



**Town of Arlington
Office of the Town Manager**

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MEMORANDUM

DATE: February 12, 2011


TO: Budget & Revenue Task Force Members

SUBJECT: Information Packet

Please find the attached information in regard to Monday's meeting of the Budget and Revenue Taskforce. The information attached is as follows:

- **Overall Budget Summary** – This document provides a snapshot summary of the FY 2012 budget as will be proposed in the Town Manager's Financial Plan.
- **Town/School Breakdown Comparison** – This document demonstrates the shift in the Town/School funding split between FY 2005 and the present.
- **Five Year Plan 11/30/2010** – This is baseline scenario as agreed upon by the Long Range Planning Committee in the fall of 2010.
- **FY 2012 Deficit Tracking Document** – This document illustrates the changes from the 11/30/2010 baseline Five year scenario leading to the 2/9/2011 document.
- **Five Year Plan 2/9/2011 (Deficit)** – This document represents a status quo budget for FY 2012 based upon revenues and expenses as currently projected.
- **Five Year Plan 2/9/2011 (Balanced)** – This document presents the Five Year Plan as projected based upon the FY 2012 budget as will be proposed in the Town Manager's Financial Plan.
- **FY 2012 Cherry Sheet** – FY 2012 Local Aid Estimates based upon Governor's proposal.
- **Chart** - Demonstrating Arlington's decreasing allotment of total state aid.
- **Chart** - Demonstrating Arlington's cumulative state aid change since FY 2002 vs. all communities.

- **Chart** - As presented to Governor's Director of Local Policy, comparing Arlington's state aid decreases to other communities, using excess levy capacity and Municipal Revenue Growth Factor (MRGF) as filters.
- **Chart** - As prepared by Representative Will Brownsberger demonstrating Arlington's decreasing state aid since 2002.
- **Governor's FY 2012 Proposals** – Document as distributed at MMA Annual Meeting which describes Governor Patrick's Local Aid proposals, as well as his municipal health insurance proposal.
- **Governor's Municipal Relief Submission** – Text of legislation as filed by Governor Patrick, including the Governor's municipal health insurance proposal.
- **News Articles** – Series of news articles from local media, dealing with Speaker Deleo's comments on municipal health insurance reform, and Governor Patrick's municipal health insurance reform proposal.


Brian F. Sullivan
Town Manager

Overall Budget Summary

			Change	
	FY2011	FY2012	\$	%
Revenue				
Property Tax	\$ 85,958,974	\$ 88,587,262	\$ 2,628,288	3.1%
Local Receipts	\$ 8,820,707	\$ 8,910,000	\$ 89,293	1.0%
State Aid	\$ 13,576,740	\$ 13,341,134	\$ (235,606)	-1.7%
School Construction Aid	\$ 2,531,085	\$ 2,531,085	\$ -	0.0%
IDEA & SFSF Funds	\$ 489,705	\$ -	\$ (489,705)	-100.0%
Free Cash	\$ 582,051	\$ 385,249	\$ (196,802)	-33.8%
Other Funds	\$ 2,080,000	\$ 200,000	\$ (1,880,000)	-90.4%
TOTAL REVENUES	\$ 114,039,262	\$ 113,954,730	\$ (84,532)	-0.1%
Expenditures				
Municipal Departments	\$ 27,815,520	\$ 26,923,164	\$ (892,356)	-3.2%
School Department (includes IDEA funds above)	\$ 39,081,156	\$ 38,516,006	\$ (565,150)	-1.4%
Minuteman School	\$ 2,739,795	\$ 2,352,988	\$ (386,807)	-14.1%
Non-Departmental (Healthcare & Pensions)	\$ 26,375,704	\$ 27,351,086	\$ 975,382	3.7%
Capital	\$ 7,974,393	\$ 8,448,540	\$ 474,147	5.9%
MWRA Debt Shift	\$ 5,593,112	\$ 5,593,112	\$ -	0.0%
Warrant Articles	\$ 567,465	\$ 609,090	\$ 41,625	7.3%
TOTAL EXPENDITURES	\$ 110,147,146	\$ 109,793,986	\$ (353,160)	-0.3%
Non-Appropriated Expenses	\$ 3,892,117	\$ 4,160,744	\$ 268,628	6.9%
Surplus/(Deficit)	\$ (0)	\$ -	\$ -	0.0%

FY 05 - FY 09 - FY 11 - FY 12 - Town/School Breakdown Comparison		
FY 05 Town/School Split		
Town	\$24,673,338	43.32%
School	\$32,288,213	56.68%
<u>FY 09 Town/School Split</u>		
Town	\$27,673,173	42.34%
School	\$37,678,871	57.66%
<u>FY 11 Town/School Split*</u>		<u>% Breakdown</u>
Town	\$27,815,520	41.89%
School	\$38,591,451	58.11%
<u>FY 12 Town/School Split - Same % as FY 09</u>		
Town	\$27,710,066	42.34%
School	\$37,729,104	57.66%
<u>FY 12 Town/School Split - Same % As FY 11</u>		<u>% Breakdown</u>
Town	\$27,412,468	41.89%
School	\$38,026,702	58.11%
<u>FY 12 Town/School Split - Proposed</u>		<u>% Breakdown</u>
Town	\$26,923,164	41.14%
School	\$38,516,006	58.86%
<u>Difference</u>		
FY 12 Proposed	FY 12 - Same % as FY 05	
\$38,516,006	\$37,093,686	\$1,422,320
<u>Difference</u>		
FY 12 Proposed	FY 12 - Same % as FY 09	
\$38,516,006	\$37,729,104	\$786,902
<u>Difference</u>		
FY 12 - Proposed	FY 12 - Same % as FY 11	
\$38,516,006	\$38,026,702	\$489,304

*Excluding \$489,705 IDEA & SFSF - Direct Spend by Schools

Five Year Projected Financial Plan 2012-2016
As of 11/30/2010
Scenario 2 - Baseline

I REVENUE

- A. State Aid
 School Construction Aid
 Jobs Bill & SFSF
 IDEA Funds
B. Local Receipts
C. Free Cash
D. Overlay Reserve Surplus
E. Property Tax
F. Override Stabilization Fund

FY 2011	FY 2012	Dollar Change	Percent Change	FY 2013	Dollar Change	Percent Change	FY 2014	Dollar Change	Percent Change	FY 2015	Dollar Change	Percent Change	FY 2016	Dollar Change	Percent Change
13,576,740	12,897,903	(678,837)	-5.00%	12,897,903	0	0.00%	12,897,903	0	0.00%	12,897,903	0	0.00%	12,897,903	0	0.00%
2,531,085	2,531,085	0	0.00%	2,531,085	0	0.00%	2,531,085	0	0.00%	2,531,085	0	0.00%	2,531,085	0	0.00%
526,533		(526,533)			0			0			0			0	
359,964		(359,964)	-100.00%		0			0			0			0	
8,860,000	8,910,000	50,000	0.56%	8,960,000	50,000	0.56%	9,010,000	50,000	0.56%	9,060,000	50,000	0.55%	9,110,000	50,000	0.55%
582,051	385,249	(196,802)	-33.81%	500,000	114,751	29.79%	500,000	0	0.00%	500,000	0	0.00%	500,000	0	0.00%
500,000	200,000	(300,000)	-60.00%	200,000	0	0.00%	200,000	0	0.00%	200,000	0	0.00%	200,000	0	0.00%
85,901,249	88,146,408	2,245,159	2.61%	90,444,207	2,297,799	2.61%	92,794,561	2,350,354	2.60%	95,218,815	2,424,254	2.61%	97,696,216	2,477,401	2.60%
1,580,000		(1,580,000)													

TOTAL REVENUES

II APPROPRIATIONS

- A. Operating Budgets
 School
 Jobs Bill, SFSF & IDEA
 General Education Costs
 Special Education Costs
 Net School Budget
 Minuteman
 Town
 Personnel Services
 Expenses
 Less Offsets:
 Enterprise Fund/Other
 Tip Fee Stabilization Fund
 Net Town Budget
 MWRA Debt Shift
B. Capital budget
 Exempt Debt Service
 Non-Exempt Service
 Cash
 Minus Capital Carry Forward
 Total Capital
C. Pensions
D. Insurance
E. State Assessments
F. Offset Aid - Library & School
G. Overlay Reserve
H. Other Crt Jdgmnts/ Deficit/ symmes
I. Warrant Articles
J. Override Stabilization Fund
K. TOTAL APPROPRIATIONS

114,417,622	113,070,645	(1,346,977)	-1.18%	115,533,195	2,462,550	2.18%	117,933,549	2,400,354	2.08%	120,407,803	2,474,254	2.10%	122,935,204	2,527,401	2.10%
38,591,451	40,992,252			42,969,815			45,054,592	2,084,776		47,252,993	2,198,402		49,571,844	2,318,850	
886,497															
24,983,040	25,482,701	499,661	2.00%	26,374,595	891,895	3.50%	27,297,706	923,111	3.50%	28,253,126	955,420	3.50%	29,241,985	988,859	3.50%
14,494,908	15,509,552	1,014,644	7.00%	16,595,220	1,085,669	7.00%	17,756,886	1,161,665	7.00%	18,999,868	1,242,982	7.00%	20,329,858	1,329,991	7.00%
39,477,948	40,992,252	1,514,304	3.84%	42,969,815	1,977,563	4.82%	45,054,592	2,084,776	4.85%	47,252,993	2,198,402	4.88%	49,571,844	2,318,850	4.91%
2,739,795	2,835,688	95,893	3.50%	2,934,937	99,249	3.50%	3,037,660	102,723	3.50%	3,143,978	106,318	3.50%	3,254,017	110,039	3.50%
20,994,640	21,327,589	332,949		22,278,937	951,348		23,317,082	1,038,145		24,013,663	696,582	2.99%	25,108,960	1,095,296	4.56%
9,110,916	9,160,916	50,000		9,210,916	50,000		9,260,916	50,000		9,310,916	50,000	0.54%	9,360,916	50,000	0.54%
1,629,215	1,686,238	57,023	3.50%	1,745,256	59,018	3.50%	1,806,340	61,084	3.50%	1,869,562	63,222	3.50%	1,934,996	65,435	3.50%
680,000	450,000	(230,000)	-33.82%	400,000	(50,000)	-11.11%	400,000	0	0%	20,352	(379,648)	-95%	0	(20,352)	-100%
27,796,341	28,352,268	555,927	2.00%	29,344,597	992,329	3.50%	30,371,658	1,027,061	3.50%	31,434,666	1,063,008	3.50%	32,534,879	1,100,213	3.50%
5,593,112	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%
2,618,094	2,529,197	(88,897)	-3.40%	2,434,589	(94,608)	-3.74%	2,332,724	(101,865)	-4.18%	2,243,452	(89,272)	-3.83%	2,243,452	0	0.00%
4,935,652	5,230,090	294,438	5.97%	5,417,998	187,908	3.59%	5,616,676	198,678	3.67%	5,627,749	11,073	0.20%	5,627,749	0	0.00%
934,947	830,200	(104,747)	-11.20%	865,250	35,050	4.22%	845,800	(19,450)	-2.25%	752,800	(93,000)	-11.00%	752,800	0	0.00%
(514,300)															
7,974,393	8,589,487	615,094	7.71%	8,717,837	128,350	1.49%	8,795,200	77,363	0.89%	8,624,001	(171,199)	-1.95%	8,624,001	0	0.00%
7,003,190	7,410,075	406,885	5.81%	7,854,680	444,605	6.00%	8,325,961	471,281	6.00%	8,825,518	499,558	6.00%	9,355,049	529,531	6.00%
19,422,863	21,114,594	1,691,731	8.71%	22,592,616	1,478,022	7.00%	24,174,099	1,581,483	7.00%	25,866,286	1,692,187	7.00%	27,676,926	1,810,640	7.00%
2,664,789	2,731,409	66,620	2.50%	2,799,694	68,285	2.50%	2,869,686	69,992	2.50%	2,941,428	71,742	2.50%	3,167,597	226,168	7.69%
58,547	58,547	0	0.00%	58,547	0	0.00%	58,547	0	0.00%	58,547	0	0.00%	58,547	0	0.00%
600,000	600,000	0	0.00%	800,000	200,000	33.33%	600,000	(200,000)	-25.00%	600,000	0	0.00%	800,000	200,000	33.33%
500,000	700,000	200,000	40.00%	700,000	0	0.00%	700,000	0	0.00%	700,000	0	0.00%	700,000	0	0.00%
586,644	646,515	59,871	10.21%	646,515	0	0.00%	646,515	0	0.00%	646,515	0	0.00%	0	(646,515)	-100.00%
114,417,622	119,623,947	5,206,325	4.55%	125,012,350	5,388,403	4.50%	130,227,030	5,214,679	4.17%	135,687,045	5,460,016	4.19%	141,335,972	5,648,927	4.16%

