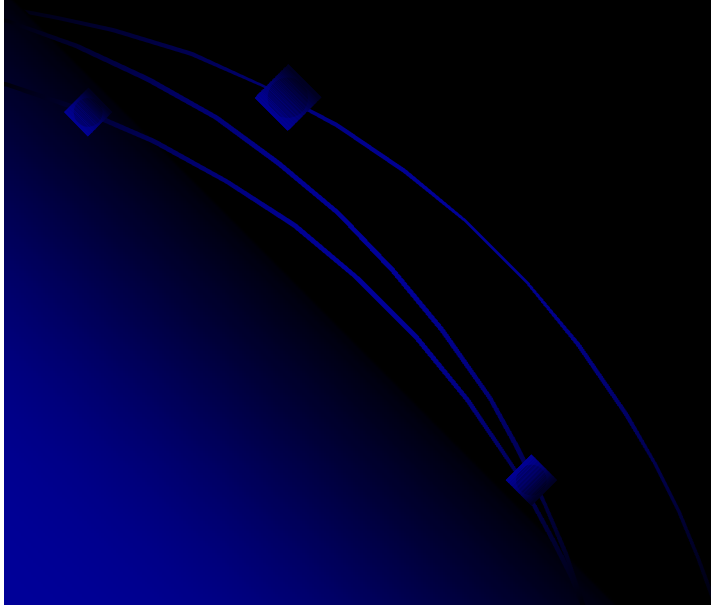


Town Meeting

May 9, 2011



Home Rule Petitions

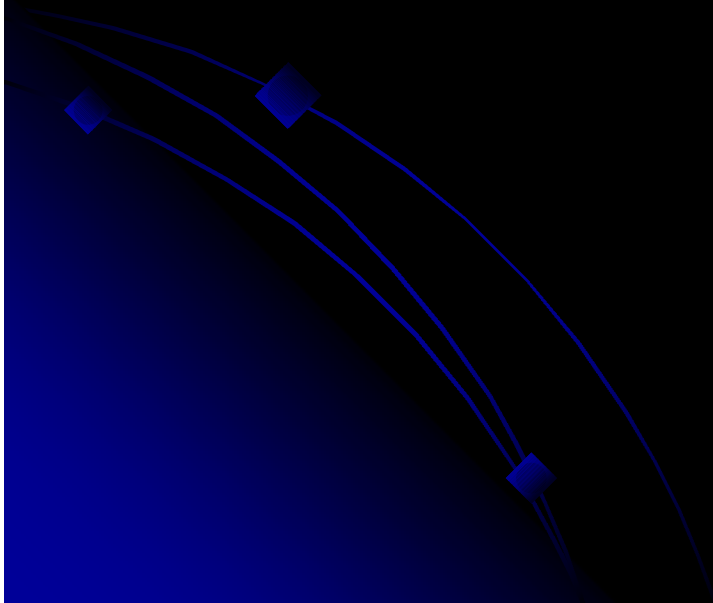


Seven Belmont Bills Passed

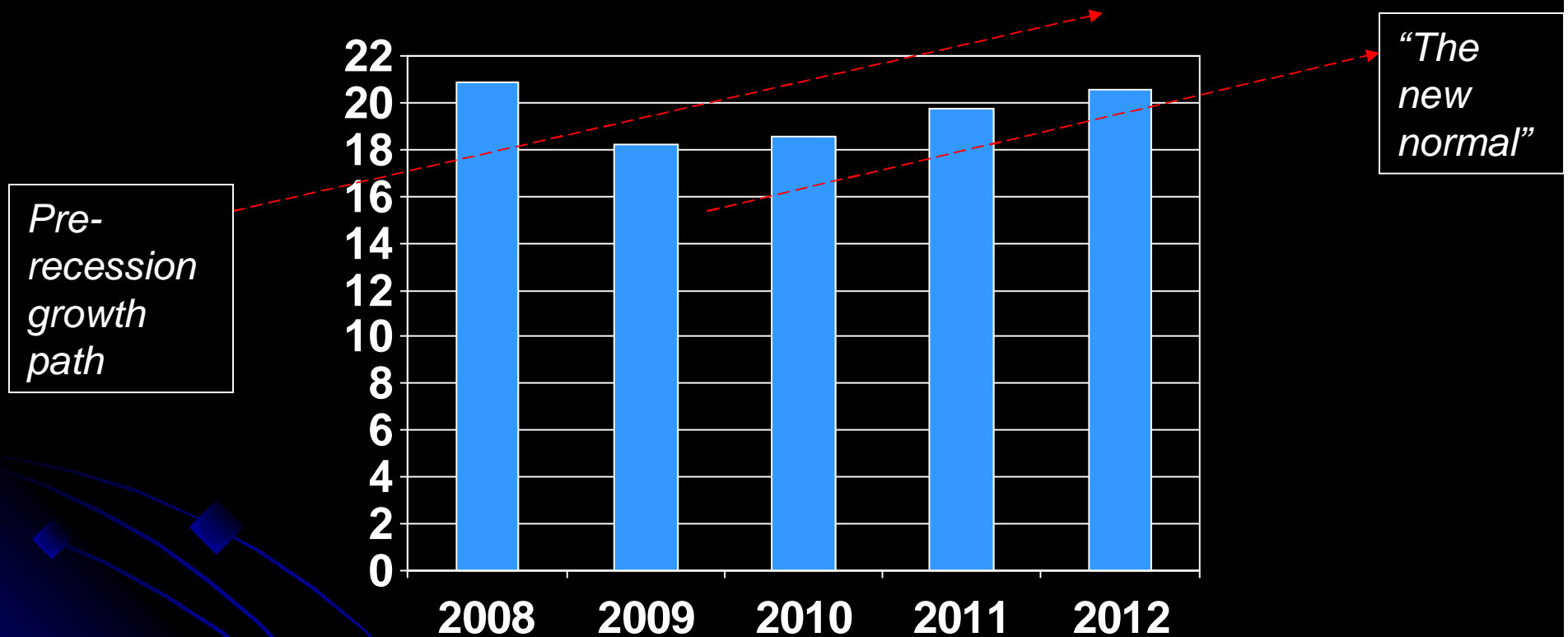
- Chapter 191 of 2009, validating the Wellington bond vote
- Chapter 367 of 2010, adjusting Belmont's tax billing process
- Chapter 376 of 2010, increasing hiring authority of the police chief in Belmont
- Chapter 381 of 2010, authorizing recall elections in Belmont
- Chapter 382 of 2010, adjusting Belmont's OPEB fund
- Chapter 388 of 2010, authorizing additional liquor licenses in Belmont
- House 701, legislation to acquire the silver maple forest (followed, although not formally approved by the Governor)

On average, communities generate a little more than one home rule petition per session.

