviced	
– (2011 Target)	65
– Change since 2010	0%
– Change since 2008	30%
– Number insured	165

- Workers Compensation Claims (excluding Fire and Police)

– 2011 Target	45
– Change since 2010	-10%
– Change since 2008	50%

- Unemployment Claims (School and Town)

– 2011 Target	45
– Change since 2010	-10%
– Change since 2008	15%

## 2. HR/Labor Relations

- Deals with 7 of the 8 unions in the Town directly
- Deals with 1 of the 8 unions in the Town indirectly (through Library Trustees and Director)

- Works with approx. 1 Dept. Head per month on employee issues
- At least 5 serious employment complaints in 2010

3. Pay & Classification

- Worked on 11 position revisions/ratings in FY2010

4. Employment Regulation Compliance

- 8 new unfunded mandates requiring compliance in past 5 years

5. Recruitment

- Number of Town Positions Posted Internally

– 2011 Target	32
– Change since 2010	-3%
– Change since 2008	3%

- Number of Town Positions Advertised Externally

– 2011 Target	28
– Change since 2010	12%
– Change since 2008	-6%

6. Assistance

- Requests from Citizens and External Agencies

– 2011 Target	150
– Change since 2010	7%
– Change since 2008	50%

IV. EXPENSE ANALYSIS

The stability in the town's health benefit package has allowed a decrease in advisory services.

- Health Insurance for HR staff increases by 7% (\$2,439)
- Professional Services (Health Ins. Advisor) decreases by 97% (\$18,800)
- Prof. Staff Development added back at \$2,500 (eliminated in 2010)
- Advertising added back at \$6,000 (eliminated in 2010)

## V. SPECIAL ISSUES

The continued increase in unfunded mandates is a major issue for this department. There have been 8 new unfunded mandates requiring compliance in past 5 years with only 5 hour increase in time spent

## VI. PROPOSED CUTS AND ADDS

There is virtually no difference between the available funds and the override budget for this department. As a small department with mandated work, there are no real cuts to be made A small increase in the ad budget is requested to cast wider hiring net

## VII. LONG TERM AND STRUCTURAL CHANGE ISSUES

There are two areas in which structural change might be considered. The first is regionalization of some of the service functions, particularly in the benefit area. Differences among town collective bargaining agreements would need to be considered in assessing the possible gains from such consolidation.

A much discussed possibility is the combination of Town and School HR Departments. This has been done in other towns in eastern Massachusetts with mixed results.

## VIII. OBSERVATIONS AND RECOMMENDATIONS

Alternatives for reducing time spent on benefit administration, particularly in the IT area should be considered.

Role in collective bargaining has increased from resource person to lead participant with Town Administrator.

### Finance and Accounting Services

#### I. Introduction

The Accounting & Finance department handles all the accounting issues for the town, including reporting, auditing, purchasing, budgeting, accounts payable and internal control/auditing. A breakdown of their work includes the following:

- auditing of both financial, liability and HR policy issues
- administration of over thirty funds
- writing an average of 220 checks per week
- processing an average of 403 invoices per week
- preparing the annual budget
- liaison with the Warrant and Capital Budget Committees

## II. Spending Overview

Table 1.1

Overall Spending: Finance &  
Accounting  
FY 2011

	Estimate FY 2011	Source
Operating expenses		
Operating budget	357049	
Operating expenses, building services*	9869	10% of Homer Bldg Svc. Costs
Operating expenses, other		
Capital budget		
Debt repayment		
Pension	114654	Pension & Disability Payments by Dept.
Retiree medical Disability	23127	Pension & Disability Payments by Dept.
Other expenses		
Total	504699	
Revenue offsets	0	

Table 1.2

Trends in \$ and Headcount

Operating budget, 2011 (\$)	357049
% change (2010-2011)	9.20%
Headcount, 2011 (FTE)	3.1
% change	10%
Average annual growth, 2001-2011	
Operating budget	9.8%
Department - Finance & Accounting	
All Belmont	3.5%

## III. Programmatic analysis

Table 1.3

Programmatic analysis  
2011 Estimate

Program	Budget \$	as percent dept.
Program 1- Acctg	69311	19.3
Program 2- Audit	122891	34.2
Program 3- Budget	96666	26.9
Program 4- Other	18800	5.23
Program 5-A/P	51381	14.3
	359049	

**IV. Proposed Cuts and Adds**  
A part time budget analyst position is proposed in both the available funds and override budget. This position is intended to supply the budget data that will enable the town to more accurately review the total costs to each program.

**V. Structural Change Items**

Adopt social security instead of OBRA for employees not in the retirement system (i.e., seasonal and part time workers). This would enable these works to have their retirement contributions directed to social security and not an individual retirement plan - which is often limited. The \$130,000 cost to the town would be a significant expenditure, return on which is limited.

Recommend more towards EFT system for payments - would significantly reduce postage and processing costs as well as employee time.

Hiring of a part time budget analyst would be beneficial to all departments to provide much needed detail on spending and other program factors.

Assessor's Office

I. Introduction

The Assessor's Office is to list and value all real estate and personal property in the town. All values are based on "full and fair cash value" or 100% of the market value. The department is also charged with the administration of tax exemptions, excise, real estate and personal property exemptions as well as inspections and changes in value due to structural additions. The department operates with three assessors, a secretary and an elected board making policy decisions.

II. Spending Overview

Overall Spending	Estimate FY2011	Source
Operating expenses		
Operating budget	\$371,930	Town Budget
Operating exp.	\$ 9,869	10% of Homer Bldg. Costs
Capital Budget	0	
Debt repayment	0	
Pension	\$ 60,753	
Retiree medical	\$ 23,127	
Disability		
<b>Total</b>	<b>\$465,679</b>	
Revenue offsets	0	

III. Trends in \$ and Headcount

Operating budget 2011	\$371,930	
% change (2010-11)		9.2%
<b>Headcount, 2011 (FTE)</b>	<b>3.4</b>	
Average annual growth, 2001 – 2010		
Operating budget	1.25%	
All Belmont	3.5%	

IV. Programmatic analysis

2011 Estimate

Program 1 Valuation and Reports	11.7%
Program 2 Permits & Sale Proc.	32.4%
Program 3 Exemptions & Abatements	29.5%
Program 4 Motor Veh. Excise	14.7%
Program 5 Inspections & Misc.	11.7%
(Note - % of hours per each function)	

V. Proposed Cuts and Adds

None at this time

**PUBLIC SAFETY**

Public Safety consists largely of two departments: the Police Department and the Fire Department. Overall, the Police and Fire Departments both represent areas of core services for the Town of Belmont. By their nature, both Departments require a minimum level of operating scale in order to perform effectively. For example, a minimum number of firefighters are required to staff each shift so that fifteen firefighters can be first responders to a fire or other emergency in less than four minutes.

Both Departments are staffed with highly trained and dedicated professionals. The challenge for a town of the size of Belmont is that our population is below the level that supports optimal staffing efficiency in some areas. This means that there are likely opportunities to gain scale economies if services could be combined with similar departments from nearby communities.

For many years now, regionalization in certain areas of Public Safety has been discussed but not implemented. If Belmont seeks to maintain the high quality of our Public Safety departments and yet do so with greater efficiency, there is limited opportunity to save significant taxpayer dollars simply by cutting staffing or expense lines. As we enter the FY2012 budget cycle, regionalization of certain programs – such as Public Safety Communications, Fire Suppression, and Emergency Medical Services – will need to be seriously considered for implementation.

**POLICE DEPARTMENT**

I. Introduction

The Police Department is comprised of seven different Divisions: Administration, Patrol, Detective, Traffic, Records, Community Services and Joint Public Safety Communications. Each of the Divisions provides a different function within the department to assist in completing the mission of the Department.

The members of the Belmont police Department are committed to working in partnership with all citizens of our community in the delivery of police services, raising the quality of life for all.

II. Spending overview

a. Overall spending

The Police Department changes FY10 budget comparison to FY11 budget increased \$258,905 or 4.2%. The FY11 available revenue budget shows 2.8% decrease in budget from the proposed needs based budget. The FY10 final budget and the FY available revenue budget are nearly identical.

**Table 1.1**

<b>Overall Spending: Police</b>	Estimate
FY 2010 Estimates	FY 2010
<b>Operating expenses</b>	
Operating budget	\$ 6,114,008
Operating expenses, building services*	\$ 51,032
Operating expenses, other	\$ -
<b>Capital budget</b>	\$ 40,000
<b>Debt repayment</b>	\$ -
<b>Pension</b>	\$ 1,785,583
<b>Disability</b>	\$ 319,319
<b>Retiree medical</b>	\$ 402,710
<b>Other expenses</b>	\$ -
<b>Total</b>	<b>\$ 8,712,652</b>
<b>Operating budget as % total costs</b>	<b>70%</b>

\* Excludes repairs

**Revenue offsets**

Revolving fund (fines)	\$ 664,928
<b>Total</b>	<b>\$ 664,928</b>

b. Changes in \$ and headcount, operating budget

i. Trends in operating budget and headcounts

Recent growth in operating budget and headcount are generally in-line town average.

ii. Average annual growth 2001-2011

Operating budget growth over the last ten years is below town average. This is in part because headcount of sworn officers has fallen by nearly 16% over the past ten years. A closer look at overall program operations would be beneficial to discern how resources are used. The Police Department revenue offsets has been impacted by a reduction in State Quinn Bill payments.

**Table 1.2**

**Trends in Spending and Headcount: Police**

**Annual**

Operating budget, 2011 (\$) *	\$ 6,372,913
% change (2010-2011)	4.2%
Headcount, 2011 (FTE)	48
Headcount, 2010 (FTE)	46
% change (2010-2011)	4.3%

**Long Term (2001-2011)**

Operating budget, 2001	\$ 4,703,306
Average annual growth, Police	3.1%
Average annual growth, all Belmont	3.5%
Headcount, 2001 (FTE)	57.0
% change	-15.8%

III. Programmatic analysis

Data points for the police department are clear and are tracked in detail. The Call for Service within the police Department has been trending at 18,350 total calls per year since 2007. Selected crime data statistics are kept on more than 245 types as promulgated by the Federal Bureau of Investigation and the Commonwealth of Massachusetts guidelines for cities and towns.