BALANCE

Single Year Deficit

(2,925,853)

(2,814,325)

(2,985,762)

(3,121,526)

Reserve Balances				Assumptions			
Free Cash	770,498	1,000,000	1,000,000	1,000,000		1,000,000	5% State Aid Cut
Stabilization Fund	2,550,713	2,601,727	2,679,779	2,760,172		2,842,978	Health - 8.71% FY 12 - 7% Out Years
Override Stabilization Fund	0	0	0	0		0	5.81% Pension Inflation
Tip Fee Stabilization Fund	1,210,364	784,571	408,108	20,352		0	7% SPED Increase
Municipal Bldg Ins. Trust Fund	943,945	962,824	991,709	1,021,460		1,052,104	2% Departmental Inflation
TOTAL:	5,475,520	5,349,122	5,079,596	4,801,984		4,895,081	
% of General Fund Revenue	4.8%	4.7%	4.4%	4.1%		4.1%	

**Town of Arlington
FY 2012 Deficit Tracking Document**

Deficit Figure 11/30/2011 (Scenario 2)	\$6,553,303
Scenario 2 Assumptions - 5% State Aid Cut, 8.71% Health Insurance Increase, 5.81% Pension Increase, 2% Departmental Inflation, 7% SPED Increase	
<u>Revenue Changes</u>	
State Aid (House 1 Figures)	\$443,231
General Tax Levy	\$133,724
Symmes Debt Exclusion	\$307,130
Revenue Subtotal	\$884,085
<u>Expense Changes</u>	
School Appropriation	\$382,354
Minuteman Appropriation	(\$482,700)
Town Appropriation	\$19,562
Capital Appropriation	(\$363,677)
Symmes Debt Service	\$307,130
Pensions	(\$80,635)
Health Insurance	(\$1,592,948)
State Assessments	(\$17,150)
Cherry Sheet Offsets	\$3,538
Warrant Articles	(\$37,425)
Expense Subtotal	(\$1,861,951)
Deficit Figure 2/9/2011	\$3,807,267

Five Year Projected Financial Plan 2012-2016
Demonstration of Deficit
2/9/2011

I REVENUE

A. State Aid
 School Construction Aid
 SFSF
 IDEA Funds
B. Local Receipts
C. Free Cash
D. Overlay Reserve Surplus
E. Property Tax
F. Override Stabilization Fund

TOTAL REVENUES

II APPROPRIATIONS

A. Operating Budgets
 School
 SFSF & IDEA
 General Education Costs
 Special Education Costs
 Net School Budget
 Minuteman
 Town
 Personnel Services
 Expenses
 Less Offsets:
 Enterprise Fund/Other
 Tip Fee Stabilization Fund
 Net Town Budget
 MWRA Debt Shift
B. Capital budget
 Exempt Debt Service
 Non-Exempt Service
 Cash
 Minus Capital Carry Forward
 Total Capital
C. Pensions
D. Insurance
E. State Assessments
F. Offset Aid - Library & School
G. Overlay Reserve
H. Other Crt Jdgmts/ Deficit/ symmes
I. Warrant Articles
J. Override Stabilization Fund
K. **TOTAL APPROPRIATIONS**

BALANCE

Single Year Deficit

Reserve Balances

Free Cash
Stabilization Fund
Override Stabilization Fund
Tip Fee Stabilization Fund
Municipal Bldg Ins. Trust Fund
TOTAL:
% of General Fund Revenue

FY 2011	FY 2012	Dollar Change	Percent Change	FY 2013	Dollar Change	Percent Change	FY 2014	Dollar Change	Percent Change	FY 2015	Dollar Change	Percent Change	FY 2016	Dollar Change	Percent Change
13,576,740	13,341,134	(235,606)	-1.74%	13,341,134	0	0.00%	13,341,134	0	0.00%	13,341,134	0	0.00%	13,341,134	0	0.00%
2,531,085	2,531,085	0	0.00%	2,531,085	0	0.00%	2,531,085	0	0.00%	2,531,085	0	0.00%	2,531,085	0	0.00%
129,741		(129,741)	-100.00%		0										
359,964		(359,964)	-100.00%		0										
8,820,707	8,910,000	89,293	1.01%	8,960,000	50,000	0.56%	9,010,000	50,000	0.56%	9,060,000	50,000	0.55%	9,110,000	50,000	0.55%
582,051	385,249	(196,802)	-33.81%	500,000	114,751	29.79%	500,000	0	0.00%	500,000	0	0.00%	500,000	0	0.00%
500,000	200,000	(300,000)	-60.00%	200,000	0	0.00%	200,000	0	0.00%	200,000	0	0.00%	200,000	0	0.00%
85,958,974	88,587,262	2,628,288	3.06%	90,581,274	1,994,012	2.25%	92,935,055	2,353,781	2.60%	95,362,821	2,427,766	2.61%	97,843,822	2,481,001	2.60%
1,580,000		(1,580,000)													
114,039,262	113,954,730	(84,532)	-0.07%	116,113,493	2,158,763	1.89%	118,517,274	2,403,781	2.07%	120,995,040	2,477,766	2.09%	123,526,041	2,531,001	2.09%
38,591,451	41,374,606			43,290,029			45,305,204	2,015,175		47,425,912	2,120,708		49,658,297	2,232,384	
489,705															
27,894,961	28,022,830	127,869	0.46%	29,003,629	980,799	3.50%	30,018,756	1,015,127	3.50%	31,069,413	1,050,656	3.50%	32,156,842	1,087,429	3.50%
11,186,195	13,351,776	2,165,581	19.36%	14,286,400	934,624	7.00%	15,286,448	1,000,048	7.00%	16,356,500	1,070,051	7.00%	17,501,455	1,144,955	7.00%
39,081,156	41,374,606	2,293,450	5.87%	43,290,029	1,915,423	4.63%	45,305,204	2,015,175	4.66%	47,425,912	2,120,708	4.68%	49,658,297	2,232,384	4.71%
2,739,795	2,352,988	(386,807)	-14.12%	2,435,343	82,355	3.50%	2,520,580	85,237	3.50%	2,608,800	88,220	3.50%	2,700,108	91,308	3.50%
21,013,819	21,295,324	281,505		22,245,543	950,218		23,282,519	1,036,976		23,761,804	479,285	2.06%	25,071,935	1,310,131	5.51%
9,110,916	9,160,916	50,000		9,210,916	50,000		9,260,916	50,000		9,310,916	50,000	0.54%	9,360,916	50,000	0.54%
1,629,215	1,634,410	5,195	0.32%	1,691,614	57,204	3.50%	1,750,821	59,207	3.50%	1,812,100	61,279	3.50%	1,875,523	63,423	3.50%
680,000	450,000	(230,000)	-33.82%	400,000	(50,000)	-11.11%	400,000	0	0%	(195,735)	(595,735)	-149%	0	195,735	-100%
27,815,520	28,371,830	556,310	2.00%	29,364,844	993,014	3.50%	30,392,614	1,027,770	3.50%	31,456,356	1,063,741	3.50%	32,557,328	1,100,972	3.50%
5,593,112	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%
2,618,094	2,836,327	218,233	8.34%	2,434,589	(401,738)	-14.16%	2,332,724	(101,865)	-4.18%	2,243,452	(89,272)	-3.83%	2,243,452	0	0.00%
4,935,652	5,183,113	247,461	5.01%	5,417,998	234,885	4.53%	5,616,676	198,678	3.67%	5,627,749	11,073	0.20%	5,627,749	0	0.00%
934,947	618,400	(316,547)	-33.86%	865,250	246,850	39.92%	845,800	(19,450)	-2.25%	752,800	(93,000)	-11.00%	752,800	0	0.00%
(514,300)	(189,300)														
7,974,393	8,448,540	474,147	5.95%	8,717,837	269,297	3.19%	8,795,200	77,363	0.89%	8,624,001	(171,199)	-1.95%	8,624,001	0	0.00%
6,952,841	7,329,440	376,599	5.42%	7,769,206	439,766	6.00%	8,235,359	466,152	6.00%	8,729,480	494,122	6.00%	9,253,249	523,769	6.00%
19,422,863	19,521,646	98,783	0.51%	20,888,161	1,366,515	7.00%	22,350,333	1,462,171	7.00%	23,914,856	1,564,523	7.00%	25,588,896	1,674,040	7.00%
2,664,789	2,714,259	49,470	1.86%	2,782,115	67,856	2.50%	2,851,668	69,553	2.50%	2,922,960	71,292	2.50%	3,147,708	224,748	7.69%
58,547	62,085	3,538	6.04%	62,085	0	0.00%	62,085	0	0.00%	62,085	0	0.00%	62,085	0	0.00%
670,331	600,000	(70,331)	-10.49%	800,000	200,000	33.33%	600,000	(200,000)	-25.00%	600,000	0	0.00%	800,000	200,000	33.33%
498,449	784,400	285,951	57.37%	700,000	(84,400)	-10.76%	700,000	0	0.00%	700,000	0	0.00%	700,000	0	0.00%
567,465	609,090	41,625	7.34%	646,515	37,425	6.14%	646,515	0	0.00%	646,515	0	0.00%	0	(646,515)	-100.00%
114,039,262	117,761,996	3,722,735	3.26%	123,049,249	5,287,252	4.49%	128,052,670	5,003,421	4.07%	133,284,077	5,231,407	4.09%	138,684,784	5,400,707	4.05%
0	(3,807,267)			(6,935,756)			(9,535,396)			(12,289,037)			(15,158,743)		

(3,128,489)

(2,599,640)

(2,753,641)

(2,869,706)

Assumptions

State Aid - Governor's FY 12 Budget - Level FY 13 - FY 16
Health Ins.- FY 12 Actual Growth - 7% Inflation FY 13 - FY 16
Pensions - FY 12 Actual Growth - 6% Inflation FY 13 - FY 16
New Growth - FY 12 \$400,000 - FY 13 - FY 16 \$350,000
Symmes Debt Exclusion - \$307,130 on Tax Levy
Dpt. Inftn. FY 12 - 2%(Town) -3.5% Town/School FY 13 - FY 16
Special Education - 7% Inflation FY 13 - FY 16

Five Year Projected Financial Plan 2012-2016
Manager's Balanced Budget
2/9/2011

I REVENUE

A. State Aid
 School Construction Aid
 SFSF
 IDEA Funds
B. Local Receipts
C. Free Cash
D. Overlay Reserve Surplus
E. Property Tax
F. Override Stabilization Fund

TOTAL REVENUES

II APPROPRIATIONS

A. Operating Budgets
 School
 SFSF & IDEA
 General Education Costs
 Special Education Costs
 Net School Budget
 Minuteman
 Town Personnel Services
 Expenses

Less Offsets:

 Enterprise Fund/Other
 Tip Fee Stabilization Fund

Net Town Budget

MWRA Debt Shift

B. Capital budget

 Exempt Debt Service
 Non-Exempt Service
 Cash
 Minus Capital Carry Forward

Total Capital

C. Pensions
D. Insurance
E. State Assessments
F. Offset Aid - Library & School
G. Overlay Reserve
H. Other Crt Jdgmts/ Deficit/ symmes
I. Warrant Articles
J. Override Stabilization Fund

K. TOTAL APPROPRIATIONS

BALANCE

Single Year Deficit

Reserve Balances

 Free Cash
 Stabilization Fund
 Override Stabilization Fund
 Tip Fee Stabilization Fund
 Municipal Bldg Ins. Trust Fund

