



TOWN OF BELMONT

FY 12 BUDGET

JAN.10, 2011

TOWN ADMINISTRATOR: TOM YOUNGER

TOWN ACCOUNTANT: BARBARA HAGG

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FY2012 TOWN ADMINISTRATOR'S REPORT

ISSUES & CHALLENGES

These past two years have seen economic upheaval that is unprecedented. In FY2010 the schools received over \$1.4M in ARRA stimulus funds, the state replaced those funds in FY2011 as part of school state aid. In FY2011 the schools received another \$500K of new ARRA stimulus funds which will not be replaced in FY2012. There are also expectations that state aid will decrease to cities and towns in FY2012 for a variety of reasons (no replacement of stimulus funds at the state level, runaway Medicaid costs, declining state rainy day funds, etc). Stimulus funds have been a life saver for the community but are now gone. Our town has a level of expectations that exceeds the ability of the current tax level to meet. Many of our departments have become reactionary rather than proactive due to this situation. We are addressing this issue by beginning the process of implementing Performance Based Management with this and future budgets.

The last operating override that was approved was in the spring of 2002 for FY03 – that was nine budget cycles ago. We have passed debt exclusions during this time to deal with some of our most pressing building issues (Wellington School, Town Hall complex, fire stations, and senior center) but have accepted the available revenues and reserves for operations.

Now we are at a crossroads. In which direction does the Town want to go? Do we try to maintain the same level of services for non essential functions (rink, pool, trash collection, council on aging, and recreation)? We will eventually need to make the difficult decision of which non core services to cut in order to minimize or eliminate the need for an operating override in the future.

Health Insurance has been and continues to be a budget buster. The Town's overall cost including all town/school active and retired employees is expected to be over \$10M in FY2011. This cost will now exceed the level of spending that we had four years ago. At that time we negotiated several changes to our plan including increased co-payments, doubled the employee percentage of premium being paid, became self insured, and implemented a Health Insurance Trust Fund. The experience this past year continues to be lower than the national and state averages. Last year we settled at a 5% increase and anticipate a 6% increase in FY2012. The Trust fund balances continue to grow and are considered to be healthy for a group our size.

In the FY2012 budget we have set aside some funds in the "level service" budget that would allow us to try to negotiate further changes to the health plans understanding that the long term health of government in Belmont is dependent upon getting health costs under control. As a member of the Massachusetts Municipal Association Board of Directors and as Vice-President of the Massachusetts Municipal Management Association, I will be strongly advocating for the State legislature to allow municipalities to modify health insurance plan design for savings in our limited budgets and the opportunity, if desired, to unilaterally enter the Group Insurance Commission

Retirement funding is a challenge. The retirement plan expense had been increasing overall at nearly 5% over the past few years but with the problems in the financial markets worldwide over the past three years we have been projecting an increase. The new actuarial study has been accepted by the Retirement Board and they have assessed the Town a 10.5% increase in FY2012 to the General Fund. Although our retirement system has not been as crushed as other systems or the state, the rate of overall growth in assets does not address the liability. The Belmont Retirement System does have some options to mitigate the liability such as extending the funding schedule (which they did by two years) and they have been in the forefront of asset allocation which has resulted in good returns as compared to counterparts in other public systems.

FINANCIAL GOALS & POLICIES

The Town has several financial goals/policies that are underlying our decision making. First and foremost is to provide the Town with a balanced budget striving to budget conservatively. Secondly we want to maintain our Moody's AAA bond rating (of which only 12 Massachusetts communities have been awarded (3.4% of all municipalities)) which allows us to

borrow at lower rates and keep our interest costs in check. Part of trying to maintain the bond rating was the establishment of a Reserve Policy whereby we would maintain our Reserves at 10%, going no lower than 5%. We have met this goal. The Town also has Investment policies, Fraud policies, travel policies, and personnel policies to protect our interests.

BUDGETARY GUIDELINES GIVEN TO DEPARTMENT HEADS

Department heads have been directed to prepare their budgets based on level services and available funds basis, respectively. They have not included wage increases (except steps) in their salary budgets. All town labor contracts expired on June 30th of 2010. Contract negotiations are ongoing, with one currently settled. Non union personnel have not received wage adjustments for either FY2011 or FY2012 - this includes management, non-union professionals as well as part time employees that would normally be on a step increase schedule.

BUDGET PROCESS

In October of 2010 the Town did several things to expedite the Performance Management Budget process: 1) hired a Mark Abrahams to run a one day workshop for all department heads and budget preparers. Mark coauthored a GASB (Governmental Accounting Standard Board) book on this subject. 2) hired a part time Budget Analyst with experience in Performance Management, and 3) had the budget analyst work with each department as they prepared their narrative. Please keep in mind that the Budget Analyst is not an expert in what we do in Belmont and the narratives are the responsibility of the department heads. Budgets were due by mid December. All of the submissions as well as this Administrator's budget message will be presented to the Board of Selectmen and Warrant Committee the second Monday/Wednesday of January. This is nearly four weeks earlier than the submission made in FY11. The Board of Selectmen will be meeting with the larger town departments to discuss their departments and needs during January so that they are more familiar with the particulars of their work and challenges. After the January 10th budget submission, the Board of Selectmen and Warrant Committee will be meeting and discussing the budgets along with revenue challenges weekly until a decision is made that will have the town and school budgets at a sustainable level for the available revenues. The Board of Selectmen is the decision making body for an operating override. If they decide that this is not possible, both the Town and School must revisit their proposed FY2012 budgets and make reductions to meet the available revenues. Usually, a balanced budget is presented to the final decision making body – the Town Meeting sometime between the end of April and the end of June but my goal is to have the budget addressed at the April Annual Town Meeting..

BUDGET CALENDAR

The Warrant Committee will be reviewing the budget document after Town Administrator submission and work with the Board of Selectmen on deciding on the major goals for the Town to be funded. A decision may need to be made on a possible operating override if there is a consensus to keep level services.

The Board of Selectmen and the Warrant Committee make recommendations to the Town Meeting for a balanced budget. The annual town meeting is scheduled for the end of April but the budget portion may be delayed until May or June if an override is being considered if an override vote is not conducted at the April 4th Annual Town Election.

BUDGET FORMAT

The Warrant Committee has had a great deal of input into the budget format this year. We have attempted to make the budget more programmatic with clearly stated goals. This gives the citizenry a better idea of how their tax dollars are spent.

We have also asked departments to provide a one page summary showing some key performance measures, personnel summary, and budget summaries. This gives a snapshot picture that can be the beginning of discussion – Readers Digest version. These summaries are

together at the beginning of this budget book so that readers can get an overview. Each summary will give the page #s for the narrative so that you can get more in depth information. At the last section you will see the "line item" budget by department.

BUDGET FINANCIAL SUMMARIES – NON SCHOOL

	Actual Expenses		Voted	Proposed	%
	FY09	FY10	FY11	FY12	Change
General Government	3,274,214	3,260,526	3,562,111	3,693,739	3.7%
Public Safety	10,334,970	10,718,318	11,294,518	11,519,533	2.0%
Regional School	687,857	806,365	751,311	850,000	13.1%
Public Works	8,306,763	7,864,456	8,574,006	8,563,768	-0.1%
Human Services	846,811	791,437	776,270	759,116	-2.2%
Culture & Recreation	2,417,593	2,330,793	2,438,677	2,539,494	4.1%
Retirement & Benefits	5,879,254	6,013,233	6,386,925	7,339,969	14.9%
				4.4%	
Increase for operating					
Debt Service (w/BMLD)	4,538,955	4,977,968	6,137,009	5,576,522	-9.1%
Capital Budget	2,799,000	1,758,373	2,060,000	2,126,000	3.2%
Totals & Overall increase	39,085,417	39,780,510	43,028,083	42,968,141	-0.1%

KEY REVENUE & EXPENDITURE ISSUES

Debt Service is a significant portion of the Town's operating budget. In FY2011 the Chenery Middle School debt was refinanced, allowing for interest savings over the shortened life of the bonds. The state participated in the funding of this building and our reimbursements have decreased as they absorb a piece of this savings. Wellington School's first payment has been made in FY2011 and there will now be decreasing debt payments for this at the same time other debt issuances are paid down.