IV. Expense analysis

The proposed level service budget requested an increase of 2 FTEs to fund an additional FTE in Traffic Management and 0.5 FTE increases in both the DARE Program and School Resource Officer (this position shared with the School Department). The present available funds budget does not support the increase in FTEs; further reductions were made in overtime by \$30,000 in addition to the elimination of one police cruiser \$40,000.

**Table 1.6**

**Expense analysis: line items increasing more than \$5000 and 5%**

Item	Decrease \$	Category
	<b>188,000</b>	
<b>Potential Program Reductions</b>		
Traffic Management	\$ 68,000	14.0% Personnel (1FTE)
Community Services	\$ 30,000	9.0% Personnel (.5FTE SRO)
Patrol Services	\$ 40,000	33.0% Capital (1Cruiser)
Patrol Services	\$ 50,000	1.3% Personnel Overtime

V. Special issues

- a. Level of overhead – Overhead load is average for town departments.
- b. Allocations / town objectives – The town regards the Police Department as a core service to the community.
- c. Duplication – The Police Department continuously seeks to enhance the coordination and the potential for some regionalization should be explored, specifically regionalization of Communications and the role it plays in the regionalization of Fire Suppression and EMT.
- d. Mandates – The Police Department continues to meet both federal and state guidelines for law enforcement, while also maintaining cooperative agreements with area cities and towns.
- e. Revenue offsets – Offsets are currently stable, increase in resources in Traffic Management could see an up tick in revenue. A reduction in State Quinn Bill payments may have a continuing impact beyond FY11 budget cycle.

VI. Proposed cuts and adds

Program reductions based on an available funds budget includes no increase in additional human resources in both the Traffic Management and Community Services Divisions. Further cuts in Patrol Services in personnel overtime and capital (1 police cruiser) are proposed.

VII. Long term and structural change issues

Areas for structural change opportunities to be further examined include: elimination of the DARE Program with an emphasis on building community support as a public/private partnership. Eliminate the School Resource Officer position. Eliminate Quinn Bill Payments (upon reviewing the legal implications for doing so). Analyze the cost savings for regionalizing 911.

VIII. Observations and recommendations

- a. As the budget constraints impact DARE Program as a budgetary line item, consideration to support the Public / Private Partnership for DARE Program would highlight existing community support for that programming
- b. The impact of the elimination of the Quinn Bill payments as the legal issues that may follow will need observation beyond the FY 2011 budget

- c. The regionalization of 911 as a necessary component of the effort to pursue regionalized fire suppression and EMT

## FIRE DEPARTMENT

### I. Introduction

The Fire Department is divided into three budgetary components: Administration, Fire Suppression, and Emergency Medical Services (EMS), with Fire Suppression representing approximately 85% of the budget and EMS 3.5%. This figure is somewhat deceptive, however, as firefighters are also cross-trained as EMTs and a fair portion of their time is dedicated to EMS. A preliminary activity review suggests that Fire Suppression (including training) represents about 73% of the total activity-based expenditure and EMS is approximately 15% of total activity-based expenditure.

The Fire Department represents four primary programs: Fire Suppression, Fire Prevention, Emergency Medical Services, and Community Services.

### II. Spending overview

#### a. Overall spending (Table 1.1)

Table 1.1

Overall Spending: Fire Department FY 2010 Estimates	Estimate FY 2010	Source
<b>Operating expenses</b>		
Operating budget	\$ 4,902,151	Town Budget Book, p 22 of 52
Operating expenses, building services*	\$ 98,692	"Building Service costs Outside Department Budget"
Operating expenses, other	\$ -	
Capital budget	\$ 42,000	"Capital Budget FY2010"
Debt repayment	\$ 605,000	Town Budget Book, Debt and Interest, lines 591203:04
Pension	\$ 1,590,774	"Pension and Disability Payments by Department"
Disability	\$ 441,595	"Pension and Disability Payments by Department"
Retiree medical	\$ 536,328	"Retiree Medical Benefit Payments by Department"
Other expenses	\$ -	
<b>Total</b>	<b>\$ 8,216,540</b>	
<b>Operating budget as % total costs</b>	<b>60%</b>	

\* Excludes repairs

#### Revenue offsets

Fees- Fire	\$ 33,500	Town Budget Book, Revenue Projections
Ambulance receipts	\$ 320,000	Town Budget Book, Revenue Projections
<b>Total</b>	<b>\$ 353,500</b>	

#### b. Changes in \$ and headcount, operating budget (Table 1.2)

##### i. Trends in operating budget and headcounts

With the available revenue budget, the operating budget for the Fire Department is increasing by 3.9% and headcount is unchanged.

**Table 1.2**

**Trends in Spending and Headcount: Fire Department**

**Annual**

Operating budget, 2011 (\$)	\$	5,094,730
% change (2010-2011)		3.9%
Headcount, 2011 (FTE)		55.5
Headcount, 2010 (FTE)		55.5
% change (2010-2011)		0.0%

**Long Term (2001-2011)**

Operating budget, 2001	\$	3,461,079
Average annual growth, Fire Department		3.9%
Average annual growth, all Belmont		3.5%
Headcount, 2001 (FTE)		57.0
% change		-2.6%

ii. Average annual growth 2001-2011

Operating budget growth over the last ten years is above town average while headcount is down by 1.5 FTE.

III. Programmatic analysis

a. Program and costs (Table 1.3)

As mentioned above, Fire Suppression is by far the largest program, with 73% of total program cost and 60% of headcount. Emergency Medical Services (EMS) is second, with just under 15% of program cost. This number is meaningfully larger than the 3.5% of the published budget that falls under EMS.

The programmatic budget requires further analysis, however, as we are not yet able to allocate Administrative costs across the four programs.

Additionally, a proper analysis of the total scope of Community Services remains to be done. In FY 2009, there were 3,008 incidents involving the Fire Department in Belmont. Of those, only 5% of the incidents (160 total) involved a fire of any kind. 56% of the incidents (1,687 total) involved a rescue or Emergency Medical Service Incident. The remaining incidents were of many types, including false alarms, gas leaks, lockouts, water problems, etc. Clearly a

portion of the Fire Department's time is spent providing general services to the community. Exactly how much still requires proper calculation.

**Table 1.3**

<b>Programmatic Analysis: Fire Department</b>			
	\$	% budget	FTE's
Administration	\$ 192,384	3.7%	2.1
Fire Suppression	\$ 3,815,624	73.2%	34.4
Fire Prevention	\$ 438,509	8.4%	4.6
Emergency Medical Services	\$ 769,538	14.8%	16.4
Community Services	TBD	TBD	TBD
<b>Total</b>	<b>\$ 5,216,055</b>	<b>100%</b>	<b>57.5</b>

Note: Figures approximate as based on Needs-Based Budget

b. Activity indicators (Table 1.3A)

The Fire Department is staffed to be fully prepared to address fire and other emergencies 24 hours a day. As fires are rare, the vast majority of incidents addressed by the Department are therefore non-fire-related. As mentioned in the commentary above, only 5% of incidents involved fires and over 56% involved rescues or Emergency Medical Services.

**Table 1.3A**

<b>Programmatic Analysis: Fire Department Activity Indicators</b>		
<b>Incident Type (FY 2009)</b>	<b>#</b>	<b>%</b>
Fire	160	5.3%
Overpressure Rupture, Overheat	3	0.1%
Rescue and EMS Incident	1,687	56.1%
Hazardous Condition (No Fire)	161	5.4%
Service Call	241	8.0%
Good Intent Call	238	7.9%
False Alarm and False Call	515	17.1%
Citizen Complaint, Other	3	0.1%
<b>Total</b>	<b>3,008</b>	<b>100%</b>

c. Performance indicators

Average response time across all 3,008 incident calls was 3 minutes and 46 seconds. As the goal is to arrive in under 4 minutes on average, last year's performance exceeded the goal.

Additionally, EMS response times all surpass national standards, as shown below:

With EMS, the national standards for response times (NFPA 1710) are 90% within:

	<b>NFPA</b>	<b>Belmont</b>
1st responder	4 min	1.6 min
BLS	4 min	2.5 min
ALS	8 min	3.5 min

#### IV. Expense analysis (Table 1.6)

The Fire Department's available revenue FY 2011 budget exceeds FY 2010 expected expenses by \$192,579 with level headcount. Just under \$100,000 of that variance is explained by four line items: Health Insurance, Medicare, Gasoline, and EMT Stipends.

Each of these four areas had increases of over \$5,000 and 5% (see Table 1.6 below). The largest line item was Health Insurance, which increased across Administration and Fire Suppression by \$68K. Medicare had the largest percentage increase and was next largest in absolute dollars, again when looking at increases in Administration and Fire Suppression.

**Table 1.6**

**Expense analysis: line items increasing more than \$5000 and 5%**

Item	Increase		Rationale
	\$	%	
Health insurance	\$ 68,213	11.2%	
Medicare	\$ 15,999	39.2%	
Gasoline	\$ 6,000	26.8%	
EMT Stipend	\$ 7,287	5.3%	

#### V. Special issues

a. **Distribution of Benefits** – On the surface, the Fire Department would appear to be an area of town government where every property owner equally shares in the benefits of its services. An investigation of the activities of the Department indicates that there is a weighting towards certain groups, particularly those citizens most in need of Emergency Medical Services calls.

b. **Duplication** – There remains some uncertainty about whether some duplication exists between the Fire and Police Departments when they both respond to a 911 call. Further investigation should be done here.

c. Mandates – The Fire Department continues to meet both federal and state guidelines, while also maintaining cooperative agreements with area cities and towns.

d. Revenue Offsets – There may be an opportunity to charge fees, as is done with the Police Department, for a certain number of false alarms or for pumping out a basement a second time if the property owner has made no attempt to plan for flooding.