TOTAL:
% of General Fund Revenue

FY 2011	FY 2012	Dollar Change	Percent Change	FY 2013	Dollar Change	Percent Change	FY 2014	Dollar Change	Percent Change	FY 2015	Dollar Change	Percent Change	FY 2016	Dollar Change	Percent Change
13,576,740	13,341,134	(235,606)	-1.74%	13,341,134	0	0.00%	13,341,134	0	0.00%	13,341,134	0	0.00%	13,341,134	0	0.00%
2,531,085	2,531,085	0	0.00%	2,531,085	0	0.00%	2,531,085	0	0.00%	2,531,085	0	0.00%	2,531,085	0	0.00%
129,741		(129,741)			0			0			0			0	
359,964		(359,964)	-100.00%		0			0			0			0	
8,820,707	8,910,000	89,293	1.01%	8,960,000	50,000	0.56%	9,010,000	50,000	0.56%	9,060,000	50,000	0.55%	9,110,000	50,000	0.55%
582,051	385,249	(196,802)	-33.81%	500,000	114,751	29.79%	500,000	0	0.00%	500,000	0	0.00%	500,000	0	0.00%
500,000	200,000	(300,000)	-60.00%	200,000	0	0.00%	200,000	0	0.00%	200,000	0	0.00%	200,000	0	0.00%
85,958,974	88,587,262	2,628,288	3.06%	90,581,274	1,994,012	2.25%	92,935,055	2,353,781	2.60%	95,362,821	2,427,766	2.61%	97,843,822	2,481,001	2.60%
1,580,000		(1,580,000)													
114,039,262	113,954,730	(84,532)	-0.07%	116,113,493	2,158,763	1.89%	118,517,274	2,403,781	2.07%	120,995,040	2,477,766	2.09%	123,526,041	2,531,001	2.09%
38,591,451	38,516,006			40,331,378			42,243,001	1,911,622		44,256,531	2,013,531		46,377,987	2,121,456	
489,705															
27,894,961	25,164,230	(2,730,731)	-9.79%	26,044,978	880,748	3.50%	26,956,552	911,574	3.50%	27,900,032	943,479	3.50%	28,876,533	976,501	3.50%
11,186,195	13,351,776	2,165,581	19.36%	14,286,400	934,624	7.00%	15,286,448	1,000,048	7.00%	16,356,500	1,070,051	7.00%	17,501,455	1,144,955	7.00%
39,081,156	38,516,006	(565,150)	-1.45%	40,331,378	1,815,372	4.71%	42,243,001	1,911,622	4.74%	44,256,531	2,013,531	4.77%	46,377,987	2,121,456	4.79%
2,739,795	2,352,988	(386,807)	-14.12%	2,435,343	82,355	3.50%	2,520,580	85,237	3.50%	2,608,800	88,220	3.50%	2,700,108	91,308	3.50%
21,013,819	19,846,658	(1,167,161)		20,746,173	899,515		21,730,671	984,498		22,155,641	424,970	1.96%	23,409,557	1,253,916	5.66%
9,110,916	9,160,916	50,000		9,210,916	50,000		9,260,916	50,000		9,310,916	50,000	0.54%	9,360,916	50,000	0.54%
1,629,215	1,634,410	5,195	0.32%	1,691,614	57,204	3.50%	1,750,821	59,207	3.50%	1,812,100	61,279	3.50%	1,875,523	63,423	3.50%
680,000	450,000	(230,000)	-33.82%	400,000	(50,000)	-11.11%	400,000	0	0%	(195,735)	(595,735)	-149%	0	195,735	-100%
27,815,520	26,923,164	(892,356)	-3.21%	27,865,475	942,311	3.50%	28,840,766	975,292	3.50%	29,850,193	1,009,427	3.50%	30,894,950	1,044,757	3.50%
5,593,112	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%
2,618,094	2,836,327	218,233	8.34%	2,434,589	(401,738)	-14.16%	2,332,724	(101,865)	-4.18%	2,243,452	(89,272)	-3.83%	2,243,452	0	0.00%
4,935,652	5,183,113	247,461	5.01%	5,417,998	234,885	4.53%	5,616,676	198,678	3.67%	5,627,749	11,073	0.20%	5,627,749	0	0.00%
934,947	618,400	(316,547)	-33.86%	865,250	246,850	39.92%	845,800	(19,450)	-2.25%	752,800	(93,000)	-11.00%	752,800	0	0.00%
(514,300)	(189,300)														
7,974,393	8,448,540	474,147	5.95%	8,717,837	269,297	3.19%	8,795,200	77,363	0.89%	8,624,001	(171,199)	-1.95%	8,624,001	0	0.00%
6,952,841	7,329,440	376,599	5.42%	7,769,206	439,766	6.00%	8,235,359	466,152	6.00%	8,729,480	494,122	6.00%	9,253,249	523,769	6.00%
19,422,863	20,021,646	598,783	3.08%	21,423,161	1,401,515	7.00%	22,922,783	1,499,621	7.00%	24,527,377	1,604,595	7.00%	26,244,294	1,716,916	7.00%
2,664,789	2,714,259	49,470	1.86%	2,782,115	67,856	2.50%	2,851,668	69,553	2.50%	2,922,960	71,292	2.50%	3,147,708	224,748	7.69%
58,547	62,085	3,538	6.04%	62,085	0	0.00%	62,085	0	0.00%	62,085	0	0.00%	62,085	0	0.00%
670,331	600,000	(70,331)	-10.49%	800,000	200,000	33.33%	600,000	(200,000)	-25.00%	600,000	0	0.00%	800,000	200,000	33.33%
498,449	784,400	285,951	57.37%	700,000	(84,400)	-10.76%	700,000	0	0.00%	700,000	0	0.00%	700,000	0	0.00%
567,465	609,090	41,625	7.34%	646,515	37,425	6.14%	646,515	0	0.00%	646,515	0	0.00%	0	(646,515)	-100.00%
114,039,262	113,954,730	(84,532)	-0.07%	119,126,228	5,171,498	4.54%	124,011,068	4,884,840	4.10%	129,121,055	5,109,987	4.12%	134,397,494	5,276,439	4.09%
0	(0)			(3,012,735)			(5,493,794)			(8,126,015)			(10,871,453)		

(3,012,735)

(2,481,059)

(2,632,221)

(2,745,438)

Assumptions

State Aid - Governor's FY 12 Budget - Level FY 13 - FY 16
Health Ins.- FY 12 Actual Growth - 7% Inflation FY 13 - FY 16
Pensions - FY 12 Actual Growth - 6% Inflation FY 13 - FY 16
New Growth - FY 12 \$400,000 - FY 13 - FY 16 \$350,000
Symmes Debt Exclusion - \$307,130 on Tax Levy
Departmental Inflation 3.5% Town and School FY 13 - FY 16
Special Education - 7% Inflation FY 13 - FY 16

**Massachusetts Department of Revenue
Division of Local Services
FY2012 Local Aid Estimates**

ARLINGTON

	FY2011 Cherry Sheet Estimate	FY2012 Governor's Budget (H1)	Difference
Education:			
Chapter 70*	6,632,057	6,880,580	248,523
School Transportation	0	0	0
Charter Tuition Reimbursement	31,700	29,058	-2,642
Offset Receipts:			
School Lunch	16,604	19,545	2,941
School Choice Receiving Tuition	0	0	0
Sub-Total, All Education Items	6,680,361	6,929,183	248,822
General Government:			
Unrestricted General Government Aid	6,416,909	5,952,940	-463,969
Local Share of Racing Taxes	0	0	0
Regional Public Libraries	0	0	0
Police Career Incentive	25,652	23,313	-2,339
Urban Renewal Projects	0	0	0
Veterans' Benefits	221,266	204,682	-16,584
State Owned Land		0	0
Exemptions: Vets, Blind, Surviving Spouses & Elderly	190,609	188,476	-2,133
Offset Receipts:			
Public Libraries	41,943	42,540	597
Sub-Total, All General Government	6,896,379	6,411,951	-484,428
Total Estimated Receipts	13,576,740	13,341,134	-235,606

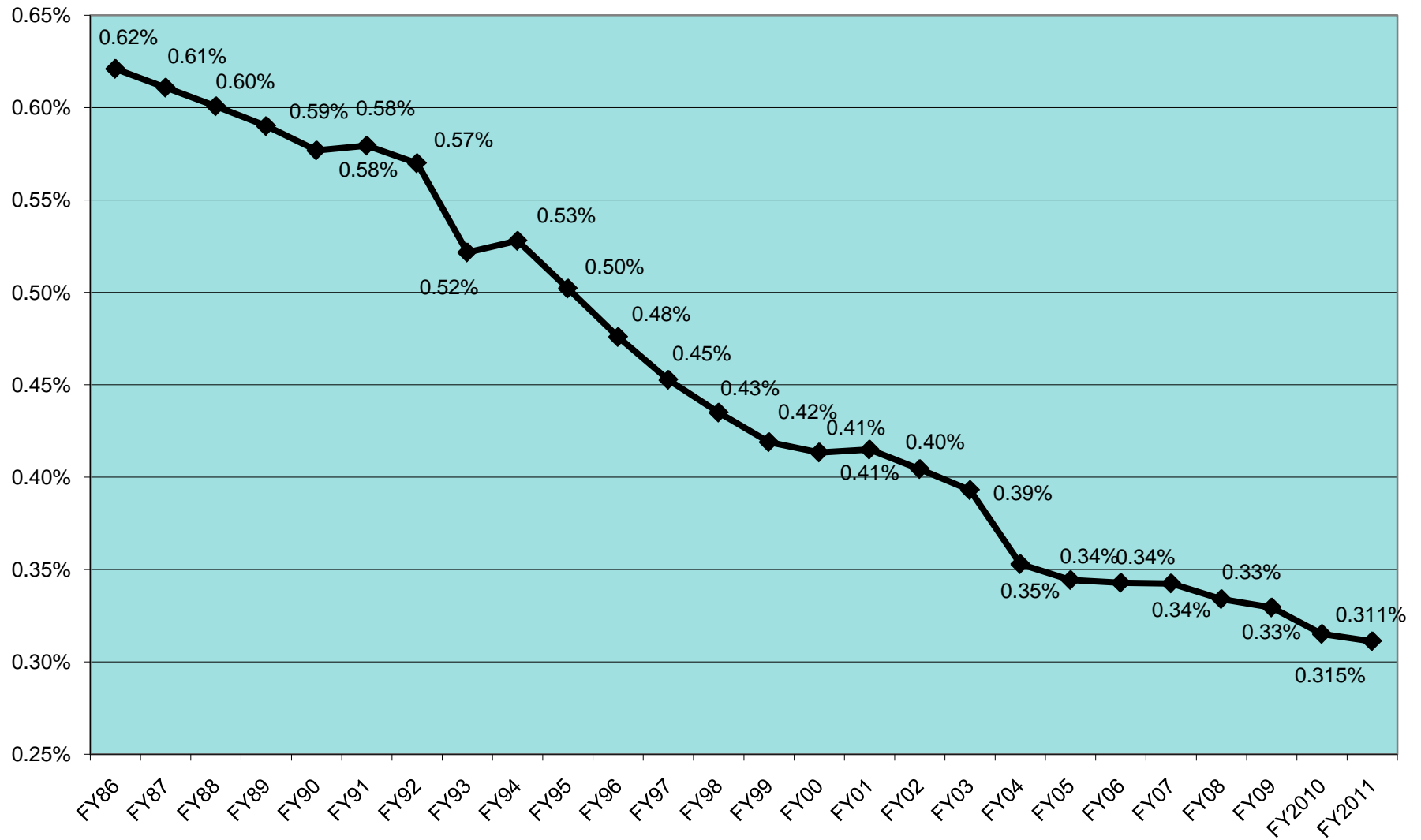
*FY2011 Chapter 70 does not include State Fiscal Stabilization Funds of \$35,604.