KEY PROGRAMMATIC ISSUES

This level service budget which meets the bottom dollar criteria set by the Warrant Committee is seeing innovation that deserves funding: 1) The **Town Clerk's office** will be initiating the two year codification of bylaws and local legislative active which is a very ambitious and much needed project; 2) the **website** will be more useful for customer services including online payments and permitting; 3) there has been **consolidation of positions** to save monies: supervision (Cemetery & Parks), social worker (Council on Aging and Health Department); and Sealer of Weights and Measures regionalized with Arlington, ; 4) additional **\$50,000 for much needed sidewalk** repairs; 5) the town share of the funding for analysis of systems and development of policies and procedures for **Personal Identification Security** for both our citizens and our employees, and 6) a small amount has been set aside to **negotiate an increase in the employee share of health** insurance. I will continue to review and in implement, when possible, regionalization of various programs.

We are currently reviewing regionalization with Arlington, Lexington and Watertown for elderly services transportation; regionalizing some of our recreation programs and regionalizing our E-911 program with other communities.

PROPERTY TAXES, LEVY LIMITS, TAX RATE

The **Town's operating revenue is 85% from tax revenue**. We have very little commercial property, 95% of the property is residential. Proposition 2 ½ limits our tax increases to 2.5% of the total prior year levy plus any taxes from "new growth". In this time of decreasing

building permits and a tight economy, the new growth is expected to be significantly less than the prior years.

We are looking forward, though it may not occur for FY2012, for the development of two recently sold vacant properties on Pleasant Street and Concord Avenue to provide a boost to our commercial tax base as well as increase to our permit fees. We are also looking forward to a redevelopment at the Cushing Village site in Cushing Square but no timetable has been determined for permit approval.

We are also reviewing small, vacant parcels of town owned land for possible sale which would provide one time revenue to the town as well as placing these lots back onto the tax rolls.

Because the "levy limit" is capped at a certain level, the tax rate is merely a function of what the total values are in the Town. If there were no changes in value to any property and all sales of property were consistent with previous years, everyone's taxes would only increase at 2.5% each year. In reality different properties and sections of town appreciate at different rates. Some years two family homes appreciate faster than single families. In other years, a certain section of town may be viewed as more affordable, thereby driving up the prices or more prestigious also driving up the prices.

Of course, the debt exclusions have been spread in the same manner. Not everyone has "an average value" house. There is a continuum on the spectrum whereby debt exclusion may have a very small effect to a much larger effect on the annual taxes.

Property taxes fall into the category of being regressive. Unlike income tax which is based on what a person has for income or cash flow, property taxes are based on the assessed value of the property. This is a subject that is not often discussed in Massachusetts where we are so dependent upon property taxes to meet our needs but is in fact set by the legislature as something that we must work within. We have made some allowances for our more vulnerable elderly living on fixed income but are limited to what we can do under the current laws in Massachusetts.

STATE AID ISSUES

In FY2010 our state aid was cut by 13%. It is important to keep in mind that the cuts were somewhat mitigated by a large infusion of Federal Stimulus money that was used in it's entirety for the school operating budget - \$1.3M was to reimburse the town for Chapter 70 increases which were due because of the Town's ongoing level of "school maintenance of effort". This formula is updated and the state had made a commitment sometime ago to meet their obligation to fund "Foundation aid" through Chapter 70. In FY2011 the state increased our Chapter 70 state aid by the exact amount of the Stimulus but which was now funded by the state budget, not the Stimulus funds. There was also in FY11 a continuation of a \$547K school grant from Stimulus funds. In FY11 our Chapter 70 was made whole for the first time in many years. FY2012 is a pivotal year in that Stimulus funding is no longer available and the state budget is faced with hurdles that put us again in the position of cuts in this category. We are projecting a 15% cut in all categories of state aid, including Chapter 70. This is happening at the same time as the school is losing the \$547K final Stimulus grant.

Governor Patrick will be filing his budget on January 26th which will give us the first view of our possible local aid number. Unless there is an agreement between the Governor and the legislature to mutually agree on local aid figures early in the budget process, we may need to wait beyond April to have a consensus number.

SIGNIFICANT ACCOUNTING MATTERS (GASB 45)

The Town has been discussing the implementation of the latest Governmental Accounting Standards Board (GASB) requirement for recognition Other Post Employment Benefit (OPEB) liability which is mandated within our accounting statements beginning in FY2009 - the year ending 6/30/09. This is a huge liability, much larger than the Retirement obligation that was recognized during the Dukakis administration. The reason this is larger than our retirement obligation is that the town only pays the retirement liability for the non teaching retirees. Teachers retire through the Teachers Retirement system that is funded by the state. Teacher retiree health insurance coverage however is funded by the town. Since the teachers under new

state legislation are now allowed to retire with full benefits well before their eligibility for Medicare, this cost has become significant. Recognition of the liability is not only for those that are covered by our insurance but also retirees and their spouse that may choose to come into our health insurance should they lose coverage elsewhere. This is recognition of the "potential" liability. This entire obligation was measured in 2008 at \$163M, or \$13M annually net of our current payments to retirees over the next thirty years. There was a new actuarial study done in 2010 which shows that the total obligation is now \$185M, and the new ARC (Annual Required contribution) is up to \$18M. You may ask why the large increase in the annual required contribution – good question. FY10 was the first year this was required to be put onto our financial statements. Since we are not funding the liability our projected interest on the liability will grow each year. We have tried to mitigate this by accepting Section 18 of Chapter 32B which mandates that all eligible retirees and their spouses go into a Medicare based policy. Further, we increased employee and retirees co-pays and the percentage of the total annual premiums. There are currently 514 active school employees eligible for health insurance and 316 retired school employees or surviving spouses eligible for health insurance. For the town there are 236 eligible actives and 277 eligible retirees or surviving spouses.

There are cities, towns and states all over the country that have been faced with similar circumstances but have not had to deal with union contracts or outdated laws that force communities to maintain the status quo. There has been no strong will to push for change from the legislature.

The problem with the status quo is that our financial statements are a representation of the community and are used as a basis for the bonding community to compare us to other communities across the country. Our fear is that the impact of other states' ability to change and our not (being able to change) will be detrimental to our bond rating and financial market access to funds at low interest rates.

CAPITAL PLANNING

Having been involved with the Capital Budget Committee (CBC) since I arrived in 2005, I have found that there are always more requests/needs than there are funds. Up until 2001, the only buildings that had been replaced or had major renovations for many many years were due to fires, consent decrees for handicapped accessibility, or sale of privately used space and not on a planned schedule. There are currently three Town buildings that are being considered for replacement or renovation. The first two are due to possible health & safety concerns: Public Works facility and the Police facility. The third is that the building no longer meets the program needs of the community as determined by the Board of Library Trustees: the Memorial Library. Major building projects are actually outside of the scope of the CBC.