#### VI. Proposed cuts and adds

The original needs-based budget had the Fire Department adding two officers. These officers were removed, along with \$30,000 of overtime in order to achieve the available revenue budget. If the Proposition 2½ Override passes, the two officers will be restored at a cost of \$82,496.

Programmatic impact – Both officers would be added to Fire Suppression.

#### VII. Long term and structural change issues

As mentioned above, the long term structural issue that must be evaluated properly is the fact that Belmont as a community is insufficiently large to support a Fire Department and EMS function with highly efficient economies of scale. Regionalization of some or all of Fire Suppression and EMS needs evaluation in the near term so that an informed choice can be made about what to do. Included in this topic is the question of regionalization as it relates to Public Safety Communications (911).

Another structural change that was put forward involves the Fire Department's provision of community services. Today, the Fire Department will respond to an unlimited number of false alarms and will pump out water from a homeowner's basement an unlimited number of times without any financial consequence to the property owner. Under the current model, the benefits of these services accrue to a small group – including a group that either does not properly control the number of false alarms it generates or prepares properly by putting a sump pump in their basement – but the costs are shared by all. The Fire Department should evaluate the sensibility of establishing a reasonable fee structure to recover certain costs from property owners, such as charging on a sliding scale beyond a certain number of false alarms.

#### VIII. Observations and recommendations

The Fire Department appears to be well managed and filled with dedicated professionals. Nonetheless, it also appears to be sub-scale. Resolving the longstanding question of regionalization will require strong leadership from the

Board of Selectmen, Town Administrator, and Chief of the Fire Department. It will also need an open process with clear milestones, rigorous analysis, and timely decision making. Perhaps most of all, it will require cooperation from neighboring towns that may also have an interest in combining services.

## EDUCATION

### I. Introduction

#### Description of department/mission

The new Superintendent George Entwistle articulated six goals for the Belmont Public Schools (BPS) and implemented an 18-month Improvement Strategy. The six goals follow:

- Students of BPS will be confident, motivated and engaged learners who are equipped with the knowledge and skills to pursue their academic goals and become life-long learners.
- Students of BPS will be responsible, involved citizens who engage in challenging problems and who make a difference in their school, community, country and world.
- Students of BPS will be prepared to be successful and productive workers with 21<sup>st</sup> century skills and competencies.
- The BPS organization will ensure the safety and security of the school community, promote healthy choices and support the social and emotional growth of every student.
- The BPS organization will attract and retain the most talented and effective teachers, staff and school leaders by offering them opportunities for professional growth within a positive and respectful work environment.
- The BPS organization will manage community resources in a manner that fulfills financial and academic expectations, and fosters an informed trusting relationship with the community.

The 18-month Improvement Strategy is a framework to examine the cost of current programs to ensure that resources are being used efficiently and effectively. A return on investment (ROI) review of critical programs and policies will be completed for existing programs and new requests.

### II. Spending overview: education

In 2010, Belmont spent slightly over \$44.5 million on education. (Table 1.1) The School-operating budget accounted for almost 90% of total education budget. The four categories of expenditures that support education, but are outside the school budget, are repayment of debt, town services provided (largely by General Government, Public Safety, and Public Works), retirement costs for non-

teacher employees, and Minuteman. These categories account for most of the balance.

The town receives revenue offsets of approximately \$5.5 million largely (83%) in the form of Chapter 70 state aid.

**Table 1.1**

<b>Overall Spending: Education</b>	Estimate
FY 2010 Estimates	FY 2010
<b>Operating expenses</b>	
Operating budget*	\$ 37,824,011
One time stimulus grants allocated to operating budget	\$ 1,900,878
Operating expenses, town departments	
General government	\$ 450,980
Public Safety	\$ 170,205
Public Works	\$ 243,358
Operating budget, Minuteman and charter	\$ 877,593
<b>Pension and other employee benefits</b>	\$ 820,347
<b>Disability</b>	\$ 41,789
<b>Capital budget</b>	\$ 329,968
<b>Debt repayment (capital &amp; interest)</b>	\$ 1,919,790
<b>Total</b>	<b>\$ 44,578,919</b>

Operating budget as % total costs 85%

\* Includes \$1,531,561 post employment medical expenses

**Revenue offsets**

Chapter 70	4,511,739.00
School Construction	537,455.00
Charter Sch Assess Reimb	-
Medicaid Reimb	50,000.00
Athletic and Student fees	\$ 328,744
<b>Total</b>	<b>\$ 5,427,938</b>

b. Trends (Table 1.2)

The "available funds" budget for FY2011 shows a 5.0% growth over the FY2010 budget, comparing town expenditures to town expenditures. With federal stimulus money included in both the FY2010 and FY2011 bases, the growth rate is 1.5%. As of this writing, final headcount is being developed by the School Department.

Over the last decade, the School-operating budget has grown at an average annual rate of 5.1%, which is above the overall town growth of 3.5%. Headcount over the decade can be calculated when the final FY2011 headcount is available.

**Table 1.2**

**Trends in Spending and Headcount: School (excluding Minuteman)**

*Annual*

Operating budget, available funds ,town revenue, FY 2011	\$	39,702,570
Operating budget, available funds,town plus stimulus, FY 2011	\$	40,336,820
% change, available funds, town revenue (2010-2011)		5.0%
% change, available funds, town plus stimulus (2010-2011)		1.5%
Headcount, 2011 (FTE)		NA
Headcount, 2010 (FTE)		425.6
% change		NC

*Long Term (2001-2011)*

Operating budget, 2001	\$	25,764,189
Average annual growth, School		5.1%
Average annual growth, all Belmont		3.5%
Headcount, 2001 (FTE)		378.6
Average annual growth		NC

III. Programmatic analysis

This year, the Superintendent developed a Student Needs-Based Budget, which was presented in February. This budget totals \$42,001,107, and represents an increase of \$4,177,096 or 11.0% over the FY2010 budget approved by Town Meeting. It includes new proposals and contemplates funding approximately \$2.5 million greater than projected available revenue.

Given funding constraints, the School Department prepared an aggregate Available Revenue Budget. The Available Revenue Budget totals \$39,702,570 from town funds and \$40,337,229 when one time stimulus grants are included, representing growth over the comparable numbers in FY2010 of 5.0% and 1.5%. The Warrant Committee has sought to have all budgets, including the school budget, presented on a programmatic basis so that it will be easier to understand how much (including underlying support costs) is being spent on each program within the budget. The School Department has been supportive of such an approach.

For this initial year, it has identified ten program components that make up the school budget. These program components are divided into two categories: Student-Centered and Leadership/Administration.

Student-Centered:

Legally Mandated Instructional and Therapeutic Services (includes Special Education)  
Direct Core Instruction  
Support Services to Students to Promote Physical, Social and Emotional Wellbeing and Wellness  
Diagnostic Services (non-Special Education)  
Academic Planning Support and Post-Secondary Planning  
Non-Direct Instructional Services  
Elective/Co-and-Extra Curricular Offerings and Enrichment

Leadership/Administrative:

Coordination/Oversight of Mandated Services  
Recruitment, Retention, Supervision, Professional Development  
School/District Leadership, Administration, Support

The process of presenting and analyzing the budget on a programmatic basis has thus progressed under the new school leadership. The programmatic presentation is at this point conceptual, as the Available Revenue Budget has not been allocated among the programs. The Warrant Committee looks forward to working with the School Department and the School Committee next year to more fully analyze the budget on a programmatic basis.

IV. Expense analysis

The Warrant Committee cannot conduct an Expense Analysis because the data for FY10 is not in the same format.

**Legally Mandated Instructional and Therapeutic Services:** includes prekindergarten and K-12 special education, health services and English Language Learners, which provides for the needs of students who enter school without age appropriate English language skills.

**Direct Core Instruction:** includes Elementary classroom teachers, Kindergarten teachers and assistants, and teachers in the following subjects K-12: English, Language Arts, Reading, Math, Science, Social Studies, Foreign Language, Art, Music, and Physical Education. This program also includes substitutes and textbooks, supplies, and materials.

**Support Services to Students to Promote Physical, Social and Emotional Wellbeing:** includes support services for students, such as librarians, guidance counselors, psychologists, MCAS support and the community service coordinator.

**Diagnostic Services (non-Special Education):** provides Response to Intervention (RTI) to support students in reading, math and behavior and is used as an assessment tool.

**Academic Planning Support and Post Secondary Planning:** consists of BHS Guidance Counselors, who provide support to students in course selection and planning for post-secondary education.

**Non-Direct Instructional Services:** consists of the library staff (other than librarians) and library materials, technology staff (other than the director) and technology equipment, and BHS campus monitors.

**Elective/Co-and Extra Curricular Offerings and Enrichment:** include computer literacy education, after school activities and clubs, theatre arts, co-curricular music and athletics.

**Coordination/Oversight of Mandated Services:** includes salaries and benefits for the director of Special Education, clerical support and a fraction of the school nurse's time (0.4).

**Recruitment, Retention, Supervision, Professional Development:** includes the Curriculum Directors who are responsible for hiring, supervising and evaluating teachers. The Program also supports Curriculum and Staff Development and includes administrative support.

**District and School Leadership:** consists of a myriad of administrative programs, including the Superintendent's Office: Assistant Superintendent, Director of Finance who is responsible for custodial services, buildings and grounds, transportation and food services, the Human Resources Department, Principals and Assistant Principals, Technology Department and Administrative Support.

#### VI. Proposed cuts and adds

- The \$8,832,826 Available Revenue Budget (omits potential increases from additional allocation of \$300,000 from Town budget and \$108,000 SFSF grant) for Legally Mandated Instructional and Therapeutic Services is 20% less than the \$8,907,942 Student Needs budget; however there are no staff decreases from FY2010 levels.
- The \$1,123,752 Available Revenue Budget for the Support Services program is 20% less than the \$1,398,635 Student Needs-Based Budget. Among other things, it eliminates MCAS support (0.8 FTE Math and 0.4 FTE Reading) and one guidance counselor at Chenery Middle School, the elementary librarian, and one present and one proposed psychologist position. The \$1,249,374 Override Budget would restore the guidance counselor and MCAS support at CMS, and provide for one elementary psychologist.