Local Aid

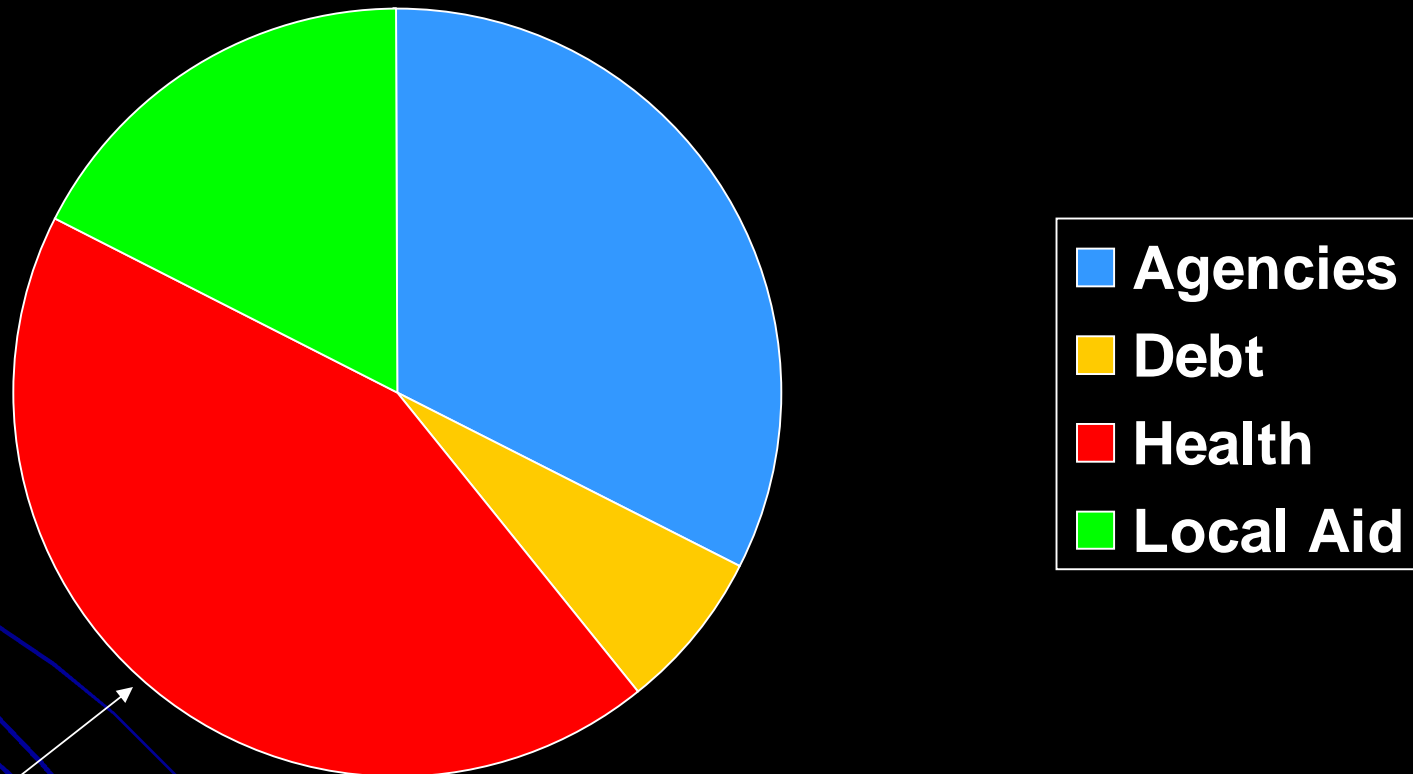


State Tax Revenues (\$b)



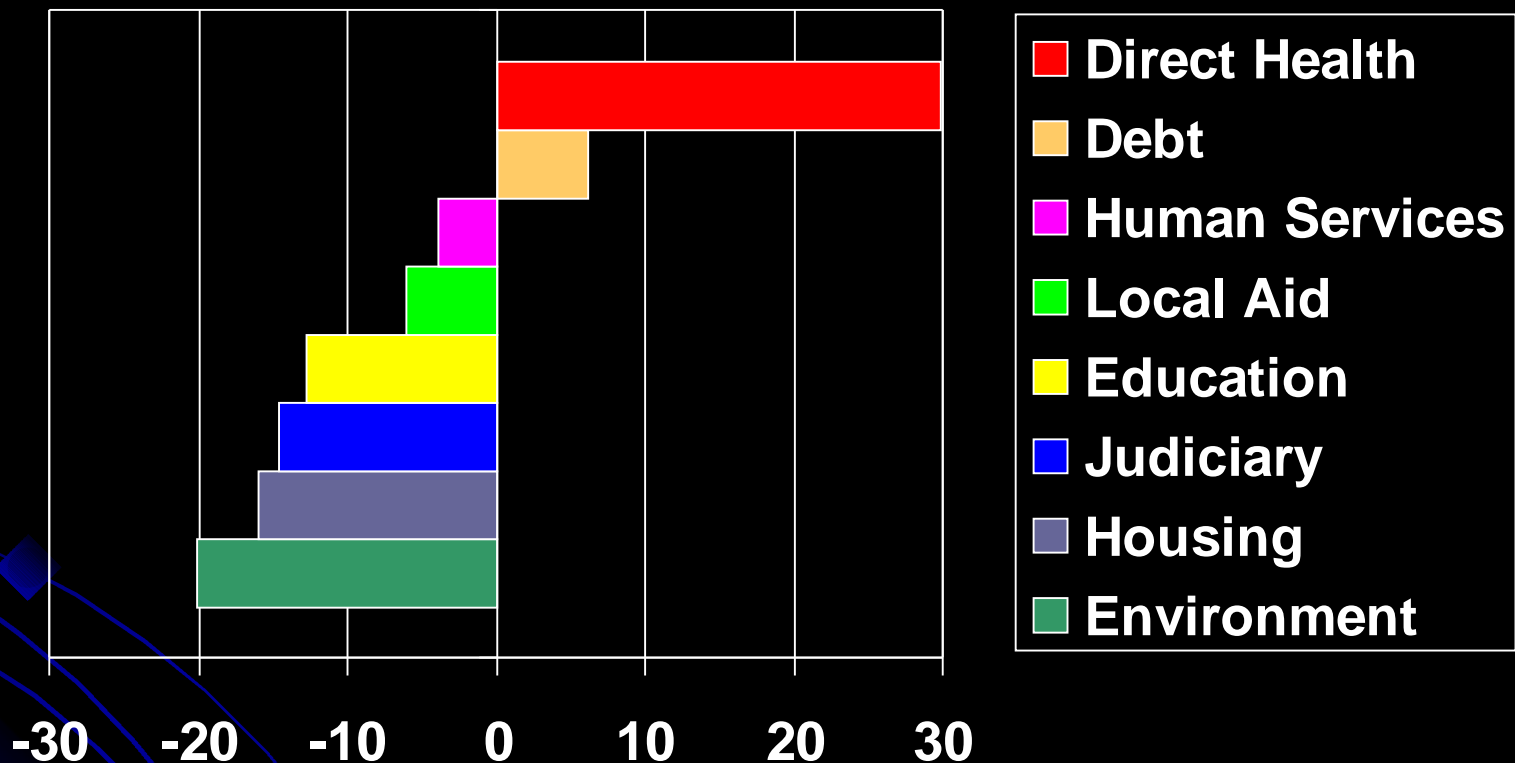
Tax revenues in 2012 will climb back close to pre-recession levels . . . but may never regain old path . . . And federal recovery aid is ending to create a “level service” gap of \$1.9 billion (6.3%).