The Mega group has been meeting with all the various committees interested in Capital Facility Planning. There are two much used town facilities that are generally not viewed by our citizenry but are instrumental in the smooth running of the community. These are the Police Station and Public Works facilities. We need a structured plan and timetable that will show when these facilities will be addressed. I would propose a group tour of all the decision makers of the facilities to gain an understanding of the issues involved.

There are other facility issues that are in need of major renovation or replacement that are well known to the community: a hundred year old swimming pool, a skating rink that does not meet many of the standards of area rinks, and a High School that is over thirty five years old that needs updating to meet the new science standards.

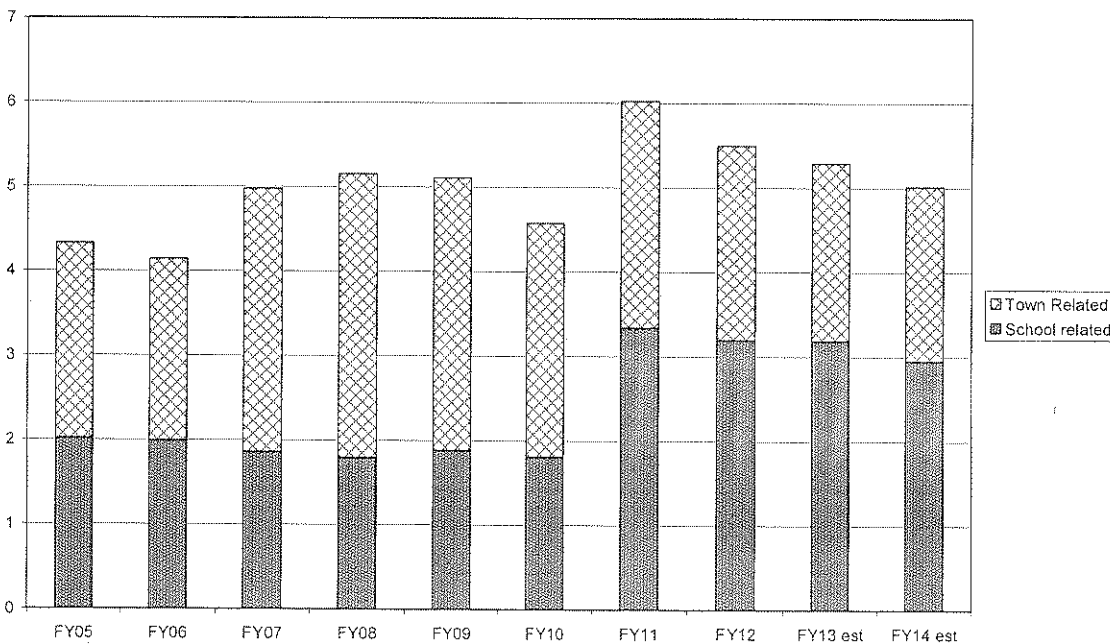
New municipal building construction in town is being overseen by volunteer Building Committees made up of citizenry mostly interested in the program aspects of the buildings being replaced. I would recommend that in the future the Town consider hiring a permanent professional individual full time to oversee these projects as part of a proposed general government/school facilities consolidation plan.

We are fortunate to have a very active Capital Budget Committee that is instrumental in ensuring that our infrastructure needs for streets, water mains, sewer, and storm drains are being addressed. In addition to infrastructure needs they weight the most needed building improvement and equipment needs for the community. Annual requests total over \$3M per year. Of this amount, \$1.2M pertains to the pavement management program that must be funded before any

other considerations. This item should not be reduced but considered for an annual 5% to 10% increase until it reaches a suitable level for annual road maintenance. Optimally, the CBC feels that at least \$3.09M (with a 3% annual growth) should be budgeted annual for capital. Although making cuts to capital is sometimes viewed as harmless by citizens that wish to maintain the operating budget and services, letting our facilities deteriorate or having our equipment fail is not an alternative that is prudent.

A good background is to look at the Town's current debt service which is our financing portion of large capital projects. We have attempted to fund the non major projects from operating budgets rather than borrowing. Below shows the most recent General Fund debt service along with projections over the next several years reflecting the Wellington School replacement:

DEBT SERVICE - GENERAL FUND ONLY - (millions)

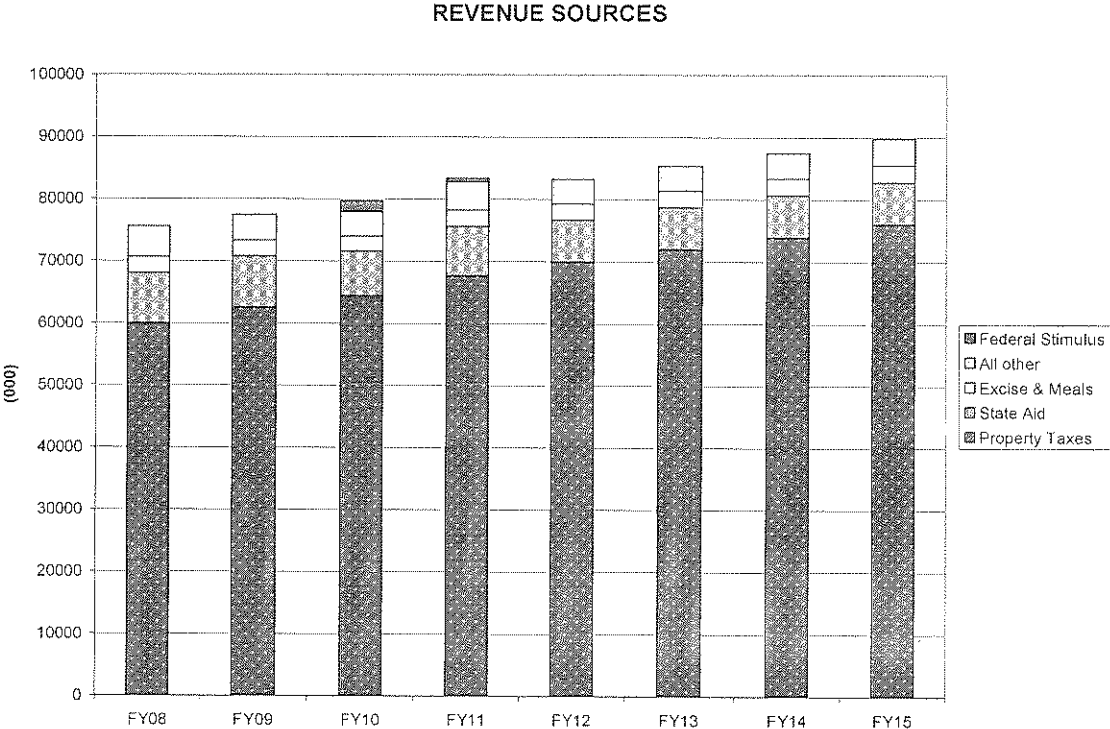


5 YEAR REVENUE & EXPENDITURE FORECAST

Forecasting is a sure way of causing grief. If there is a tendency to be optimistic or pessimistic it always shows through on the projection. With this in mind we have worked on five year projections giving everyone an idea of what has occurred in the past along with some simple mathematical assumptions. Even FY12 as presented here is based on projections since the data at this time is in flux. The assumptions going forward are the most conservative possible to show that even if all goes according to the best of plans, we are facing a deficit. FY12 town operating budget is presented without any wage increases (funds are set aside for health negotiations with unions) but still reflects a 4.0% overall increase because of step increases for existing employees, changes to the benefits (retirement and health), and several initiatives discussed under Program Issues. Health insurance is estimated at a 6% increase in FY12 and 5% each year going forward, Retirement is 10.5% more in FY12 (actual) with 6-8% going forward, and 3% for most "Other expenses". Capital budgets are growing at 2.5% for the roads and 4% for other capital needs which is still insufficient to maintain the town's capital needs, particularly for roads. I believe that we need to increase our roads budget approximately 5% to 10% annually to meet

the needs of repairing our local roads. We have broken out the “use of Reserves” which has been used in the past to balance the budget so that it is obvious how we have been able to avoid operating overrides in the past.