- The Available Revenue Budget for Direct Core Instruction eliminates a half-8th grade team at CMS, unless the override passes. Both the Available Revenue budget and the Override budget eliminate a 4th grade teaching position at Wellington, but add a 4th position at Butler. Also, there is an additional 5th grade teacher at CMS, regardless of which budget is adopted. While textbook purchases will be reduced from the requested amount in an available funds budget, some textbooks will be purchased with the anticipated ARRA/SFSF Grant.
- All freshman sports at BHS and the CMS cross-country team will be eliminated, unless an override is passed.
- In addition to the elimination of the HR Director in the District and School Leadership program, there will be changes in custodial services. There will be a decrease of 0.5 FTE at the Wellington, since the school is now occupying less than half the space in the modular than in the old Wellington building.
- The proposed \$888,938 Available Revenue Budget for Non-Direct Instructional Services is 27.5% less than the \$1,225,590 Student Needs-Based Budget. Among other things, it eliminates two half-time library aide positions, one library academic support position and one campus monitor at BHS, as well as all library aide positions in the elementary schools (2.9 FTE), and approximately half of the requested IT equipment. The \$1,037,560 Override Budget would restore the campus monitor and one of the half-time library aides at BHS, restore a professional library aide (in place of a clerical aide) at the middle school, restore all elementary library aides and supplies, and restore a small part of the IT equipment.
- A 1.2 increase in Guidance Counselors at Belmont High School was proposed to lower the current number of students assigned per counselor from 230 to 180. An additional 0.6 FTE for guidance aide support was also proposed for BHS.
- For FY11 the School Department sought to increase its staffing for Diagnostic Services by adding 2.0 Psychologists (Butler - \$59,962 and Burbank - \$75,145) going from 2.73 FTE in FY10 to 4.73 in FY11. The amount requested is \$353,998, which represents a 64.5% increase or \$138,816 from FY10 to FY11. In preparing the Available Revenue budget, the School Department eliminated the additional positions, saving \$135,107.

## VII. Long term issues

Major issues evident in this budget likely to continue into the foreseeable future include the following:

**Inconsistency of cost increases and revenue growth:** The School's Needs-Based budget sought an increase of approximately 11% over a FY2010 budget that included slightly under \$2 million in onetime revenue. Schools "minimum needs" budget of \$40,345,069 million implies a 7.2% annual increase if approximately \$634,000 one time federal and state grants are excluded. Neither budget is sustainable given the town's current revenue forecasts.

**Use of one-time money:** Although total stimulus money available (as of 5/5/2010) is reduced by FY10, it still totals \$634,000. A portion of this money (\$108,000) is being used to support textbook purchases and equipment, both relatively "one time" uses of one time funds. This is a positive development. The balance, however, will be used, as they were in FY10, to support recurring expenses. This will add to the difficulties of developing a FY12 budget.

**Personnel costs:** Since 2007, a combination of defined benefit pension plans, financial market declines, early retirement and post-employment pre-Medicare medical benefits and contractual step and cost of living increases, have increased the cost of public employees relative to private employees. Since salaries and benefits, exclusive of pensions account for a large percentage of the operating budget, containment of and offsets to these costs is crucial.

**Step and COLA Salary Increases:** Anticipated revenues need to support salary increases. With high numbers of staff on "steps," the School Committee should consider whether giving step and COLA increases to the same employee is a sustainable contractual obligation. An alternative salary structure could give a different COLA increase to staff on steps versus those at maximum, who do not receive step increases.

**Retiree medical costs:** As noted above, post employment health care benefits for both teachers and others are an increasingly significant cost. Town medical benefits continue to be more comprehensive than private plans, and cyclical unemployment leads to more family enrollments.

**State mandates:** We have long known that the State House is an irony free zone. Thus the incongruity of simultaneously cutting local aid, circuit breaker payment for Special Education, and transportation offsets while adding new requirements for testing, childhood nutrition and obesity programs, anti-bullying programs and more is not appreciated on Beacon Hill. Both the number of these programs and the preference for regulating process rather than rewarding outcomes significantly increases the difficulties of reconciling school expenditures with taxpayer capacity and willingness to pay.

**Minuteman:** Due largely to the work of the ad hoc Minuteman Budget Committee appointed by the Board of Selectmen, the Minuteman allocation was reduced for FY11, both in total dollars (-\$59,003) and on a per student basis. This reduction, however, was achieved through a series of one-time cuts at Minuteman rather than a reduction of operating costs. In addition, Belmont's per pupil costs were reduced because the

number of students sent to Minuteman increased from 31 to 38. Given the one-time cuts and increased enrollment from Belmont, the potential for substantial and uncontrollable cost increases remain. The ad hoc Committee has also expressed some skepticism that the Minuteman School administration appreciates the need to plan for a smaller student population.

**Maintenance:** While student instruction is at the core of any educational institution, the School Department needs to fund maintenance to preserve the significant investment that has been made in school facilities. Over the years, pressures on parts of the operating budget have resulted in an erosion of funding for routine major and minor maintenance. The increasing number of requests before the Capital Budget Committee evidences this point. It might be useful for the WC Education Subcommittee to conduct a summer study regarding the history of major and minor maintenance expenditures over the past 20 years.

**Human Resources:** The school department has planned for a couple of years to reconfigure the Human Resources Department taking advantage of an anticipated retirement. The recent reliance upon on-line applications rather than paper has helped to streamline this process and resulted in much efficiency. We support the decision to reduce this department by 1.0 FTE, through attrition.

#### VIII. Observations and recommendations

**Budget Meetings:** The WC recommends that the Education Subcommittee meet with some members of the School Committee early in the fall to review the end of year report as filed with the state.

**Budget Books:** The WC again requests that the budget book include a column indicating actual expenditures of the current fiscal year. By February of each year, we should have a good sense how the budget numbers compare to anticipated expenditures. Although the quarterly reports provide this in a macro-sense, comparisons within the various programs are not possible with this limited information.

**Revolving Accounts:** The School Department has responded to the WC's request a few years ago to reduce the balances in revolving accounts. Most of those accounts are now truly "revolving" as intended. The cumulative end of year balance in these accounts provides the School Department with flexibility to address unanticipated expenses or unexpected loss of income from fees. Given the uncertainties of FY11 and FY12, it may be necessary for the School Department to spend these accounts down to a level that is consistent with pre-revenue expenses.

**Athletics Expenditures:** In FY09, \$ 42,593 or approximately 11% of the net athletic budget approved by Town Meeting was not expended on Athletics. The Warrant Committee does not have actual expenditures for FY10.

**Athletics and Student Activities:** User fees and gate receipts support approximately 52% of the athletic budget, while the budget contributes 48% of the overall cost of athletics. All freshman sports at BHS and the CMS cross-country team will be eliminated, unless an override is passed. Consideration could be given to a slight increase in user fees to maintain these programs. In FY10, the CMS girls and boys basketball teams were funded entirely by a \$ 280 per player user fee, while cross-country and intramurals were supported by the budget. A separate fee fully supports the cost of Student Activities at CMS and BHS.

**Summer School Revolving Fund:** We continue to note that the Summer School Revolving Fund balance remains high at approximately \$125,000 per year. We recommend that the School Department analyze whether all of the expenses associated with housing these programs in school buildings are being charged to this account.

**Headcount:** Vacant positions, i.e. Directors, and retirements need to be considered in determining final headcount.

**FY 2011 Minuteman Subcommittee Report**

I. Introduction

Description of department/mission

Minuteman is a career and technical high school located on 66 acres in Lexington, Massachusetts. Minuteman serves a discrete student body with multiple learning styles that come from 16 member towns. In addition, a large number of students (33+ %) come to Minuteman from non-member towns. The mission of Minuteman is to:

- collaborate with parents, communities and business leaders
- serve a diverse student body with multiple learning styles
- develop the academic, vocational and technical skills necessary to become productive members of a global community
- value life-long learning that fosters personal and professional development in a safe and respectful environment
- prepare all students for success

II. Spending overview

A. Budget metrics (\$)

	FY2010	FY2011 (recommend to TM)	% change FY 2010		

Minuteman	\$17,496,001	\$16,238,679	- 7.19%		
Belmont Assessment	\$810,314	\$751,311	-7.3% *		

Assessments are based on a complex formula and are dependent on the enrollment from each town as of the Oct 1 prior to the beginning of the fiscal year (so for FY11, based on enrollment from Belmont as of October 1, 2009). Therefore, an increase or decrease in the per pupil cost is also a result of the number of students.

The Minuteman operating budget for FY11 is \$16,238.679, a reduction of 7.19% or \$1,257,322 from FY10. The budget calls for a decrease in salaries, which make up 57.7% of the budget. FY11 salary appropriation is \$9,267,603, a reduction of \$1,094,725 from FY10. Reductions in staff include 4.8 administrators, 5.2 instructional, 1.0 instructional support, and .5 Para-professional/Tech support for a total of 11.5 FTEs. Two programs, Auto Body and Office Technology have been eliminated. Professional Development has been reduced by \$10,000 and supplies and materials reduced 10% to \$139,401.

Operating budget

FY '08	FY '09	FY '10	FY '11
16,745,769	\$ 17,001,622	\$ 17,496,001	\$ 16,238,679
\$3.76%	1.53%	2.91%	-7.19%

B. Belmont assessment

There is a difference between the Minuteman budget and assessments. Member towns are assessed for the upcoming year based on their student enrollment in the current year. Each of the 16 member towns are assessed an annual amount. Minuteman's per pupil costs include every cost associated with school district operations, not just those related to the education of students. Many of the so-called indirect costs of local school district operations are paid for in other town department budgets (insurance, debt, property maintenance, tow administrative work, snow removal, field maintenance etc.). Belmont's assessment for FY11 is \$751,311, a reduction of 7.3% or \$59,003 from FY10.