FY2012 Local Aid Assessments ARLINGTON

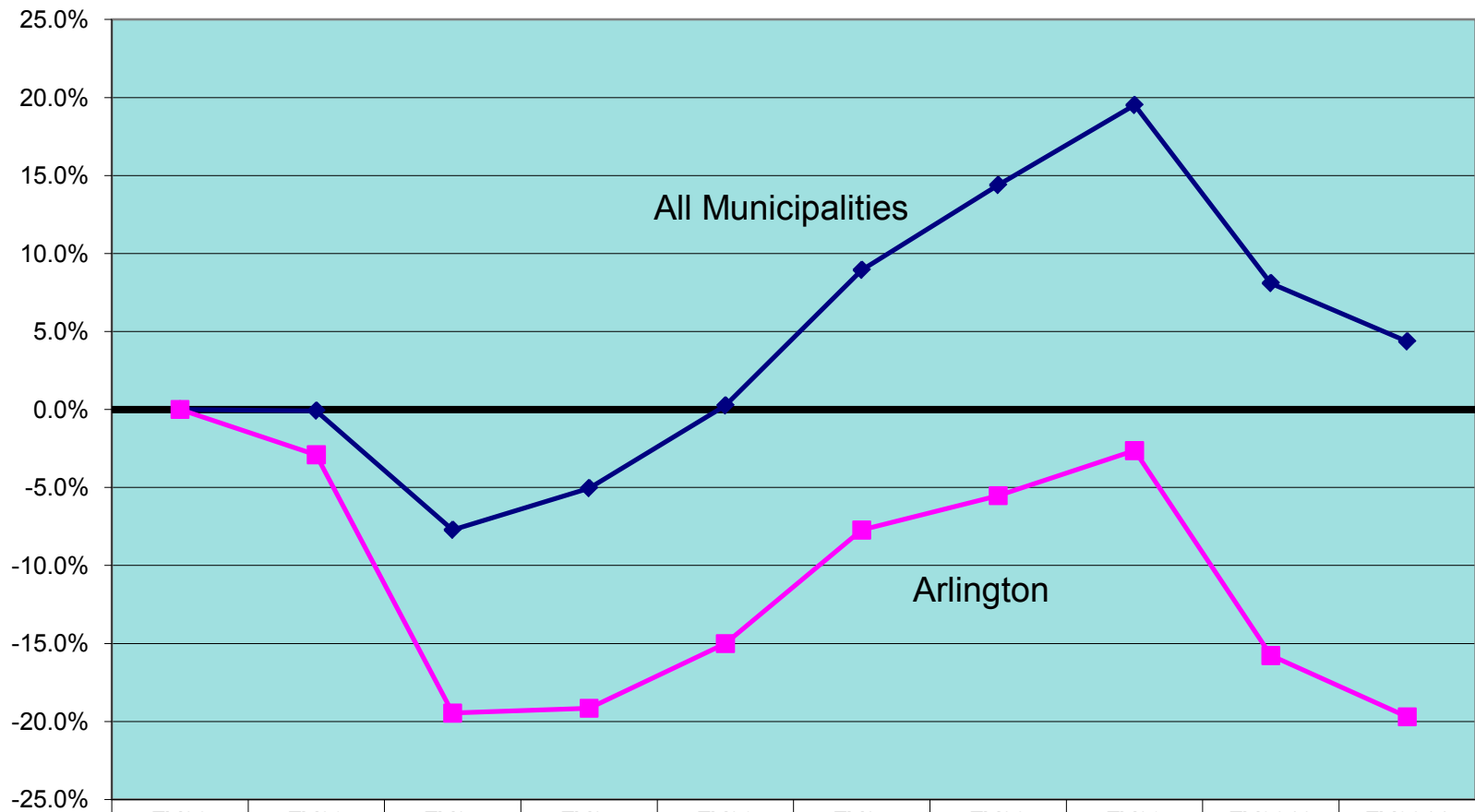
	FY2011 Cherry Sheet Estimate	FY2012 Governor's Budget (H1)	Difference
County Assessments:			
County Tax	0	0	0
Suffolk County Retirement	0	0	0
Sub-Total, County Assessments	0	0	0
State Assessments and Charges:			
Retired Employees Health Insurance	0	0	0
Retired Teachers Health Insurance	0	0	0
Mosquito Control Projects	0	0	0
Air Pollution Districts	12,832	13,415	583
Metropolitan Area Planning Council	12,359	12,695	336
Old Colony Planning Council	0	0	0
RMV Non-Renewal Surcharge	62,900	52,060	-10,840
Sub-Total, State Assessments	88,091	78,170	-9,921
Transportation Authorities:			
MBTA	2,508,370	2,514,430	6,060
Boston Metro. Transit District	818	809	- 9
Regional Transit		0	0
Sub-Total, Transportation Authorities	2,509,188	2,515,239	6,051
Annual Charges Against Receipts:			
Special Education	0	0	0
STRAP Repayments	0	0	0
Sub-Total, Annual Charges	0	0	0
Tuition Assessments			
School Choice Sending Tuition	0	0	0
Charter School Sending Tuition	67,510	120,850	53,340
Essex County Tech Sending Tuition	0	0	0
Sub-Total, Tuition Assessments	67,510	120,850	53,340
Total Estimated Charges	2,664,789	2,714,259	49,470

For information about how the estimates were determined and what may cause them to change, click: [Local Aid Estimate Program Summary](#).

Arlington's Percent of Total State Aid



**State Aid Cumulative Percent Change
Since Fiscal Year 2002**
(Numbers exclude School Construction and METCO reimbursements)



◆ All Municipalities	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY2010	FY2011
	0.0%	-0.1%	-7.7%	-5.1%	0.3%	8.9%	14.4%	19.5%	8.1%	4.4%
■ Arlington	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY2010	FY2011
	0.0%	-2.9%	-19.5%	-19.2%	-15.0%	-7.7%	-5.5%	-2.6%	-15.8%	-19.7%

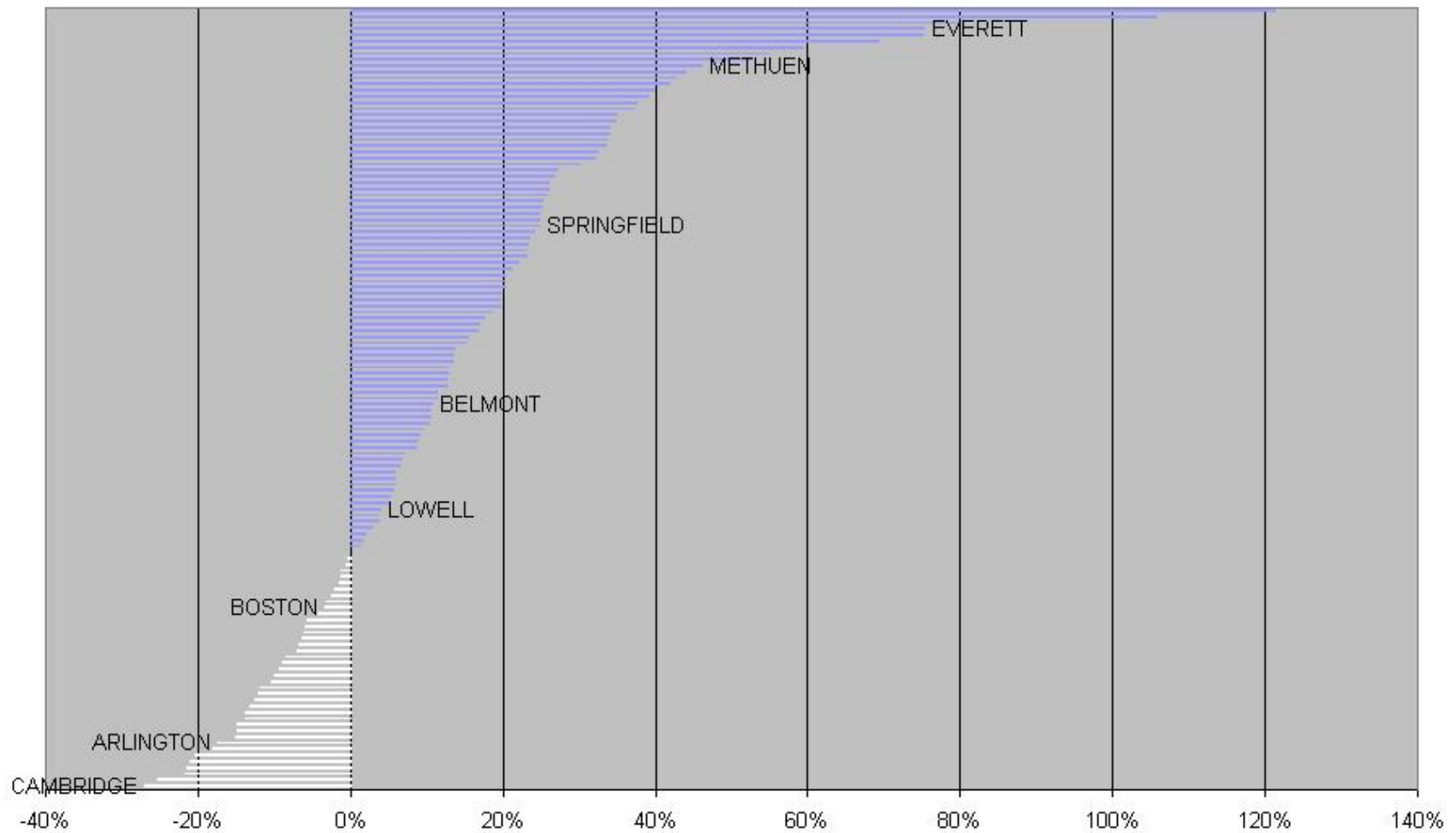
**Numbers exclude School Construction and METCO reimbursements*

STATE AID ANALYSIS-FY 89 vs. FY 11
Addt'l Asst Lottery vs. UGGA - Communities w/excess capacity below .5
Communities w/MRGF below state average of 2.85