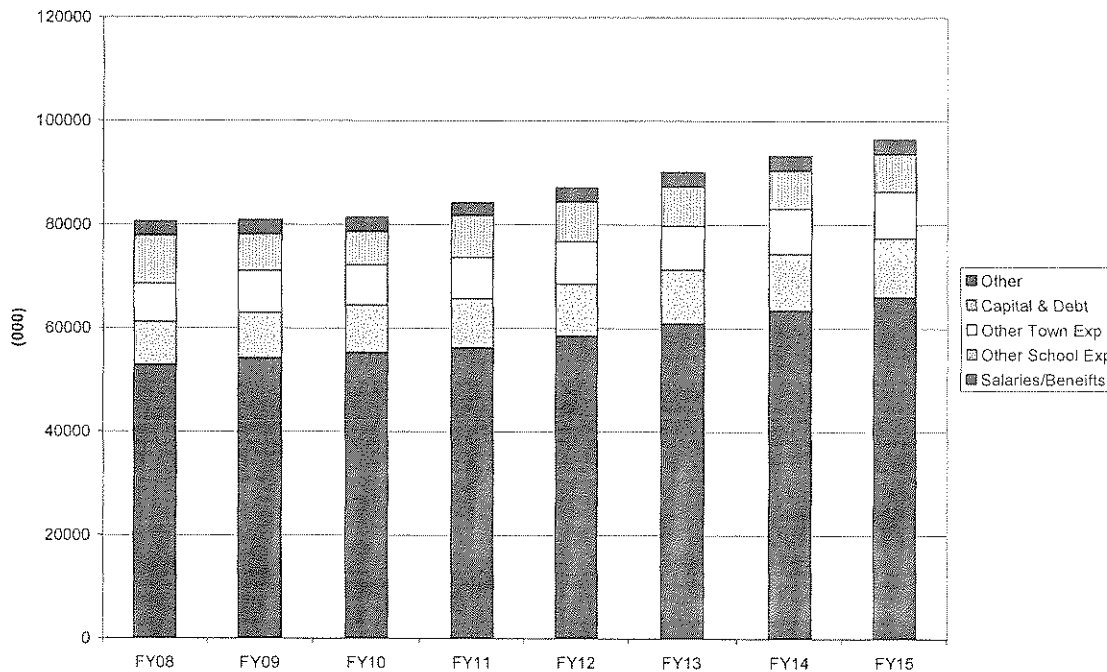
What does the revenue look like?



No secret here – property taxes are our main source of revenue but it is important to look at the FY11 column – this is where all the Stimulus funds go away.

Well, how do we spend money? The FY12 figures were updated with the latest town figures from the submitted budget to show the latest figures. The school budget has not yet been submitted.

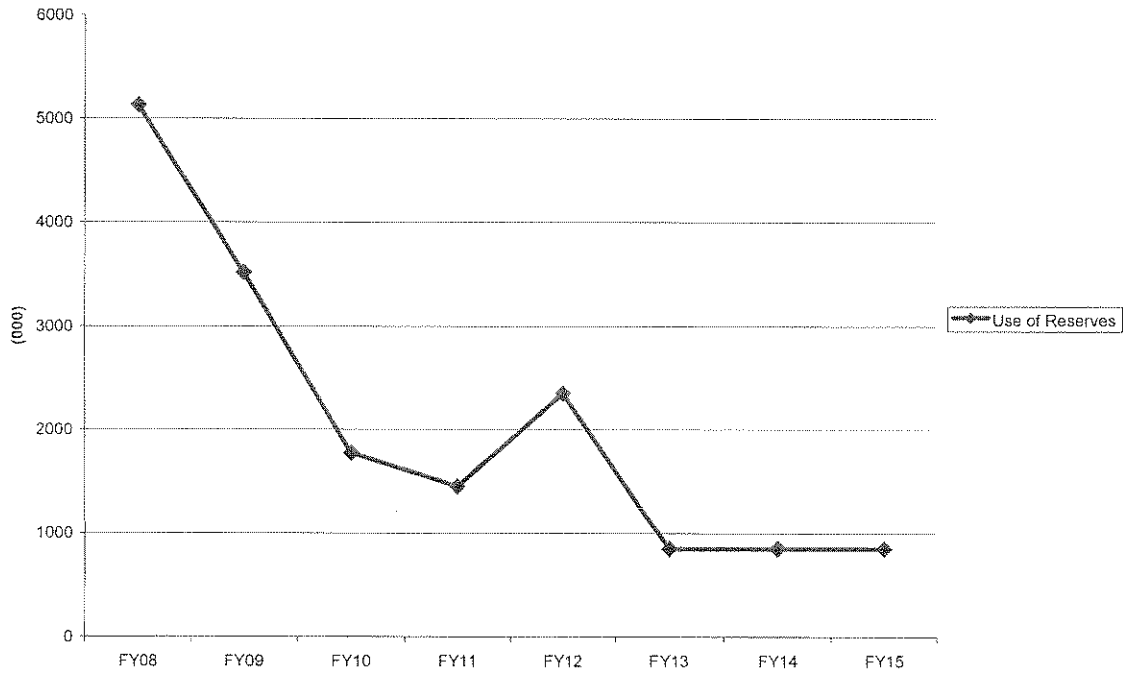
TOTAL EXPENSES - TOWN & SCHOOL BUDGETS & PROJECTIONS



A good question follows from the chart – why is the capital budget and debt service put together? We fund our capital needs in two ways: cash and borrowing. This reflects a healthy percentage of our total budget.

We have been using reserves to balance the budget and in FY12 we see that we are using \$2M of free cash rather than the \$1M that we have been utilizing the past few years. Going forward however we have been very conservative as to the possible availability of reserves (free cash/overlay) or our intention to spend them down as we have in the past. Our rating agency informs us that it is necessary to continue to maintain reserves to keep our top AAA Moody's rating into the future.

Use of Reserves



There will be those that want to look at the raw data used for these charts. These are below. Please keep in mind that it is not our intent to use salary projections for the purpose of negotiations – this is more an intent to show the smallest possible percentage increases and what even that percentage does to the overall. The FY12 budget is big picture including both the town and an “assumption” on the school budget. We do not have figures for the school as of now broken out into categories so historical breakouts and increases were used. Both the FY10 and FY11 school budgets are inclusive of federal stimulus grant receipts so that this will be a fair presentation to citizenry.