Belmont assessment at Minuteman

2008	2009	2010	2011
498,352	682,857	810,314	751,311
% change	+37.02	+18.67	-7.3%

Per pupil cost for Belmont is \$19,771 (\$4,250 additionally for special education students). Belmont enrollment is 38 students. This number includes three postgraduate students.

Belmont enrollment at Minuteman

2008	2009	2010	2011
24	31	33	38

III. Programmatic Analysis

This year Belmont has begun a process of presenting the budget on a programmatic basis. This initiative is expected to continue in order to achieve a greater understanding of each program, including its cost, within the budget. Although programs were identified and presented to Minuteman this year in preparation for Belmont's annual Minuteman report, there was no follow-up discussion with the administration. For FY 12, Belmont anticipates that there will be increased collaboration with Minuteman in analyzing its budget on a programmatic basis.

IV. Special Issues

Other issues related to the current FY2011 budget include:

**Capital needs:** Minuteman's capital needs continue to be significant, including the need for a new roof. Unlike its member towns, Minuteman relies on member towns (16) to provide support for capital improvements. For FY11, \$360,000 has been allocated for capital improvements. A major proposal for a Feasibility Study is under consideration. Belmont Town Meeting disapproved of the borrowing of \$725,000 for a Feasibility Study at its Town Meeting session of April 28, 2010. During the week following Town Meeting, Dr. Ed Bouquillon, Minuteman Superintendent, met with Mary Pichetti, Director of Capital Planning of the Massachusetts School Building Authority (MSBA) to discuss issues related to Belmont's negative vote. Prior to the Town Meeting on May 3rd, Dr Bouquillon presented Belmont Town Meeting members with a letter dated May 3; 2010, from Mary Pichetti summarizing the MSBA's understanding of the next steps necessary to move the Statement of Interest for the Minuteman Career and Technical High School forward in the MSBA process. At the May 3<sup>rd</sup> Town Meeting of May 3, Article 15 was reconsidered. Town Meeting voted against reconsideration. The cost to Belmont for this study would have been approximately 9% or \$39,300 over a five-year period. (\$7,860 annually)

**Enrollment:** Minuteman was built to accommodate up to 1,200 students. In recent years overall enrollment has declined significantly. Presently, its 16 member towns send a total of 443 students, including postgraduate students. Minuteman believes that its enrollment is stabilizing with enrollment projected to grow by approximately 2 % per year over the next two years. Dr Bouquillon has pledged to "right size" Minuteman, work to reduce very high per pupil expenditures and to adjust very low student to staff ratios. In order to increase its enrollment, Minuteman accepts students from non-member towns.

Total enrollment	2007	2008	2009
2010			
Member towns	479	438	430
443			
Non-member towns	245	260	255
<u>TOTAL</u>	724	698	680
698			
"Big Three"	128	133	125
130			
(Waltham, Watertown, Medford)			

The state caps the non-resident tuition rate. Although there has been an increase in the tuition charged to non-member towns, that amount is still below the assessments paid by member districts. The non-resident tuition rate for FY10 was set at \$16,500 per student and is expected to increase to \$16,800 for FY11. Non-resident Special Education tuition assessments will rise to \$5,000 per student. Belmont is very concerned about the inequity between costs for member towns and costs for non-member towns. Belmont has expressed a strong interest in participating in funding a study of enrollment at Minuteman.

**Use of Tuition Money:** It appears that Minuteman has made a dramatic change in recent years in its application of out of district tuition revenue to offset lost revenue. Instead of just applying the tuition collected from the prior year toward its budget, Minuteman is now increasing the amount of current tuition money that it applies to offset lost revenue. Such a practice is not sustainable because the actual tuition received is not at that level.

**Study Group:** Following the June, 2009 Town Meeting, the Belmont Board of Selectmen appointed a Study Group to examine the Minuteman budget and to work collaboratively with Minuteman to decrease per-pupil costs and overall operating expenses by a reasonable amount. Belmont's assessment decreased by 7.3% for FY11.

**District Agreement Study:** A Committee has been formed to examine the original agreement for regionalization and to make recommendations for possible changes to the agreement. All 16-member towns must agree to any change.

## COMMUNITY DEVELOPMENT

### I. Introduction

Description of department/mission

The Office of Community Development is comprised of four divisions, Administrative, Engineering, Planning, and Inspection Services. The Director serves as the head of the department as well as the Town Engineer, Inspector of Buildings, and the Zoning Enforcement Office as designated in the zoning by-law. The Administrative division oversees all activities in the department, monitoring budgets and administering and processing many contracts and service agreements. The Engineering division oversees all major infrastructure improvements in the Town including sanitary sewer, storm drain, and road repair work. Inspectional Services enforces local zoning and general by-laws, as well as state codes and regulations such as the building code and the accessibility regulation. The Planning Division works on development guidelines (e.g., Comprehensive Plan) and regulations (e.g., zoning) and assists the Planning Board and the Zoning Board of Appeals.

II. Spending overview

a. Overall spending and revenue offsets

Overall spending is about 13% higher than the operating budget due to pension and retiree medical expenses. There is no capital expense or debt service.

FY2011 spending is unaffected by the passage of an override. No override funds are allocated to Community Development functions.

Spending is summarized as follows (standard table 1.1):

	<u>FY 2011 Budget Alternatives</u>	
	Available Funds	Override
Operating budget	\$901,961	\$901,961
Capital budget	\$0	\$0
Debt repayment	\$0	\$0
Pension	\$107,468	\$107,468
Retiree medical	\$7,708	\$7,708
Disability	\$0	\$0
Utility and maint. costs	NA	NA
Total spending	\$1,017,137	\$1,017,137

Building permits generate approximately \$200,000 annually in offsetting revenue.

b. Change in operating budget and headcount (standard table 1.2)

	Dollars	Headcount
FY2010 level	\$928,396	8.97 FTE
FY 2011 % change		
Available funds budget	-2.8%	0%
Override budget	-2.8%	0%

ii. Average annual growth 2001-20011 (standard table 1.2)

	Dollars	Headcount
Community Dev.	2.6%	NA
All Belmont	3.5%	NA

III. Programmatic analysis

a. FY2010 expenses by program (standard table 1.3 and 1.3a)

Program	Budget \$	Budget %
Building Inspections	\$210,697	30%
Engineering	\$232,029	33%
Planning	\$252,442	36%

b. Selected activity indicators

None available at this time.

IV. Expense analysis

Engineering salaries increased by approximately \$12,000 (17%) to fund a fractional FTE. This is a reallocation in an operating budget that is scheduled to decline in FY2011.

V. Special issues

None identified.

VI. Proposed cuts and adds

None identified.

VII. Long term and structural change issues

Nothing additional at this time.

VIII. Observations and recommendations

Engineering Division may lack sufficient staff for satisfactory oversight of outside contractors engaged for town capital construction projects.

**PUBLIC WORKS**

I. Introduction

Description of department/mission

The Department of Public Works (DPW) provides a wide variety of key Town services including:

- Street 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

II. Spending overview

a. Overall spending and revenue offsets

FY2011 spending would increase by approximately \$82,000 with passage of the proposed override. This would restore 1 mechanic and 1 equipment operator.

Spending is summarized as follows (standard table 1.1):

	<u>FY 2011 Budget Alternatives</u>	
	Available Funds	Override
Operating budget	\$6,272,412	\$6,354,867
Capital budget	\$0	\$0

	<u>FY 2011 Budget Alternatives</u>	
Debt repayment	\$0	\$0
Pension	\$341,434	\$341,434
Retiree medical	\$183,116	\$183,116
Disability	\$184,327	\$184,327
Utility and maint. costs	NA	NA
<b>Total spending</b>	<b>\$6,981,289</b>	<b>\$7,063,744</b>

Various permits and fees (exclusive of cemetery charges) generate approximately \$55,000 annually in offsetting revenue.

b. Change in operating budget and headcount (standard table 1.2)

	Dollars	Headcount*
FY2010 level	\$6,083,20	54.66 FTE
FY 2011 % change		
Available funds budget	3.1%	0%
Override budget	4.5%	3.7%

\*includes water and sewer enterprise

ii. Average annual growth 2001-20011 (standard table 1.2)

	Dollars	Headcount
DPW	1.6%	NA
All Belmont	3.5%	NA

III. Programmatic analysis

a. FY2010 expenses by program (standard table 1.3 and 1.3a)

Program	Budget \$	Budget %
Cemetery Maintenance	\$451,396	3%
Central Fleet Maint - Highway Facilities	\$542,965	3%
Delta & Grounds Maintenance	\$49,464	0%
Forestry Service	\$220,820	1%
Parks & Facilities	\$706,853	4%

Snow Removal	\$550,860	3%
Solid Waste Collection & Disposal	\$2,425,513	14%
Street Lighting	\$308,875	2%
Street Maintenance	\$525,240	3%
Water Distribution	\$3,874,157	22%
Water Main Replacement	\$427,268	2%
Sewer Maintenance	\$6,761,602	39%

b. Selected activity indicators

- 900 sq. ft. sidewalk repair (approx. 250 linear feet)
- 9,000 tons solid waste
- 2,500 tons recycling
- 250 responses to sewer stoppages

IV. Expense analysis (standard table 1.6)

The following line items in the DPW budget increased by more than 5% and also had increases greater than \$5,000.

	FY2010	FY2011 Base	FY2011 Override
Road Maintenance	\$27,685	\$33,776	\$33,776
Fleet Maintenance Full Time Wages	\$252,758	\$241,916	\$324,371
Diesel	\$65,000	\$71,500	\$71,500
Solid Waste Health Insurance	\$14,709	\$30,000	\$30,000

V. Special issues

None identified.

VI. Proposed cuts and adds

The subcommittee supports restoration of the mechanic and equipment operator positions that would result from passage of the override.

VII. Long term and structural change issues

DPW should explore instituting market-rate fees for house service calls, e.g., sewer rod outs.

DPW should consider instituting market rate fees for yard waste pick up except for leaf collection in the fall.

VIII. Observations and recommendations

DPW budget has fallen in real terms for at least a decade

Override restores 1 mechanic and 1 equipment operator positions. This does little to restore loss of services.