	CITY/TOWN	POPULATION - 2009	Additional Assistance	Lottery, Beano & Charity	FY 89 Total	Unrestricted General Government Aid	FY 11	Increase/ Decrease	% Increase/Decrease	Excess Capacity	FY2011 Municipal Revenue Growth
1	MOUNT WASHINGTON	135	\$49,832	\$957	\$50,789	\$25,355	\$25,355	(\$25,434)	-50.08%	0.34	-0.59
2	BOSTON	645,169	\$262,193,469	\$25,328,750	\$287,522,219	\$160,247,301	\$160,247,301	(\$127,274,918)	-44.27%	0.01	2.24
3	HULL	11,122	\$2,556,505	\$436,652	\$2,993,157	\$1,792,503	\$1,792,503	(\$1,200,654)	-40.11%	0.07	2.76
4	ARLINGTON	41,719	\$8,395,744	\$1,922,248	\$10,317,992	\$6,416,909	\$6,416,909	(\$3,901,083)	-37.81%	0.02	1.77
5	WATERTOWN	33,117	\$7,624,203	\$1,281,761	\$8,905,964	\$5,641,884	\$5,641,884	(\$3,264,080)	-36.65%	0.04	2.5
6	SUDBURY	17,662	\$1,462,264	\$389,119	\$1,851,383	\$1,184,015	\$1,184,015	(\$667,368)	-36.05%	0.14	2.82
7	MELROSE	27,091	\$5,350,306	\$1,404,917	\$6,755,223	\$4,337,759	\$4,337,759	(\$2,417,464)	-35.79%	0.01	2.53
8	SCITUATE	18,296	\$1,963,548	\$647,101	\$2,610,649	\$1,701,540	\$1,701,540	(\$909,109)	-34.82%	0.09	2.44
9	WINTHROP	19,235	\$4,267,398	\$1,126,929	\$5,394,327	\$3,565,783	\$3,565,783	(\$1,828,544)	-33.90%	0.02	1.57
10	SOMERVILLE	76,491	\$26,792,159	\$5,318,855	\$32,111,014	\$21,311,532	\$21,311,532	(\$10,799,482)	-33.63%	0.02	2.72
11	MEDFORD	55,578	\$12,248,771	\$3,205,793	\$15,454,564	\$10,259,690	\$10,259,690	(\$5,194,874)	-33.61%	0.05	2.72
12	IPSWICH	13,411	\$1,596,872	\$434,439	\$2,031,311	\$1,357,726	\$1,357,726	(\$673,585)	-33.16%	0.06	2.29
13	STONEHAM	21,558	\$3,828,041	\$867,917	\$4,695,958	\$3,143,525	\$3,143,525	(\$1,552,433)	-33.06%	0.02	1.44
14	READING	23,509	\$3,154,587	\$877,680	\$4,032,267	\$2,742,082	\$2,742,082	(\$1,290,185)	-32.00%	0.10	1.43
15	WINCHESTER	21,495	\$1,274,589	\$564,804	\$1,839,393	\$1,251,470	\$1,251,470	(\$587,923)	-31.96%	0.01	2.15
16	WAKEFIELD	25,196	\$3,182,755	\$997,211	\$4,179,966	\$2,849,501	\$2,849,501	(\$1,330,465)	-31.83%	0.02	2.72
17	NEWTON	84,592	\$4,930,207	\$2,205,846	\$7,136,053	\$4,970,628	\$4,970,628	(\$2,165,425)	-30.34%	0.04	2.78
18	REVERE	51,693	\$10,029,245	\$2,303,071	\$12,332,316	\$8,700,801	\$8,700,801	(\$3,631,515)	-29.45%	0.06	2.85
19	NAHANT	3,629	\$321,781	\$128,689	\$450,470	\$319,586	\$319,586	(\$130,884)	-29.05%	0.06	1.38
20	BEVERLY	39,513	\$5,198,033	\$1,639,520	\$6,837,553	\$4,939,380	\$4,939,380	(\$1,898,173)	-27.76%	0.08	2.84
21	SALEM	41,361	\$6,535,499	\$1,520,987	\$8,056,486	\$5,834,758	\$5,834,758	(\$2,221,728)	-27.58%	0.08	2
22	FRAMINGHAM	67,191	\$9,261,477	\$2,346,698	\$11,608,175	\$8,415,039	\$8,415,039	(\$3,193,136)	-27.51%	0.06	2.56
23	MILTON	26,186	\$2,741,774	\$988,962	\$3,730,736	\$2,717,762	\$2,717,762	(\$1,012,974)	-27.15%	0.01	2.61
24	HOLLISTON	14,191	\$1,277,669	\$509,293	\$1,786,962	\$1,309,824	\$1,309,824	(\$477,138)	-26.70%	0.04	2.85
25	MALDEN	56,146	\$10,976,195	\$3,476,396	\$14,452,591	\$10,611,641	\$10,611,641	(\$3,840,950)	-26.58%	0.06	2.26
26	WALPOLE	23,448	\$2,153,159	\$761,615	\$2,914,774	\$2,155,690	\$2,155,690	(\$759,084)	-26.04%	0.07	2.33
27	MAYNARD	10,627	\$1,332,193	\$448,551	\$1,780,744	\$1,328,816	\$1,328,816	(\$451,928)	-25.38%	0.04	1.63
28	WEYMOUTH	53,977	\$6,698,843	\$3,156,067	\$9,854,910	\$7,375,304	\$7,375,304	(\$2,479,606)	-25.16%	0.00	1.05
29	RANDOLPH	31,022	\$4,218,140	\$1,402,195	\$5,620,335	\$4,396,472	\$4,396,472	(\$1,223,863)	-21.78%	0.03	2.7
30	LYNN	87,517	\$18,822,941	\$5,206,468	\$24,029,409	\$18,937,447	\$18,937,447	(\$5,091,962)	-21.19%	0.41	1.78
31	MILLIS	8,029	\$813,995	\$301,621	\$1,115,616	\$885,551	\$885,551	(\$230,065)	-20.62%	0.06	1.61
32	BOURNE	19,387	\$1,134,430	\$422,332	\$1,556,762	\$1,239,900	\$1,239,900	(\$316,862)	-20.35%	0.01	1.98
33	HADLEY	4,730	\$352,329	\$126,521	\$478,850	\$383,877	\$383,877	(\$94,973)	-19.83%	0.01	1.16
34	MARBLEHEAD	19,959	\$742,271	\$456,611	\$1,198,882	\$963,171	\$963,171	(\$235,711)	-19.66%	0.01	1.28
35	ROCKLAND	18,086	\$1,709,543	\$1,044,320	\$2,753,863	\$2,236,010	\$2,236,010	(\$517,853)	-18.80%	0.06	1.97
36	HAVERHILL	61,578	\$6,701,000	\$2,938,215	\$9,639,215	\$8,312,994	\$8,312,994	(\$1,326,221)	-13.76%	0.01	2.44
37	GEORGETOWN	8,724	\$422,175	\$273,440	\$695,615	\$605,914	\$605,914	(\$89,701)	-12.90%	0.06	2.34
38	BROCKTON	93,527	\$13,075,692	\$7,065,663	\$20,141,355	\$17,709,906	\$17,709,906	(\$2,431,449)	-12.07%	0.03	-0.19
39	HOLBROOK	10,732	\$740,954	\$657,179	\$1,398,133	\$1,248,008	\$1,248,008	(\$150,125)	-10.74%	0.01	2.65
40	LONGMEADOW	15,501	\$694,135	\$601,843	\$1,295,978	\$1,181,711	\$1,181,711	(\$114,267)	-8.82%	0.00	1.65
41	HAWLEY	336	\$28,869	\$10,846	\$39,715	\$36,605	\$36,605	(\$3,110)	-7.83%	0.49	1.82
42	ASHLAND	15,381	\$858,502	\$335,103	\$1,193,605	\$1,143,808	\$1,143,808	(\$49,797)	-4.17%	0.04	2.59
43	AMESBURY	16,705	\$805,684	\$869,179	\$1,674,863	\$1,645,476	\$1,645,476	(\$29,387)	-1.75%	0.43	2.3
44	CLINTON	14,181	\$1,114,975	\$899,891	\$2,014,866	\$1,991,079	\$1,991,079	(\$23,787)	-1.18%	0.09	1.97
45	FALL RIVER	90,826	\$9,756,311	\$10,599,953	\$20,356,264	\$20,156,220	\$20,156,220	(\$200,044)	-0.98%	0.09	0.88
46	HOLYOKE	40,400	\$4,503,505	\$4,094,272	\$8,597,777	\$8,590,161	\$8,590,161	(\$7,616)	-0.09%	0.03	2.56

Chart as prepared and posted on Representative Will Brownsberger's website
<http://willbrownsberger.com/index.php/local-aid-reference-data/2002-vs-2011>

PERCENT CHANGE IN TOTAL CHERRY SHEET AID, 2002 TO 2011 (HOUSE 2)
127 COMMUNITIES WITH 2008 POPULATION ESTIMATED OVER 15000
(excluding school construction)





Local Aid and Municipal Partnership

The fiscal year 2012 budget continues the Patrick-Murray Administration's unprecedented support for cities and towns. The Administration's approach to fiscal year 2012 continues to give cities and towns tools they need to manage costs, with the overarching goal of preserving local services for residents and taxpayers.

Municipal Health Insurance Proposal

The Governor will file legislation to provide cities and towns across the Commonwealth the tools they need to reign in municipal health insurance costs. This legislation will help municipalities achieve real healthcare cost savings and preserve local services in fiscal year 2012. This could save more than \$94 million in year one for those cities and towns that have not joined the state health insurance system.

The proposal is premised on two simple principles: municipalities must be able to achieve material savings in health insurance costs and preserve local services in fiscal year 2012, and labor must have a meaningful role in the process. The proposal will allow municipalities to require expedited collective bargaining to negotiate a new health insurance benefit plan that is equivalent in cost to the state's health insurance benefits offered through the GIC. If the municipalities and unions don't reach agreement within a limited period of time, the municipality will be required to go into the GIC or otherwise have health insurance coverage equivalent in cost to the GIC. This legislation is intentionally crafted to delegate many of the details of the process to regulation to facilitate legislative enactment and ensure savings in fiscal year 2012.

The Governor's proposal also requires that all municipalities have eligible retired local employees enrolled in Medicare as their primary source of health insurance coverage, as this federal program covers a substantial portion of their health costs. (Estimated savings: \$15 to \$30 million remaining to be saved from requiring municipalities who have not already done so to move eligible retirees to Medicare.)

Local Aid

Aid to cities and towns, or local aid, represents approximately 16% of the Commonwealth's annual budget. In fiscal year 2012, local aid programs account for \$5.05 billion. The recommendation for local aid reflects the Patrick-Murray Administration's unprecedented commitment to a strong partnership between the state and its cities and towns, even in a very challenging fiscal year.

- The fiscal year 2012 Chapter 70 funding is \$3.99 billion, a \$140 million increase of state funding to cities and towns over fiscal year 2011.
- Funding for the special education circuit breaker, which goes directly to municipalities, increases by \$80 million from fiscal year 2011 to fiscal year 2012.
- Increasing Chapter 90 Local Road Program funding for fiscal year 2012 to \$200 million, \$45 million more than fiscal year 2011 and \$80 million more than the last year of the prior administration.
- Level funding of State Owned Land (PILOT), Regional School Transportation, Charter School Reimbursements, Library Aid, Veterans' Benefits and Tax Reimbursements to Veterans, the Blind and Widows.
- Unrestricted General Government Aid (UGGA) will be funded at \$833.9 million in fiscal year 2012. While this is a \$65 million reduction from fiscal year 2011, \$10 million from this reduction will be used to support a competitive grant program to drive regionalization and other efficiency initiatives as well as a performance management, accountability and transparency program for local government.
- A task force will be established to develop a rationale for the distribution of additional dollars that may be appropriated in the future based on elements of the work of the Hamill-Higgins 2006 Municipal Finance Task Force (Partnership Aid proposal) and the work of the Federal Reserve which take into account a municipality's economic and financial capacity. This task force will be charged with developing a new formula that also incentivizes performance results and best practices.

Additional Initiatives for Fiscal Year 2012

The Administration's approach to fiscal year 2012 includes additional tools to support municipalities in managing through this fiscal crisis and beyond, including:

- Expansion of the local property tax base by closing the loophole on telecommunications equipment exemption. (Estimated revenue: \$26 million.)
- Establishing a \$9.7 million Regionalization and Efficiency Incentive Grant Program to provide financial support for one-time or transition costs related to regionalization and other efficiency initiatives, with allowable applicants to include municipalities or regional planning agencies, councils of governments or counties serving as the administrative or fiscal agent on behalf of municipalities. The new fiscal reality demands that we invest in and incentivize innovation among local governments to find new and more efficient ways to delivery local services.
- \$300,000 for the development of a program to enhance performance management, accountability, and transparency for local governments. This initiative will be overseen by municipal officials and administration officials with the support of the Collins Center for Public Management at the University of Massachusetts Boston. The goal is to develop a set of common accountability and performance measures that can be adopted by all municipalities and to determine how to provide the necessary support and tools to municipalities, including education, training, standardized software and reporting, and technical assistance to municipalities to participate in the program.
- Establishing a Municipal Procurement Program within the state Operational Services Division to create statewide contracts specifically needed by cities and towns that will leverage purchasing power and save money.
- Filed a new pension reform initiative providing for a comprehensive overhaul of the pension system that would ensure the long-term sustainability and credibility of the system and save communities an estimated \$2 billion over 30 years in pension costs and an estimated \$1 billion in reduced retiree health benefit costs for new employees over the next 30 years.

FY2008 versus FY2012: Local Aid and Opportunities for Cost Savings and Revenues (in millions)

UNRESTRICTED GENERAL GOVERNMENT AID (UGGA) REDUCTION FY08 - FY12		(\$480.8)
ENACTED OPPORTUNITIES FOR COST SAVINGS AND REVENUES		\$397.2
Local pension funding relief		\$200.0
Join GIC (first year savings reported)*		\$44.0
Local option meals tax		\$97.3
Increased Ch.90 Local Road Program Funding by \$5M in FY11		\$5.0
Eliminated exemption on telecommunications poles and wires		\$26.0
Local option room occupancy tax		\$24.9
PROPOSED OPPORTUNITIES FOR COST SAVINGS AND REVENUES		\$187.8
New municipal health plan design proposal (first year savings)**		\$94.0
Increase Ch.90 Local Road Program Funding for FY12		\$45.0
Eliminate exemption on telecommunications machinery		\$26.0
Transfer retirees into Medicare***		\$22.5
Electronic posting of procurement notices		\$0.3
TOTAL OF ENACTED AND PROPOSED SOLUTIONS		\$585.0
Value of opportunities for cities and towns even after accounting for local aid reduction:		\$104.1

* Based on savings reported by municipalities who have joined GIC.