BUDGET PROJECTIONS (in thousands)**General Fund Only**

	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
Revenues	Actual Budgets				Projections			
Property Tax	54478	56711	58878	61002	63039	65115	67243	69424
Plus 2.5% increase	1362	1418	1472	1525	1576	1628	1681	1736
Plus New Growth-Capacity	833	714	652	321	500	500	500	500
Plus Debt Exclusion	<u>3278</u>	<u>3670</u>	<u>3366</u>	<u>4818</u>	<u>4759</u>	<u>4697</u>	<u>4428</u>	<u>4325</u>
Total Property Taxes	59951	62513	64368	67666	69874	71940	73852	75985
Excise & Meals	2600	2499	2400	2575	2575	2627	2679	2733
Added Int & Costs	110	175	153	150	160	160	160	160
Payment in Lieu Taxes	<u>99</u>	<u>10</u>	<u>14</u>	<u>34</u>	<u>35</u>	<u>60</u>	<u>60</u>	<u>60</u>
Total Taxes/Costs	62760	65197	66935	70425	72644	74787	76751	78938
Fees & Fines	468	337	337	295	340	340	340	340
Licenses & Permits	550	650	400	625	500	420	450	500
Departmental	1259	1240	1368	1310	1384	1384	1424	1466
Earnings on Investments	1200	500	400	330	325	400	450	500
State Aid	8079	8278	7191	7929	6797	6797	6797	6797
Federal Stimulus Aid	0	0	1721	547	0	0	0	0
Transfers In	1206	1182	1277	1324	1195	1230	1244	1244
Total Revenues	75522	77384	79629	82785	83185	85358	87456	89785
Expense Line Items								
Salaries & Wages	38832	41045	42378	42745	44028	45349	46709	48110
Health Insurance	9599	8859	8521	8851	9382	10132	10943	11818
Retirement	3929	4109	4366	4567	5048	5351	5779	6126
OPEB Trust	500	150	0	0	0	0	0	0
School Non Salaries	5073	5113	4644	4969	5244	5401	5563	5730
SPED Out of District	2733	2961	3682	3814	4005	4205	4416	4636
Minuteman Voc School	502	688	810	751	850	918	991	1071
Town Non Salary	5061	5749	5452	5541	5707	5878	6055	6236
Solid Waste Collection	2318	2387	2325	2395	2467	2541	2617	2696
Reserve Fund	400	400	400	400	400	400	400	400
State Assessments	1505	1518	1554	1491	1531	1569	1608	1649
Abatement/Exemptions	827	815	800	576	800	800	800	800
Capital Budget	4235	2174	1759	2060	2126	2194	2264	2337
Debt Service	5137	4934	4711	6075	5577	5413	5137	4896
Total Expense Budget	80651	80902	81402	84235	87165	90151	93282	96505
Net operations	-5129	-3518	-1773	-1450	-3980	-4793	-5826	-6720
Use of Reserves	<u>5129</u>	<u>3518</u>	<u>1773</u>	<u>1450</u>	<u>2350</u>	<u>850</u>	<u>850</u>	<u>850</u>
Over (under)	0	0	0	0	-1630	-3943	-4976	-5870

EMPLOYEE & RETIREMENT BENEFITS – Overview

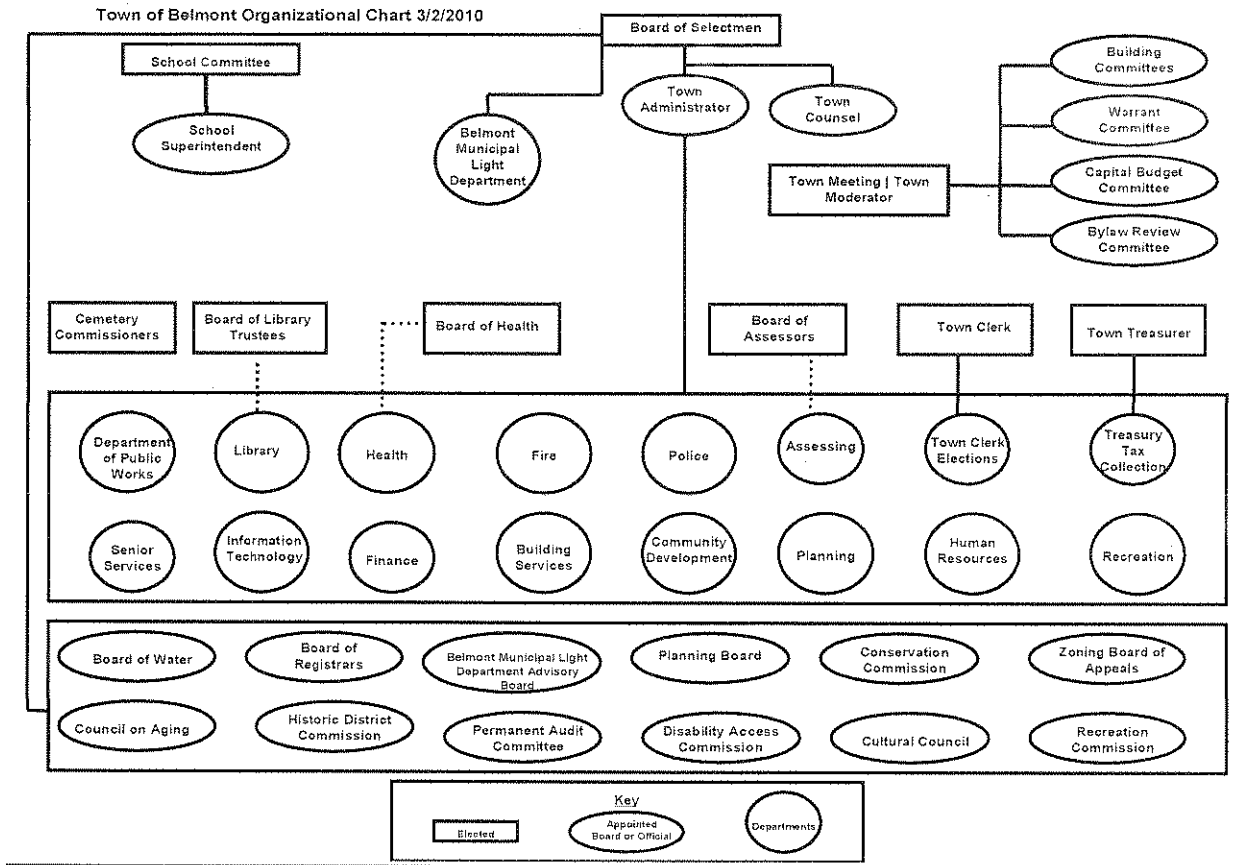
Retirement - The Town of Belmont Retirement Board oversees assets of approximately \$54M for current employees, retirees, and survivors. The appropriation which is reflected in the General Fund budget does not include Water, Sewer, or Light department employees. Those enterprise funds are self-sufficient and pay their benefits directly. The economic downturn over the past 18 months has affected both public and private retirement funds. The appropriation for FY12 reflects the actuarial study done as of January 1, 2010, after the recession which we appear to be finally coming out of. There is a 10.5% increase budgeted for the General Fund in FY12 and projected forward at a 6-8% increase.

Unemployment – Since we are self-insured for this, all federal mandates for extensions of unemployment fall onto the town. Added to this is a "reach-back" provision which allows prior employees that may have had an intermittent position that has been lost to look to the Town of Belmont's unemployment coverage. We have an outside consultant that reviews all our claims and attends hearings on our behalf to mitigate the liability.

Medicare - Medicare withholding is budgeted within each department. In 1986 this became a mandated withholding (and match by the town) for 1.045% for all new hires. The vast majority of our staffing has turned over within the past twenty four years and is now covered by Medicare. This is important because retirees that are eligible for Medicare are mandated by the Town to go into a Medicare based health policy rather than one fully funded by the Town.

Health Insurance – the budget for each department reflects the health insurance for employees in that department. As we go to press we are estimating an increase of 6% overall for this item. We have budgeted separately for the possibility of employees that are not covered by our plan to come into it or employees that marry. Our Health Insurance Trust has helped to stabilize the increases over the past few years and we are hopeful that the trend continues. Health insurance costs for both the public and private sectors have become burdensome. The costs were mitigated by the Town three years ago when we negotiated a doubling of the employee match, higher doctor and prescription cost deductibles, and self insurance (we do carry co-insurance policies).