Town has no backup plan for catastrophic failure of pool or hockey rink

Unwise to cut services further

### **BUILDINGS SERVICES**

I. Introduction

Description of department/mission

Building Services is responsible for maintenance, cleaning, and repair of the following Town buildings:

- Police Station
- Town Hall
- Homer Bldg.
- Old BMLD Bldg.
- Fire Headquarters
- Fire Station 2
- Town Yard
- Trailers
- Benton Branch Library
- Beech Street Center Street Maintenance

Building Services also assists with oversight of Town capital projects.

II. Spending overview

- a. Overall spending and revenue offsets

FY2011 spending is unaffected by the passage of an override. No override funds are allocated to Building Services functions.

Spending is summarized as follows (standard table 1.1):

	<u>FY 2011 Budget Alternatives</u>	
	Available Funds	Override
Operating budget	\$1,209,633	\$1,209,633
Capital budget	\$190,000	\$190,000
Debt repayment	\$0	\$0
Pension	\$26,208	\$26,208
Retiree medical	\$13,307	\$13,307
Disability	\$0	\$0
Utility and maint. costs	NA	NA
<b>Total spending</b>	<b>\$1,439,148</b>	<b>\$1,439,148</b>

The Beech Street Center is expected to generate rental revenue that will help offset cleaning and maintenance expenses.

b. Change in operating budget and headcount (standard table 1.2)

	Dollars	Headcount
FY2010 level	\$1,113,444	3.88 FTE
FY 2011 % change		
Available funds budget	8.6%	45.1%
Override budget	8.6%	45.1%

ii. Average annual growth 2001-20011 (standard table 1.2)

	Dollars	Headcount
Building Services	12.0%	NA
All Belmont	3.5%	NA

III. Programmatic analysis

a. FY2010 expenses by program (standard table 1.3 and 1.3a)

Program	Budget \$	Budget %
Bldg. Maintenance	\$528,894	69%
Evening Cleaning	\$109,867	14%
Capital Project Oversight	\$124,955	16%

b. Selected activity indicators

None at this time.

IV. Expense analysis (standard table 1.6)

The following line items in the DPW budget increased by more than 5% and also had increases greater than \$5,000.

	FY2010	FY2011 Base	FY2011 Override
Full Time Wage	\$215,546	\$250,449	\$250,449
Part Time	\$47,747	\$60,261	\$60,261
Repair Service-Buildings	\$125,800	\$165,000	\$165,000
Major Building Repairs	\$170,000	\$190,000	\$190,000

V. Special issues

None identified.

VI. Proposed cuts and adds

The subcommittee supports the add in the budget for additional custodial staff for the Beech Street Center. This increased the FTE count by 2.

VII. Long term and structural change issues

Consolidation with the School building department should be acted upon.

VIII. Observations and recommendations

Nothing further at this time.

## CULTURE AND RECREATION

Culture and Recreation includes the Health Department, Recreation Department, Council on Aging (COA) and the Library. Although it may require the approval of three Town of Belmont boards, consideration should be given to combining the Health, Recreation and Council on Aging. This may result in better delivery of service at lower cost.

The Health Department has been a leader in regionalizing and consolidating services over the years. For FY2011, the department proposed that Health and COA share a social worker position, which should result in savings and improved services to residents. The Health Department should evaluate the consolidated of the social worker position and continue to explore regionalization and consolidation opportunities.

Although fees offset the Recreation Department's direct costs, the department should include indirect costs in analyzing each program it operates. The structure of the department should also be reviewed and the use of technology should be considered to improve operating efficiencies.

The COA needs to maintain data to allow reasonable analysis of programs for trends, forecasting and usage. Efficiencies should be studied by examining duplication of services by other town departments. The COA, like the Recreation Department, needs to include indirect costs of each program offered. In addition, the department needs to consider means testing to offset program costs.

In response to the needs of the community, the Library Trustees have shifted funds to support weekend operations. If an override budget is passed, additional weekend hours will be restored. The Library should determine if there is duplication with the schools, given the approximately \$ 135,000 budget for BHS student library services, especially in light of the proximity of the high school to the library. The Library should also consider regionalizing collection selection services, an activity that constitutes a significant portion of the Library's overall budget.

### HEALTH DEPARTMENT

#### I. Introduction

##### Description of department/mission

The primary goals of the Health Department are disease prevention and health promotion. The Health Department has four areas: public safety (animal control, emergency response and hazardous waste), inspections (food services, housing, swimming pools and day camps), social services (youth and family services and veterans services) and disease prevention (vaccination, anti-smoking and dental hygiene). In FY 2010, the department administered over 2,200 doses of H1N1 vaccine and 500 doses of seasonal flu vaccine.

The Health Department has been a leader in regionalizing services. The department has implemented the following:

**Public Health Nurse-** Lexington and Belmont share a public health nurse. Lexington employs the nurse and Belmont pays 40% of the cost.

**Minuteman Hazardous Product Facility-** Belmont is one of eight towns who participate in this program for disposal of hazardous waste.

**East Middlesex Mosquito Control Project-** Belmont is a member of this 23 town project, which is community controlled and state directed.

**LEPC- Local Emergency Planning Committee-** This is an effort shared with the fire department, dealing with emergency planning in a regional capacity. This may get rolled into the EPG (see below).

**EPG- Emergency Planning Group-** Belmont started this program to meet state mandates regarding emergency preparedness by the state. Many towns have joined.

**Battle Road Regional Emergency Planning Committee-** This is a group of eight communities cooperating to write emergency preparedness plans and conduct emergency drills. When Belmont is up to chair this committee, the fire department will likely take this role.

**Public Health Region 4B-** Department of public health's regional emergency planning group.

II. Spending overview

a. Overall spending (Table 1.1)

**Overall Spending: Health Department**

FY 2010 Estimates

<b>Operating Expenses</b>	
Operating Budget	331,431.00
Operating expenses, building services	17,433.94
Operating expense, other	
<b>Capital Budget</b>	
<b>Debt. Repayment</b>	
Pension	\$28,136.00
Disability	
Retiree Medical	\$19,272.00
Other Expenses- Survivor	\$16,870.00
<b>TOTAL</b>	<b>\$413,142.94</b>
<b>Operating Budget as % total costs</b>	<b>80%</b>

The Health Department's overall spending is not significantly different from its operating budget.

b. Changes in \$ and headcount, operating budget

i. Trends in operating budget and headcounts (Table 1.2)

Table 1.2

**Trends in Spending and Headcount: Health Dept.**

<b>Annual</b>	
Operating Budget, 2011(\$)	316,148.00
% change (2010-2011)	-4.50%
Headcount, 2011, (FTE)	5.04
Headcount, 2010, (FTE)	5.06
% change (2010-2011)	-0.40%

The recent reduction in operating budget and headcount are due to sharing services with the COA (see Section IV. Expense analysis).

ii. Average annual growth 2001-20011 (Table 1.3)

Table 1.3	
Long Term(2001-2011)	
Operating Budget, 2001	267,393.00
Average Annual Growth, Health	
Average Annual Growth, All Belmont	3.50%
Headcount 2001	5.00
Headcount 2011	5.04
% change	0.25%

Operating budget growth over the last ten years is below town average. Headcount 2001 5 FTE, Headcount 2011 5.4 FTE's

### III. Programmatic analysis

#### a. Program and costs (Table 1.4)

Table 1.4

Programmatic Analysis: Health Department		% of budge
Public Safety	129,528.00	30%
Inspections	116,392.00	30%
Social Services	91,176.00	19%
Disease Prevention	99,589.00	21%
TOTAL	436,685.00	

Public Safety and Inspections account for the majority, or 60%, of the Health Department budget. The major activity in Public Safety is home visits by the Animal Control Officer. Eighty-six percent (86%) of all licensing, inspection and enforcement activities are for food service establishments.

b. Activity indicators (Table 1.3A)

Table 1.3A

Details, Selected Programs

**Inspections**

Food service establishments	100,097.00	86%
Housing complaints and required inspections	9,311.00	8%
Swimming pool inspections	4656	4%
Day camps, body art, dumpsters, title 5(septic) etc.	2327	2%

**Social Services**

Individual and family therapy	20,970.00	23%
Case Management	30,088.00	33%
Information and referrals	27,352.00	30%
Clinical Training	6,382.00	7%
Crisis Counseling	6,382.00	7%

In the Social Services Program, Case Management and Information and Referrals are the major activities. Food service is the major activity in the Inspection Program. Examples of activities in department areas are included in table 1.3A

c. Performance indicators (Table 1.4)

**General Performance Indicators- Health Dept.**

<b>Request for services by Department</b>	
Housing	118
HHAN Alerts	78
Nuisance	170
Hazardous Waste	259
Veterans	40
Food	140
Disease/nursing/flu	844
Animal	348
Social Services	57
General Info	269
Other agencies	237
<b>TOTAL</b>	<b>2560</b>

IV. Expense analysis (Table 1.6)

The Health Department efforts to consolidate and regionalize are commendable. This year, the department proposed sharing a social worker position with the Council on Aging (COA). This consolidation should save money, and provide better service to the COA and the community at large.

V. Special issues

a. Level of overhead – Overhead load is average for town departments.

c. Duplication –One issue has been addressed by combining the COA and Health Department social worker position into one position.

VI. Proposed cuts and adds- Social worker to be shared with COA.

Programmatic impact – There will be no change to the Health Department budget if the proposition 2 ½ override passes or fails.

VII. Long term and structural change issues

An opportunity exists with the retirement of the Health Department Director to consolidate the Health Department, Council on Aging and Recreation Department, with a single Director.

The Health Department should continue to work on regionalization efforts in several key areas, which could result in some financial savings and provide better delivery of services:

- Sealer of Weights and Measures- regionalizing this position with other towns would alleviate the need for each town to train and recertify multiple people every year.
- Animal Control Officer- Belmont and Watertown regionalized this position, but determined that the job was too big for one officer. The Director believes that one person could serve as the animal control officer for several towns and have part time people located in each community.