** ANF adjustment of MTF estimate for municipalities who have not joined GIC.

***Estimated savings range \$15M - \$30M for municipalities not currently in Medicare.

ADDITIONAL REVENUE AND COST SAVINGS INITIATIVES FOR MUNICIPALITIES	
Chapter 70: Increased state funding over FY08	\$265.8
Filed new pension reform (\$2B) and OPEB (\$1B) initiatives:	\$3B over 30 years

Governor's Proposed FY2012 Funding for Select Accounts

Municipality	Chapter 70	Unrestricted General Government Aid	Chapter 90: Local Road Program*	Municipality	Chapter 70	Unrestricted General Government Aid	Chapter 90: Local Road Program*	Municipality	Chapter 70	Unrestricted General Government Aid	Chapter 90: Local Road Program*
Abington	7,244,034	1,543,567	386,444	Chicopee	53,628,470	9,035,592	1,225,542	Hancock	190,460	44,301	69,466
Acton	5,188,231	1,097,608	675,260	Chilmark	0	2,943	68,046	Hanover	5,967,516	1,662,196	511,739
Acushnet	6,039,807	1,189,719	318,922	Clarksburg	1,749,835	285,445	76,177	Hanson	31,588	1,004,818	308,480
Adams	0	1,837,004	298,313	Clinton	10,497,286	1,847,116	335,245	Hardwick	0	365,295	370,503
Agawam	17,494,998	2,890,703	840,327	Cohasset	1,659,487	403,698	215,684	Harvard	1,718,626	1,162,031	312,571
Alford	0	11,011	73,011	Colrain	0	226,462	330,259	Harwich	1,735,977	337,990	706,450
Amesbury	8,422,786	1,526,501	410,748	Concord	1,996,997	910,291	694,173	Hatfield	753,311	244,835	253,029
Amherst	5,813,638	6,605,976	817,800	Conway	592,554	140,234	271,379	Haverhill	35,966,744	7,711,930	1,490,342
Andover	6,928,057	1,402,081	1,371,234	Cummington	73,684	65,458	206,484	Hawley	28,250	33,958	182,168
Arlington	6,880,580	5,952,940	786,449	Dalton	212,902	892,749	229,972	Heath	0	65,651	215,256
Ashburnham	0	623,876	348,317	Danvers	4,269,013	2,234,836	911,136	Hingham	5,553,035	1,238,357	729,992
Ashby	0	343,578	230,988	Dartmouth	8,983,576	1,978,014	1,155,803	Hinsdale	104,683	174,710	158,898
Ashfield	93,413	145,872	301,095	Dedham	3,651,265	2,565,951	677,893	Holbrook	4,597,787	1,157,772	239,357
Ashland	4,877,035	1,061,106	456,614	Deerfield	1,026,593	376,874	401,620	Holden	0	1,500,208	585,786
Athol	0	2,077,367	506,254	Dennis	0	427,332	760,238	Holland	890,143	158,375	159,618
Attleboro	28,992,951	4,476,414	1,201,072	Dighton	0	606,730	284,356	Holliston	6,546,693	1,215,118	506,274
Auburn	6,495,648	1,343,805	601,319	Douglas	8,368,517	572,620	359,939	Holyoke	67,536,867	7,969,857	1,068,753
Avon	816,707	543,847	188,435	Dover	601,536	150,941	284,565	Hopedale	5,815,295	511,659	175,754
Ayer	264,744	594,009	279,702	Dracut	17,721,840	2,749,229	768,141	Hopkinton	5,472,035	616,393	615,111
Barnstable	7,184,728	1,650,493	2,092,779	Dudley	0	1,401,958	420,461	Hubbardston	14,817	353,458	364,606
Barre	7,483	705,700	445,902	Dunstable	4,392	192,992	179,619	Hudson	9,208,854	1,564,697	583,869
Becket	76,563	71,258	249,995	Duxbury	4,387,890	695,530	545,171	Hull	3,610,471	1,662,898	292,079
Bedford	2,806,434	900,733	610,469	East Bridgewater	10,108,452	1,174,518	377,871	Huntington	214,868	270,427	167,267
Belchertown	13,251,261	1,335,093	607,827	East Brookfield	75,665	227,567	96,822	Ipswich	2,559,500	1,259,557	446,944
Bellingham	8,028,300	1,331,436	506,006	East Longmeadow	9,130,786	1,135,782	571,693	Kingston	4,014,844	753,151	425,751
Belmont	5,571,323	1,771,704	531,147	Eastham	315,916	116,902	259,788	Lakeville	49,190	642,026	368,548
Berkley	3,805,913	477,426	262,037	Easthampton	7,568,672	2,205,513	485,519	Lancaster	0	750,048	311,794
Berlin	500,103	158,198	192,953	Easton	9,192,536	1,718,309	725,493	Lanesborough	799,588	270,670	230,948
Bernardston	11,308	228,218	186,382	Edgartown	422,688	52,267	249,037	Lawrence	145,883,335	15,406,602	1,254,165
Beverly	6,730,266	4,582,242	1,035,555	Egremont	0	49,508	157,281	Lee	1,918,169	488,670	301,209
Billerica	17,375,576	4,569,149	1,273,607	Erving	408,645	52,739	83,343	Leicester	9,381,227	1,362,409	431,777
Blackstone	84,251	1,074,007	235,250	Essex	0	192,114	135,686	Lenox	1,131,215	418,241	304,801
Blandford	42,726	99,633	263,531	Everett	42,993,143	5,420,954	637,291	Leominster	41,456,131	4,490,816	1,120,753
Bolton	0	154,921	287,802	Fairhaven	7,217,965	1,769,386	511,142	Leverett	267,006	140,059	151,790
Boston	205,414,453	148,660,757	14,349,055	Fall River	93,795,275	18,698,842	2,030,187	Lexington	7,051,517	1,202,550	930,547
Bourne	4,684,058	1,150,250	604,696	Falmouth	4,846,696	1,087,838	1,301,605	Leyden	0	64,606	148,447
Boxborough	1,294,018	197,930	216,938	Fitchburg	40,477,603	6,696,216	1,136,797	Lincoln	718,511	534,185	284,926
Boxford	1,534,312	381,442	425,981	Florida	529,427	39,056	164,733	Littleton	3,503,626	557,764	368,835
Boylston	430,543	268,772	207,558	Foxborough	8,348,710	1,168,759	560,515	Longmeadow	4,109,266	1,096,268	488,772
Braintree	12,154,000	4,490,072	988,328	Framingham	22,024,861	7,806,597	1,908,495	Lowell	121,658,718	19,764,069	1,858,998
Brewster	887,884	309,819	334,496	Franklin	26,857,636	1,938,859	919,450	Ludlow	13,097,378	2,397,042	711,803
Bridgewater	36,107	2,857,894	709,933	Freetown	353,070	745,088	406,052	Lunenburg	4,522,545	829,777	425,541
Brimfield	1,175,223	305,924	287,052	Gardner	18,037,844	3,325,039	615,498	Lynn	116,211,280	17,568,191	1,491,423
Brockton	139,582,640	16,429,406	2,057,280	Aquinnah	0	1,833	36,501	Lynnfield	3,799,686	816,068	416,344
Brookfield	1,303,088	387,422	169,060	Georgetown	5,085,019	562,104	293,468	Malden	44,091,112	9,844,375	929,718
Brookline	6,932,850	4,981,754	928,991	Gill	0	190,859	152,302	Manchester	0	174,499	153,373
Buckland	0	240,260	189,861	Gloucester	5,755,585	3,133,846	658,749	Mansfield	17,873,614	1,750,267	755,422
Burlington	5,124,986	2,054,906	1,023,789	Goshen	96,111	62,773	110,700	Marblehead	4,548,961	893,530	462,781
Cambridge	8,643,123	16,856,874	2,574,372	Gosnold	16,414	1,646	9,487	Marion	431,669	177,050	179,431
Canton	3,838,238	1,682,666	784,078	Grafton	8,559,644	1,226,876	493,204	Marlborough	14,405,503	4,271,401	1,149,912
Carlisle	790,228	172,130	261,490	Granby	4,455,570	692,822	278,832	Marshfield	13,567,053	1,699,837	754,922
Carver	9,573,059	1,146,273	434,367	Granville	1,247,466	125,803	271,379	Mashpee	4,200,511	288,692	611,855
Charlton	61,250	137,157	187,010	Great Barrington	0	595,495	434,882	Mattapoisett	526,956	318,023	234,350
Charlton	21,176	1,136,799	624,346	Greenfield	9,957,403	2,491,144	658,096	Maynard	3,534,280	1,232,737	271,952
Chatham	648,563	118,090	357,849	Groton	3,201	607,821	507,956	Medfield	5,620,214	1,137,437	405,008
Chelmsford	9,880,853	3,982,596	1,177,018	Groveland	0	571,169	215,047	Medford	10,836,793	9,517,872	964,699
Chelsea	52,753,467	6,444,403	579,988	Hadley	733,207	356,121	364,348	Medway	9,898,504	957,302	410,629
Cheshire	298,092	482,025	206,933	Halifax	2,645,042	712,283	260,627	Melrose	7,323,585	4,024,121	542,280
Chester	125,551	141,268	242,640	Hamilton	0	527,184	254,017	Mendon	24,883	320,659	267,858
Chesterfield	121,582	108,334	223,143	Hampden	0	539,848	260,134	Merrimac	0	660,204	185,523

Municipality	Chapter 70	Unrestricted General Government Aid	Chapter 90 Local Road Program*	Municipality	Chapter 70	Unrestricted General Government Aid	Chapter 90 Local Road Program*	Municipality	Chapter 70	Unrestricted General Government Aid	Chapter 90 Local Road Program*
Methuen	38,823,622	4,266,346	1,182,989	Princeton	0	232,324	348,793	Tyngsborough	6,960,249	758,313	356,065
Middleborough	17,006,329	1,934,578	868,290	Provincetown	258,041	108,536	145,924	Tyringham	35,721	9,963	104,972
Middlefield	18,050	41,714	157,810	Quincy	20,959,018	14,983,027	1,947,608	Upton	12,582	417,765	308,418
Middleton	1,483,356	429,332	293,316	Randolph	11,895,024	4,078,589	684,073	Uxbridge	8,948,989	1,079,683	473,793
Milford	16,702,939	2,396,675	808,804	Raynham	0	892,264	475,669	Wakfield	4,794,886	2,643,470	687,282
Milbury	6,566,950	1,389,477	430,249	Reading	9,488,181	2,543,818	593,943	Wales	725,004	185,338	108,637
Millis	4,248,061	821,522	279,685	Rehoboth	0	817,945	609,025	Walpole	7,108,855	1,999,825	755,652
Milville	58,499	319,617	100,652	Revere	40,735,334	8,071,697	774,120	Waltham	7,068,165	7,535,082	1,567,681
Milton	5,504,287	2,521,257	619,229	Richmond	330,519	84,892	171,828	Ware	8,103,542	1,354,696	444,087
Monroe	79,784	14,428	67,850	Rochester	1,705,897	333,266	305,901	Wareham	12,225,154	1,552,495	735,282
Monson	7,259,850	1,024,283	476,271	Rockland	10,022,160	2,074,337	414,483	Warren	0	709,926	291,503
Montague	0	1,124,542	509,580	Rockport	1,271,798	343,349	204,820	Warwick	0	99,794	230,382
Monterey	0	36,279	200,676	Rowe	67,651	3,091	147,665	Washington	11,237	74,114	171,671
Montgomery	21,042	68,097	127,748	Rowley	0	423,746	227,056	Watertown	3,234,244	5,233,952	756,574
Mount Washington	32,776	23,522	71,626	Royalston	0	141,068	290,557	Wayland	3,144,868	709,290	477,605
Nahant	440,741	296,479	96,256	Russell	168,465	193,796	104,190	Webster	9,554,369	1,942,812	487,538
Nantucket	1,334,173	62,171	668,781	Rutland	0	725,867	357,487	Wellesley	7,202,028	1,016,492	836,022
Natick	7,062,013	2,990,066	1,018,958	Salem	18,522,267	5,412,881	860,943	Wellfleet	146,323	45,864	259,169
Needham	6,991,720	1,369,789	921,275	Salisbury	0	495,790	233,279	Wendell	0	136,751	195,210
New Ashford	179,597	15,938	44,378	Sandisfield	0	27,191	334,779	Wenham	0	336,112	156,296
New Bedford	111,804,538	18,050,411	2,139,453	Sandwich	6,376,393	884,410	798,164	West Boylston	2,804,550	625,194	295,326
New Braintree	0	103,584	209,530	Saugus	3,888,392	2,878,748	612,946	West Bridgewater	2,441,892	513,118	313,584
New Marlborough	0	45,953	351,466	Savoy	499,039	90,917	202,357	West Brookfield	201,348	382,187	237,568
New Salem	0	81,413	150,829	Scituate	4,832,136	1,578,512	565,619	West Newbury	0	232,501	219,624
Newbury	0	406,371	269,434	Seekonk	4,272,118	965,577	577,303	West Springfield	18,857,776	2,812,239	885,542
Newburyport	3,143,161	2,001,229	524,475	Sharon	6,562,832	1,098,429	584,162	West Stockbridge	0	76,294	155,737
Newton	13,504,221	4,611,231	2,286,899	Sheffield	0	191,163	371,444	West Tisbury	0	145,748	83,283
Norfolk	3,234,875	752,484	383,148	Shelburne	4,663	205,203	223,391	Westborough	4,206,047	909,295	816,625
North Adams	13,418,958	3,481,174	462,923	Sherborn	499,848	169,965	258,974	Westfield	32,546,677	4,939,735	1,224,796
North Andover	6,124,740	1,608,071	778,469	Shirley	0	1,029,497	246,409	Westford	15,861,400	1,667,573	875,821
North Attleborough	19,528,781	2,257,483	741,338	Shrewsbury	18,511,623	2,185,815	961,349	Westhampton	442,420	113,705	189,587
North Brookfield	4,129,763	625,244	318,590	Shutesbury	571,885	133,065	137,617	Westminster	0	513,668	418,823
North Reading	6,459,260	1,393,231	477,612	Somerset	4,104,261	1,203,502	514,150	Weston	2,419,859	293,515	472,538
Northampton	6,843,064	3,448,824	1,035,336	Somerville	19,108,128	19,770,620	1,142,676	Westport	4,154,597	954,650	625,383
Northborough	3,311,175	875,253	474,025	South Hadley	7,546,619	2,049,338	518,353	Westwood	3,777,985	572,463	537,891
Northbridge	14,034,106	1,656,314	466,277	Southampton	2,425,096	499,982	315,822	Weymouth	25,510,253	6,842,039	1,149,903
Northfield	0	283,498	293,283	Southborough	2,654,636	343,199	431,595	Whately	236,718	105,305	151,178
Norton	12,147,905	1,630,853	558,244	Southbridge	17,230,163	2,760,518	497,541	Whitman	112,364	1,900,068	326,746
Norwell	3,008,400	841,158	447,054	Southwick	0	989,791	366,694	Wilbraham	0	1,148,402	551,613
Norwood	4,808,800	3,649,810	874,103	Spencer	8,131	1,774,784	501,214	Williamsburg	415,779	237,562	191,094
Oak Bluffs	613,641	57,066	197,341	Springfield	275,403,995	29,705,191	3,613,845	Williamstown	895,366	749,163	318,721
Oakham	0	150,544	188,371	Sterling	0	543,998	421,782	Wilmington	10,186,107	1,951,163	772,277
Orange	5,117,899	1,268,097	425,600	Stockbridge	0	78,217	205,896	Winchendon	11,115,275	1,320,096	449,241
Orleans	237,542	134,783	306,401	Stoneham	3,327,888	2,916,235	508,593	Winchester	6,241,118	1,160,984	542,692
Otis	0	28,541	180,303	Stoughton	12,860,747	2,512,733	782,908	Windsor	47,361	81,486	256,775
Oxford	9,764,153	1,613,477	501,279	Slow	0	330,325	272,263	Winthrop	5,157,850	3,307,962	288,805
Palmer	10,519,240	1,573,636	500,160	Sturbridge	2,351,516	607,924	427,484	Woburn	6,256,312	4,697,651	1,249,842
Paxton	0	424,607	194,263	Sudbury	4,206,945	1,098,406	771,408	Worcester	201,135,279	32,608,533	4,081,326
Peabody	18,663,598	5,664,152	1,264,683	Sunderland	826,903	395,605	192,523	Worthington	49,000	98,563	243,629
Pelham	216,311	124,902	102,472	Sutton	5,102,475	612,529	444,463	Wrentham	3,539,923	731,568	423,001
Pembroke	12,794,990	1,319,012	535,540	Swampscott	2,564,463	1,015,680	310,464	Yarmouth	4,574	990,716	896,371
Pepperell	0	1,171,128	419,293	Swansea	4,715,991	1,473,767	576,902	Devens	308,588	0	
Peru	73,500	89,614	147,833	Taunton	45,565,026	6,599,741	1,405,551				
Petersham	418,743	89,957	259,231	Templeton	0	1,094,201	341,408				
Phillipston	0	144,740	192,104	Tewksbury	12,317,499	2,183,935	880,194				
Pittsfield	36,754,052	6,774,785	1,419,592	Tisbury	380,594	76,942	148,277	Municipal total	3,359,031,637		
Plainfield	51,024	39,366	196,251	Tolland	0	14,503	164,969	Regional total	631,487,700		
Plainville	2,519,174	595,290	271,478	Topsfield	1,025,939	481,291	287,946	State total	3,990,519,337	833,980,293	200,000,000
Plymouth	21,778,007	3,074,658	1,434,848	Townsend	0	1,031,249	434,941				
Plympton	566,871	186,155	161,524	Tirol	245,466	23,606	176,700				