TOWN ORGANIZATIONAL CHART



**Town of Belmont
FY12 Budget Book Pagation**

<u>TAB 1</u> Performance Data	<u>TAB 2</u> Narrative Pages	<u>TAB 3</u> Line Item Budget
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General Government

TOWN CLERK & ELECTIONS/REGISTRATION	1	1-12	1-2	General Fund
SELECTMEN/MANAGEMENT/LEGAL/ETC	2	13-20	3-5	General Fund
INFORMATION TECHNOLOGY	3	30-36	6	General Fund
HUMAN RESOURCES	4	21-29	7	General Fund
FINANCE & ACCOUNTING / RETIREMENT	5	44-49	8	General Fund
ASSESSING SERVICES	7	37-43	9	General Fund
TREASURY MANAGEMENT & COLLECT	8	52-58	10-11	See Debt Service pg 48
RESERVE FUND			8	General Fund
RETIREMENT	6	50-51	12	General Fund
INSURANCE			12	General Fund
Public Safety				
POLICE & PUBLIC SAFETY COMMUNICATIONS	9 & 10	59-67	13-19	General Fund
FIRE/EMS/EMERGENCY MANAGEMENT	11	68-75	20-22	General Fund
EMERGENCY MANAGEMENT (BEMA)		76	23	General Fund
Education				
LOCAL SCHOOL BUDGET TOTAL ONLY			24	General Fund
MINUTEMAN REGIONAL VOC. SCHOOL - EST			24	General Fund
Public Works				
COMM. DEVELOPMENT/PLANNING/ENG/INSPEC	12	78-95	25-28	General Fund
PUBLIC WORKS	13	96-111	29-36	General Fund
WATER ENTERPRISE	14		1-4	Separate budget
SEWER ENTERPRISE	15		1-2	Separate budget
BUILDINGS	16	112-119	37	General Fund
Human Services				
HEALTH/ANIMAL CONTROL SEALER/VETERANS	17	120-129	38-40 & 42	General Fund
COUNCIL ON AGING	18	130-140	41	General Fund
Culture & Recreation				
LIBRARY	19	141-157	43-45	General Fund
RECREATION	20	158-166	46-47	General Fund
Debt Service				
MATURING DEBT			48	General Fund
INTEREST ON MATURING DEBT			48	General Fund
Capital & Miscellaneous				
CAPITAL BUDGET			49	General Fund
ALLOWANCE FOR ABATEMENTS & EXEMPT - EST			49	General Fund
STATE CHARGES - EST			49	General Fund
Summary				
SUMMARY PAGES			50-52	

TOWN OF BELMONT BUDGET FY2012
REVENUE PROJECTIONS

Description	RECAP ACTUAL FY 2008	RECAP ACTUAL FY2009	RECAP ACTUAL FY2010	RECAP ACTUAL FY2011	ESTIMATED REVENUES FY2012 - 1/10/11
REAL & PERSONAL PROPERTY TAXES	54,478,479	56,732,743	58,878,314	61,002,594	63,040,178
ALLOWABLE 2 1/2% INCREASE	1,361,962	1,418,319	1,471,958	1,525,065	1,576,004
NEW GROWTH	871,072	749,000	652,322	512,519	500,000
CAPACITY NOT USED		(56,863)	(30,478)	(192,274)	-
DEBT EXCLUSION	3,278,106	3,670,345	3,368,022	4,817,671	4,759,000
ALL EXCISE AND MEALS TAX	2,600,000	2,499,000	2,400,000	2,575,000	2,575,000
ADDED INT & COSTS *	110,000	175,000	153,260	150,000	160,000
PAYMENT IN LIEU OF TAXES *	99,350	9,700	14,000	34,159	35,000
TOTAL TAXES & COSTS	62,798,969	65,197,244	66,907,398	70,424,734	72,645,182
FEES - TOWN CLERK	15,885		2,900		
FEES - TREASURER	18,211		19,700		
FEES-PARKING MARKING	35,057		24,700		
DEPUTY FEES - CLEARING	1,803				
RMV EXCISE FEE	6,160				
FEES - APPEALS BOARD	6,800		7,800		
ALARM FEES	36,787		3,000		
FEES-POLICE - ALARMS	19,525		19,000		
FIRE MASTER BOX			33,500		
FEES - FIRE	56,935		52,000		
RENTAL FEES					
FEES - SEALER WEIGHTS	837		1,200		
TOTAL FEES *	198,000	133,491	163,800	135,000	160,000
COURT FINES	28,000		3,200		
COURT VIOLATION FINES	36,000		33,900		
ALARM FINES - POLICE	6,000		6,400		
PARKING FINES	200,000		130,000		
TOTAL FINES *	270,000	203,100	173,500	160,000	170,000

TOWN OF BELMONT BUDGET FY2012
REVENUE PROJECTIONS

Description	RECAP ACTUAL FY 2008	RECAP ACTUAL FY2009	RECAP ACTUAL FY2010	RECAP ACTUAL FY2011	ESTIMATED REVENUES FY2012 - 1/10/11
RENTALS					
OTHER SELECTMEN	23,993		37,000		
OTHER TREASURER	8,600		4,175		
OTHER ASSESSORS	115		191		
OTHER TOWN CLERK	25,522		32,000		
OTHER POLICE	30,999		43,000		
OTHER FIRE			4,000		
OTHER SCHOOL	25		50		
SCHOOL-MEDICAID REIMBURSEMENT	25,000		50,000	not in FY11 or forward	not in FY11 or forward
OTHER HIGHWAY - DISPOSAL FEES	9,805				
OTHER HIGHWAY/RECYCLABLE	39,490		43,000		
OTHER HEALTH	39,146		28,000		
VETERANS REIMB	867				
OTHER CEMETERY	87,000		125,000		
OTHER CONSERVATION COMMISSION	2,617		1,800		
OTHER COUNCIL ON AGING	119				
OTHER LIBRARY	65,000		49,000		
OTHER RECREATION-SENIOR CITIZEN PROG.					
OTHER RECREATION-PROGRAMS	615,000		606,100		
OTHER MISCELLANEOUS	12,645				
AMBULANCE RECEIPTS	267,219		320,000		
TOTAL DEPARTMENTAL *	1,253,162	1,239,376	1,358,401	1,312,635	1,384,000
LICENSES - SELECTMEN (LIQUOR)	32,825				
LICENSES - TOWN CLERK	23,000				
STREET OPENING PERMITS EFF FY2010			40,000	New to cover inspector	New to cover inspector
LICENSES - POLICE	35,700				
LICENSES - BUILDING	458,475				
TOTAL LICENSES & PERMITS *	550,000	650,000	400,000	625,000	510,000
EARNINGS ON INVESTMENTS	1,200,000	500,000	400,000	330,000	325,000
TOTAL INTEREST *	1,200,000	500,000	400,000	330,000	325,000
TOTAL LOCAL RECEIPTS	66,270,131	67,923,211	69,403,099	72,987,369	75,194,182