VIII. Observations and recommendations

The Health Department maintains complete and accurate records of all activities within each Program. These records will help the department analyze each program within their budget.

The Health Department should evaluate completed consolidation or regionalization efforts and continue to explore consolidation or regionalization opportunities.

## RECREATION DEPARTMENT

### I. Introduction

#### Description of department/mission

The Recreation Department's mission is to provide Belmont residents with healthy, enjoyable and affordable activities regardless of age, gender or physical ability. The department is operated by 3.9 FTE, approximately 128 seasonal employees and volunteers within each program. The programs include School Year, Summer, Special Needs and Community Relations.

### II. Spending overview

#### a. Overall spending (Table 1.1)

The Recreation Department has been successful in covering its direct costs through user fees; however, the indirect costs are not included in the department's budget. Those costs are carried by the Department of Public Works. We have captured the indirect costs (Homer building expenses and DPW costs for pool and rink) as part of this analysis.

Table 1.1

Overall Spending: Recreation Department FY 2010	Estimate		
	FY 2010	FY2011OR	FY2011 AF
Operating expenses			
Operating budget	650911	646722	646722
Operating expenses, building services*	55550	56111	56111
Operating expenses, office (1)	6360	6360	6360
Operating expenses, other (2)	162501	162501	162501
Capital budget			
Debt repayment			
Pension		65537	65537
Retiree medical		7709	7709
Disability			
Other expenses			
<b>Total</b>	<b>875322</b>	<b>944940</b>	<b>944940</b>
Revenue offsets	658165	655000	655000
<b>Net Income/Loss</b>	<b>-236380</b>	<b>-289940</b>	<b>-289940</b>

b. Changes in \$ and headcount, operating budget

i. Trends in operating budget and headcounts (Table 1.2)

Overall proposed spending in FY11 will be lower than FY2010. No additional funds will be allocated to the Recreation Department even if the voters approve an override budget. There has been no change in headcount. The department is operated with 3.9 FTE.

Table 1.2  
Trends in \$ and Headcount

Operating budget, 2011 (\$)	646722
% change (2010-2011)	-1%
Headcount, 2011 (FTE)	3
% change	0
Average annual growth, 2001-2011	
Operating budget	-1.0%
Department - Recreation	
All Belmont	3.5%

ii. Average annual growth 2001-20011 (Table 1.2)

Operating budget growth over the last ten years is -1%, well below the town average of 3.5%. FTEs have remained level over the last 10 years.

III. Programmatic analysis

a. Program and costs (Table 1.3 and 1.3a)

The largest part of the Recreation Department budget is for other part time employees. Part time employees are used primarily to staff the summer camps and SPORT programs. The majority of these employees are paid on an hourly basis and hired on an "as needed" basis.

Table 1.3  
 Programmatic analysis  
 2010 Estimate

Program*	Name	Budget \$	as percent dept.
Program 1	School Year Programs	157590	24.5%
Program 2	Summer Programs	95234	14.70%
Program 3	Sp. Needs Programs	126528	19.50%
Program 4	Community Relations	85812	13.30%
Program 5	Other PT Employees	181558	28.00%
		646722	100%

\*for key employees

b. Activity indicators (Table 1.4)

Table 1.4 Activity indicators		Memberships sold/Participants	Membership Revenue
	School Year Programs	645	\$72,533
	Summer Programs	483	\$106,312
	Sp. Needs Programs	417*	\$33,720 (10 months)
	Summer Camps	1170	\$176,630(camps)
	* active users		

c. Performance indicators (Table omitted)

Performance indicators have not been developed.

IV. Expense analysis (Table 1.6)

Although the Recreation Department covers its direct costs, adding the expense of the Homer Building and the cost of maintaining the pool and ice rink (indirect costs) would result in the department operating at a substantial loss, \$ 236,380 for FY2010.

V. Special issues

b. Allocations/town objectives – The Recreation Department strives to offer programs for all residents. When financial assistance is requested, membership and program fees are waived or reduced after appropriate financial review in accordance with Recreation Department policy.

c. Duplication –The Recreation Department should work closely with town departments, the schools and private programs to eliminate any duplication and to ensure that it is serving all residents needs.

e. Revenue offsets – Fees are reviewed on an annual basis and are intended to offset, at a minimum, the direct expenses of programs. Currently, a school year or summer family membership is \$160, adult \$100 and child \$80.

VI. Proposed cuts and adds

Belmont Youth Basketball Association (BYBA) will not operate as a town program. It would require the addition of a .5 FTE for the department to operate the program. Other Belmont youth programs operate independently. The Recreation Department needs to continue to work closely with the BYBA to ensure that the program has adequate gym space.

No additional programs are proposed.

VII. Long term and structural change issues

Although it may require the coordination and approval of at least three boards, the combination of the COA, Recreation and Health Department should be considered. All three departments are focused on the well-being of citizens. Consolidating the departments may result in the better delivery of services at lower cost.

Consider privatizing the ice rink and swimming pool, although the age of the facilities may make it difficult. Also consider allowing more groups to rent fields, rink, pool, etc. Creation of a task force, similar to the Minuteman Task Force, may be a useful first step to study the issue.

Consider whether the Recreation Department can be privatized, fully or partially.

VIII. Observations and recommendations

A significant amount of transportation and other miscellaneous costs of the SPORT program are covered by the Friends of Belmont SPORT. The Friends organization also pays fees for participants unable to afford the cost. In addition, over 100 volunteers donate their time and energy to this program to insure that these special athletes can continue to participate.

Rink rentals have increased substantially with a positive net result.

Consideration should be given to restructure the Recreation Department to improve operating efficiency and increase the use of technology to streamline the application process.

Profit and Loss statements per program need should be developed to determine which programs are financially feasible and which ones need to be more closely reviewed. The proposed budget analyst could assist this and other departments in setting up programmatic reporting.

## COUNCIL ON AGING

### I. Introduction

#### Description of department/mission

The mission of the COA is to advocate for and serve the senior citizens of the town. The Belmont Council on Aging (COA) carries out its mission through the direct provision of services including transportation, social services, nutritional services, health and wellness as well as enrichment services. The COA has more than 3442 users that have been issued computerized cards. The COA accounts for approximately 1.4% of the town budget.

### II. Spending overview

#### a. Overall spending (Table 1.1)

COA overall spending is significantly different from its operating budget, because interest payments are due on the Beech Street Center and the cost of operating this facility is higher because it is 60% larger than the footprint of the previous rented facility.

**Table 1.1**

<b>Overall Spending: Council on Aging</b>		Estimate
FY 2010 Estimates		FY 2010
<b>Operating expenses</b>		
Operating budget		\$ 382,240
Operating expenses, building services*		\$ 34,147
Operating expenses, other		\$ -
Capital budget		\$ -
Debt repayment		\$ 195,000
Pension		\$ 33,924
Disability		\$ -
Retiree medical		\$ 31,477
Other expenses		\$ 20,700
<b>Total</b>		<b>\$ 697,488</b>
<b>Operating budget as % total costs</b>		<b>55%</b>

\* Beech St. Center only (partial year)

<b>Revenue offsets</b>	
Revolving fund (receipts)*	\$ 26,255
Grants	\$ 41,157
<b>Total</b>	<b>\$ 67,412</b>

b. Changes in \$ and headcount, operating budget

i. Trends in operating budget and headcounts (Table 1.2)

Recent growth in operating budget and headcount are generally in-line with the town average.

ii. Average annual growth 2001-20011 (Table 1.2)

Operating budget growth over the last ten years is below town average. Headcount has been constant but a closer look at overall program operations would be beneficial to discern how resources are used. The COA collected \$ 26,254 in receipts to cover "fee-for-service" expenses. Four grants supported COA activities totaling more than \$ 41,157 during the fiscal year.

**Table 1.2**

**Trends in Spending and Headcount: Council on Aging**

**Annual**

Operating budget, 2011 (\$)	\$ 353,966
% change (2010-2011)	-7.4%
Headcount, 2011 (FTE)	6.88
Headcount, 2010 (FTE)	6.85
% change (2010-2011)	0.4%

**Long Term (2001-2011)**

Operating budget, 2001	\$ 336,704
Average annual growth, COA	2.5%
Average annual growth, all Belmont	3.5%
Headcount	
Headcount, 2001 (FTE)	?
%change	-1.1%

**III. Programmatic analysis**

**a. Program and costs (Table 1.3 and 1.3a)**

The Subcommittee could not complete a programmatic analysis of COA services due to the lack of meaningful data to make any reasonable analysis on trends, forecast or current usage.

The nutritional program administered by Springwell provided on average, 30 meals per day on site and 42 Meals on Wheels for the period where data was provided, November 2009 through March 2010.

There were no data entered for social services in the database and there was only one month of transportation data (transportation coordinator out on medical leave).

Data points for the health wellness and enrichment services are unclear as to how the COA tracks these events. Does usage represent unique individuals when they track duplicated versus unduplicated event sign-ins? Does a core group of users account for 80 – 90% of services used? These questions have been raised annually.

**b. Activity indicators (Table 1.4)**

There are no activity indicators given the lack of data.

**c. Performance indicators (Table omitted)**

Performance indicators have not been developed.

IV. Expense analysis (Table 1.6)

The proposed level service budget requested an increase of .5 FTE to fund a full time COA coordinator and a .5 FTE increase in custodial services. The investment in those positions is not supported absent available data. The consolidation of a social worker position with the Health Department is a welcomed step toward efficiency.

V. Special issues

a. Level of Overhead - Overhead cost for hosting nutritional services at the COA could benefit from a closer analysis. Currently, a Memorandum of Understanding exists that outlines COA obligations. Cost(s) should be assessed for trash pick-up, permitting/inspections and liability insurance. Any additional overhead cost for the administration of grants and the future supervision of social work and other interns needs evaluation.

c. Duplication - The COA needs to examine duplication of services offered by other town departments and local non-profits: library, computer lab, blood pressure, etc. Consolidation of such services should be explored and implemented where efficiencies exist.

e. Revenue Offsets - The notion of programs or services that receive subsidies without means testing has been raised annually. For the COA, the area of transportation requires a closer look. A state funded transportation services program exists for seniors that rely on income guidelines to qualify. Establishing criteria for means testing or moving toward a voucher system may provide reasonable alternative to the present system, while recovering all the costs incurred.