FY12 Budgeted Spending (\$30.5b)



Health care accounts – MassHealth, Commonwealth Care, the GIC -- comprise 43% of state spending.

Many state services cut deeply (% change 08 to 12).



Health care costs are growing to crowd out all other areas of the tight state budget.

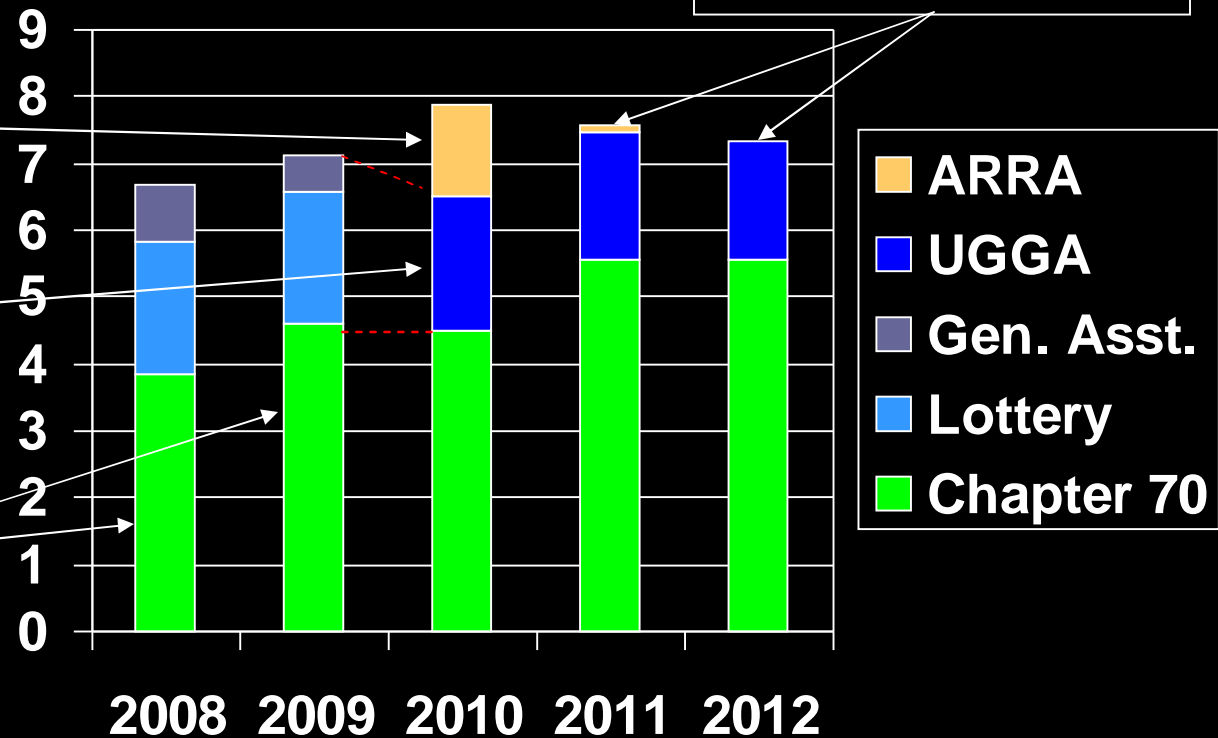
Belmont Local Aid History

2011, 2012: Belmont tracks other communities.

2010: Governor uses ARRA funds to finish 17.5% foundation commitment.

2009: UGGA combines and cuts lottery and GA aid categories

2008, 2009: Legislature works to reach 17.5% of school foundation budget for all.