**TOWN OF BELMONT BUDGET FY2012
REVENUE PROJECTIONS**

Description	RECAP ACTUAL FY 2008	RECAP ACTUAL FY2009	RECAP ACTUAL FY2010	RECAP ACTUAL FY2011	ESTIMATED REVENUES FY2012 - 1/10/11
OTHER AVAILABLE FUNDS					
FOR OPERATING COSTS					
RECEIPTS RESERVED APPROP	55,000	65,000	125,000	125,000	35,000
UNRESERVED FUND BALANCE-OPER	4,649,000	2,470,000	1,322,938	1,000,000	2,000,000
PREMIUM ON SALE OF BONDS DECREASE DEBT EXCLUSION	8,641	8,000	8,000	70,323.19	69,000
FUND BAL ABATE & EXEMPT	450,000	1,048,000	450,000	450,000	350,000
TRANS FROM LIGHT DEPT FOR IT SUPPORT				65,000	67,000
TRANS. FROM LIGHT DEPT-DEBT SERVICE	294,800	282,750	270,100	62,750	-
TRANS FROM LIGHT DEPT FOR TAX REDUCTION	650,000	650,000	650,000	650,000	650,000
TRANS FROM WATER FOR OPER COSTS	150,000	150,000	157,873	157,873	157,873
TRANS FROM SEWER FOR OPER COSTS	120,000	120,000	125,000	125,000	125,000
TRANS FROM LEFTOVER CAPITAL ITEMS	122,584	37,666	30,928	30,185.58	-
CAPITAL FUNDING:					
CAPITAL ENDOWMENT FUND SPEC PROJ	100,000	100,000	100,000	100,000	100,000
TRANSFER - KENDALL SCHOOL			75,000		
TOTAL TRANSFERS	6,600,025	4,931,416	3,314,839	2,836,131.77	3,553,873.00
TOTAL LOCAL REC/OTHER FIN.	72,870,156	72,854,627	72,717,938	75,823,500	78,748,055

**TOWN OF BELMONT BUDGET FY2012
REVENUE PROJECTIONS**

Description	FY 2008		FY2009		FY2010		FY2011		FY2012 - 1/10/11	
	RECAP ACTUAL		RECAP ACTUAL		RECAP ACTUAL		RECAP ACTUAL		ESTIMATED REVENUES	
SCHOOL AID CHAPTER 70	3,857,487		4,603,815		4,511,739		5,541,573		4,744,000	
SCH CONSTR-STATE AID	1,099,786		537,453		537,453		382,498		382,498	
CHARTER SCHOOL REIMB	22,570		25,468		50,249		10,551		-	
GENERAL MUNICIPAL AID					1,989,365		1,909,790		1,623,000	
ADDITIONAL ASSISTANCE	827,483		827,483							
SCHOOL TRANSPORTATION PROGRAMS										
LOTTERY	1,982,683		1,719,422							
FY09 GF Supplemental - Hold harmless Lottery			263,261							
POLICE CAREER INCENTIVE	219,304		235,916		36,048		20,799		-	
EXEMPTION REIMBURSEMENT TOTAL					66,150		60,642		48,000	
VETERANS' BENEFITS			3,333				3,581			
LOSS OF TAXES VETERANS, BLIND, SURV SPOUSE	44,638		39,675							
LOSS OF TAXES SURV SPOUSES	26,104		22,088							
LOSS OF TAXES ELDERLY										
TOTAL STATE AID	8,080,055		8,277,916		7,191,006		7,929,434		6,797,498	
TOTAL GENERAL FUND REVENUES	80,950,211		81,132,543		79,908,944		83,752,934		85,545,553	

Potential allocation of Federal Stimulus Money though state directly to schools

* Please note that most estimated receipts are based on prior year actual collections. There are some adjustments for new assumptions (economic etc).

ENTERPRISE FUNDS & CHAPTER 90

Water Revenues	4,155,269	#REF!	4,721,490	4,867,354	in process
Water Retained Earnings	345,000	#REF!	300,000	300,000	TBD
Sewer Revenues	5,652,061	#REF!	6,874,942	7,345,659	in process
Sewer Retained Earnings	-	#REF!	377,407	154,057	TBD

Capital Project Inventory FY 12

DEBT SERVICE COST FY 12

Description of Debt	Bonded Amount	Issue Year	Year of Payment	Principal Due	Interest Due	P&I Total due	Offsetting		Closing Bal 6-30-12
							Revenue	Revenue Source	
Title V Loans	\$ 60,160	2001	11 of 19	\$ 3,191	\$ -	\$ 3,191	\$ 3,191	Property Tax Betterments	\$ 25,243
BHS Athletic Field and Track	\$ 2,200,000	2002	9 of 10	\$ 220,000	\$ 12,375	\$ 232,375	\$ 232,375	Debt Exclusion	\$ 220,000
Town Hall Complex	\$ 11,950,000	2002	8 of 20	\$ 600,000	\$ 316,860	\$ 916,860	\$ 916,860	Debt Exclusion	\$ 6,550,000
Communication Tower	\$ 126,000	2004	8 of 10	\$ 10,000	\$ 1,300	\$ 11,300	\$ 11,300		\$ 20,000
Fire Station Construction	\$ 10,000,000	2004	6 of 20	\$ 500,000	\$ 291,750	\$ 791,750	\$ 791,750	Debt Exclusion	\$ 6,000,000
Fire Station Construction	\$ 2,030,000	2006	6 of 20	\$ 105,000	\$ 61,625	\$ 166,625	\$ 166,625	Debt Exclusion	\$ 1,400,000
Concord Avenue Land	\$ 780,000	2006	6 of 19	\$ 40,000	\$ 22,890	\$ 62,890	\$ 62,890		\$ 520,000
HVAC - School *	\$ 600,000	2008	3 of 5	\$ 120,000	\$ 9,000	\$ 129,000	\$ 129,000		\$ 240,000
Senior Center	\$ 3,310,000	2009	3 of 17	\$ 195,000	\$ 96,618	\$ 291,618	\$ 291,618	Debt Exclusion	\$ 2,725,000
Chenery Refunding	\$ 5,455,000	2010	3 of 6	\$ 1,055,000	\$ 108,475	\$ 1,163,475	\$ 382,498	Debt Exclusion/SBA	\$ 3,275,000
Wellington School	\$ 26,700,000	2010	2 of 25	\$ 705,000	\$ 964,938	\$ 1,669,938	\$ 1,669,938	Debt Exclusion	\$ 25,310,000
Interest on ST borrowing					\$ 135,000	\$ 135,000		Debt Exclusion	
Tax Abatement Int					\$ 2,500	\$ 2,500			
Subtotal	\$ 63,211,160			\$ 3,553,191	\$ 2,023,330	\$ 5,576,521	\$ 4,454,854		\$ 46,285,243
MWRA Bond 4	\$ 650,000	2003	8 of 10	\$ 65,000		\$ 65,000	\$ 65,000	Water Receipts	\$ 130,000
Sewer Loan Rpt	\$ 2,479,000	2007	5 of 20	\$ 125,000	\$ 84,200	\$ 209,200	\$ 209,200	Sewer Receipts	\$ 1,840,000
MWRA Water Bond	\$ 714,000	2008	4 of 10	\$ 71,400		\$ 71,400	\$ 71,400	Water Receipts	\$ 428,400
MWRA Sewer Bond	\$ 375,430	2009	4 of 5	\$ 75,086		\$ 75,086	\$ 75,086	Sewer Receipts	\$ 150,172
MWRA Water Bond	\$ 872,000	2009	3 of 10	\$ 87,200		\$ 87,200	\$ 87,200	Water Receipts	\$ 610,400
MWRA Water Bond	\$ 988,785	2011	2 of 10	\$ 98,879		\$ 98,879	\$ 98,879	Water Receipts	\$ 791,027
MWRA Water Bond	\$ 988,785	2012	1 of 10	\$ 98,879		\$ 98,879	\$ 98,879	Water Receipts	\$ 889,906
MWPAT	\$ 7,226,667	2011	1 of 20	\$ 296,828	\$ 152,182**	\$ 449,010	\$ 449,010	Sewer Receipts	\$ 6,929,839
Subtotal	\$ 14,294,667			\$ 918,272	\$ 236,382	\$ 1,154,654	\$ 1,154,654		\$ 11,769,744
Total	\$ 77,505,827			\$ 4,471,463	\$ 2,259,712	\$ 6,731,175	\$ 5,609,508		\$ 58,054,987