VII. Long term and structural change issues

There is a computerized database system (My Senior Center.org) for COA staff and management to track usage, yet the system has not been populated with information in specific program areas using the start date of October 2009 (opening of the Beech Street Center). At times, data was not present for entire programs within the COA. The information/data that was provided was incomplete or duplicative. Adequate training in the database and its use would be beneficial to support decision makers on how the COA program areas are utilized.

An understanding of who the users of the COA services are is an outstanding question about usage. Does a core of approx 100 individuals account for 80-

90% of COA services? A question raised from previous years, the answer is still unknown.

The COA seeks to recover the direct costs of services only and does not seek to recover any operating costs of the center or COA administrative overhead costs. Determining the true cost of services offered needs further examination, inclusive of all program areas.

#### VIII. Observations and recommendations

The town is committed to provide senior residents with advocacy and program specific services and has done so for many years. The COA has a worthy mission with a dedicated staff and many volunteers.

This year's budget book did not include any financial information on the programs and services for this department for the FY11 cycle. The COA has not been able to provide clarity on the cost of services it provides and the usage of those services since the FY08 budget cycle (if not before). In the present climate of constrained resources, this lack of accountability should be corrected.

There are two alternatives. Consideration could be given to outsource the management of the COA to a qualified vendor that can ensure the taxpayers receive full value from the budget provided. Alternatively, the Health Department, Recreation Department and COA could be combined with a single department head. Both will likely improve accountability and management.

#### LIBRARY

##### I. Introduction

###### Description of department/mission

The Belmont Public Library provides library services for the town consisting of circulation services (for material owned by Belmont and from other libraries in and out of network), adult/reference services (selecting and managing books, databases and other materials for the collections, addressing reference issues, initiating adult programs), young adult services (selecting materials for collections, assisting students in grades seven through high school, and initiating programs), children's services (same for up to grade six), and technical/processing services (handling acquisitions, repairs and maintaining holdings information).

##### II. Spending overview

###### a. Overall spending (Table 1.1)

Library overall spending is not significantly different from its operating budget, as there are no bonds to repay, the level of disability is low and retiree medical is low.

**Table 1.1**

<b>Overall Spending: Library</b>	Estimate
FY 2010 Estimates	FY 2010
<b>Operating expenses</b>	
Operating budget	\$ 1,708,768
Operating expenses, building services*	\$ -
Operating expenses, other	\$ -
<b>Capital budget</b>	\$ -
<b>Debt repayment</b>	\$ -
<b>Pension</b>	\$ 233,610
<b>Disability</b>	\$ 25,314
<b>Retiree medical</b>	\$ 55,331
<b>Other expenses</b>	\$ -
<b>Total</b>	<b>\$ 2,023,023</b>
<b>Operating budget as % total costs</b>	<b>84%</b>

\* Excludes repairs

**Revenue offsets**

Revolving fund (fines)	\$ 10,000
<b>Total</b>	<b>\$ 10,000</b>

b. Changes in \$ and headcount, operating budget

i. Trends in operating budget and headcounts (Table 1.2)

Recent growth in operating budget and headcount are generally at the town average.

ii. Average annual growth 2001-20011 (Table 1.2)

Operating budget growth over the last ten years is below town average. Headcount has reduced by slightly over 1% while circulation has grown by over 2% per year.

**Table 1.2****Trends in Spending and Headcount: Library****Annual**

Operating budget, 2011 (\$)	\$ 1,788,947
% change (2010-2011)	#REF!
Headcount, 2011 (FTE)	23.36
Headcount, 2010 (FTE)	22.45
% change (2010-2011)	4.1%

**Long Term (2001-2011)**

Operating budget, 2001	\$ 1,353,104
Average annual growth, Library	2.5%
Average annual growth, all Belmont	3.5%
Headcount`	
Headcount, 2001 (FTE)	26.1
%change	-1.1%

## III. Programmatic analysis

## a. Program and costs (Table 1.3 and 1.3a)

The largest parts of the Library budget are one primary program area (adult services and adult collection) and one support activity (circulation – checking items in an out), which together account for over half the budget. Looking across programs at activities, the two major activities are collection development and reference/reader services.

**Table 1.3****Programmatic Analysis: Library**

	\$	% budget	FTE's
Administration	\$ 268,416	15%	1.75
Adult Services	\$ 554,145	31%	6.35
Young Adult Services	\$ 60,184	3%	0.94
Children's' Services	\$ 265,576	15%	3.58
Circulation	\$ 372,113	21%	6.92
Technical/processing	\$ 268,514	15%	3.82
Community service	NA		
<b>Total</b>	<b>\$ 1,788,948</b>		

**Table 1.3a**

**Detail, Selected Programs**

		% budget	FTE's
<b>Adult Services</b>			
<i>Collection development</i>	\$ 210,095	11.7%	2.41
<i>Reference/reader advisory</i>	\$ 208,568	11.7%	2.39
<i>Programming</i>	\$ 23,562	1.3%	0.27
<i>Web &amp; IT</i>	\$ 65,450	3.7%	0.75
<i>Other</i>	\$ 47,124	2.6%	0.54
<b>Young Adult Services</b>			
<i>Collection development</i>	\$ 17,927	NM	0.28
<i>Reference/reader advisory</i>	\$ 24,330	NM	0.38
<i>Programming</i>	\$ 15,366	NM	0.24
<i>Web &amp; IT</i>	NA	NA	NA
<i>Other</i>	NM	NM	0.05
<b>Childrens' Services</b>			
<i>Collection development</i>	\$ 88,553	5.0%	1.18
<i>Reference/reader advisory</i>	\$ 98,942	5.5%	1.32
<i>Programming</i>	\$ 53,968	3.0%	0.72
<i>Web &amp; IT</i>	\$ -		NA
<i>Other</i>	\$ 13,492	0.8%	0.18
<b>Budget Total, Selected Programs</b>			
<i>Collection development</i>	\$ 316,575		
<i>Reference/reader advisory</i>	\$ 331,839		
<i>Programming</i>	\$ 92,896		
<i>Web &amp; IT</i>	\$ 65,450		

b. Activity indicators (Table 1.4)

The Library is heavily used, with large numbers of items circulated and borrowed from other libraries for patrons and significant attendance at programs.

**Table 1.4**

**Activity**

**Indicators**

<b>All library</b>	<b>Adult Services</b>	<b>YA Service</b>	<b>Children's' services</b>	<b>Tech/Processing</b>
Items circulated: 560,000	Items circulated, 300,000 (adult	Circulation combined with YA	Items circulated: 250,000+	Items acquired: 16,000

plus YA)

Program attendance: 11,400	Adult program attendees: 3000	Students assisted with National History Day, Critical Essay and Senior theses	Children's' program attendees: 8400
Items borrowed: 66000			
Internet use: 32,000 sessions			

c. Performance indicators (Table omitted)

Performance indicators have not been developed, but using activity indicators as a proxy, the Library is very busy, and its circulation continues to grow.

IV. Expense analysis (Table 1.6)

The major increase items (which are all relatively small) are increases in part time wages, medical benefits, as more employees take family coverage and acquisition of IT equipment. The increase in part time wages reflects the addition of weekend hours funded internally by reducing the Library's materials purchasing budget.

**Table 1.6**

**Expense analysis: line items increasing more than \$5000 and 5%**

Item	Increase		Rationale
	\$	%	
Part time wages, Public Service	\$ 29,119	16.2%	Weekend hours
Health insurance, Technical Services	\$ 7,221	35.8%	Shift to family plan, new enrollees
Health insurance, Public Service	\$ 7,048	7.0%	Shift to family plan
IT equipment	\$ 10,000	500.0%	Required by town

## V. Special issues

- a. Level of overhead – Overhead load is average for town departments.
- b. Allocations/town objectives – The town seeks more weekend openings. The budget provides for 8 summer Saturday hours and 16 three-hour Sunday openings. Sunday hours will be restored to 30 four hour Sunday openings if the override budget is passed.
- c. Duplication – The school budget for high school student library services is approximately \$135,000. In light of the proximity of the Library and High School, coordination and the potential for some consolidation should be explored.
- d. Mandates – The Library should meet Municipal Appropriation Requirement (MAR) requirements to maintain state certification, continue membership in the Minuteman Library Network (which has substantial benefits), continue interlibrary loans, and qualify for state funds.
- e. Revenue offsets – Offsets are currently minor, consisting of lost book charges.

## VI. Proposed cuts and adds

Programmatic impact – All new money from a potential override allocated to the Library (\$15,000) will be spent on additional Sunday openings for a total of 30 four hours Sunday openings. Warrant Committee has identified this as a town priority in the past. This would require additional part time staff.

## VII. Long term and structural change issues

A principal long-term issue for the Library is the impact of technological change: what will the “library of the future” look like in light of developments such as electronic books? This might affect building and space requirements. There will need to be discussion of technology and how it will both support Library services and might change them over time.

A substantial portion of the Library’s budget is spent on two activities: circulation and collection selection. It might be worthwhile to explore the extent to which scanning technology, although requiring an up-front investment, could decrease the ongoing costs of circulation. Since there are substantial similarities among the demographics of several Minuteman towns, the question of whether collection selected could be “regionalized” could also be explored.

In terms of mission, the question of whether it is a Library responsibility to support public access to the internet for all purposes should also be considered, as internet sessions are increasing significantly.

### VIII. Observations and recommendations

The Library is a very heavily used institution. It makes important contribution to both town residents and town schools, supporting numerous school programs.

It presently has personnel in three unions, one of which (librarians) negotiates with the Library Trustees and two of which (clerical staff and custodians) negotiate with the Board of Selectmen. The Trustees and Selectmen should consult in advance of negotiations to coordinate issues such as holidays in light of town desires for Library usage.