Off in 2011 and 2012, but up an average of 2.4% per year through the last four years – 2009 and 2010 increases reflect school foundation goals.

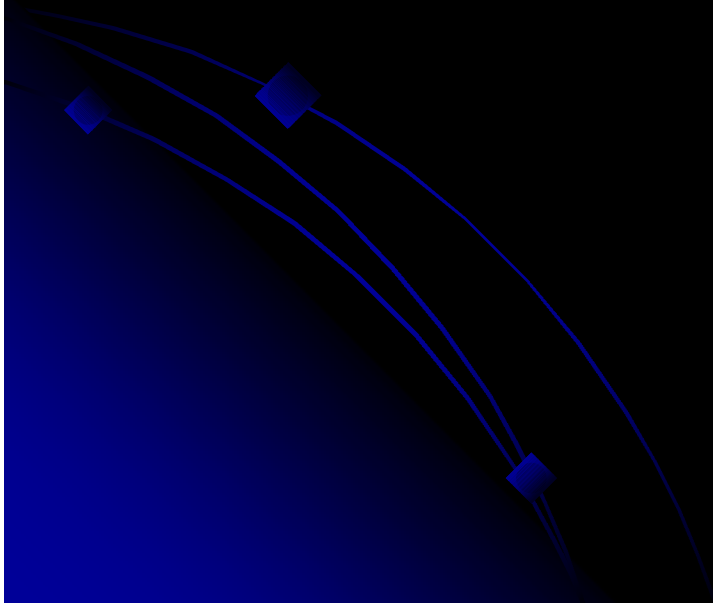
Additional Aid in 2012 Process

-2.9% cut rather than initially projected -15% cut	\$976,027
Restored SPED circuit breaker and increases to reflect FY11 expenses	~\$400,000
Additional highway aid (state bond funded)	\$120,771
Total emerging state aid	~\$1.5 million
Additional federal aid for Trapelo Road design (soon to be released)	\$329,900

Outlook for 2013 uncertain -- annual federal \$ at risk

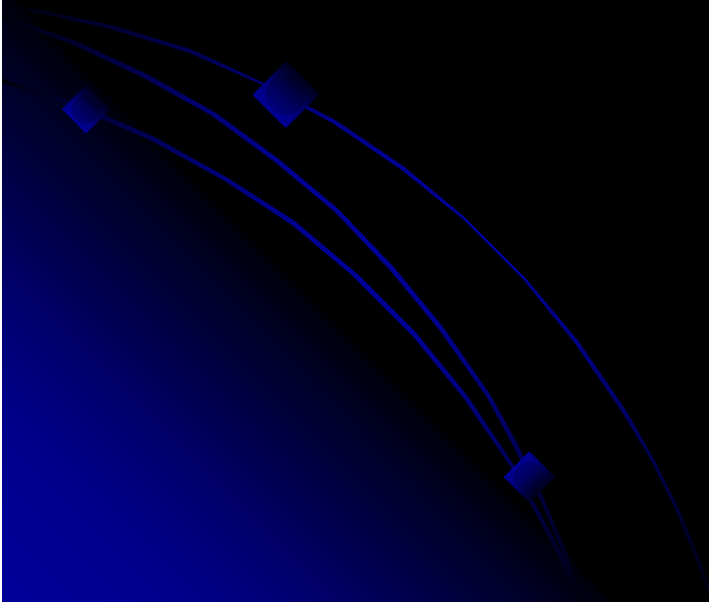
- \$7.76 billion in reimbursements (mostly health) -- approximately 25% of all budgeted funds
- Over 500 off-budget grant programs totaling \$2.5 billion
- Transportation capital funding, \$800 million (*Belmont is working to win \$11+ million for Trapelo Road*)
- Direct grants to many cities and towns

Municipal Health Insurance



Local employee health expenses

- . . . rising rapidly
- . . . consuming most new education aid
- . . . often disproportionate
- . . . impossible to manage in current framework



Municipal plan design reform

- The mayor or selectmen of the municipality will be able to change the municipality's health care plan design or to enter the Group Insurance Commission without collective bargaining.
- However, if the mayor or selectmen adopt a new plan design other than the GIC, the plan must have copays and deductibles no greater than the GIC.
- Employees will automatically receive 10% of the savings from the new plan (in addition to the savings that they may receive through lower premiums).
- Employees will continue to have the right to bargain collectively over the share of the plan premiums that they will pay.

Larger health care cost control debate to be joined later in the session.

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and for additional budget and local
aid materials.