*Capital Budget to pay Debt Service

**Includes \$10,617 admin. Fee

SHORT TERM BORROWING FY 12 PLAN

Projects	Principal	Interest	Total
Miscellaneous	\$ -	\$ 135,000	\$ 135,000
Wellington	\$ -	\$ -	\$ -
Total	\$ -	\$ 135,000	\$ 135,000

DEBT AND INTEREST BUDGET SUMMARY

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
	EXPENDED	EXPENDED	EXPENDED	EXPENDED	EXPENDED	EXPENDED	VOTED	PROPOSED
Principal	2,944,170	2,798,170	3,243,170	3,628,170	3,583,170	3,898,595	4,790,616	4,471,463
Interest	1,630,642	1,530,499	1,880,011	1,803,336	1,633,285	1,589,935	2,352,472	2,259,712
Total	\$4,574,812	\$4,328,669	\$5,123,181	\$5,431,506	\$5,216,455	\$5,488,530	\$7,143,088	\$ 6,731,175.00

**includes \$10,617 admin. Fee

Staffing Levels (FY09 - FY12) - FROM OPERATING BUDGET

		Budget	Budget	Budget	TA	FT11	FY11
		FY09	FY10	FY11	Recomm	Active	Retiree
GENERAL FUND - OPERATIONS					FY12	Health	Health
SUMMARY BY FUNCTION						Policies	Policies
1620	ELECTION & REGISTRATION	1.0	1.0	1.0	1.0	1	
1610	TOWN CLERK	2.5	2.5	2.5	2.5	1	
1220	BOARD OF SELECTMEN	0.3	0.2	0.2	0.2	1	
1980	COMMISSIONS/COMMITTEES	0.6	0.6	0.6	0.6	1	
1230	GENERAL MANAGEMENT SERVICES	3.1	3.0	3.0	3.0	1	
1550	INFORMATION TECHNOLOGY	4.0	4.0	5.0	5.0	5	
1520	HUMAN RESOURCES	2.7	2.7	2.7	2.7	3	
1350	FINANCE & ACCOUNTING SERVICES	2.8	2.8	3.2	3.2	3	
1410	ASSESSING SERVICES	3.4	3.4	3.4	3.4	3	
1450	TREASURY MANAGEMENT & COLLE	8.3	7.5	7.3	7.3	4	
TOTAL GENERAL GOVERNMENT		28.6	27.7	28.9	28.9	23	36
2110	POLICE ADMINISTRATION	3.0	3.0	3.0	3.0	3	
2960	PUBLIC SAFETY COMMUNICATIONS	10.0	11.0	10.0	10.0	8	
2120	POLICE RECORDS	2.0	2.0	2.0	2.0	5	
2130	POLICE PATROL SERVICES	37.0	36.0	35.0	35.0	35	
2140	POLICE TRAFFIC MANAGEMENT-UNI	3.0	2.0	2.0	2.0	3	
FTE	CROSSING GUARDS (OUT OF TRAFFIC	7.0	6.1	5.1	5.1	-	
FTE	PARKING CONTROL	3.0	3.0	2.3	2.3	-	
2150	POLICE DETECTION & INVESTIGATION	4.0	5.0	5.0	5.0	5	
2160	POLICE COMMUNITY SERVICE	4.0	3.0	3.0	3.0	1	
2210	FIRE ADMINISTRATION	5.5	5.5	5.5	5.5	4	
2220	FIRE SUPPRESSION & CONTROL	52.0	50.0	46.0	46.0	44	
TOTAL PUBLIC SAFETY		130.5	126.6	118.9	118.9	108	245
1800	COMM. DEVELOPMENT-ADMIN	2.0	2.0	2.0	2.0	3	
1750	COMM. DEVELOPMENT- PLANNING	3.0	3.0	3.0	3.0	1	
4110	COMM.DEVELOPMENT-ENGINEERING	1.5	1.4	1.3	1.3	2	
2410	COMM.DEVELOPMENT-INSPECTION	2.6	2.6	2.6	2.6	2	
4210	PUBLIC WORKS ADMINISTRATION	3.0	3.0	3.0	3.0	3	
4220	STREET MAINTENANCE	4.0	4.0	5.0	5.0	5	
4250	CENTRAL FLEET MAINT-HWY FAC	6.0	4.0	4.0	4.0	4	
4260	FORESTRY SERVICE	1.0	1.0	1.0	1.0	1	
6510	DELTA & GROUNDS	2.5	1.0	1.0	1.0	1	
6500	PARKS & FACILITIES	6.0	6.0	6.0	5.6	6	
4330	SOLID WASTE/COLL & DISPOSAL	2.0	1.0	1.0	1.0	1	
4910	CEMETERY MAINTENANCE	6.0	5.9	6.0	6.0	4	
1920	BUILDINGS	4.0	4.0	6.6	6.6	2	
TOTAL PUBLIC SERVICES		43.6	38.8	42.5	42.1	35	32
5100	HEALTH SERVICES	3.7	3.7	3.4	3.4	2	
5500	YOUTH SERVICES	0.4	-	-	-	-	
2920	ANIMAL CONTROL	1.0	1.0	1.0	1.0	-	
5410	COUNCIL ON AGING	7.3	6.9	6.9	6.9	4	
TOTAL HUMAN SERVICES		12.4	11.5	11.3	11.3	6	10

Staffing Levels (FY09 - FY12) - FROM OPERATING BUDGET

		Budget	Budget	Budget	TA	FT11	FY11
		FY09	FY10	FY11	Recomm	Active	Retiree
					FY12	Health	Health
						Policies	Policies
GENERAL FUND - OPERATIONS							
<u>SUMMARY BY FUNCTION</u>							
6110	LIBRARY ADMINISTRATION	3.3	3.3	3.2	3.2	2	
6120	LIBRARY PUBLIC SERVICES	14.0	13.8	16.0	16.0	11	
6130	LIBRARY TECHNICAL SERVICES	3.7	3.6	3.6	3.6	1	
6310	RECREATION ADMINISTRATION	3.0	3.0	3.0	3.0	4	
6320	RECREATION PROGRAMS	13.0	13.1	13.1	13.1	-	
	TOTAL CULTURE & RECREATION	37.1	36.7	38.9	38.9	18	15
TOTAL TOWN DEPARTMENTS		252.2	241.3	240.4	240.0	190	338
TOTAL PUBLIC SCHOOLS		-	-	-		367	302
ENTERPRISE FUNDS							
	SEWER - STORMWATER	4.0	4.0	4.0	4.0		
	SEWER SANITARY MAINTENANCE	8.0	8.0	8.0	8.0	10	6
	WATER ADMINISTRATION	2.0	2.0	2.0	2.0	1	
	WATER MAINTENANCE	10.0	10.0	10.0	10.0	9	19

Please note that "Retiree" health policies often refer to 2 policies for one retiree (individual & spouse).
 Each person on a Medicare based policy is counted as a separate policy.