*Preliminary estimate to be updated when new census data available in time for April 2011 release.

Regional School District	Chapter 70	Regional School District	Chapter 70	Regional School District	Chapter 70
Northampton Smith	885,640	Gill Montague	5,967,929	Northern Berkshire	4,195,758
Acron Boxborough	6,969,133	Greater Fall River	13,916,182	Old Colony	3,159,799
Adams Cheshire	9,635,636	Greater Lawrence	19,868,513	Old Rochester	1,959,917
Amherst Pelham	9,169,067	Greater Lowell	21,734,894	Pathfinder	4,923,562
Ashburnham Westminster	9,935,704	Greater New Bedford	22,674,551	Pentucket	12,521,127
Assabet Valley	3,066,115	Groton Dunstable	10,278,973	Pioneer	3,971,891
Athol Royalsion	16,971,310	Hamilton Wenham	3,252,691	Quabbin	16,073,093
Ayer Shirley	7,644,036	Hampden Wilbraham	11,105,799	Quaboag	6,393,766
Berkshire Hills	2,657,478	Hampshire	3,082,948	Ralph C Mahar	5,254,840
Berlin Boylston	871,873	Hawlemont	603,737	Shawsheen Valley	5,600,595
Blackstone Millville	10,511,449	King Philip	7,025,455	Silver Lake	6,927,073
Blackstone Valley	7,614,352	Lincoln Sudbury	2,513,855	Somerset Berkley	3,120,169
Blue Hills	3,819,759	Manchester Essex	2,106,931	South Middlesex	2,652,751
Bridgewater Raynham	20,050,371	Martha Vineyard	2,691,760	South Shore	3,614,091
Bristol County	2,949,242	Masconomet	4,686,999	Southeastern	12,628,459
Bristol Plymouth	9,760,391	Mendon Upton	11,857,016	Southern Berkshire	1,798,886
Cape Cod	2,020,767	Minuteman	2,129,172	Southern Worcester	9,400,370
Central Berkshire	8,335,894	Mohawk Trail	5,809,394	Southwick Tolland	8,183,967
Chesterfield Goshen	716,930	Montachusett	12,901,222	Spencer East Brookfield	13,236,949
Concord Carlisle	1,786,194	Mount Greylock	1,648,423	Tantasqua	7,482,919
Dennis Yarmouth	6,403,644	Narragansett	9,607,394	Tri County	5,198,118
Dighton Rehoboth	12,192,746	Nashoba	6,128,165	Triton	8,111,651
Dover Sherborn	1,359,555	Nashoba Valley	3,097,434	Upisland	781,612
Dudley Charlton	23,487,058	Nauset	3,204,119	Upper Cape Cod	2,848,175
Essex County	4,002,896	New Salem Wendell	621,347	Wachusett	22,389,331
Farmington River	384,305	Norfolk County	1,028,147	Whitman Hanson	23,464,624
Franklin County	3,268,850	North Middlesex	19,505,168	Whittier	6,819,812
Freelown Lakeville	10,359,748	North Shore	1,530,490	Regional total	631,487,700
Frontier	2,704,790	Northboro Southboro	2,721,210		
Gateway	5,553,533	Northeast Metropolitan	7,985,401		



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DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

January 21, 2011

To the Honorable Senate and House of Representatives:

I am filing for your consideration a bill entitled "An Act Further Strengthening the Commonwealth's Partnership with its Municipalities."

This legislation provides cities and towns with additional tools they need to respond to the present fiscal challenges by managing their limited resources more efficiently.

First, the bill requires that, in time for fiscal year 2012, every municipality must either join the Group Insurance Commission or have a health insurance plan in place that will provide equivalent savings. Labor will have a meaningful role in developing this plan.

Second, this legislation requires every city or town to move its eligible retirees into Medicare. These two measures will save our communities over \$120 million.

Finally, this bill will remove the archaic property tax exemption for telecommunications equipment. This step is worth an additional \$26 million for cities and towns.

These measures will help cities and towns weather the present fiscal downturn, save hundreds of millions of dollars over time, and take significant pressure off property taxes now and in the future.

In order to assure that municipalities have sufficient time to secure new health insurance plans through the Group Insurance

Commission or otherwise, to enroll employees and their families in time for fiscal year 2012, and to meet the March 31 Medicare enrollment deadline for their eligible retirees, it is imperative to enact this legislation as soon as possible and with an emergency preamble. I therefore urge your prompt passage of this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "David L. ...", written over the word "Sincerely,".



The Commonwealth of Massachusetts

IN THE YEAR TWO THOUSAND AND ELEVEN

AN ACT FURTHER STRENGTHING THE COMMONWEALTH'S PARTNERSHIP WITH ITS MUNICIPALITIES.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is forthwith to strengthen the commonwealth's partnership with its municipalities in the present fiscal emergency, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

XXXXXXXXXXXX
SECTION 1
XXXXXXXXXXXX

TRANSFER OF ELIGIBLE MUNICIPAL RETIREES INTO MEDICARE

SECTION 1. Section 18 of chapter 32B of the General Laws is hereby repealed.

SECTION 2. Said chapter 32B of the General Laws is hereby amended by striking out section 18A, and inserting in place thereof the following section:-

Section 18B. (a) All retirees, their spouses and dependents insured or eligible to be insured under this chapter, if enrolled in Medicare Part A at no cost to the retiree, spouse or dependents or eligible for coverage thereunder at no cost to the retiree, spouse or dependents, shall be required to transfer to a Medicare health plan offered by the governmental unit under section 11C or section 16, if the benefits

under the plan and Medicare Part A and Part B together shall be of comparable actuarial value to those under the retiree's existing coverage, but a retiree or spouse who has a dependent who is not enrolled or eligible to be enrolled in Medicare Part A at no cost shall not be required to transfer to a Medicare health plan if a transfer requires the retiree or spouse to continue the existing family coverage for the dependent in a plan other than a Medicare health plan offered by the governmental unit.

(b) Each retiree shall provide the governmental unit, in such form as the governmental unit shall prescribe, such information as is necessary to transfer to a Medicare health plan. If a retiree does not submit the information required, he shall no longer be eligible for his existing health coverage. The governmental unit may from time to time request from a retiree, a retiree's spouse or a retiree's dependent, proof, certified by the federal government, of eligibility or ineligibility for Medicare Part A and Part B coverage.

(c) The governmental unit shall pay any Medicare Part B premium penalty assessed by the federal government on the retiree, spouse or dependent as a result of enrollment in Medicare Part B at the time of transfer.

REPEAL TELECOMMUNICATIONS MACHINERY EXEMPTION

SECTION 3. Section 5 of chapter 59 of the General Laws, as appearing in the 2008 Official Edition, is hereby amended by inserting after the word "th an", in line 230, the following words:- a telephone or telegraph corporation taxed under section 52A of chapter 63 or.

SECTION 4. Said section 5 of said chapter 59, as so appearing, is hereby further amended by inserting after the words "two A", in line 233, the following words:- , other than a telephone or telegraph corporation,.

SECTION 5. Clause Sixteenth of said section 5 of said chapter 59 is hereby further amended by striking out paragraph (2), inserted by section 2 of chapter 173 of the acts of 2008, and inserting in place thereof the following paragraph:-

(2) In the case of (a) a business corporation subject to tax under section 39 of chapter 63 that is not a manufacturing corporation, or (b) a telephone or telegraph corporation subject to tax under section 52A of chapter 63, all property owned by the corporation other than the following:- real estate, poles, underground conduits, wires and pipes, and machinery used in the conduct of the business, which term, as used in this clause, shall not be considered to include stock in trade or any personal property directly used in connection with dry cleaning or laundering processes or in the refrigeration of goods or in the air-conditioning of premises or in any purchasing, selling, accounting or administrative function. Notwithstanding the preceding sentence, a telephone or telegraph corporation shall be subject to property tax assessment on machinery used in the conduct of its business and leased to it by a corporation that is not a telephone or telegraph corporation.

MUNICIPAL HEALTH INSURANCE

SECTION 6. (a) Each municipality shall provide health insurance coverage to its subscribers either through the group insurance commission or through other means with benefits of comparable actuarial value to those provided by the group insurance commission.

(b) Notwithstanding chapter 32B of the General Laws or any other general or special law to the contrary, if a municipality's health insurance benefits do not comply with subsection (a), the chief executive of the municipality shall give notice to its public employee committee, established or which shall be established under section 19 of said chapter 32B, of its intention to enter into negotiations to provide health insurance coverage to its subscribers and to enter into a written agreement within a period prescribed by regulations to provide such coverage.

(c) If no agreement is reached within the prescribed period, the municipality shall transfer its subscribers to the group insurance commission or provide health insurance coverage to its subscribers in a manner prescribed by regulations and which complies with subsection (a).

(d) The secretary of administration and finance, in consultation with the secretary of labor and workforce development, shall adopt regulations to carry out this section, including but not limited to regulations defining comparable actuarial value, setting forth deadlines for prompt and reasonable compliance with this section to ensure compliant coverage in fiscal year 2012, detailing the procedure by which the municipality shall provide health insurance coverage under this section, and determining the extent to which reduced costs to the municipality resulting from adoption of coverage under this section shall be shared with the municipality's employees.

WICKED LOCAL SAUGUS

WITH NEWS FROM THE SAUGUS ADVERTISER

DeLeo re-elected speaker, eyes gambling bill, muni health reforms

By Kyle Cheney/STATE HOUSE NEWS SERVICE

State House News Service

Posted Jan 07, 2011 @ 05:13 PM

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Boston — Speaker Robert DeLeo promised to revisit expanded gambling legislation, foreshadowed a budget that includes no new taxes, and pledged to tackle municipal health insurance reforms as he took the gavel Wednesday for his second term atop the House.

The Winthrop Democrat was re-elected by his colleagues on a party line vote of 128-31.

DeLeo, who won re-election as speaker nearly two years after he took the gavel from House Speaker Salvatore DiMasi — who was later indicted on corruption charges — said he favors for cities and towns to join the state's Group Insurance Commission, a program that insures hundreds of thousands of state retirees and workers and their dependents.

"The reality is that municipal employee health insurance is a budget-buster which puts untenable strain on municipal services. Unless cities and towns can find health insurance at the same or lower cost than the GIC, we should force them to join — bringing them under the more efficient and cost effective state system," he said. "This will translate in to immediate cost savings for cities and towns while preserving an acceptable standard of quality health care for our public servants at the local level."

DeLeo said bringing municipalities into the GIC could help leverage lower prices for all members and would be similar to efforts to push municipalities into the state pension system. He also promised broader health care cost control efforts, dovetailing with Senate President Therese Murray's call to do so.

Describing a "blue-collar depression," DeLeo said "the most immediate source" of jobs and "long-term revenue" for local aid would come from expanded gambling.

"I will work closely with Governor Patrick and Senate President Murray to devise a gaming plan which can provide much needed jobs," he said.

Differences over expanded gambling details, largely between DeLeo and Patrick, last session derailed casino and racetrack slot bills that had made it all the way to the governor's desk.

DeLeo promised to prioritize "consistency in our tax laws" for business and he promised that he would not support any new taxes in the budget the House files in April. He also indicated he would protect existing tax credits for businesses.

"We have seen examples recently where even talk about capping tax credits has reduced investment in affected industries," he said. "Remember, our support for the film tax credit has made Massachusetts attractive to filmmakers and preserved and created jobs. I will do my part to maintain stability in the current corporate tax structure so that businesses know where they stand and can plan for the future."

Like Murray, DeLeo heaped praise on the University of Massachusetts system but he also promised to "not forget" community colleges.

"Instead, we would be smart to lean on them more than ever to provide real opportunity to our fellow citizens experiencing unexpected professional challenges," he said.

DeLeo described legislative pushes to overhaul ethics, pension, transportation and education laws as the hallmarks of the last two years. He also alluded to questions about patronage in state government, vowing to ensure that state employees are qualified for their jobs.

"I want to emphasize that this session we will also do our part to ensure that all state agencies operate transparently and with the highest professional standards," he said. "We will make clear that all public servants must not only be qualified for their jobs, they must be the most qualified people for their jobs. And we will also ensure that state hiring authorities understand that we expect that they will serve but one master, the taxpaying public."

DeLeo's predecessor, former Speaker Salvatore DiMasi, whose public corruption trial may unfold this spring, was on hand Wednesday for the opening House session, seated at the front of the House chamber alongside former House Speakers Thomas Finneran, Charles Fialerti and David Bartley.

Although former speakers typically visit the State House for the opening of a new session, DiMasi faced an audience of several newly sworn in lawmakers who ran against corruption and Beacon Hill and frequently invoked his name. DiMasi also encountered old friends, like new House Dean Angelo Scaccia who gave DiMasi full credit for the state's 2006 health care law and called him "brilliant."

The House, two years ago, voted to reelect DiMasi as speaker, a month before he stepped down under a cloud. DeLeo assumed the

speakership for the remainder of the term and is now entering his first full term as the leader of the House.

DiMasi has visited the State House infrequently since his indictment in connection with charges that he helped steer contracts to favored vendors and benefitted financially from the scheme. DiMasi says he is not guilty of the charges brought by federal prosecutors.

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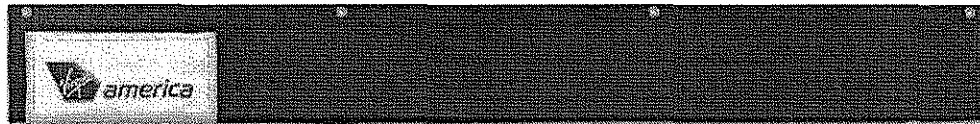
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In a turnabout, governor breaks with unions on health care plans

By Sean Murphy

Globe Staff / January 22, 2011

For much of his first term, Governor Deval Patrick helped protect public employee unions from dramatic increases in their members' health care insurance costs.

No more.

Yesterday, Patrick joined House Speaker Robert A. DeLeo in calling for a significant curtailing of organized labor's influence over the health care plans of municipal employees, retirees, and elected officials, proposing that cities and towns receive far greater power to enact major changes without union assent.

The governor's proposal, as part of his budget plan for next fiscal year, represents a momentous shift in the political landscape, as labor unions, state leaders, and local officials tussle over how to rein the exorbitant costs of the often-generous insurance plans. Patrick's proposal aligns him with Mayor Thomas M. Menino of Boston and others who have pushed for public employees to pay a greater share of their health care costs.

"It's a pretty bold move and one that I strongly support," said Jay Ash, Chelsea's city manager.

For many years, public employees have enjoyed health care plans that paid as much 90 percent of their premiums, with copayments for office visits as low as \$5. But with the rapid escalation of health care costs since 2000, municipalities have devoted an ever-greater share of their budgets — in some cases 20 percent — to insuring workers, retirees, and some elected officials.

Four years ago, Patrick signed a bill that gave cities and towns the option of joining the state Group Insurance Commission, a larger and more flexible plan that gives local public employee unions no say over premiums, copays, and other details.

But that measure, which Patrick used to promise municipalities a "new partnership with state government," failed to live up to expectations. Only 31 communities and regional government bodies, such as regional school districts, joined the GIC, and none has this year, in the face of strong union opposition.

The law that Patrick embraced in 2007 gave public employee unions the power to block migration into the GIC by requiring at least 70 percent of a committee of local union representatives to sign on. And with higher health care costs a near certainty for anyone in the GIC, few unions took the plunge.

Now, Patrick wants to strip unions of what has proven to be an effective veto power. Under his proposal, public employee unions must willingly join the GIC or negotiate with municipal officials to arrive at a local plan that would be similar in cost for employees, retirees, and elected officials, and thus cheaper for cities and towns.

Compared with municipalities, the GIC historically experienced lower cost increases. One factor was its size. It is the largest group insurer in the state, representing 300,000 people, which gives it greater bargaining power with providers. But its ability to increase employee copays and deductibles without union negotiations has also allowed the commission to shift some costs to plan participants.

Patrick's proposal goes much further than he said he was willing to go during last fall's campaign for governor, when Republican opponent Charles D. Baker accused him of failing to stand up to unions, even as communities were suffering under the weight of health care costs.

"The governor is saying municipalities must have reasonable benefit packages," Jay Gonzalez, Patrick's secretary of administration and finance, said in an interview.

Patrick's change of heart comes two weeks after DeLeo, an ally of organized labor, took a surprising turn himself by opening the new legislative session with a call to force all cities and towns into the GIC, with or without union support.

"Our current fiscal climate demands that we move in this direction," DeLeo said. "I can no longer permit our residents to suffer because we are so slow to progress in this area."

One big question mark now is Senate President Therese Murray, who has admonished municipalities for coming to the state for help after having agreed to the generous benefit packages. Yesterday, Murray said little, releasing a brief statement that said only that she looked forward to reviewing what Patrick proposed.

"The governor's plan will bring plenty of interest, and I look forward to receiving the full details of his proposal," she said.

Leaders of public employee unions have taken the position in this debate that any changes ought to be settled at the bargaining table. Employee benefits were won in collective bargaining and should only be taken away in negotiations, they say.

Unions were largely quiet on Patrick's proposal yesterday. Several labor leaders did not return calls or e-mails. Robert J. Haynes, president of the Massachusetts AFL-CIO, promised in a statement that unions "stand ready to be part of the solution," but called for preserving collective bargaining rights.

To be sure, Patrick's proposal to overhaul municipal health care is far from being law, as it must first be passed in the state House and Senate, where many lawmakers remain allied with labor. Last year, despite promises of action, a concerted effort to give cities and towns more authority ultimately died.

Sean Murphy can be reached at smurphy@globe.com.

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Patrick's health care proposal praised

By John Laidler

Globe Correspondent / January 27, 2011

Governor Deval Patrick's proposal to provide cities and towns relief from escalating health insurance costs is drawing a positive reception from officials in communities north of Boston.

The proposal would require cities and towns to bargain with unions to come up with a health plan equivalent in cost and value to the state health plan provided through the Group Insurance Commission. If no agreement is reached by July 1, the community would either have to move into the commission or could implement — without union agreement — a plan equivalent to it.

The plan, announced by Patrick last Friday at the Massachusetts Municipal Association's annual meeting, stops short of providing municipalities with the authority to design their health plans without union bargaining.

But some local officials, while cautioning that the details would still need to be fleshed out in legislation and regulations, said the proposal could give them the tools they need to rein in costs.

"What this proposal does is it forces a partnership between the municipal leadership and labor to meet the objective of achieving the same savings as the GIC. So it's bold," said Amesbury Mayor Thatcher W. Kezer 3d. "It's different from what I had expected, but I think it gives me the leverage I need to force something to happen in order to generate the savings."

"I think it's a very important step and I hope the Legislature moves quickly to adopt his proposal," said Salem Mayor Kimberley L. Driscoll. "It's talking about meaningful savings to cities and towns, and meaningful savings in the next fiscal year."

Currently, municipalities must secure union agreements to enter the Group Insurance Commission or make changes to the design of their health plan, a hurdle that many local officials say hampers them from reducing costs.

The state four years ago opened the way for municipalities to join the commission, but only a few have done so.

"I think giving [unions] a voice at the table but not a veto is the best approach," she said.

Robert J. Haynes, president of the Massachusetts AFL-CIO, said in a statement Friday, "Unions stand ready to be part of the solution to the health care cost crisis in which we all find ourselves. . . . The only way to ensure we are part of the solution is to guarantee that we have a voice and meaningful role in how cost savings are achieved. That voice and that role is called collective bargaining."

Revere Mayor Thomas G. Ambrosino supports the governor's plan.

"The governor has taken a bold and courageous step to address the inequities in health insurance for municipalities," he said in a prepared statement. "Under his proposal, cities like Revere will be able to revise their health insurance plans to be in line with plans offered by the [Group Insurance Commission]."

While Melrose is already in the commission, Mayor Robert J. Dolan praised the initiative for the benefits he said it would offer communities statewide.

Dolan said even if the governor's plan takes effect, fiscal 2012 promises to be a rough year for cities and towns, which face significant local aid cuts.

The governor Friday announced his budget proposal would cut general aid by 7 percent, while increasing school aid and road funding. But Dolan said the health savings plan "sets us up for a stronger recovery" when times improve.

"Obviously, the devil is in the details, but I'm very optimistic about the attitude the governor expressed and that [House Speaker Robert A. DeLeo] has expressed," said Beverly Mayor William F. Scanlon Jr. DeLeo, a Winthrop Democrat, recently said he favored forcing municipalities to join the commission or to adopt similar plans.

Lowell city manager Bernard F. Lynch called the governor's plan "a very important step in giving us a good amount of ability to . . . manage these costs more effectively."

He said issues still to be settled include defining what constitutes a plan that is equivalent to the commission, and whether communities that realize health care savings would be required to provide new benefits to unions.

Gloucester Mayor Carolyn A. Kirk was less enthusiastic, saying she is "very skeptical about the governor's and the legislative attempts . . . to give us the plan design authority," given that past efforts have not succeeded.

Kirk said Gloucester is negotiating with its unions and its provider, Harvard Pilgrim Health Care, to develop a plan that can save the city money.

"If the governor's plan and the Legislature's plan can help, that's great, but I'm very skeptical," she said.

But Chelsea city manager Jay Ash applauded the initiative.

"I'm very excited the governor is continuing his commitment to cities and towns by helping us deal with the biggest budget-buster we face," he said.

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